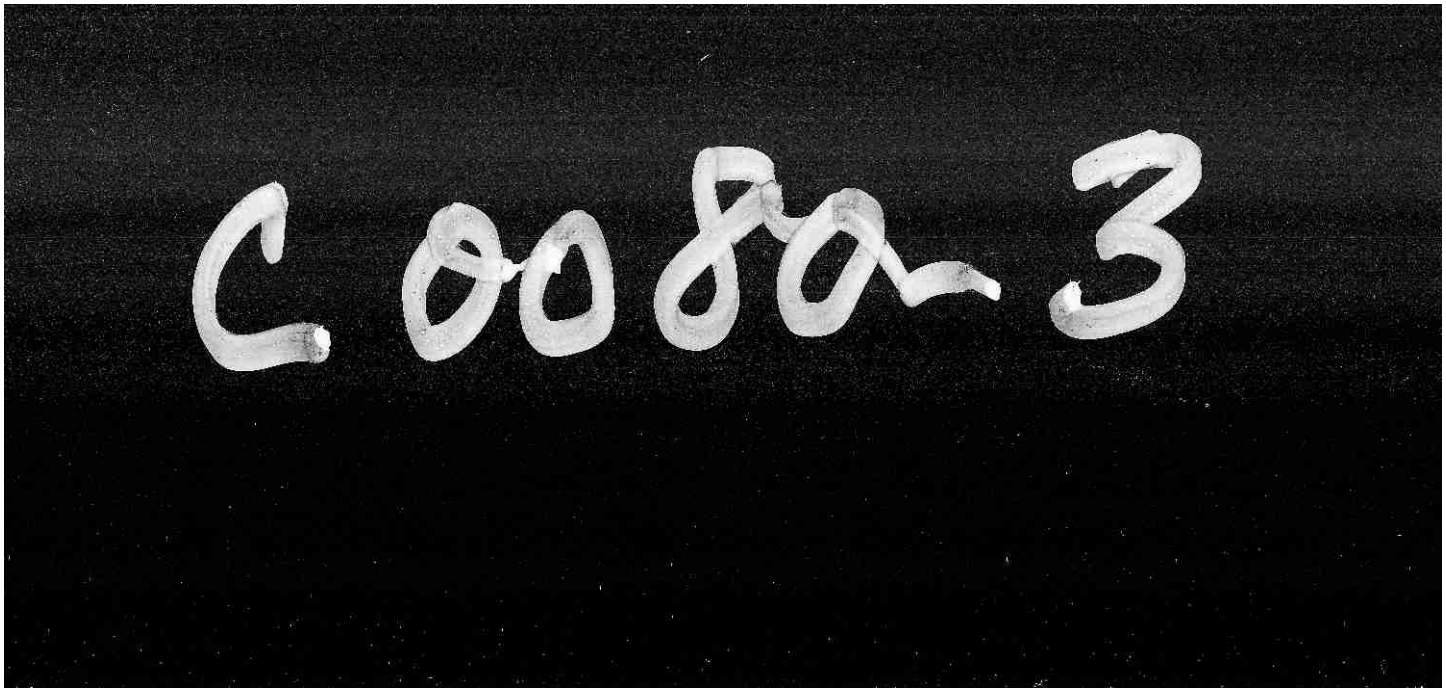
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DEPARTMENT OF STATE

AIRGRAM

(Departmental and Foreign Service)

732.00/5-1262

ACTION		
ARA-4		
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A-479 NO.

CONFIDENTIAL

TO : SecState WASHINGTON

1962 MAY 14 AM 9:20 PM 22555

RM/AN ACCTNG
ANALYSIS & DISTRIBUTION
BRANCH
RM/R FILES

FROM : Amembassy RIO DE JANEIRO

DATE: May ~~XX~~ 12, 1962

SUBJECT : Juscelino Kubitschek Attacks "Coalition" Cabinet

EST/B
5-17-62

REF :

In statement made to conservative Rio newspaper O Globo May 3 Juscelino Kubitschek denounced so-called "national union" or coalition Cabinet installed as part of compromise formula enabling Goulart's assumption Presidency last year. Kubitschek complained "national political union only justified in face of enemy threat in time of war or urgent problems" and went on to imply coalition government paralyzing "activities necessary to functioning of democracy." Ex-President warned lack of vocal opposition left "door open to dictatorship" and alleged "majority Brazilians does not know what it lost with /implantation/ parliamentary system". (UNCLASSIFIED)

Comment: Attacking parliamentary system is in Kubitschek's usual line, but his condemnation of unity inconsistent with his own statements of last fall calling for just that. Juscelino would appear be attempting create issue to keep himself in public eye, presidential campaign of 1965 always in mind. To extent Goulart's May Day speech envisioned constitutional formula permitting own succession in Presidency, Kubitschek's attack may have been countermove. Declaration has received little attention. (CONFIDENTIAL)

GORDON

FILED
MAY 18 12 05 PM '62

CONFIDENTIAL

FORM 11-61 DS-323

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Drafted by: POL:FMicelotta:eh

Contents and Classification Approved by:

Clearances:

GPO 9 25563

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The afflicted area is the traditional drought region which encompasses large portions of Rio Grande do Norte, Ceara, Paraiba and Pernambuco. Neither the congressional investigating committee, whose principal members are from the area, [1] nor Minister Monteiro Filho, who is a Pernambucan sugar mill owner, with his eyes on the PSD gubernatorial nomination, are strangers to the current situation, which has been repeated countless times in the past--that of landless workers driven from their jobs by drought and from their homes by hunger, flocking to the towns to seek relief. Thus far, violence has been at a minimum, although in the town of Pesqueira, less than 100 miles west of Recife, crowds reportedly broke into a church and a market in search of food. Local officials have been appealing to their representatives in the nation's capital for assistance. Deputy Oswaldo Lima Filho (PTB-Pernambuco) who is First Vice-President of the Mesa of the Chamber of Deputies, received a telegram May 7 from Paulo Guerra, President of the Pernambuco State Assembly, who is currently acting Governor, which read in part:

> "The situation in our State caused by drought and the general shortage of food is resulting in the invasion of public markets in the towns of the interior. The famine-stricken masses are resorting to sacking . . . I appeal to you and the other state representatives to obtain assistance from the federal government, such as the release of funds for public works."

Violence in revenge for the death of Teixeira, (see Emb. Desp. 865, May 8), had been feared in Paraiba. A protest march ("passeata") was scheduled for April 10 in Joao Pessoa. It was postponed to May 1, reportedly because of the arrest of two key Ligas leaders and the harassment by units of the Fourth Army, which conducted searches for arms under the pretext of guarding against export shipments of contraband coffee.

On May 1, 5,000 persons assembled in Joao Pessoa, with the military discreetly but discernibly at hand. There was no violence, although some of the placards carried read "We Will Win, With Bloodshed or Without". The 100 buses required to transport the demonstrators were paid for from a fund among the contributors to which several newspapers listed President Goulart. Among the speakers were Francisco Juliao, Governor Pedro Gondim, Communist leader Roberto Morena, and leftist deputies Jose Joffily and Celso Brant. Reportedly the speeches generally stressed the need for land reform; there were few anti-U.S. manifestations but many in favor of Cuba.

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[1] President - Andrade Lima Filho - (PTB-Pernambuco) and Relator - Glidenor Freitas - (PTB-Piaui).

AIR MAIL — CONFIDENTIAL
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XR 732.00
832.062

FOREIGN SERVICE DESPATCH

FROM : Amembassy BRASILIA Office — 878 NO.

TO : THE DEPARTMENT OF STATE, WASHINGTON — May 10, 1962 DATE

REF

IGA-2 AID-11

55 For Dept. Use Only	ACTION	ARA-4	INFO	DEP	RM/R	REP	AF	ARA	EUR	FE	NEA	CU	INR	E	P	IO	ICA
				OTHER	AGR 10	COM 10	FRB	INT	LAB 6	TAR	TR 2	XMB					
	REC'D	5/16			AIR 3	ARMY 5	CIA 10	NAVY 3	OSD 3	OCB	USIA 8	TSA 3					

SUBJECT:

THE NORTHEAST SEEN FROM BRASILIA

SUMMARY

With violence from drought - caused unemployment threatening in the Northeast, although as yet largely unmaterialized, the Council of Ministers has sent the Minister of Agriculture on a pacification and fact-finding mission to the area. He is scheduled to report to the regular meeting of the Council to be held May 18. Remedial action is more likely to be along the lines of emergency public works and possibly granting permission for rural workers to unionize than in any far-reaching agrarian reform. A Congressional committee investigating the Ligas Camponesas has been hearing witnesses in Brasilia, one of whom, an anti-Communist priest, Antonio Melo, predicted bloodshed in two months if reforms are not enacted.

--o--

Since the killing at Sapé, Paraiba on April 2 of Joao Pedro Teixeira, a Ligas Camponesas official, allegedly by gunmen hired by latifundarios, the national press has carried frequent and lengthy descriptions of famine conditions in the Northeast, and a Congressional committee investigating the Ligas has visited the area and returned to Brasilia to publicize its findings.

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REPORTER

FORM 6-61 FS-432 GPO 912696

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

1239

ORIGIN/ACTION

ARA-4

RM/R	REP	AF
2		
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INT	LAB	TAR
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ARMY	CIA 14	NAVY
OSD	USIA	

DEPARTMENT OF STATE

AIRGRAM

(Departmental and Foreign Service)

17

732.00/5-1062

A-3 NO. UNCLASSIFIED

NUMBERED

TO : Secstate WASHINGTON

1962 MAY 14 AM 9 21 AM 10 49

RMA&N ANALYSIS & DISTRIBUTION BRANCH

RM/R FILES file

FROM : AmConGen RECIFE

DATE: May 10, 1962

SUBJECT :

REF : Dept. A-9. ARA

EST/6 JWW 5-22-62 file

Dept. A-9 Received Recife May 2. See ConGen Weekly Summaries Nos. 8 and 9.

DELGADO-ARIAS

FILED MAY 22 3 14 PM '62

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UNCLASSIFIED

FORM 11-61 DS-323

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Drafted by:

Contents and Classification Approved by:

Clearances:

1238

FORM FS-451a
6-1-60

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Page 6 of
Encl. No.
Desp. No. 181
From Amconsul RECIFE

press, including photos of the seamen donating blood. (UNCLASSIFIED)

Eugene Delgado-Arias
Dr. Eugene Delgado-Arias
Consul General

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GPO 802687

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the alarming news that the Merchant Marine Commission (Comissão da Marinha Mercante) has voted to raise marine freight charges as much as 80 per cent. Vita protested in strong terms, pointing out that as major markets were in the South, the North and Northeast would be most adversely affected by the increase. Editorials in Recife's press backed Vita and described the proposed increases as "disastrous and irresponsible." (UNCLASSIFIED)

Comment: Transportation, or lack of it, is one of the major problems confronting economic development of the Northeast. Drastic increases in freight charges at this time can only exacerbate conditions. (UNCLASSIFIED)

3. Swiss Ambassador Visits Recife

The Swiss Ambassador to Brazil, André Domaice, arrived on April 31 for a short visit in Recife. During his stay he called at SUDENE, CODEBE, and on the Governor. The Ambassador reportedly discussed Swiss investments in Brazil and was quoted in the press as saying that the "Profit Remittance Law" had indeed caused many Swiss investors to think twice before risking their capital in Brazil. (UNCLASSIFIED)

PSYCHOLOGICAL

1. Press Round Up

The Recife press focused major attention during the week on the critical situation wrought by food shortages and attendant high prices. All papers reported at length on shortages, their causes, hunger marches in the interior, and efforts to ameliorate conditions. Acting Governor Paulo Guerra evoked favorable comment by declaring food stocks "a public utility." Jornal do Commercio on May 6 described his action as "opportune intervention." Jornal's leading editorial on May 5, entitled "Drastic Warning", asserted that hunger marches in the interior constituted one of the last warnings of the urgency of the situation. The Communist paper A Hora painted the hunger and poverty of the camponeses in lurid colors and declared that neither state or federal authorities were doing anything about it. Governor Cid Sampaio restricted himself to pathetic appeals for Alliance for Progress crumbs, said A Hora, while President Goulart and Prime Minister Tancredo NEVES continued to ignore the people's warnings. (UNCLASSIFIED)

The visit in Recife from May 2 through the 4th of the "U.S.S. Arneb" (AKA-56) resulted in considerable "good press". Sailors from the Arneb donated blood to the local cancer clinic, organized a party for orphans and showed color films of operations in the Antarctic to a crowd of almost 200. The Captain held a much appreciated press conference, followed by open house and inspection of the ship. He also offered a luncheon for high ranking local civil and military officials. All activities were fully covered by the

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4. Squabble Over Powdered Milk Continues

The lawyers of the Pioneiras Sociais this week lodged a formal complaint with the courts against State Deputy Esmerino ARRUDA and Governor (of Ceara') Parsifal BARROSO. The Deputy was accused of stealing 40 tons of milk from the Pioneiras warehouse, the Governor of complicity. Meanwhile, the Governor's camp is sticking to the position that the milk was "liberated" to prevent its misuse and possible theft by the political opposition.

Rumors are rife that the Army will be called upon to take over food distribution. (UNCLASSIFIED)

ECONOMIC

1. Food Shortages and Soaring Prices

Continuing food shortages and insanely galloping prices led to serious political repercussions this week (see Political Item No. 2). As concern generated by last month's acute situation lessened, so did emergency food shipments. Seasonal rains, though heavy in the sertao, were exceptionally light this year in many areas within the agreste zone. Crops are expected to be small. Thus scarcities of basic foodstuffs continue, and prices are getting further out of control. The State Department of Statistics reported this week that food prices as a whole have risen 50 per cent in the Recife area in only four months. Beans are up 250 per cent. The price of mandioca flour, which had increased only 300 per cent in 5 years, suddenly shot up 500 per cent in the last four months. Both rice and potatoes rose over 200 per cent. On an inspection tour of the state this week, Secretary of Agriculture Antiogenes FERREIRA admitted that the situation was far worse than he had expected, and in view of sparse rainfall in the agreste could now only worsen. (UNCLASSIFIED)

Comment: Despair occasioned by rising prices can only be fully appreciated if viewed against the background of the worsening Northeastern economic situation as a whole. Classic laws of inflationary spiral have no bearing on current price increases here. While during the past four months prices have sky-rocketed, wages have remained almost static. The legal rate of cruzeiro-dollar currency exchange is unaltered, and "free-market" rates have actually fallen. Money is tight, investment still extremly low, unemployment on the increase, and the sugar crop, on which the area largely depends, stacked up unsold in the warehouses. (UNCLASSIFIED)

2. Hike in Maritime Freight Charges

Miguel VITA, the President of the Pernambuco Industrial Center (Centro de Industrias de Pernambuco), returned from Rio this week with

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Comment: The situation in Pernambuco has taken on crisis proportions. Unless Governor Sampaio is able to check the rising prices on food and to insure that basic food items are made available to all consumers in sufficient quantities, he may have to combat a rising tide of violence. The possibility of violent outbreaks aside, a situation of food shortages and astronomical prices in an election year can be expected to help the chances for election of the opposition, notably leftist gubernatorial candidate Miguel Arraes. (OFFICIAL USE ONLY)

3. Ligas Camponesas May Day Passeata Draws Crowd of 5000

The widely-publicized Ligas Camponesas passeata, held on May 1 in João Pessoa, Paraiba, was a success, drawing a crowd of over 5,000 persons. Of these, over 3,000 were members of the Ligas brought into João Pessoa for the occasion aboard special trucks and buses. The remaining members of the audience were primarily students and members of local trade unions.

Speakers for the event included Governor Pedro GONDIM, Federal Deputies Celso BRANDT and Jose JOFFILY, Pernambuco State Deputy and national leader of the Ligas Camponesas Francisco JULIÃO, President of the Paraiba federation of the Ligas Assis LEMOS, and trade union and student representatives. Most of the speakers deplored the murder of Ligas official João Pedro TEIXEIRA, and warned that the continued use of violence by landowners to thwart the Ligas Camponesas would force the Ligas to retaliate with violence. Others went further, presenting the alternatives of immediate agrarian reform or a violent social revolution, and one speaker (a trade union leader from Rio de Janeiro) made a clear plea for a Communist revolution which would place all power in the hands of workers and peasants. Several speakers commented favorably on the progress of Cuban workers and peasants following the revolution, and compared Paraiba today to pre-revolutionary Cuba. There were no anti-American sentiments expressed at the meeting. (OFFICIAL USE ONLY)

Comment: The enthusiasm of the audience was possibly the most noteworthy feature of the entire event. This was no stone-faced crowd, listening stupidly to strange men voicing strange thoughts. The members of the audience understood, liked and supported what was said. Each call for an affirmation of support from the audience brought forth a vigorous and enthusiastic response. A Consulate General observer at the passeata was left with the impression that leaders of the Ligas Camponesas had succeeded in creating a real feeling of class solidarity which, with ease, could be transformed or developed into a feeling of class hatred. In any event, the passeata's success offered convincing testimony to the strength of the Ligas Camponesas in Paraiba. (OFFICIAL USE ONLY)

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political campaigns this week. UDN gubernatorial candidate João CLEOFAS, without fanfare, returned to Recife from a trip through the sertão and immediately announced plans for another such trip. It is reported that on these pilgrimages Cleofas is bargaining for the support of political leaders in the interior.

The PST announced that its state convention would be held in Recife to select candidates for Vice Governor, Senator, Federal Deputy, and State Deputy. The PST's candidate for Governor will be Recife Mayor Miguel ARRAES.

The PSB, the local Diario da Noite reported, will also hold its convention within a short time. The Diario stated that the PSB will probably support Arraes' candidacy for Governor and will nominate Federal Deputy BARBOSA LIMA SOBRINHO for Senator and Vice Governor Rui Lapidas SILVEIRA and State Deputy Francisco JULIÃO for Federal Deputies. (Official Use Only)

2. Hunger Marches in Pernambuco

Starving "flagellados" (desperate ones), driven to despair by vanishing food stocks, drastically increasing prices, and decreased employment opportunities set out on hunger marches this week. In various cities of the interior, "flagellados" formed bands to descend on municipal markets, intent upon taking by force the food they are unable to buy. In Limoeiro, Arcoverde, Belo Jardim, Pesqueira, Custodia, Santa Cruz da Capibaribe, Vertentes and Bezerros, groups ranging in size from 100 to 1000 persons attempted to sack local markets to obtain such basic food items as beans, rice, and flour which, due to a real shortage of stocks, have been priced beyond the reach of the average rural worker. Violence was apparently avoided only when state and local government officials initiated immediate emergency distribution of small quantities of food items. State authorities became thoroughly alarmed, and Acting Governor Paulo GUERRA (Governor Cid SAMPAIO was in Rio de Janeiro attempting to arrange for emergency imports of beans and other basic foods) despatched telegrams to President GOULART and other federal officials, requesting emergency assistance, and obtained for distribution in the critical areas of the state part of the shipment of corn which SUDENE received last week under the Food for Peace Program. Two days later Guerra declared all existing food stocks in the state to be a "public utility," thus subject to confiscation and control by the state government. Guerra has declared that he will allow no basic foodstuffs to be shipped out of the state and, if necessary, will confiscate privately-owned food stocks for distribution to the needy and, possibly, for resale at below market prices. He also called on the Consulate General for assistance in having the MATS fly supplies of beans from Ceará State to Pernambuco. (UNCLASSIFIED)

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MAY 11 1962

FOREIGN SERVICE DESPATCH

FROM : American Consulate General RECIFE — 181 NO.

TO : THE DEPARTMENT OF STATE, WASHINGTON. — May 9, 1962 DATE

REF :

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20 For Dept. Use Only	ACTION	ARA-4		2	1							5				11
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SUBJECT:

Weekly Summary No. 12

DEPARTMENT OF STATE
BUREAU OF
INTER-AMERICAN AFFAIRS
MAY 15 1962

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3. Swiss Ambassador Visits Recife

PSYCHOLOGICAL

1. Press Round Up

POLITICAL

1. Political Campaign Developments

There were no apparent developments of importance in the areas

Distribution: Amembassy Rio, Amembassy Brasilia, Amcongen São Paulo, ARA/Brazilian Desk

Department pass: Amconsulates Belem, Belo Horizonte, Curitiba, Porto Alegre

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REPORTER

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

U.S. GOVERNMENT PRINTING OFFICE: 1961 O - 612810(17)

FILED
MAY 21 1962

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leading us to tragedy. We must keep the economic interests from continuing their exploitation of the country, bringing misfortune upon it and upon us. This is what I intend. I owe it to each one of you. Not only to my closest associates, but to the laborer, the farmer, the clerk, the student, the mother, the trusting manufacturer, to my brother crushed by skepticism and suffering. Never I have felt stronger than in this hour. It is for this very reason that I acclaim to all the tremendous task. And I affirm, to the incredulous, to the indifferent, to the selfish, that if we do not unite to give bread to the hungry, water to the thirsty, clothing to the naked, justice to the persecuted, the fair portion which is their due as participants in our heritage, we shall all fall into darkness. And if, fellow Brazilians, we fall into that darkness, we shall find it a darkness without end.

POL:HAQuinn:jw:rpc
POL:FMicelotta:rpc

1231

me a specter to perturb my conscience in the exercise of my duty.

There was another door: it was not exactly the same one chosen by another President. He, for various reasons, permitted the mounting of an inquiry and only much later realized that the real target of the proceedings was his own person. Alas, only the dignity of death was left to him. I saw that clearly. It was not the contingency I wished to have to surrender to, because by God's mercy I still preserved dignity in my life. Therefore, I resigned. It was not long before I received news of my legal successor's joyous installation. With rare exceptions, the political atmosphere of Brazil was one of euphoria. Everybody accepted it. But I could not remain. If I remained I would be a focus of agitation. In order to avoid anarchy, there was left to me, for the good of my country, only voluntary exile. It was what I did. I do not say that I have no responsibility for the parliamentary system that was installed, nor do I fully reject it. For the maintenance of the politico-administrative system against which I was elected in a popular rebellion, monarchy could have been adopted, as well as parliamentarianism. And now, my countrymen, my final words. I have been urged to condemn men. I refuse. They do not matter. I speak in the special character of one who has occupied the Presidency of the Republic.

I am exhausting his biography. I will confess to my worst enemy, merely for the sake of argument, to a firm desire to serve Brazil. Our government is totally inadequate to the national needs. It is necessary to adjust Brazilian politics, administration, economy, society to Brazil's present requirements. It is necessary to find within the democratic pattern, paths along which our Constitution, the people's vote, and consequent fundamental changes may meet new requirements. We must find in the people the only fount of nationalism, collect their aspirations and convert them into tangible realities. We must wed our politics to the nation, heal this divorce which has always existed and which will bring about our destruction. I have not lost faith. And because I have not lost faith, I continue the fight. Now I am one among all of you. I have nothing left. Nothing except the certainty, which I reiterate to you, that in no moment did I betray you. I shall go out now to preach to the nation. I shall go to the cities and to the countryside. I shall speak to all, proclaiming the profound reforms that will enable us, government and people together, to transform ourselves into a great nation.

In this crusade in behalf of the people we must keep the corrupt, the reactionaries, and the Communists, in key posts, from

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A second hypothesis: I could refuse to heed the Chamber that gave me nothing, that strove only to depreciate me and strip me of all prestige. I could simply say: My ministers will never testify in these circumstances. I did not think much of this. I knew that the testimony was not in itself important, rather the process, the objective of which was the nation's chief. By choosing either alternative I would have started the country on the path of unpredictable repercussions. If I had overcome my scruples against intervention I might perhaps have bloodied my hands as part of the process in which the denunciation involved me. It was said, in rebuttal to me, vis-a-vis the Chamber, that if it made a mockery of its authority as it did of mine the last step would have been taken toward the destruction of that power which had already lost the respect of the masses. Alas, even the well-informed men--and the Chamber has them--would have to react in its defense. We would have aggravated the constitutional crisis, the irremediable conflict of forces, so as to lead inexorably either to surrender or to the inevitable consequences. Finally, I could resort to a coup. My fellow citizens, I never concerned myself about the so-called military situation. I considered this to be a matter exclusively for the excellent ministers of the respective forces.

I did not have what is called my own military clique (dispositivo). I did not encourage this. /I sought/ only that for commands and promotions the best soldiers be chosen. I desired merely submission to the law, that is, to order and discipline, in the three services, for only thus could I give myself up to my work. I never persecuted anyone or hinted at persecutions. But the coup? I had sworn to uphold the Constitution. I was one who had been borne up on the shoulders of the people from assemblyman to the Presidency of the Republic. All my preachments supported the democratic process. This had opened up to a modest lawyer and teacher the supreme magistracy of the nation. It had been and should be the guiding star of my life. At no time had I made common cause with forces of dictatorship, as happened with some of our best democrats. I never sought anything from them and never received anything. I was not elected to tear up, when at bay and menaced, the Charter to which I swore. The three recourses waited there before me. I repeat for your information: the authority to command power assigned to me was complete. Authority resulting from moral integrity, from the rigorous exaction of duty, from directives from the roots of the populace--I felt about me, watchful, the fervor of the Brazilian people. The hypotheses that presented themselves to me did not convince me. Any of them would strip me of my authority. Any of them might, it did not matter whether successful or not, plunge the nation into mourning. By adopting any one of them I would betray myself, renege on my promises, and I would have always before

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Soothed by my conscience, and accustomed to his invectives and excesses, I attached no great significance to the accusation. In the early morning, on my way to the Palacio dos Despachos, and only then, I found out what was happening. The terrible forces to which I would allude some days afterward in my message of resignation had succeeded in assembling the Chamber of Deputies and the Chamber President had converted the deputies into a Permanent Committee of Inquiry. They spoke of the "beginning of important proceedings". They spoke of "indictment". Immediate summoning of "the accuser and the accused" to the session was urged. Ministers were not involved, only the President, of whom the former were mere delegates. The authority of the Executive branch was what they wanted to destroy--destroy and tear it to shreds in that same afternoon, setting it down in an injunction indicating the day, the place and the hour. All this in contradiction of the law of the Chamber, of the Constitution itself, which makes ministers responsible only to President or to the Supreme Court. If the injunction were well received the Executive branch would be defiled. Besmirched by the dishonor of censure, its strength, which rested on respect for the law, its inflexible application depending on its Chief in the majesty in which the people who brought him to the office arrayed him, would disappear. Robbed of independence in order to subject its incumbent to an infamous and violent process, combating him under some legal pretext, the seat of the Presidency would be broken into, invaded, as was done on another occasion, with another President.

It was Soldier's Day. I was to participate in the ceremony. I was to accord honors to military units. I assembled the military ministers. Also the Minister of Justice and the heads of my military and civil advisory staffs. I described the gravity of the situation. I found them already informed. Once that monstrous Permanent Committee of Inquiry was established--Permanent Committee of Inquiry!--which the Chamber had constituted itself that morning, Presidential authority would disappear. This was the only patrimony of the government. A patrimony obtained in the revolutionary manifestation of the polls, the same manifestation that deprived that majority of its authority. It was the government itself, its voice, its firmness, the respect that formed it, its strength. There was no way to support the abuse except by capitulation. With my associates I examined every alternative: I could intervene in Guanabara. It was one hypothesis. Resignation might placate them, by shifting the area of the crisis.

We found no solution that seemed to me expedient to adopt. The very political and moral authority that I wished to safeguard seemed incompatible with intervention, which would assume in the eyes of many of my countrymen the character of vengeance, or of flight from my responsibilities of that time. I put the idea from me.

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and making Brazil a bridgehead for the completion by Russia of what it began militarily in Cuba with the invasion of technicians who are preparing for all of us days of agony". It was not true. This statement, like others that preceded it, is even today doing us great harm beyond our borders. In the world's unfortunate ignorance of Brazil caused by our governments, Rio de Janeiro was still confused, as it is even today, with the capital of the republic. For this reason, the news that went out from our country, often slanted, and even contrary to our preferences and to the real picture, aggravated the confusion. It was said that we had two persons responsible for the leadership of our affairs, or that two countries existed.

In the Congress the messages I sent did not progress. The anti-trust bill I proposed was considered leftist and was mutilated. My profits remittance bill was considered rightist and another was substituted for it. It was not long before a general attack on my government was launched by the press, political channels and the great majority of the Chamber.

Party leaders, traditionally incompatible, threw themselves into the fight against our policies of austerity and popular liberation based on a common denominator. The UDN, strongly represented in the administration, was left to me. In those first days of August, meanwhile, the President of the UDN sought out the Minister of Justice in order to indicate to him his colleagues' dissatisfaction with the course the Executive was following. This disagreement, I adduced, would be polarized by the Governors of Alagoas, Bahia, Pernambuco, and Guanabara. In the same proportion that I had the people with me I had the politicians prevailing against me. The indifference to the public good, to the promotion of measures of general interest, demonstrated by almost the entire Chamber, now transformed itself into a dynamic, implacable mobilization against the President. When in the exercise of my prerogatives, for what I believed to be over-riding reasons, I conferred the Order of the Southern Cross on the Cuban Minister of Economy, and made it quite plain that I was honoring the Minister, the press reported a movement among officers of the Armed Forces to strip themselves of their decorations and return them. On August 1 the attacks on the government increased in unison and went on accelerating until the 24th when the Governor of Guanabara undertook to announce on television, in a profoundly official way, that close associates of the President planned to destroy the democratic order. He admitted he had no proofs. What he said exactly was, QUOTE: Let it be my word against his. END QUOTE

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I did not think that the forces against me could persist in opposition to popular sentiment. I was aware of the permanent hostility of a few dangerous Communists. I had fought them from the beginning of my vertiginous but troubled public life. They always combated me. I always combated them. I combated them secure in the conviction that I held and still hold that we would find the solution for our ills within the framework of a democratic government, for with the advancement of the courageous organic changes that would render Brazil to Brazilians, with our governing authorities inspired by authentic, sound nationalism, the people repel with equal repugnance the Sovietization of the country as well as the dictatorship of internal and external economic power that exploits us.

These reforms ought to rest on the institutional structure of our society, being adapted to our times, to new requirements, permitting the government, through well-conceived, efficient and sure methods to organize its objectives in behalf of social well-being. These reforms, in sum, would give legitimacy to popular representation. These reforms would do away with the demagogues, the liars, and the crooks, and at the same time make impossible the exploitation of man by man, to the profit of bad Brazilians and foreign cupidity.

Some, Communists and spokesmen for this corrupt and corrupting economic power, got together for my deposition in the strangest of all symbioses. Anyone who examines the national scene for August will find, in apparent contradiction of beliefs but with complete identity of ends, these economic power groups and these Communists clasping hands--that is, the economic and financial interests of Brazil and abroad, at the side of Red agents, engaged in the same task of demoralizing and causing the collapse of the government.

I clipped the wings of the first group, limiting their voracity. The government got ready to discipline them, respecting capital and private enterprise, but requiring them to put themselves at the service of the nation and its people.

I struck at the foundations of the second group by showing the informed proletariat that the remedy for our ills did not have to be imported, nor did it presuppose the suppression of Christian, moral, or indigenous values, which we consider irreplaceable. On August 3, in Brasilia, I received the President of Peru to whom I described the basic beliefs and path of our country in the international field.

Soon after in Rio de Janeiro, addressing himself to the same President, the Governor of Guanabara declared: "Our present foreign policy is destroying the unity of the American hemisphere

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I would not even discuss that policy. I affirmed that the Brazilian people's fidelity to democratic processes, continental unity, and its own institutions, under the menace of financial and economic crisis, hunger, misery and social injustice, was subject to the success of our understandings with our powerful neighbor of the North, whose new administration we regarded with strengthened hopes and whose people we held in brotherly esteem.

Everyone will recall that before leaving our country, already replaced and with this fact already announced, Ambassador Cabot permitted himself to make public declarations in Rio which amounted to improper interference in our policy. Losing no time and availing myself of the opportunity presented by the inauguration of an Argentine art exhibit in that city, I gave him the peremptory response which the patriotic sentiments of Brazil demanded.

In July came the turn of the Ambassador of the Federal Republic of Germany to convey to me the irritation of his government--at the news that a Brazilian mission would visit the "other" Germany, and that we would receive here a Minister or Ministers of that government. He wished to know whether this implied a revision of our position on the Berlin question and the possible recognition of that state. I replied in the negative to the first inquiry, although I insisted that the only possible solution to the Berlin question acceptable to Brazil and her people was a peaceful one. With respect to the second inquiry, I told him that it was not being considered, at least not at that moment, while the UN and various nations were examining the problem. Brazil reserved that right /of recognition/ to herself alone. And I added that, neither I personally nor our people having been responsible for the existence of two Germanies, I bowed to reality, and would trade with both without consideration of anything beyond our own interests. I would trade with ten Germanies if ten existed.

Of course powerful newspapers and eminent figures representing all sectors of economic, social, and political power declared open war on my government. Impeachment was talked about. The generals' manifesto was read from the rostrum of the Chamber of Deputies. And the Governor of Guanabara began a series of virulent attacks on my foreign policy. He accused me on the basis of appearances, but he was not mistaken in assuming that the politico-administrative and socio-economic program I purposed was based on that foreign policy.

I felt quite calm. I had confidence in the authority of the Presidency, in the authority of the government. I thought that as long as I was sincere, as long as I did not bind or ruin myself by concessions and compromises, the people would not deny me, as in fact they did not, their understanding and support.

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warmed by our sympathy, historic mark of Brazilian generosity. On the other hand, in its total aspect such a policy was also based on the best Christian sentiments and on an attitude against the oppression and resignation which characterized the Brazilian past.

Few nations could speak to these new nations with authority equal to ours in the fight for the harmonization of all races and shades of opinion, encouraging them on the moral plane above all, warning against excesses, preventing desperate acts of reaction from inflaming all humanity. This is our role. One in which the odds are with us. And also to our good fortune, the one we are predestined to. This course, taken for revolutionary by many, but inevitable for the people and for me, had been fully announced in my campaign.

The press published in full the speech I made and I repeat here some of its passages. QUOTE I am thinking about Cuba. It is a subject that everybody should ponder. I see in Cuba the just and powerful yearning of a people seeking its economic and social emancipation. A people fully engaged in a process of national affirmation, bereft of understanding and encouragement. The tragedy of Cuba which created the half-heroic, half-romantic figure of its leader, threatens the entire hemispheric system. Ill-judged, it could destroy the laborious political and juridical work of the Organization of American States. END QUOTE And I added at that time, in public, QUOTE: I wish therefore to affirm that there shall not prevail in the world of today the rule of political, military, and economic sanctions. Such methods have been relegated to the museum for diplomatic archaicisms. END QUOTE

Events proved this analysis, made public in July, 1960, prophetic. My opponents, and many of those who supported me, refused to believe in what I said. Among the first group there were some who thought I was merely playing to the crowd. That I was perpetrating a hoax. Among the latter some spread the rumor that my statements aimed at permitting, through cleverness and fluent words, the barter of men for the permanency of the system.

It was not long before displeased interests, inside and outside the country, spoke up. Visiting me in March, Mr. Adolf Berle, Jr., Co-ordinator of Latin American Affairs in the Department of State, manifested his apprehension over the Brazilian orientation. He referred to United States investments in Cuba and insinuated joint action by the hemispheric family, of political, economic, and even a military nature, against that country. I rebuffed him politely but firmly. This visit was followed /sic/ by that of Ambassador Cabot in February, and again on August 17 when, cautious but obstinate, he reiterated his displeasure.

In April, Mr. Dillon tried in my presence to establish a correlation between Brazilian foreign policy and our obligations and financial necessities vis-a-vis the United States. I told him

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It was finally arranged that the U. S. Government transform into grants for the Northeast 34 million dollars worth of the funds realized from the purchase of wheat by the previous government. The economic situation, however, presented still graver prospects. Brazil is a country notoriously avid for capital and of a small rate of savings. This phenomenon results from the low real income per capita in consequence of an insufficient volume of investments, which itself is caused, in part, by the same lack of savings. Thus is complete the vicious circle which our exchange policy attempted after the war to break by an exchange system composed of measures of questionable merit. In a short while, the system was completed whereby the commercial exchange earnings were distributed to industrial investments.

By means of the so-called exchange confiscation, advantages were extracted from the statistical position of coffee and from the international prices of raw materials and foodstuffs during and after the Korean War. The co-existence of the exchange system with the internal inflationary situation generated, as is known by all, a transference of purchasing power, moving it from the export sector to the import sector of our economy. Large imports of equipment, of raw materials for investment were effected. When the possibilities for expansion were reduced, recourse was had largely to foreign financing in order to restrain the level of imports. In this manner, we arrived at a position of having foreign debts in the fabulous sum of two billion dollars.

I adopted drastic measures to contain public expenses. The torrent of /currency/ emissions, I restrained as necessary. And I attempted to expand our foreign commerce, for the alternative was to expand it or perish as a sovereign nation.

The limitations of our foreign commerce flowed from the limitations of our foreign policy. We had to break out of the chains which yoked us to ideological or economic imperialisms. Relations with Cuba, with the new countries of Africa, of Asia and with the countries of the Socialist Bloc were a fundamental requirement for our progress and for our sovereignty.

Cuba, in connection with these preoccupations, was not merely the site of a victorious revolution in the Caribbean: it came to represent the very foundations of hemispheric policy, the affirmation of the principles of self-determination of peoples and non-intervention. Beyond that, the Cuban problem resolved into a splendid opportunity for Brazil.../to make its/ adult presence /felt/ in the relations of one power to another.

There would open before us limitless horizons for action in the new or socialist nations emerging from decadent colonialism,

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European banks drew up a stand-by agreement in the value of 110 million dollars; (6) the Treasury of the United States granted 70 million dollars for financing; (7) the Treasury of the United States gave another 100 million which were to be paid us in September, 1961 upon the approval of the bill sent by President Kennedy to Congress, and which would be repayable in 50 years; (8) private U.S. banks granted still another 48 million dollars repayable in five years; (9) the United States Government made a wheat agreement, payment for which would be in cruzeiros over a period of forty years, with a four year moratorium, and minus 14 million dollars which would be donated to Brazil; and consented also to change into a donation 34 million dollars of the value of the wheat agreement negotiated with the previous government, which [dollars] would be given to the Northeast.

The unsuitability of the financial policy then being pursued was obvious. It had discouraged exports at the same time that it had stimulated imports. This was creating a state of economic strangulation which necessitated our having recourse to loans, various of which had dominated our balance of payments because of remittances of interest and principal. In order for the economic development of Brazil to go forward, it was essential to increase exports; if it were successful, we should be able to cover the exchange commitments of previous governments without prejudice to continuation of the imports essential to Brazil, particularly equipment for the petroleum industry.

The previous system of "exchange confiscation" contained an undisguisable contradiction. It decreased the export of agricultural and industrial products in order to maintain at a stable level the receipts of strong currency provided by coffee sales.

The repercussions of this phenomenon on the productive structure of the country were profoundly incongruous. For if on the one hand the system decreased the production of various articles, on the other it channeled available resources toward the cultivation of crops [i.e., coffee] which accumulated in such a way as to prevent a drop in the exchange receipts.

In this manner, if that vicious circle was in one way overcome, an echo was created which must also be overcome. The solution was an increase in exports as I have already said, an objective which we attempted to reach with the aggressive commercial policy of the government in the conquering of new markets, wherever they might be. Despite its difficulties and (occasional) disadvantages, the commercial policy which I introduced presented results which were frankly encouraging. In 1959, the export licenses, with the exclusion of coffee, attained, up to August, a figure of 427 million dollars, 427 in 1959, 435 in 1960--and almost 500 million dollars in 1961.

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I placed myself at a distance from the majority, at the distance authorized by the Constitution, and gave myself to the Herculean task, certain that my opponents themselves would become convinced by the work which we were carrying forward, I said Herculean, and I said it truly, for it had to be created from Brasilia. If I had hesitated in doing this, the capital would have become converted into a city /similar to those/ of the ancient Mexican civilization, abandoned almost intact in the sepulture of the forest.

The budget approved for 1961 carried a deficit of 56 billion cruzeiros, to which should be added 57 billion more for the salaries of public employees which had not been included /in the budget/, and an additional 21 billion which had to be given to the National Railroad Network and to the Merchant Marine, totaling 134 billion. To this should be added 73 billion of carry-over to be paid and special funds and credits which would total 206 billion (sic). To this should be added still another 30 billion, destined for USIMINAS and COSIPA, to the Alkali Company and to "Petrobras", which would make 240 billion (sic). In addition, there were commercial arrears on the order of 400 million dollars, at an official exchange rate of 18.92 cruzeiros, whose /exchange/ auctions resulted in a total of 92 billion, 400 million cruzeiros. One hundred and forty million dollars in "swaps" had to be paid and 650 million dollars at an exchange cost of 100 cruzeiros. There the difference alone was on the order of 52 billion cruzeiros. Thus the potential financial deficit for 1961 was on the order of 440 billion cruzeiros, almost one-third of a trillion!

I decided to: (1) slowly eliminate the "Cambio de Custo"; (2) drastically cut the budget for investment and materials; (3) increase the receipts coming from "the fiscal dollar"; (4) increase the income from the profits on import letters; (5) increase income with a re-evaluation of the stocks of wheat, newsprint and petroleum; (6) revise the rates of subsidized public services.

The results of negotiations on the external debt were as follows: (1) the International Monetary Fund postponed the payment of 140 million dollars and granted a new credit of 160 million; (2) private banks in the United States consolidated debts in the amount of 210 million dollars, to be repaid in six quarterly payments beginning in April, 1963; (3) the Export-Import bank consolidated the remainder of loans in the value of 200 million dollars, giving a term of 20 years (in which to make payment) and a moratorium until December, 1963, and at the same time consolidated 92 million dollars granted for financing various undertakings, which were to be repaid in 20 years, payment beginning in 1967; (4) the European creditors consolidated debts of 300 million dollars for a term (of repayment) of ten years, with a moratorium of two; (5) private

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During the campaign, they attempted to paralyze me with commitments. The old methods, unacceptable to the multitudes /who had been/ paralyzed with misery, attempted to survive using my candidacy as an instrument. Few of those who surrounded me wanted the fundamental reforms which had become necessary. Instead they hoped that my campaign would perpetuate the decomposing system, maintaining the governmental hoax in which some rose to power and others descended therefrom.

Everyone will remember that, at a certain moment in the campaign, I renounced my candidacy. The professionals of the system believed that this was a farce. But many of those who remained at my side and many of those who betrayed me verified that it was serious. Later I accepted /the idea of/ continuing as a candidate, because I believed that the renunciation was a serious warning. And because I believed that it was my duty to attempt to carry out, within the /framework of/ prevailing institutions, the reforms which had become necessary.

To this I dedicated myself, taking up the campaign again, but on the basis of absolute insistence on the point that the expression of popular will through my candidacy would not be distorted. After a memorable campaign all through our land in which I declared with brutal frankness the viewpoints and the aims of the people, I was, by six million Brazilians, placed in charge of the leadership of the country. Note that no detail, no point of anything I did afterwards, had I failed to proclaim as a candidate. Know this, for the people can attest to it.

There are, for example, the speeches I made on international relations in general, and on Cuba in particular, at the headquarters of a magazine, and a program for future action called Guidelines for the Government that I read in the public square at Recife.

Once elected, I was in a minority in the Congress. And the majority, refusing to go along with my victory, would be willing to go to any extreme. The elections had invalidated the mandates of three-quarters of the members of Parliament and my government, by doing what had been promised, would ratify this nullification (of mandates).

The majority was representative of the anti-Brazil, of Brazil the debtor, unpunctual in its payments, anarchical in its administration, unstable in its social order, a puppet in the international sphere. It was representative of the Brazil of special favors, of pay-offs, of misuse of public funds, of sumptuous public works which were making a proletariat of the middle class and bringing the proletariat itself to a state of abject poverty. All this Brazil had to endure in the name of democratic freedom, of "developmentism", and even national emancipation.

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Brazilians:

On the 25th of August, 1961, in the full exercise of my prerogatives /as President of the Republic/, I realized that, without a loss of authority and honor, I could not possess the conditions for the loyal discharge of my duties. I could have preserved them only through violence or a shameful capitulation. Thus, the resignation.

Before me, another Chief of the nation, whose memory I fondly retain, went to the extreme of suicide and left as a motive for this gesture reasons whose relevance was no greater. I was aware that in the exercise of /Executive/ Power I had been making use of the same /until then/ almost inert forces which were now combating me, aided, it is obvious, by many who until that time had been at my side for the sole purpose of defending their own interests. I converted myself into a common man, a simple citizen, one among you, without immunities or the armor of the economic and political systems or groups. I did not hesitate, for I said to those present in those months of drama: "I was not born President, but I was born with integrity".

Voices are now raised demanding that I offer minute explanations of the reasons for my resignation. Many of these voices, paradoxical as it may seem, are the voices of those who either directly or indirectly conspired in the scheme which brought me down. Others are but the voices of those who are curious, or possibly /the voices/ of indefatigable skeptics. There are, without doubt /among them/ the voices of those of my fellow citizens of the purest public spirit, lovers of their fatherland, perplexed or upset. And it is to these, principally--to these whose faith has vacillated--that I direct myself. In a general way, it is comforting to know that the anonymous and humble people do not expect or demand an accounting. Proof of this is the receptions I was given in Santos, São Paulo, and Belo Horizonte, which those whom I oppose have attempted to distort, hiding the demonstrations of popular affection and confidence.

I shall speak to those who want a Brazil /which is/ austere, proud and sovereign. But I shall also speak to the prevaricators and the corrupt politicians, to those whom passion has blinded, even at the beginning of this shocking national tragedy which I anticipated.

The elections of October, 1960 hold a lesson: the people repudiated the political parties, condemning methods and political platforms already outdated. I note today once more and with greater vehemence this undercurrent of rebellion which was felt during the electoral campaign.

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APPROVED:

Niles W. Bond
Deputy Chief of Mission

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task of demoralizing and causing the collapse of the government".

In Quadros' television analysis, the precipitating events leading finally to his resignation were two: Governor Lacerda's intention "to announce on television...that close associates of the President planned to destroy the democratic order"; and on the same day (August 24) the Chamber of Deputies' constituting itself a Permanent Committee of Inquiry to investigate his government. His authority threatened, Quadros said, he convened his Cabinet in order to consider possible courses of action, of which they found three: (1) Intervention in the state of Guanabara to put the quietus on Carlos Lacerda; (2) Refusal to cooperate with the Committee of Inquiry by forbidding cabinet ministers to testify; (3) Seizure of all power ("golpe").

"The hypotheses...did not convince me", Quadros said. "Any of them might, it did not matter whether successful or not, plunge the nation into mourning. Adopting any one of them I would betray myself, renege on my promises, and I would have always before me a specter to disturb my conscience in the exercise of my duty... Therefore, I resigned".

He had not lost faith though, Janio announced. "And because I have not lost faith, I continue the fight". And he promised a "crusade in behalf of the people...to keep the corrupt, the reactionaries, and the Communists...from leading us to tragedy".

Reaction to the speech consisted of virtually unanimous agreement that Janio's explanation explained nothing. Almost nobody claimed to have found out anything new from the speech. Even the comment of staunch supporter Magalhaes Pinto (Governor of Minas Gerais) was vague: "No doubt all those who heard him were profoundly impressed". The summing-up heard commonly in Rio was "Janio spoke for two hours /actually less/ and said nothing".

Nevertheless, Janio is not yet to be counted out. Though he seems by his speech to have discredited himself in responsible, informed opinion, the extent to which he has retained his formerly massive popular following is still unknown.

For the Ambassador:

Frank Micelotta
Third Secretary of Embassy

Enclosure: Att. as n.

Text in translation of Janio Quadros' speech delivered on television March 15.

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Air Pouch — PRIORITY

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FOREIGN SERVICE DESPATCH

FROM: Amembassy RIO DE JANEIRO — DESP. NO. 870

TO: THE DEPARTMENT OF STATE, WASHINGTON. — DATE: May 9, 1962

REF: Weeka No. 11; Embtel 2150

	ACTION	DEPT.
30 For Dept. Use Only	ARA-4	INFO Rm/R-2 INR-5 AID-11
	RECD 5-14-62	OTHER CIA-9 NSA-3 ARMY-5 NAVY-3 AIR-3 OSD-3 USIA-8

SUBJECT: Quadros "Explains" Resignation on Television

(1)

Transmitted herewith is the translated text of the speech Janio Quadros delivered on television the night of March 15, widely advertised beforehand as his "explanation" of the reasons for his resignation last August. The translation has been constructed from a number of newspaper versions, none of which agree in their entirety. No assurance can be given, therefore, that it represents exactly what he said, though it undoubtedly represents the substance of his utterances.

Quadros made his long-awaited explanation before an undeniably vast television audience. He dragged out the suspense created by his long months of silence since his resignation and voluntary exile--broken only by brief, cryptic utterances that threw no light--as long as he could. After a brief, reverent reference to Getulio Vargas ("another Chief of the nation, whose memory I fondly retain"), and a few general remarks, he launched into a long defense of the financial policies of his truncated administration that, under the circumstances, even the bankers were probably not interested in. Warming up, he passed to his government's foreign policy, especially its policy toward Cuba, quoting a speech of his own (presumably still representative of his attitude) delivered during his campaign for the Presidency: "I see in Cuba the just and powerful longing of a people seeking their economic and social emancipation". From that point the transition was direct to at least partial identification of the "occult forces" referred to in his message of resignation in the persons of Adolf Berle, Secretary Dillon, and Ambassador Cabot ("permitted himself to make public declarations in Rio which amounted to improper interference in our policy"). In July, Quadros went on, the German Ambassador conveyed "the irritation of his government" over Quadros' attitude toward East Germany.

Turning to the internal opposition, Quadros ticked off "powerful newspapers and eminent figures representing all sectors of economic, social, and political power, adding "the Governor of Guanabara" (Carlos Lacerda) and the Communists ("I had fought them from the beginning of my...public life"). Communists and reactionaries, according to Janio, formed an unholy alliance [illegible]

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DEPARTMENT OF STATE
BUREAU OF INTER-AMERICAN AFFAIRS
MAY 15 1962
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have some "poison" in it.

The General thanked the Ambassador for his visit.

Daniel M. Braddock
Minister Consul General

could not understand the reasons previously given by Minister Braddock why the United States Government could not support a political group of this type; the General said that as a practical man he understood these reasons perfectly and agreed with them.

The General went on to say he had been urged by Mr. Prado Kelly and Brigadiero Eduardo Gomes to offer himself as candidate for the governorship of the State of Rio de Janeiro or for a position as Federal Deputy from that State, and that he had about made up his mind to run for the governorship. The General expressed the view that a nucleus of strong moderate governors in São Paulo, Rio de Janeiro and Minas Gerais could prevent the development of a serious communist threat in Brazil.

Regarding São Paulo, General Macedo Soares said that he was in favor of the gubernatorial candidacy of José Bonifacio, whom he called well qualified for the job and lacking only in self-confidence which he was now gradually acquiring. Janio Quadros had lost most of his following, he thought, notwithstanding a large and enthusiastic public meeting Janio had recently held in Guarujá. The General said that Adhemar de Barros would announce his entrance in the São Paulo governorship race on May 24, and that Adhemar's candidacy would draw strength away from other candidates, notably José Bonifacio and Auro Moura Andrade. To Auro the General gave no chance whatever of winning the election.

The Ambassador commented that in Rio Grande do Sul the situation was beginning to look somewhat better. The General agreed and said that Governor Brizola had but little standing in his own state. He thought that Ferrari and Meneghetti were good elements in Rio Grande do Sul and that Meneghetti stood a fair chance of winning the governorship.

Pernambuco was mentioned by the Ambassador as the cause for greatest concern as Mayor Arraes of Recife, a contender for the governorship, was far to the left. The General agreed, while noting that it was surprising that a man of Arraes' wealth should be attracted to the communists.

President Goulart's visit to the United States was discussed, and his May Day speech in which the President had stressed the need for electoral reform. General Macedo Soares stated that the reforms which the President wanted were: 1) a restoration of the presidential system, 2) amendment to the Constitution to permit a President to succeed himself in office, and 3) deletion from the Constitution of the provision for compensation in case of expropriation. The General said that the speech was intended to reassure the leftist elements, on whom Goulart had in the past relied for support, and who might have been estranged by his moderate statements in the United States. The General thought that under the circumstances the May 1 speech was surprisingly mild but did

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NO.

TO : THE DEPARTMENT OF STATE, WASHINGTON.
May 9, 1962
DATE

REF :

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DEPARTMENT OF STATE
BUREAU OF INTER-AMERICAN AFFAIRS
MAY 14 1962
file no action
E&T/B JWW 5-16-62

SUBJECT: Political Views and Plans of General Edmundo Macedo Soares e Silva

MEMORANDUM OF CONVERSATION

DATE: May 8, 1962

PLACE: Home of General Edmundo Macedo Soares e Silva

PARTICIPANTS: General Edmundo Macedo Soares e Silva, retired general and presently President of Mercedes Benz
Ambassador Lincoln Gordon
Minister Consul General Daniel M. Braddock

Copies to: Ambassador Gordon (1cc) by Pouch
Amembassy Rio (2cc) by Pouch
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Central Files

The Ambassador and I called on General Macedo Soares May 8 at the latter's home, as the result of a request expressed earlier by the General for a meeting with the Ambassador. The conversation concerned principally the local and national political situation in Brazil and the General's own plans.

General Macedo Soares stated that he was no longer associated in the political group with Dr. José Ortiz Monteiro and Professor Jayme Regallo Pereira. He characterized these men as intellectuals and idealists who

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the conference so far served "...to show the Soviet Union's real intention toward outlawing atomic weapons...it wishes only to discuss the problem in order to maintain a climate of panic in the world."

ARGENTINE CRISIS -- Local editorialists continued to wonder where the Argentine crisis will lead, with Folha de São Paulo asking if "the same mistake made in Cuba will be repeated in Argentina," i.e., if we are going to see Peronism thrown into the arms of communism. Warned Folha: "A successful coup by a small military group is all that is necessary to transform Argentina into a giant Cuba. Then the Communist threat will be a terrible fact for all the Americas." A Hora hoped for better days for Brazil's sister republic, while Ultima Hora warned that Alvaro ALSOGARAY's economic program will bring new difficulties for troubled Argentina.

SOVIET EXHIBIT IN RIO -- In spite of its being greatly ballyhooed by one-fourth page ads in larger circulation newspapers, the opening of the Soviet exhibit in Rio de Janeiro received very little attention from editorialists in São Paulo. (UNCLASSIFIED)

Daniel M. Braddock
Minister Consul General

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performance was obviously a Communist show, so much so that it elicited a blast from prominent independent labor leader Domingos ALVARES, President of the influential São Paulo State Federation of Metal Workers and one of the original organizers of the inter-union commemoration. In a declaration published on May 3 by several São Paulo newspapers, Alvares protested the "partisan political" (i.e. Communist) slant given an ostensibly union gathering, which led him to refrain from participating. (UNCLASSIFIED)

Comment: For the first time in recent São Paulo history, anti-Communist labor forces successfully stole the Communists' thunder by organizing an independent May Day public mass rally which far outshone a competing thinly-masked and relatively poorly attended Communist meeting. (UNCLASSIFIED)

PSYCHOLOGICAL

1. Local Press Reaction

MAY FIRST - AROUND THE WORLD AND BRAZIL -- The contrasting character of the ceremonies honoring labor in this year's May First celebrations in the West and in the Communist countries was given adequate but not extensive coverage by local newspapers. Leading O Estado de São Paulo pointed out the difference between the May First observances in the liberal democracies of the West which "found solutions that allow workers to live with dignity and with comfort as well as to exercise man's basic rights and those of...the Communist countries...where dictators donned their uniforms to preside over ceremonies marked by gigantic military parades."

Editorial reaction to President João GOULART's May First speech at Volta Redonda was generally favorable but contained some definite reservations. The consensus observed that the reformsmentioned by the President were indeed necessary but disagreed with the President's appraisal of the cause and cure (constituent powers for the next Congress) of the internal situation. "Goulart," said Folha de São Paulo, "...was correct in his diagnosis of the infirmity but was mistaken in pointing out its causes; worst of all, he was wrong as to the remedies he suggested." Folha accused Goulart of blaming the Constitution when he should have accused his administration. O Estado de São Paulo condemned the reform of the Constitution and accused Goulart of trying to use it as an excuse for his "incapacity to solve the problems he has before him." Diario de São Paulo approved the Volta Redonda speech hoping that "...the lawmakers would also be influenced by it." Correio Paulistano, as expected, applauded Goulart's attitude.

DISARMAMENT -- The Soviet Union's Janus-faced attitude toward the Disarmament Conference was attacked even by Ultima Hora, which scored the duplicity of the Soviets, who threatened the West with Soviet super-weapons while pursuing a soft diplomatic line in Geneva. Diario de São Paulo said that

Cubatão government-owned Petrobras refinery, and also eventual federal expropriation of the petrochemical companies. The companies point to a São Paulo Regional Labor Tribunal decision of April 11 upholding the validity of the one-year contract signed by the companies and unions on October 24, 1961 and rejecting the union demands. Attempts at conciliation by the São Paulo Regional Labor Delegate and Governor Carvalho Pinto have failed. Sporadic violence reported during first days of strike has apparently not recurred. The Forum Sindical de Debates (Santos City Labor Central) has threatened to call a general strike in Santos on May 8 in support of the chemical workers if the latters' demands are not met by that date. (UNCLASSIFIED)

Comment: The petrochemical companies are in the unfortunate position of having their better-than-average wage scales suffer by comparison with the relatively very generous wages and fringe benefits paid by the adjacent government monopoly based on political rather than economic considerations. Their predicament is compounded by the probable reluctance of the State or Federal administrations to undertake any action which might jeopardize worker support in the October elections. Furthermore, the Cubatão Labor Union of Chemical Workers and Refinery Workers, as well as the Santos Forum Sindical, are under Communist domination. If as seems probable the non-Communist Santos union leaders adhere to the proposed general strike in support of the chemical workers, they could very well paralyze the entire city. Whatever the outcome of the present dispute, there is little doubt that the Communists are determined to exploit fully an unavoidable wage disparity with the long range objective of forcing the national government to expropriate the petrochemical firms. (LIMITED OFFICIAL USE)

9. Anti-Communists Outshine Communists in Separate May Day Rallies

The anti-Communist Democratic Union Movement (Movimento Sindical Democrático -- MSD) and São Paulo State Federation of Catholic Worker Circles collaborated with Church authorities in holding a May Day morning rally before the Cathedral in the Praça da Sé. An estimated ten thousand persons, including workers' families, attended. Among the speakers: Labor Minister André Franco MONTORO; Cardinal-Archbishop of São Paulo Dom Carlos Carmelo de Vasconcelos MOTA; Vice-Governor Porfirio da PAZ, who read bed-ridden Governor Carvalho Pinto's greetings to the workers; MSD President Antonio Pereira MAGALDI and State Federation of Rural Workers Associations President José ROTTA.

Communist labor leaders held what was advertised as an inter-union May Day commemoration in the Paramount Theater, about four blocks from and at the same time as the rally described above. Attendance was estimated at about one thousand workers and Communist agitators. Featuring a political address by Party leader Luiz Carlos PRESTES and the singing of the "Internationale," the Paramount

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6. MacKenzie University Students Strike

Students of the School of Architecture (heavily Communist influenced) of MacKenzie University are leading a strike for absorption in the Federal university system. Students in the Federal and State schools do not pay tuition. Those in MacKenzie (one of the few privately owned universities in Brazil) pay a little. This strike for Federal take-over has therefore become an annual tradition practically as hoary as the hazing of freshmen. (OFFICIAL USE ONLY)

Comment: MacKenzie University does not seem able to make a go of it. This is a pity; a good private college could set a useful example for all Brazil. Even one better managed than MacKenzie would have a difficult time, unfortunately, in combatting the prevailing conviction that all education ought to be free. Some thought that the situation would improve when the American Presbyterian Church passed total ownership of MacKenzie to its Brazilian counterpart, but not much seems to have changed. (LIMITED OFFICIAL USE)

7. Cuban Ambassador's Speech Passes Unnoticed

Joaquin HERNANDEZ ARMAS, Cuban Ambassador to Brazil, gave a group of São Paulo Law School students a speech which even the leftist press let pass with hardly a mention. No radio or television station is known to have carried it. The Ambassador's topic was "The Truth on Punta del Este," and from what the Consulate General can discover, he came up with little but the usual platitudes. Some students are said to have applauded; others reportedly loosed cries of "Viva Kennedy!" This was evidently intended to be the Ambassador's grand debut on the São Paulo scene. He was received by Governor Carvalho Pinto, to whom he expressed interest in increased commerce with Brazil. He was quoted as saying that "for sentimental reasons and with real pleasure" Cuba would prefer to divert forty million dollars' worth of purchases now made in the dollar area to Brazil. As to what his country could furnish to Brazil, however, he was a little stumped. He suggested selling sugar for Brazil to pass on to third countries in a "triangular operation." He also mentioned nickel (without touching on the fact that it was produced by a seized American firm). Ambassador Hernandez Armas had a tough time in a press conference, apparently being asked rather knotty questions about rationing, prisoners of war, and the Alliance for Progress. (OFFICIAL USE ONLY)

8. Tension Mounts in Cubatão Workers Strike

The strike called April 25 by the Cubatão Local Union of Chemical Workers against three of the four American-owned petrochemical companies in Cubatão was extended to the fourth company on May 4. Besides a thirty-five percent wage increase, the workers demanded the same fringe benefits paid by the

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Catholics, the São Paulo left wing of the Church often uses unmistakeable (though frequently incoherent) Marxist/Leninist terminology. This unholy alliance produces some unusual sounds, as has been previously reported. Other strong exponents of the line are to be found in the Dominican order and in much of the Christian Democratic Party.

The "Mater et Magistra" campaign is apparently to be pushed by the left wing. The encyclical is currently being quoted by almost everybody to prove almost anything. (LIMITED OFFICIAL USE)

5. Prime Minister Gives Lesson on Development

Prime Minister Tancredo NEVES, closing a "Study Cycle on the Problems of South-Central Brazil" on May 4, gave a studied prescription for Brazil's economic development. The United States and the Alliance for Progress were mentioned frequently and favorably. The speech inevitably discussed the problem of regional imbalances, as did Governor Carvalho Pinto's last week (Weekly Summary 18), but Neves also drew the obvious international parallels. Glaring differences in the prosperity of Brazilian regions were mentioned almost in the same breath with similar recent problems in the United States; the Alliance for Progress received credit for helping at the Inter-American level. Neves related social imbalances -- agricultural/urban, land worker/landowner -- to those between regions. He contradicted the notion of São Paulo regional "imperialism," appealing to "Brasilidade" ("Brazilism") and quoting Carvalho Pinto's conviction that "there is no glory in having progressed which overshadows those who wish to progress."

Neves, in layman's terms, investigated the problems of economic development in depth rarely touched by Brazilian politicians. He discussed the need for growing capital investment but showed equal concern for Brazil's inadequate educational investment: "investigations indicate that the correlation between economic growth and investments in education and research is even more pronounced than that between investment in fixed capital and economic development." One other line is likely to be long remembered: "The answers to the Brazilian problems are already known. The solutions, however, require greater efforts from all of us...." (OFFICIAL USE ONLY)

Comment: Editorial reaction has not had time to develop fully, but Neves' speech can only raise his stock in São Paulo. Whatever their reservations concerning the Prime Minister, most Paulista observers confess that he has shown a gift for making the right speech at the right time. (LIMITED OFFICIAL USE)

3. The Battle of the Beans

São Paulo has practically run out of beans. This homely fact has dramatic repercussions: sensational papers spread it in the headlines and statesmen quail. Exorbitant "black market" bean prices are discussed in the speeches of opposition politicians. The leftist Governor of Goiás (see Item 1) points out that his State has plenty of beans. São Paulo's Governor admits that local agriculture has fallen far behind industry but says that "if previous governments had done less talk and more work, we would not be without beans." (UNCLASSIFIED)

Comment: The battle of the beans is verbal but nonetheless critical. One can establish a simple political equation which will seldom fail under current local conditions: when basic foods grow scarce, the far left profits. The rocketing cost of living is a better conversation topic than the weather in inflationary Brazil, and scarcities aggravate the rise. Beans, wheat (Weekly Summary 3), corn, and milk have all been in the news lately. This points out one great political advantage in the distribution of surplus American commodities. If there were no other considerations, the program would still be well worth the effort. (OFFICIAL USE ONLY)

4. Church Split Widens

Agricultural Reform -- Question of Conscience is the title of a controversial book recently published by two Brazilian Bishops, an economist, and a São Paulo lawyer. São Paulo Archbishop Carlos Carmelo de Vasconcellos MOTTA made his position on the book clear in an article reportedly published in Paris in Informations Catholiques Internationales. After explaining that most Brazilian clergy were in favor of radical agricultural reform, he mentioned the "dissonant opinion of two bishops, co-authors...favorable to the status quo." The authors attracted unusual attention to Archbishop Motta's criticisms by publishing a lengthy refutation in São Paulo papers. Clergy friendly to the Archbishop have now published their own "redress" of the "attack" on him.

In another development, Archbishop Motta on May 1 -- Brazilian Labor Day -- announced a two week "Mater et Magistra Campaign" aimed at increasing knowledge and observance of the encyclical. (OFFICIAL USE ONLY)

Comment: In São Paulo, the Archbishop's support seems to put the "left" wing of the Church in ascendance. On the surface, this development should augur well for the sort of democratic development desired in the Alliance for Progress. The problem is that the São Paulo left wing is just plain giddy. One has the impression that certain conscientious Church officials awoke with a start to new social responsibilities and, groping for answers, seized on some which were convenient but very poor. Odd as it might seem to American

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Goiás' prime need was a crash program of land expropriation and redistribution). On the "National Liberation Front" (which only the Communists now seem to be publicizing): it had not "disappeared" but was "stationary" for lack of funds and backers with free time. (LIMITED OFFICIAL USE)

Comment: Ambassador Gordon has been tilling a fertile field if Borges' neo-leftism is now directed toward genuine reform rather than Communist-style ultra-nationalism. However, the Governor's record warns against premature self-congratulations. He spins like a weather vane. The wind behind the latest twirl must have been generated domestically (possibly by unhappy cattle raisers and businessmen); American programs and personnel can at best hope to lubricate the pivot. One guesses that additional lubrication will be needed. (CONFIDENTIAL)

2. QUADROS' Campaign Heats

Ex-President Jânio Quadros' campaign for the São Paulo Governorship has greatly increased in intensity without shedding light on the questions that both the Consulate General and the voting public would like to have answered. The rumored "Constitution of Jânio" has disappeared from conversation, and not even a skimpy platform has appeared in its place. The most leftist of Quadros' followers now seem closest to him, and sometimes his pronouncements follow their irresponsible line. On other occasions, he appears to ignore their advice. His criticisms of Governor CARVALHO PINTO were violent on occasion, and the Governor replied in kind. Quadros now speaks more softly -- having evidently overestimated the size of his stick -- but the Governor's statements indicate that bridges have been burnt and can only be rebuilt on his terms.

Jânio's speeches are very much tailored to his audience. To groups which appear nationalistically inclined, he makes thinly concealed anti-American remarks. To a television audience, however, he recently said that "A Brazilian Point IV should come from São Paulo": both a good idea and one that can only be interpreted as a left-hand compliment to the U.S. A City Councilman, however, put the following alleged Quadros quote on the record: "If I encounter difficulties with my candidacy or in obtaining a party (he cannot run unless a party nominates him -- see Weekly Summary 15), then I shall listen to the reiterated requests of Governor BRIZOLA and work for an extra-legal solution, and, in that case, I will set the country on fire." Quadros has not yet issued a public denial of the statement. (OFFICIAL USE ONLY)

Comment: Quadros' intentions cannot be fathomed: he probably has not figured them out himself. As reported in Weekly Summary 15, the short-term pressures on him are mostly toward the left, but the sum of the man Jânio cannot be obtained from addition of his parts. (LIMITED OFFICIAL USE)

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AIR PRIORITY
HANDLING INDICATOR

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FOREIGN SERVICE DESPATCH

FROM : Amcongen SÃO PAULO

263
NO.

TO : THE DEPARTMENT OF STATE, WASHINGTON.

May 9, 1962
DATE

REF :

			DEPT	RM/R	REP	AF	ARA	EUR	FE	NEA	CU	INR	E	P	IO	
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		REC'D 5-11-62	OTHER	AIR 3	ARMY 5	CIA 14	NAVY 3	OSD 3	OCB	USIA 8	NSA 3	NSC 2				

SUBJECT: Weekly Summary No. 19

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PSYCHOLOGICAL: 1. Local Press Reaction

DEPARTMENT OF STATE
BUREAU OF
INTER-AMERICAN AFFAIRS
MAY 1 4 1962

POLITICAL

1. Goiás Governor Discreet in São Paulo

Governor Mauro BORGES TEIXEIRA of Goiás was recently co-founder of the "National Liberation Front" and one of Brazil's noisiest leftists. But when the chameleon-like Mr. Borges visited São Paulo last week, he showed hardly a splotch of pink. He chatted cordially with the American Consul General and approved strongly of the "Alliance for Progress" in a televised public address. His only worry about that Alliance was that the Brazilian government would not produce the plans necessary to take advantage of the aid of "the intelligent Kennedy government." His proposed agricultural reform scheme was to be based on the experience of Israel and to emphasize increased productivity (a few months ago he talked as if underpopulated

See last page/lfw

REPORTER

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DISTRIBUTION: All consulates in Brazil; Amb, DCM, Army, Navy, Air Attachés; USIS, Econ (2), Pol I (5), Pol II, Labor, CF-Rio(3). Brasilia (5).

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AIR POUCH — CONFIDENTIAL

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FOREIGN SERVICE DESPATCH

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FROM : Amembassy, Brasilia Office — 864 NO.

TO : THE DEPARTMENT OF STATE, WASHINGTON. — May 7, 1962 DATE

REF : Embassy Despatch 834, April 23, 1962 — MAY 9 1962

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SUBJECT: Ex-President Quadros Explains Decoration of "Che" Guevara

The Embassy's despatch under reference reported a public allegation by ex-President Janio Quadros that he had been forced to decorate Cuban revolutionary "Che" Guevara in order to reaffirm Brazil's "independent" foreign policy line "offended" by the fact that the Brazilian Delegation at Punta del Este had failed to comply with his instructions.

That Quadros is almost certainly lying is evident from the fact that both Brazilian Ambassador in Washington, Roberto Campos, and ex-Finance Minister Clemente Mariani have informed the Ambassador that after the Quadros-Dillon meeting prior to the Punta del Este Meeting, Quadros on August 4, 1961 changed his instructions to the Brazilian Delegation (at a meeting at which Rio Grande do Sul Governor Leonel Brizzola was not present) enjoining the Delegation to work with the Americans in developing a strong document at Punta del Este. This same account, from an aide of Mariani's was reported to the Department in the Embassy's memorandum of conversation of October 18, 1961. The Embassy has learned from this same source that Mariani was and is prepared to refute Quadros' charges with incontrovertible evidence but has been advised to delay taking such action until Quadros' plans become clearer. In view of Quadros' declining popularity among the Brazilian electorate, Mariani's advisers are loathe to engage in an exchange which is likely to bring him publicity. Reportedly one of Quadros' bitterest complaints at the moment is that the press is giving him the silent treatment.

For the Ambassador:

Philip Raine
Counselor of Embassy
for Political Affairs

DEPARTMENT OF STATE
BUREAU OF INTER-AMERICAN AFFAIRS
MAY 14 1962

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NUMBERED
Control: 3955
Rec'd: May 6, 1962
7:10 a.m.

ACTION:
INFO:
RM/R FILES

FROM: Recife

TO: Secretary of State

NO: 349, May 4, 10 a.m.

ACTION RIO DE JANEIRO 305, DEPARTMENT 349

WEEKA telegram

Labor Day rally Paraiba attracted crowd over 5,000, including several thousand members Ligas Campinesas. Speakers included Governor Pedro Gondim, Francisco Juliao and Federal Deputies Celso Brandt and Jose Joffily. Only one speaker clearly advocated Communist revolution giving all power to working classes but several promised violent revolution if land owners continued resort violence obstruct Ligas aims. Anti-Americanism not evident but most speakers praised Cuba, calling Paraiba the Cuba of Brazil.

May Day Recife quiet, rally drawing less than 1,000.

Meeting State Directorate PSD now scheduled May 10. Source close to Federal Deputy Osvaldo Lima Filho (PTB) reports he potential candidate for governor with backing President Goulart as compromise proposal. No other change Pernambuco gubernatorial campaign.

DELGADO ARIAS

DLW

Transmitted by RM/R

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lacking any sense of security for the morrow, though paying its representatives royally" still must watch those representatives discuss an unnecessary increase in their number instead of getting down to the business at hand. It is not surprising, the editorial continued, that people have little faith in the government and that the word "politician" has no meritorious or honorable connotation. The Jornal warned that either Brazil's Legislature passes just and remedial legislation now or the country will be swallowed up in the whirlpool of irresponsibility. (UNCLASSIFIED)

Eugene Delgado-Arias
Consul General

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to purchase beans and dump them on the market at low prices in order to curb speculation. (UNCLASSIFIED)

5. SUDENE Refuses Czech Proposal.

The Consulate General was informed this week that a recent Czech proposal to establish in the Northeast a factory for looms and other textile machinery was turned down by SUDENE. (OFFICIAL USE ONLY)

Comment: SUDENE's refusal of the Czech proposal is understood to have been motivated at least partly by nationalist sentiment. This is another encouraging indication that SUDENE is not Communist dominated. The Consulate General's source for the above information, who is reliable, is one of those, for example, who regards SUDENE as a Communist cell. He expressed surprise and puzzlement that the Czechs were turned down so coldly. (CONFIDENTIAL)

6. Celso Furtado Departs for West Germany.

SUDENE Director Celso Furtado departed this week for Germany where he is to present various development projects and discuss the use of hoped for German financial assistance in the Northeast. (UNCLASSIFIED)

7. Bank of Northeast Employees Threaten Strike.

Employees of the Banco do Nordeste (Bank of the Northeast) several days ago issued a strike threat though they refused to indicate a specific date. They are agitating for "equality" with the employees of the Bank of Brazil (pay, fringe benefits, etc.). (UNCLASSIFIED)

PSYCHOLOGICAL

"The situation developing in Paraíba...endangers the whole Northeast" warned the Jornal do Commercio in an April 25 editorial on the necessity of an effective agrarian reform. "The moment is grave. The events in Paraíba are a warning." The Jornal continued, "An agrarian reform has to come." Whether it is to come peacefully or through agitation and violence will depend on whether the Government, Labor, and Capital approach the problem with prudence and reflection and comprehension of the issues at stake." The Jornal concluded its comments by calling for action now while there is still time to pass a just reform law, rather than waiting until the gravity of the situation produces a law that satisfies only the demands of the agitators. Later in the week, the Jornal addressed itself to the question of unionization of rural workers which it found compatible with agrarian reform as a beginning to a better life for Brazilian peasants.

Referring to recent proposals to boost the number of deputies in the Federal Chamber, the Jornal do Commercio again criticized the nation's legislative bodies for not assuming the responsibilities imposed upon them by the adoption of a parliamentary system of government. The Jornal conceded that there are many worthy representatives in Parliament, but found that too much time is spent in sterile discussion and vain oratory. The Jornal lamented that "this poor people,

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pay increase will be effective as of July; and 3) impossible, as all available funds in municipal coffers are already earmarked for public works projects. (UNCLASSIFIED)

Comment: Arraes' veto is a political master stroke. He gave municipal employees a 40% increase late last year and, as stated above, is already working toward a new increase. Thus, his veto of the bonus will not appreciably erode his overwhelming popularity with the municipal civil service. And by the same stroke he counterbalances to a certain extent charges that he is a demagogic rabble rouser. Even some conservative businessmen have commented favorably on the "strength and awareness of the need for anti-inflationary measures" implicit in the veto. The Communist paper A Hora picked up the refrain with an article headlined "End of Demagoguery," applauding the veto as a measure taken "for the public welfare." (CONFIDENTIAL)

2. COPERBO Debate Increasing.

The Governors political opposition in the State Legislature beat him over the head again this week with COPERBO, the still unconstructed state-owned synthetic rubber plant. One deputy charged that Firestone Tire and Rubber Co. was to run the plant and demanded to know how this could possibly benefit the people of Pernambuco. The governor's bench denied the charge, saying that only a few Firestone technicians had been contracted to provide technical advice during initial operation. Unsatisfied, the opposition demanded to see the contracts and hurled new charges concerning expenditure of funds, etc.

Meanwhile, COPERBO's capitalization was increased this week to 3 billion 500 million cruzeiros. (UNCLSSIFIED)

Comment: COPERBO is increasingly regarded as a poor joke by many Pernambucanos. After several years of talk, grandiose announcements and financial maneuvering, COPERBO has nothing more to show than a clearing of land where, hopefully, the plant will soon be erected. (OFFICIAL USE ONLY)

3. Arrival of Alliance for Progress Corn.

The "S.S. Del Sud" arrived in Recife on April 28 to discharge 2 thousand tons of Alliance for Progress corn earmarked for SUDENE. Ceremonies held aboard ship to commemorate the event were attended by SUDENE officials, the State Secretary of Agriculture and the American Consul General. Wide and favorable press play resulted.

As a further indication of the need for port repairs, harbor congestion forced the "Del Sud" to wait in the outer roads several days. (UNCLASSIFIED)

4. Governor Requests Bean Shipments.

Returning from a trip through the interior of Pernambuco, Governor Cid Sampaio expressed great concern over the critical shortage and inflated prices of beans. Unable to purchase sufficient supplies in the South, he called upon the Consulate General to assist him in contacting exporters in the United States. He intends

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The centers, it was reported in Weekly Summary No. 6, will provide free medical and dental service and technical advice to rural workers. Presumably, they will also provide liberal amounts of anti-Communist propaganda. Osorio also announced that IBAD had conducted a poll of 4,000 voters which, when revealed, will furnish a reliable picture of the political-electoral situation in Pernambuco. Finally, the first issue of a magazine entitled Ação Democratica Universitaria appeared on local newsstands this week. Published in Recife, the magazine is believed to represent IBAD's effort to penetrate local student movements. (UNCLASSIFIED)

Comment: One of the unanswered questions about IBAD is who finances its operations. Local sources say that IBAD is financed by 10% of the profits of a Rio advertising concern, but the extent of its activities, at least as indicated by its propaganda, would seem to require a budget substantially higher than that set by a proportion of the profits of one business organization. (OFFICIAL USE ONLY)

5. Food for Peace Powdered Milk in Hands of Politicians.

Food for Peace powdered milk became a bone of contention between two warring political factions in Ceará this week. The dispute began when the Federal Ministry of Health designated the Pioneiras Sociais, a charitable organization controlled by the political opponents of Governor Parsifal Barroso, to distribute 374 tons of the milk to needy children in Ceará. The Governor immediately charged that the State Government had been ignored and that the Pioneiras Sociais was a captive organization of the PSD opposition which planned to use the milk to further that party's political plans. On April 23 the warehouse of the Pioneiras Sociais was robbed of 40 tons of powdered milk, seemingly with the co-operation of the police. The following day, State Deputy Ramerino Arruda, a supporter of Governor Barroso, admitted taking the milk, but declared that he was only preventing its misuse by unscrupulous politicians. PSD officials then countercharged that the Governor wanted to distribute the milk for his own political gain. They also referred to a telegram the Governor had sent to the American Embassy in Rio complaining that the Pioneiras Sociais was using the milk for political purposes. By referring the matter to the American Embassy, the PSD charged, Barroso had violated the spirit of Brazilian independence. (UNCLASSIFIED)

Comment: The incident has been somewhat embarrassing to Brazilian officials who have protested against American insistence on maintaining some control of Alliance for Progress funds to be expended in the area. Their argument has been that such insistence reflects a lack of confidence in Brazilian officials. The fight over powdered milk is disconcerting to them in that it suggests that lack of confidence was perhaps justified. (CONFIDENTIAL)

ECONOMIC

1. Mayor Arraes Vetoes Pay Bonus.

Mayor Miguel Arraes this week vetoed a measure introduced in the Municipal Council calling for a 40% bonus for municipal employees. He argued that the measure was: 1) unconstitutional, as the Municipal Charter clearly specified that proposals for pay increases must be introduced by the Mayor himself; 2) impractical in that the entire municipal civil service is being restructured and a resulting

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decision on whom to support for Governor. The press reported, however, that 13 members of the 19 man Directorate had wired PSD leader Etelvino Lins announcing their intention to follow whatever course he sets. Federal Deputy Oswaldo Lima Filho (PTB) was confidentially reported to be a new potential candidate for Governor. Lima Filho would be supported by President Goulart and would be proposed as the compromise candidate of the UDN, the PTB, and the PSD, assuming that his candidacy would conciliate the rival factions within the PSD of Etelvino Lins and Armando Monteiro Filho. (LIMITED OFFICIAL USE)

2. Ligas Camponesas to hold May Day Passeata in Paraíba.

Following the abrupt cancellation of the passeata protesting the murder of Ligas Camponesas leader João Pedro Teixeira, it was announced that a parade and rally would be held in João Pessôa on May 1. Recent reports indicate that the passeata is well-organized and will be held as scheduled. Federal and state government officials and the local military are apparently co-operating with trade union leaders and the Ligas to make the event a success. The press reported that President Goulart himself had made a financial contribution to the passeata fund following a visit by Assis Lemos, President of the Federação das Ligas Camponesas de Paraíba. Military commanders in João Pessôa have indicated that they will make no move to prohibit the holding of the passeata unless there is an outbreak of violence and local police authorities show themselves to be incapable of maintaining order.

On the basis of press reports out of João Pessôa, it is expected that agrarian reform and the murder of João Pedro Teixeira will be the dominant themes of the passeata's speakers. (UNCLASSIFIED)

3. Child Slain in Fracas following meeting of Ligas Camponesas.

A twelve year old child was shot to death on Sunday, April 29 in Suribim, Pernambuco, following a fracas which resulted from a meeting of the Ligas Camponesas in that city. An American graduate student who was an eyewitness to the incident informed the Consulate General that the shots were fired by capangas (bushwackers) and were intended for the members of the Ligas. By accident, the boy, a bystander, was shot and killed.

It is interesting to note that press accounts of the fracas branded the peasants as the ones who had used firearms. The same press reports identified the American graduate student as the brother of State Deputy Francisco Julião. (UNCLASSIFIED)

Comment: This incident is but the most recent illustration of the conviction of some landowners that the use of violence will effectively deter the Ligas Camponesas from pursuing their aims. (UNCLASSIFIED)

4. Activities of Instituto Brasileiro de Ação Democratica.

The Instituto Brasileiro de Ação Democratica (IBAD) has created new "democratic action" centers in Recife, Caruaru, Arcoverde, Garanhuns, and Moreno, according to Director General F. Osorio Filho as quoted in this week's local press.

GPO 802567

1197

CONFIDENTIAL

HANDLING INDICATOR

For Department Use Only
732.00/5-462
MAY 4 1962

FOREIGN SERVICE DESPATCH

FROM : AmConGen RECIFE 180 NO.

TO : THE DEPARTMENT OF STATE, WASHINGTON. May 4, 1962 DATE

REF :

20 For Dept. Use Only	ACTION	ARA-4	INFO	DEPT	RM/R	REP	AF	ARA	EUR	FE	NEA	CU	INR	E	P	IO	Ard
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					3	5	14	3	3		8	3		1		1	

SUBJECT: Weekly Summary No. 11

DEPARTMENT OF STATE
BUREAU OF
INTER-AMERICAN AFFAIRS
MAY 10 1962

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1. Political Campaign Developments.
2. Ligas Campenesas to hold May Day Passeata in Paraiba.
3. Child Slain in Fracas following meeting of Ligas Camponesas.
4. Activities of Instituto Brasileiro de Ação Democratica.
5. Food for Peace Powdered Milk in Hands of Politicians.

ECONOMIC

1. Mayor Arraes Vetoes Pay Bonus.
2. COPERBO Debate Increasing.
3. Arrival of Alliance for Progress Corn.
4. Governor Requests Bean Shipments.
5. SUDENE Refuses Czech Proposal.
6. Celso Furtado Departs for Germany.
7. Bank of Northeast Employees Threaten Strike.

PSYCHOLOGICAL

POLITICAL

1. Political Campaign Developments.

Whatever developments there were this week in the Pernambuco gubernatorial campaign were under the surface, and ostensibly there were no changes. The PSD State Directorate rescheduled its meeting to May 10, thus postponing a

Distribution: Amembassy Rio, Amembassy Brasilia, Amcongen São Paulo, ARA/Brazilian Desk.

Department pass: Amconsulates Belem, Belo Horizonte, Curitiba, Porto Alegre

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FORM 6-61 FS-439 GPO 912596

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ACTION ASSIGNED TO. ARA/EST/B	ACTION TAKEN no action
NAME OF OFFICER & OFFICE SYMBOL	DATE OF ACTION 5-11-62 DIRECTIONS TO RM/R file

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This is the approach that the Brazilian people demands of their government officials. This is what patriots demand.

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future and the success of the Alliance for Progress depends in great part on the decision that Brazil takes on the question of oil shale."

There are, however, in the speeches of Sr. Goulart, manifestations of a positive nature particularly those that refer to foreign policy. This constitutes certainly a reflection of the new conditions existing in Latin America and in our country: no government can today ask for the respect of its people if it does not lend to its relations with the United States a determined tone of independence despite the fact that essentially it defends and applies a policy which corresponds to the interests of imperialism.

In his speeches Sr. Goulart emphasized his declarations of peace and coexistence, of peaceful competition between the socialist and capitalist systems. Naturally the ultra-rightists of the John Birch Society and many senators dominated by war hysteria did not welcome these words of Sr. Goulart just as they did not welcome his defense of self-determination of peoples--in his speech made at the headquarters of the prostituted OAS--and of coexistence with revolutionary Cuba. It is clear, without intending to diminish the significance of these attitudes, that between them and reality there is a vacuum which is still to be filled. For example, Sr. Goulart said that Brazil has a foreign policy that is independent although "respecting its commitments." This is to say an independence conditioned on the Rio Treaty and the Brazil-U.S. Military Agreement which subordinate us to the belligerent strategy and the colonialist objectives of the North American government.

It becomes daily more evident that the policy of concession to the Yankee trusts, regardless of their tone, is contrary to the legitimate national interest and therefore cannot be supported by the people nor by any patriot. The understandings of a really independent Brazilian government with the North American government cannot be made in terms of the exaltation of foreign capital and of the offering to this capital conditions even more advantageous than those offered to capital already in Brazil; this is absurd and non-admissable. A "frank and open exchange" such as Sr. Goulart promised to maintain with Kennedy would have been something else, would it not? It would have to be the communication that Brazil is going to limit profit remittances, is going to put an end to the policy of the deterioration in value of our export products, is going to finish with the virtual Yankee monopoly of our foreign trade, is going to maintain profitable and full economic relations with the socialist countries, is going finally to repel the demands of the IMF, is going to carry out a truly independent development.

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EDITORIAL FROM THE APRIL 13, 1962 EDITION OF NOVAS RUMOS

JANGO IN THE UNITED STATES
EXALTING FOREIGN CAPITAL AND SPEAKING OF INDEPENDENCE

Coinciding with the arrival of Sr. Joao Goulart in the United States, North American newspapers published an article by Sr. Roberto Marinho, Director of O Globo, exalting the personality and the current political orientation of the President of the Republic and appealing to the Yankee citizens to receive Sr. Goulart as the authentic representative of 70 million Brazilians. The enthusiasm of Roberto Marinho, taking upon himself unduly to act as master of ceremonies and spokesman for the Brazilian people, defined in advance the character of the visit of Sr. Goulart to the United States. The statements made by the President of the Republic, the communiques on his meetings with Kennedy and with other Yankees authorities and the speeches made by government officials and Yankee businessmen confirms in essence the statements of Roberto Marinho. The dominant note, without doubt, in the various public manifestations of Sr. Goulart in the United States was the exaltation of foreign capital both in the speech made before the American Congress and at the banquet given by industrial and commercial organizations as well as in press interviews. Sr. Goulart lost no opportunity to make apologies for the trusts. "I want to assume the responsibility of saying that Brazil continues to present the best and most exceptional conditions for the application of foreign private enterprise." Besides this, referring to trade relations between Brazil and the United States - by means of which our country is submitted to a systematic sacking by the Yankee monopolies - Sr. Goulart affirmed that "There exists only a transitory maladjustment in the trade relationships of Brazil and the exterior."

The President of the Republic made a still more extravagant exaltation of the Alliance for Progress and reiterated to Kennedy and to the North American bankers the promise to find a "reasonable solution" on the basis of "compensatory payments" with regard to the problem of foreign-held public services, insisting on his concern for removing "factors of irritation" in the way of imperialism. There are naturally many things not yet revealed: understandings, promises, obligations and concessions. It is known for example that the problem of the exploitation of oil shale was the object of conversation between Jango and Kennedy based upon a letter sent to the Yankee President by Senators James A. Carron and Wayne Morse in which is said that "the

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It will be very much noxious to the national and popular interest to allow the Janguista demagoguery to continue to delude the workers. Measures like the intervention in the telephone services were not taken to serve the country but rather to protect the international communications trust. The promise of agrarian reform are words launched on the wind. In practice the great landowner Joao Goulart ordered attacks on the peasants who are fighting for the possession of land, as is happening now in the Northeast. In the same way his contacts with the labor movement serve as a smoke screen to hide his anti-labor policy.

In the difficult time through which the country is passing the government of Jango-Tancredo cannot fail to be identified as being responsible for the current situation. Therefore, it is imperative for all progressive forces to engage in a policy of firm and intransigent opposition to this entreguista and reactionary government. To conciliate with it, to hope that Sr. Goulart will change his position, is to disarm the people and to help the worst enemies of the nation.

This is a moment of definition. It is not possible to be with the people and not to unmask those responsibile for the current state of affairs. Hesitant positions are disorientating the masses. This is the moment in which the forces of reaction are grouping at one pole and the popular and progressive currents must group themselves at the other.

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FORM FS-439a
6-1-62

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Page 1 of 2
Encl. No. 1
Desp. No. 860
From Brasilia Office

EDITORIAL FROM APRIL, 1962 EDITION OF "A CLASSE OPERARIA"

THE TIME FOR DEFINITION

The trip of Joao Goulart to the United States constitutes one of the most shameful events in national political life in recent years. Defying the patriotic sentiments of the Brazilian people, which day by day manifests its revulsion against the spoliation that the Yankee monopolies are carrying on in the country, the chief executive of the nation took himself to the citadel of imperialism to bargain away the national sovereignty. With Goulart scarcely arrived on North American territory, Mr. Kennedy was already announcing loans and moratoriums to the Brazilian government. There was no concern even for appearances.

The stay of Sr. Goulart in the United States so exalted by the propaganda machine of the Yankee imperialists unmasked his facade of nationalism and the labor demagoguery which he uses to trick the workers. It confirmed also that in an exchange for a few hundred million dollars he is willing to sell the national sovereignty and hitch Brazil to the wagon of the policy of rape and adventurism of Mr. Kennedy.

In this way Sr. Goulart, who used to speak of the battle against the trusts and who has exploited the testament letter of Vargas, revealed what he really is. He showed his real face as an ally and accomplice of the North American magnates in the exploitation of Brazilian people. This conduct of Sr. Goulart cannot surprise those who have watched the development of the political situation in the country since the crisis of August-September of last year when he came to the Presidency through unjustifiable capitulations. Since then by concession after concession he has delivered himself completely to that which is most reactionary in the country. Today the key fact is the growing union of reactionary forces, of the PSD and the UDN around Sr. Goulart, at this moment the politician who best serves reaction and imperialism. It is no coincidence that the so-called great newspapers, such as O Globo, Correio da Manha, Estado de Sao Paulo, have praised someone who until a short while ago was being accused by these same newspapers of being a fomenter of strikes.

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FORM FS-439 (6-1-60)

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Encl. No.
Desp. No. 860
From Brasilia Office

A Classe Operaria calls Goulart's trip "one of the most shameful occurrences of recent years." "Mr. Goulart's stay in the United States unmasked the facade of his nationalism and his labor demagoguery that he uses to trick the workers." Goulart is accused of selling Brazil's sovereignty and protecting international communications trusts. "Goulart the great landowner orders attacks on the peasants that fight for possession of land, as is occurring now in the Northeast." The editorial calls for "Firm and intransigent opposition" to the government. "This is the moment in which the forces of reaction are grouping at one pole and popular and progressive forces will have to group at the other."

For the Ambassador:

Harry Weiner
Second Secretary of Embassy

APPROVED:

Philip Raine
Counselor of Embassy
for Political Affairs

Enclosures: (2)

1. Editorial from the April 1962 Edition of "A Classe Operaria"
2. Editorial from the April 13, 1962 Edition of "Novos Rumos"

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

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FOREIGN SERVICE DESPATCH

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FROM : Amembassy, Brasilia, D. F. Brazil — 860 NO.

TO : THE DEPARTMENT OF STATE, WASHINGTON. — May 4, 1962 DATE

REF :

MAY 11 1962 AID

			DEPT	RM/R	REP	AF	ARA	EUR	FE	NEA	CU	INR	E	P/	IO	NSA
22 For Dept. Use Only	ACTION	ARA-4		2								5	3	1		11
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	REC'D 5/14			AIR 3	ARMY 5	CIA 9	NAVY 3	OSD 3	OCB	USIA 8	NSA 3					

SUBJECT: Communist Reaction to President Goulart's Visit to the United States

Official Brazilian Communist viewpoints currently appear in two publications: Novos Rumos, published weekly by the Partido Communista Brasileiro--comprising the great bulk of the party and headed by Luis Carlos Prestes, and A Classe Operaria, published occasionally by the Partido Communista do Brasil, a small, recently-formed, pro-Chinese splinter group among whose leaders are Mauricio Grabois and Pedro Pomar. (Although quasi-communist O Seminario reappeared this week after a six-month hiatus, it is not an official mouthpiece, although in its anti-U.S. vituperation it has no peer.) The pronouncements of these publications on President Goulart's visit to the United States are both critical, but with A Classe Operaria being far more abusive and combative. (Both editorials are attached in translation.)

Novos Rumos chides Goulart for "exalting" foreign capital and the Alliance for Progress and implies that secret agreements were made on oil shale rights in Brazil. On the other hand, it gives credit for the "positive" aspects of Brazil's foreign policy, although stating that the policy still needs to be expanded to resolve the conflict between "independence" and "respect for obligations" such as the Rio Treaty. The editorial concludes, not with an attack on Goulart, but with a statement of what Brazil's policy should be: control of profits remittance, opposition to declining prices of Brazil's exports, opposition to "Yankee monopoly" of foreign trade, full economic relations with socialist countries, and repulsion of the demands of the IMF.

FILED
MAY 24 1962

DEPARTMENT OF STATE
BUREAU OF
INTER-AMERICAN AFFAIRS
MAY 15 1962

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REPORTER

FORM 5-61 FS-439 GPO 912596

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1189

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-2- 2588, May 3, 7 p.m. from Rio de Janeiro

months. Actually Goulart, although referring frequently Getluio Vargas, stressing President's identification with Vargas and labor, and insistent on action to meet people's problems now that "tranquility among political elements achieved", did not veer significanty from moderate line he has been pursuing.

GORDON

TAB

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Rio 2588

42-43

Action

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RMR

FROM: Rio de Janeiro

TO: Secretary of State

NO: 2588, May 3, 7 p.m.

Labor Day speech delivered at Volta Redonda (symbol Brazil's "economic emancipation") and awaited as major political pronouncement President Goulart asked Congress for special laws authorizing next Congress amend constitution to enable enactment basic reforms and modification present political system.

Measures urgently needed, according Goulart, include laws controlling cost living, regulation profit remittances, and agrarian, banking, electoral and tax reform. "Many these reforms", said Goulart, "cannot be effectively achieved if 1946 constitution not first changed". Since "constitutional reform usually requires two sessions", Goulart asked present Congress grant candidates to be elected October "powers enabling them promote it".

These powers would also enable new Congress "review our political structure in atmosphere less charged than that of past September". While presidential system had defects, parliamentary system "has some also". What is needed is "not extreme constitutional solutions, but wisely agreed upon formulas, by which excesses corrected and effort made strengthen authority, giving it at same time precise limits and defined responsibilities". These statements suggest Goulart's interest in constitutional reform not to restore presidential system -- under which he would be definitely ineligible re-election -- but rather to obtain more authority under present parliamentary system, which provides for indirect election president by Congress and does not clearly exclude re-election.

It had been wisely anticipated Goulart's speech would represent move to left in order balance his wooing of center during past months.

732.00/5-362

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1187

HAROLD T. (BIZZ) JOHNSON
2D DISTRICT, CALIFORNIA

HOME ADDRESS:
423 GROVE STREET
ROSEVILLE, CALIFORNIA

OFFICE ADDRESS:
1031 HOUSE OFFICE BUILDING
WASHINGTON, D.C.

DISTRICT OFFICE:
205 VERNON STREET
ROSEVILLE, CALIFORNIA

Congress of the United States
House of Representatives
Washington, D. C.

May 2, 1962

COMMITTEES:
PUBLIC WORKS
SUBCOMMITTEES:
FLOOD CONTROL
RIVERS AND HARBORS
INTERIOR AND INSULAR AFFAIRS
SUBCOMMITTEES:
IRRIGATION AND RECLAMATION
NATIONAL PARKS
PUBLIC LANDS
SELECT COMMITTEES:
INTERSTATE HIGHWAYS
REAL PROPERTY ACQUISITION

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1962 MAY

ACTION:
INFO:
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ACTION
is assigned to
~~ARA~~

file RM/R
reply drafted 5/4/62
ARA/EST/B: G. Dutton

Mr. Frederick G. Dutton
Assistant Secretary of State
Department of State
Washington 25, D. C.

Dear Mr. Dutton:

A friend of mine who recently visited Brazil has made the following comments concerning his trip which I would like to pass along to you for your information because I found them quite interesting:

"In Rio we saw a good deal of members of the American business colony. There seemed to be on standard complaint from them all: that when visiting VIP's from Congress tour Brazil, they don't see others than employees of the Point Four Program and/or the State Department. The consensus was that Congress is getting the wrong picture of conditions in Brazil, conditions which are extremely important to the United States and our foreign policy, aimed at keeping that country within the non-Communist bloc. Perhaps the threat of a Communist take over there (particularly in northern Brazil) was the spark that activated the Alliance for Progress in Brazil just since our return. However, I did promise members of the American business colony there to pass on to you their feeling of being ignored by visiting Congressional committees and investigators."

Sincerely yours,

HAROLD T. (BIZZ) JOHNSON
Member of Congress

FILED
MAY 14 1962

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Letter and enclosures, if any, microfilmed by RM/R

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I hope that this information has been of assistance to you. If you have any further questions on this subject, please do not hesitate to call on me.

Sincerely yours,

Frederick G. Dutton
Assistant Secretary

ARA:EST/B:GMutton:am
5/4/62

H-am

1185

32

~~AAA~~
AMR

May 9, 1962

Dear Congressman Johnson:

Thank you for your letter dated May 2, 1962 in which you sent us a statement from a recent visitor to Brazil regarding the alleged absence of sufficient contact between American business men in Brazil and visiting American Congressmen.

American Foreign Service posts in Brazil make every effort to afford visiting Congressmen the opportunity to acquaint themselves with the broadest range of opinions concerning U.S.-Brazilian relations. It is customary to have them meet with Brazilian government officials and congressmen, and Brazilian and American businessmen, as well as with U.S. Government officials. Specific appointments and arrangements, of course, depend entirely upon the purpose of the visit, the duration of the stay, and the Congressmen's own desires.

Reports from our posts in Brazil indicate that recent Congressional visitors were able to meet with American businessmen on several occasions during their trips. In one case, a group including Senator McClellan, which visited Brazil during December, attended a luncheon held by the American Chamber of Commerce in Rio, met with prominent American businessmen for breakfast, and attended a cocktail buffet at the Embassy residence to which American businessmen were also invited. Similarly, a delegation headed by Senator Muñoz last year was invited to lunch by the American Chamber of Commerce and also met with business leaders at a reception at the Embassy residence.

I hope

The Honorable
Harold T. Johnson,
House of Representatives.

732.00/5-262

Reconfirmed by RMJR

1

5-10-62 ARA:EST/B:GM Sutton H

1184

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

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Document Date: 02/06/62

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FOREIGN SERVICE DESPATCH

FROM : Amconsulate PÔRTO ALEGRE — 80 NO. — April 30, 1962 DATE

TO : THE DEPARTMENT OF STATE, WASHINGTON.

APR 30 1962

REF : Consulate's despatch No. 77 dated April 9, 1962

(55) For Dept. Use Only	ACTION	ARA-4	DEP	RM/R 2	REP 1	AF	ARA	EUR	FE	NEA	CU	INR 5	E	P	IO	ICA
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	REC'D 5/5		OTHER	AIR 3	ARMY 5	CIA 9	NAVY 3	OSD 5	OCB	USIA 8						

SUBJECT: President Goulart Ends Local Vacation

On the afternoon of April 26, 1962, President Goulart stopped for thirty minutes at Pôrto Alegre's Salgado Filho airport. He was on his return trip to Brasilia from São Borja, where he had vacationed for a week on his farm during the Easter holidays. On the flight from São Borja to Pôrto Alegre, President Goulart was accompanied by Governor Brizola, who had flown to the President's farm just 15 minutes after his return from São Paulo where he had attended the Regional Conference of Governors of the Southern States.

President Goulart was welcomed by military dignitaries, the new President of the State Legislative Assembly, the State Secretary of Agriculture, and other local officials.

The President refused to make any statements to the press, saying that Governor Brizola might eventually have some statements to make. He did state, however, that he was happy to learn that the Federal Chamber of Deputies had just approved the law which would grant an extra 13th month's wages annually to Brazilian workers.

Frederick D. Sharp III
American Consul

cc.: Amembassy, Rio
Consular Affairs, Rio
Political Section, Rio,
Political Affairs, Brasilia
Brazil Desk, Washington

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REPORTER

FORM 6-61 FS-439 GPO 912896

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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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EXECUTIVE SECRETARIAT

ACTION SLIP

(To Remain With Correspondence)

EST
EST/B

TO: ARA - Mr. Chase Control # 7741 5/9 Jure

Date May 8, 1962

Subject: 4/29/62 letter to the President from Anthony S. Florence re revolution in Brazil.

* PROMPT HANDLING IS ESSENTIAL. RETURN BASIC CORRESPONDENCE WITH REPLY. IF DELAYED CALL TELEPHONE EXTENSION BELOW.

ACTION:

[XX] For appropriate handling.

[ ] For direct reply.

*[ ] Prepare reply.

A response for signature by the _____

should be submitted to S/S by _____.

Appropriate clearances

should be obtained, including _____

[ ] For your information.

Remarks:

cc: file reply drafted
5-17-62
EST/B - GMS.rec

Warren A. Henderson
S/S-RO
Ext. 3195

M-298
2-61

GPO 9 2349 5

7.W. 732.00 / X-2962

1180

7741

(21)

THE WHITE HOUSE OFFICE

ROUTE SLIP

(To Remain With Correspondence)

TO Mr. L. D. Battle
Executive Secretary
Department of State

PROMPT HANDLING IS ESSENTIAL. WHEN DRAFT REPLY IS REQUESTED THE BASIC CORRESPONDENCE MUST BE RETURNED. IF ANY DELAY IN SUBMISSION OF DRAFT REPLY IS ENCOUNTERED, PLEASE TELEPHONE OFFICE OF THE SPECIAL ASSISTANT.

Date May 4, 1962

FROM THE SPECIAL ASSISTANT

ACTION:

Comment
Draft reply
For direct reply
For your information
For necessary action
For appropriate handling x
See below

EXECUTIVE SECRETARIAT
DEPARTMENT OF STATE
IN
1962 MAY 8 AM 10 00

Remarks:

GPO 16—71264-2

By direction of the President:

Ralph A. Dungan
Special Assistant
to the President

Ralph A. Dungan

P.W. 732.00/4-2962

1179

S/S
RM/R
7741

(21)

RM/R

FILE

May 17, 1962

732.00/4-2962

Dear Mr. Florence:

I am replying to your letter to the President dated April 29, 1962 concerning the current politico-economic situation in Brazil. I wish to thank you for making your suggestions available to us.

Brazil has been subjected to a period of political confusion since the sudden resignation of President Janio Quadros in August 1961. However, the article in Parade magazine to which you refer in your letter appears to us to be perhaps unduly alarmist and exaggerated. In recent months we have been encouraged by the attitude of the present Brazilian administration to move forward in the fields of tax reform, land reform, and economic stabilization. We believe that the enacting of such programs, in accord with the stated goals of the Alliance for Progress, greatly reduces sources of social friction which the communists seek to exploit.

As of interest to you I am enclosing a copy of the recent press announcement on the occasion of the signing of the agreement between the United States and Brazil for cooperation in a program to improve conditions in Brazil's distressed Northeast area.

Sincerely yours,

J. W. Wilson
Officer in Charge
Brazilian Affairs

Enclosure:

Press release.

Declassified by RM/R

(1)

Mr. Anthony S. Florence,
1358 Lakeview Road S.W.,
Albuquerque, New Mexico.

ARA:EST/B:CMSutton:sec 5/17/62

732.00/4-2962

1178

8. Tax reform.

and so on.....

It is vital for us to seek out people in Brazil who stand for these things and work out a detailed plan with them whereby they can seize power before the communists do in the confusion of a popular uprising. They will need time to organize their support, and time is running out. We, in turn, would promise:

1. Continuance and intensification of the Alliance for Progress and the Peace Corps program, with special emphasis on the problems of peasants acquiring their own land.

2. Arms and military training to maintain order.

3. All the technical help they want at the top from government men, businessmen, scholars, union leaders etc. in trying to establish an economy of abundance, fiscal stability and an equitable distribution of national wealth.

4. Encouragement of private capital investment from the U.S., but with definite limitations to prevent any economic imperialism on our part, e.g.
   (a) Standards for wages and welfare of Brazilian workers.
   (b) Agreement as to a reasonable amount of profits to be retained in Brazil without discouraging investment.

5. Support by Special Forces and the Navy if absolutely necessary.

It is my hope that a program such as this to salvage the Brazilian situation in our favor in the event of revolution is already underway. If not, I hope that you will give these suggestions your most serious consideration. All is not necessarily lost if revolt does break out. Our motto should not be (to paraphrase the Chinese proverb), if revolution becomes inevitable, relax and deplore it; but rather, be prepared to make the best of it.

With great respect,

A.S. Florence

Anthony S. Florence

P.S. My regards to Prof. Schlesinger. I was at Peterhouse, Cambridge with him.

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administration, I would guess it is already doing this, but, since these things have to be done in secret, one will never know -- hence this letter.

You are fully aware of the basic problem: legitimate aspiration of millions of peasants for a share of the land; difficulty of getting governments controlled by large landowners to preside ofer the liquidation of their estates (to paraphrase Churchill); frustration and desperation inevitably turning toward violent means of achieving the goal. We hold the ace, of course: we stand for, and the peasants want, private ownership. But if the ideal is unattainable, they will accept the next best thing. The communists either offer them private ownership and do not deliver, or offer government ownership in the name of the people. In either case, the peasants find themselves working for a new master, but by then it is too late -- the communists armies are in full control with Iron Curtain arms.

There is one hopeful feature of the Brazilian situation: it is, I believe, the most industrialized nation in South America. Therefore there must be a substantial middle class and an industrial working class. There must be some elements in these classes which believe in a liberal democratic solution to Brazil's problems.

My suggestion, therefore, is this: that our intelligence and diplomatic people get in touch with these elements and plan a definite strategy for a takeover of power in the event of a nationwide revolt. The people to whom we offer our encouragement and support must believe in:

1. Thomoughgoing land reform. Private ownership of course, but some compromises may have to be made to suit the special circumstances of Brazil.
2. A limitation of the amount of land that can be held by one person or family.
3. Homesteading by Brazilians of undeveloped land, with payment of transportation costs if necessary. The undeveloped land is of course another hopeful element in the Brazilian situation.
4. Prohibition of the export of capital - if possible some attempt to freeze and retrieve the capital which has already fled the country. This I believe is South America's second biggest problem. The wealth taken from the land, instead of being used to finance industrial and other development, has been tucked away safely in Europe. And American taxpayers are paying for the greed of Latin landlords.
5. A tremendous effort to spread free public education -- and constant vigilance to see that the communists do not infiltrate this program.
6. Industrial development, and, as a corollary, encouragement of democratic trade unions.
7. Democratic institutions. Here again some compromises might have to be made at the start, but they would have to be kept to a minimum and we would have to try to get some commitment that a free society is the goal. This includes absolute civilian control of the military.

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(21)

1358 Lakeview Road S.W.,
Albuquerque, N.M.

April 29, 1962.

The President of the United States,
White House,
Washington, D.C.

Subject: Possibility of Brazilian revolution - how we can plan for it.

Dear Mr. President:

I have just read in Parade magazine (April 29) an "Intelligence Report" from Rio de Janeiro. It says "Veteran observers here claim a revolution is inevitable." We have come to accept this, of course, as a definite possibility, but to see it expressed in this way fills one with alarm.

When we hear the word revolution we inevitably think of communism, and if a revolution starts in Brazil there is danger that we throw up our hands in despair and leave it to the communists with the feeling that from here on it is their show. But does it have to be a communist revolution?

I am not familiar with the internal situation in Brazil, but it seems to me there are certain elements in the history of communism which might help us better to control this situation. The communists do not always manufacture their own revolutions. They have commonly let others do much of the work and then taken over at a crucial moment because they were trained, organized and prepared to do so. This is, I believe, what happened in Russia itself when the Bolsheviks overthrew the Kerensky regime. There was a reasonably democratic regime in Spain, but, after Franco attacked, the communists appeared to be in full control. In Czechoslovakia the communists, though not clearly the victors in a democratic election, were prepared in advance to demand and get the cabinet posts which they knew would give them the key to power. I am not clear as to whether the Castro movement was communist from the start, but it looks as if there might have been the same takeover in Cuba of a non-communist but confused revolution.

Surely we can at least try to do the same thing! The dangers and difficulties are enormous *** interference in internal affairs, capitalist imperialism etc., etc., but at least, instead of resigning ourselves, we could feel that we had done our best to avert a tragedy. The important thing is that we start planning now for the possibility of a revolt in Brazil and for the possibility of turning it toward liberal democratic ends. Knowing the brain-power of your superb

Anthony S. Florence

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criticism of the negative attitude of some Brazilians -- a position largely due to leftist and Communist propaganda efforts.

PAN AMERICANISM AND UNITY OF THE AMERICAS - Secretary Dean RUSK's speech on the occasion of Pan American Day was the motive for a deep analysis of the events occurring in the Americas during the past year. The consensus of the press was that several factors, especially a better-oriented Latin American policy and the "Alliance for Progress" program, are contributing importantly for a better and clearer understanding of the sincere cooperation offered by the United States to its sister republics. Only Folha de São Paulo was pessimistic, saying that the Americas are now more divided than ever because of the severance of diplomatic relations with Castro's Cuba.

NUCLEAR TESTS - Sparsely commented, the disarmament problem was considered in the light of the recent proposals of the United States and the Soviet Union, with O Estado de São Paulo expressing its doubts about the real intentions of KHRUSHCHEV because "...the Russians do not hide their desire of 'sovietization' of the world either by conquest or subversion." Ultima Hora applauded the Brazilian disarmament proposal, saying that "...Brazil has reason enough to rejoice in the initiative of its delegation to the Geneva Conference." Diario do Comercio e Industria criticized all powers engaged in building atomic weapons and lashed out at the United Nations Organization's failure to arrive at an agreement on disarmament. (UNCLASSIFIED)

Daniel M. Braddock
Minister Consul General

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two other MRS staff members, died in the crash of a light plane in the interior of São Paulo State on April 22. (UNCLASSIFIED)

Comment: Ex-Communist Mayer, in addition to being the heart and brains of the anti-Communist MRS, was also a key member of the Independent Labor Action (Ação Sindical Independente -- ASI) (see Weekly Summary 11). He had acted as a moderating influence on opportunists Dante PELLACANI, CNTI (industrial workers) Vice President, and Antonio José RIBEIRO, President of the São Paulo State Federation of Hotel and Restaurant Employees, both of whom have frequently followed the Communist line. Mayer also had appeared to provide a potential bridge between rival non-Communist labor groups. Some observers are doubtful that the relatively small but until now expanding MRS can survive the loss of his aggressive leadership. (LIMITED OFFICIAL USE)

PSYCHOLOGICAL

1. Local Press Reaction

STEEL CONTROVERSY - President KENNEDY's firm stand denouncing the planned increases in the price of steel was extensively lauded in the local press as a clean-cut demonstration of democracy in action. O Estado de São Paulo highlighted Kennedy's action as a "great victory...which confirms the great qualities of leadership of a statesman embodying the revolutionary and democratic traditions of the United States." Even anti-American and often virulently critical Ultima Hora pointed out that Kennedy's attitude should be imitated by Brazil's government "which lacks the courage to accept the challenge as President Kennedy did." Continued Ultima Hora, "Kennedy has given, under the regime of free enterprise, an excellent and timely lesson of public administration to Brazil." A Hora applauded the action saying that it serves to teach Brazil "how to defeat the powerful trusts in its own territory" and concluded that this was "a test of moral authority"...and that "the voice of the people must prevail against a handful of industrialists." Diario de São Paulo also approved, stating that the President's move proved that the United States is not dominated by the industrial magnates as claimed by the Communists. Diario Popular, Diario do Comercio e Industria and A Gazeta joined in the general approval seconding the idea that the example should be imitated in Brazil.

ALLIANCE FOR PROGRESS - Minister Leonard J. SACCIO's speech in São Paulo on the Alliance for Progress before the American Chamber of Commerce was considered an important step in clarifying the real purposes and accomplishments of first twelve months of the operation of the "Alliance for Progress" program. O Estado de São Paulo pointedly affirmed that Brazil now has to live up to the expectations of the United States. O Dia was emphatic in stressing the benefits offered to the Northeast under the Alliance, prophetically observing "Now, a new era...opens for that region." Diario de São Paulo was strong in its

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4. Communists Lose in Bus Drivers Local Union

In a hard-fought election ending April 15 Cneo DANTAS was elected President of the São Paulo Local Union of Bus Drivers by 1947 votes against 1615 for the Communist opposition. (UNCLASSIFIED)

Comment: Forceful, outspoken Dantas is a socialist with a local reputation for dishonesty who has not hesitated to cooperate with the Communists to advance his own interests. He was actively (though reluctantly) supported by Orlando COUTINHO, President of the State Federation of Land Transport Workers, and by local democratic union elements who realized that if they split the non-Communist vote by proposing and backing a third candidate the Communists would probably win the election. Dantas with Communist backing had unsuccessfully opposed Coutinho for the federation presidency in November 1961. Approximately one hundred Communist labor organizers from many São Paulo unions reportedly worked strenuously to defeat Dantas. There has been no indication of interference with the election by President Goulart's advisers or by the Labor Ministry. (LIMITED OFFICIAL USE)

5. Democratic Union Movement Seeking Understanding with Goulart

Since Goulart's return from the United States, the Democratic Union Movement (Movimento Sindical Democrático -- MSD) has put out feelers to the President, offering its support in exchange for his abandoning his long-time alliance with Communist labor leaders. As an example of the foregoing, MSD President Antonio Pereira MAGALDI declared in an interview which appeared on April 17 in the Goulart-controlled Correio Paulistano that "we are certain that Sr. João Goulart is the right man in the right place: the President which the country always desired." The new MSD tactic is at least partially based on a suggestion by Manuel PAVON, Mexican labor leader and ORIT official who visited São Paulo recently. (LIMITED OFFICIAL USE)

Comment: The MSD may well stand to profit should Goulart's apparent shift toward a more central political position materialize and bring about a similar shift in his relation with labor. In the event of a definite break between Goulart and Communist labor leaders, the MSD believes it will be in a good bargaining position, since Goulart will still require a strong labor political base. However, MSD leaders are privately somewhat sceptical that such break will actually take place. (LIMITED OFFICIAL USE)

6. Union Renovation Movement Leader Dies

Geraldo MAYER, National Director of Organization and principal leader of the Union Renovation Movement (Movimento Renovador Sindical -- MRS), plus

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3. Ultima Hora Having Agonizing Reappraisal?

Something is going on in the São Paulo Ultima Hora, a sensational and successful (in terms of influence and circulation) daily which is the only important local leftist press organ. Indications: the two noisiest leftist columnists have been substituted by others who seem, if nothing else, more discreet. The general line appears more moderate and less anti-United States. The following explanatory rumors are in circulation:

(a) Owner Samuel WEINER underwent an honest change of heart during his recent visit to the U.S. with President Goulart. Comment: Unlikely. Less altruistic factors connected with the visit might have influenced him, however: Goulart's moderation, for example, or the growing difficulty of criticizing the current American administration in terms appealing to Paulistas.

(b) Anti-Communist businessmen's organization IPES loaned the paper some money for which it was desperate, forcing a change in policy. Comment: Very doubtful. The part about desperation for cash is easy to believe, however. Ultima Hora's orientation appeals to many readers, but hardly to advertisers.

(c) A "censorship" scheme was finally gotten off the ground by IPES, the São Paulo Federation of Industries, or some other group controlling big advertising money. Comment: There may well be something in this. Industry advertisement in Ultima Hora has usually amounted to "hush money," and it would be a splendid idea to cut it off -- but by individual courage, not by any organized "censorship" scheme. Most of the plans which the Consulate General has reported from time to time have been characterized by more enthusiasm than discretion. It would be distinctly counter-productive to have a group like IPES caught blackmailing the press.

are

(d) Ultima Hora personnel/implicated in a CMTC (municipal transport company) scandal which is now becoming public and the paper is anxious to behave until the smell subsides. Comment: Very likely. Ultima Hora does seem to be neck deep in the CMTC muck (which will be reported later), having apparently accepted large sums of "advertising" money from the public transport corporation to establish a lobby in the Municipal Chamber. (LIMITED OFFICIAL USE)

Comment: All of this is looking a gift horse in the mouth. If Ultima Hora becomes less antagonistic, it will be occasion to applaud first and analyze later. Unfortunately, it is too early to be sure that the trend is significant. Some of the pressures on the paper are temporary. (LIMITED OFFICIAL USE)

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a full convention. The Janista leaders have consequently directed heavy fire upon the apparent majority of interior party organizations supporting José Bonifacio. Key anti-Janio party officials have reportedly been fired. The success of this campaign may become known at a kick-off rally which Quadros is scheduled to hold April 28 in the important interior city of Baurú. The PTN there is said to have inclined toward his opponent. The degree of Quadros' success with Party and general public on April 28 could drastically affect his campaign plans. In order to allow time for this and other popularity tests, the PTN State Convention has been postponed from late April to an uncertain date in May. (LIMITED OFFICIAL USE)

2. Dantas Explains Foreign Policy, Announces Presidential Trip to Africa

Foreign Minister San Thiago DANTAS, speaking in São Paulo on April 16, said that Brazil's policy was:

(a) independent of the "rigid nations" (U.S. and U.S.S.R.) but not neutral;

(b) against colonialism in Africa, but for preservation of the centers of Portuguese civilization.

He considered that his foreign policy was not "neutral" because it was "flexible and constructive." It was a "policy of survival" between two "blocs" in "competitive coexistence." The strictly defensive nature of the Treaty of Rio de Janeiro meant, he said, that it did not involve Brazil in a "military bloc."

After emphasizing a desire for close relations with new African countries, Dantas mentioned that President Goulart would soon be travelling to Africa "to affirm a policy of solidarity." The countries to be visited were not given. (UNCLASSIFIED)

Comment: With the possible exception of the confirmation of President Goulart's African plans, the Foreign Minister said little new. His verbal acrobatics were, as usual, adroit but unedifying. How many military pacts are not "defensive"? How to please both Africans and Portuguese? What is his new definition of "neutral," "independent," and "non-aligned"? The answers are as fuzzy as before. It is understandable that he should hedge some questions -- but not all of them. He did, it is true, mention Brazil's faithfulness to "democracy (whose definition?), Christian principles, and the West."

Some of the extraordinary blind spots in Minister Dantas' vision are attracting increasing comment in São Paulo, since they obviously are not the result of lack of intelligence. At the same time, one hears some approval of his policy and only occasional strong rumbles of discontent. (LIMITED OFFICIAL USE)

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FOREIGN SERVICE DESPATCH

FROM : Amcongen SÃO PAULO 250 NO.

TO : THE DEPARTMENT OF STATE, WASHINGTON. April 27, 1962 DATE

REF :

ACDA-10

For Dept. Use Only	ACTION	INFO	DEP	RM/R	REP	AF	S/S	EUR	S/P	G	S/AE	INR	E	P	IO	AID
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	REC'D 4-30			AIR	ARMY	CIA	NAVY	OSD	OCB	USIA	NSA NSC					
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SUBJECT: Weekly Summary No. 17

DEPARTMENT OF STATE
BUREAU OF
INTER-AMERICAN AFFAIRS
MAY 2 1962
file no action
EST/B JWW 5-1-62

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PSYCHOLOGICAL: 1. Local Press Reaction

POLITICAL

1. Janio Courts PTN

Gubernatorial hopeful Janio QUADROS and staff are engaged in intensive courtship of the National Laborites (Partido Trabalhista Nacional -- PTN). Loss of the PTN nomination would leave him with a minor local party or none at all (Weekly Summary 15). Concerned by the vicious tug of war with elements supporting competitor José Bonifacio Coutinho NOGUEIRA, the Janista PTN wing -- comprising most of the top party officers -- is trying to nominate Quadros without a convention. They claim that last February's meeting (indecisive and convoked for a different purpose -- see Weekly Summary 9) was enough. PTN statutes can perhaps be construed to support this argument, but the best guess is that the electoral courts will insist on

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

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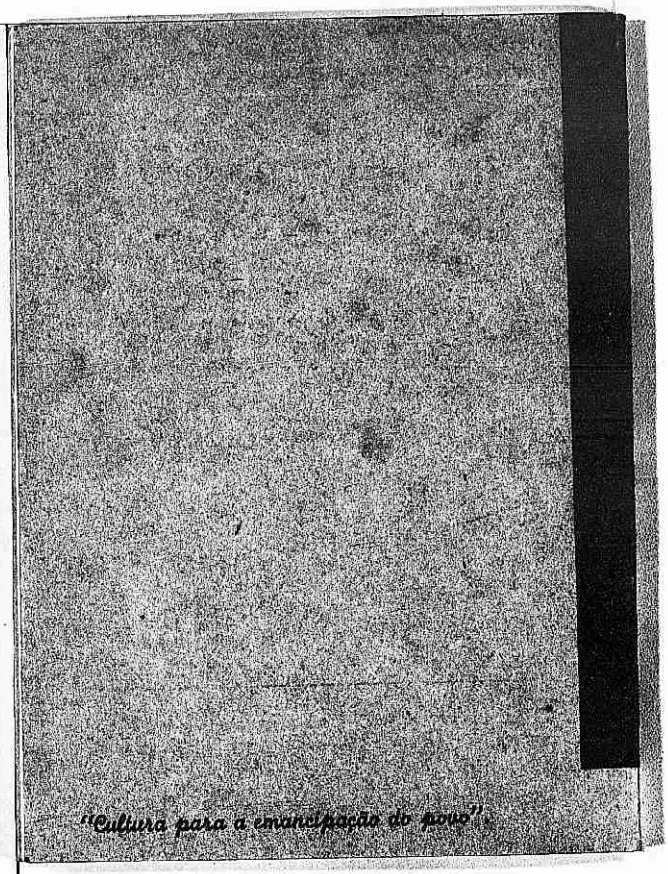
"Cultura para a emancipação do povo"

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O Movimento de Cultura Popular agradece a todos que colaboraram, na confecção gráfica deste livro:

à equipe da **Gráfica Editôra do Recife**, sob a direção do Dr. Fernando Livino de Carvalho, integrada pelos seguintes técnicos:

Generino Monteiro — chefe de oficinas
Fernando Santana — tipógrafo-paginador
Severino de França — impressor
Reginaldo Santos — impressor

a Antônio Telles, do Atelier de Fotogravura que executou os clichês.

Este Livro de Leitura foi impresso em fevereiro de 1962, sendo Prefeito da Cidade do Recife o Dr. Miguel Arraes de Alencar e Presidente do Movimento de Cultura Popular o Prof. Germano de Vasconcellos Coelho.

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Prezado aluno:

Agora que você já sabe ler, vamos contar-lhe a história dêste livro.

Êle nasceu do idealismo da equipe do Movimento de Cultura Popular.

Debatemos, em muitas reuniões, a maneira de ensinar a ler que pudesse, realmente, interessar ao homem e à mulher do Nordeste, cansados da luta diária pela sua sobrevivência e a de seus filhos.

Chegamos à conclusão de que só tratando os problemas com honestidade, conversando com você sôbre as causas dêsses problemas, procurando chamá-lo a colaborar conosco, num trabalho benéfico para tôda a comunidade, sem distinção de raça, credo ou classe, estaríamos, realmente no caminho certo.

Para a elaboração dêste livro estudamos o resultado de experiências de vários países com condições de desenvolvimento semelhantes às nossas, experiências publicadas em revistas da UNESCO, organização mundial de educação e cultura.

Esperamos que o nosso objetivo tenha sido atingido e que você, agora, já possa trabalhar também para educar outros brasileiros.

Josina e Norma

1166

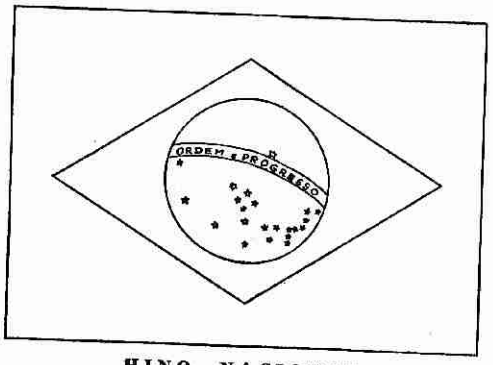
BRASIL — capital Brasília (Distrito Federal)

Estados e territórios (por ordem alfabética):

Amazonas	— capital	Manaus	Pará	— capital	Belém
Alagoas	— "	Maceió	Paraíba	— "	João Pessoa
Acre (Ter.)	— "	Rio Branco	Paraná	— "	Curitiba
Amapá (Ter.)	— "	Macapá	Pernambuco	— "	Recife
Bahia	— "	Salvador	Piauí	— "	Teresina
Ceará	— "	Fortaleza	Rio Branco (Ter.)	— "	Boa Vista
Espírito Santo	— "	Vitória	Rio G. do Norte	— "	Natal
Fernando de Noronha (Ter.)	—		Rio Grande do Sul	— "	Pôrto Alegre
Goiás	— capital	Goiânia	Rio de Janeiro	— "	Niterói
Guanabara	— "	R. de Janeiro	Rondônia (Ter.)	— "	Pôrto Velho
Mato Grosso	— "	Cuiabá	Santa Catarina	— "	Florianópolis
Maranhão	— "	São Luís	São Paulo	— "	São Paulo
Minas Gerais	— "	B. Horizonte	Sergipe	— "	Aracaju

BANDEIRA BRASILEIRA

Côres: retângulo verde, losango amarelo, esfera azul, estrêlas brancas, faixa branca e letras verdes.



HINO NACIONAL

Letra de Joaquim Osório Duque Estrada — Música de Francisco Manuel

Ouviram do Ipiranga às margens plácidas
De um povo heróico o brado retumbante,
E o sol da Liberdade, em raios fúlgidos,
Brilhou no céu da Pátria nesse instante.

Se o penhor dessa igualdade
Conseguimos conquistar com braço forte,
Em teu seio, ó Liberdade,
Desafia o nosso peito a própria morte!

O' Pátria amada,
Idolatrada,
Salve! Salve!

Brasil, um sonho intenso, um raio vivido
De amor e de esperança à terra desce,
Se em teu formoso céu, risonho e límpido,
A imagem do Cruzeiro resplandece.

Gigante pela própria natureza,
És belo, és forte, impávido colosso,
E o teu futuro espelha essa grandeza

Terra adorada,
Entre outras mil,
És tu, Brasil,
O' Pátria amada!

Dos filhos dêste solo és mãe gentil,
Pátria amada,
Brasil!

Deitado eternamente em berço esplêndido,
Ao som do mar e à luz do céu profundo,
Fulguras, ó Brasil, florão da América,
Iluminado ao sol do Novo Mundo!

Do que a terra mais garrida
Teus risonhos, lindos campos têm mais flôres;
"Nossa bosques têm mais vida",
"Nossa vida" no teu seio "mais amores".

O' Pátria amada,
Idolatrada,
Salve! Salve!

Brasil, de amor eterno seja símbolo
O lábaro que ostentas estrelado,
E diga o verde-louro desta fâmula
— Paz no futuro e glória no passado.

Mas, se ergues da justiça a clava forte,
Verás que um filho teu não foge à luta,
Nem teme, quem te adora, a própria morte.

Terra adorada,
Entre outras mil,
E's tu, Brasil,
O' Pátria amada!

Dos filhos dêste solo és mãe gentil,
Pátria amada,
Brasil!

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Mapa da
AMÉRICA

ALFABETO

Imprensa		Manuscrito	
A	a	*A*	*a*
B	b	*B*	*b*
C	c	*C*	*c*
D	d	*D*	*d*
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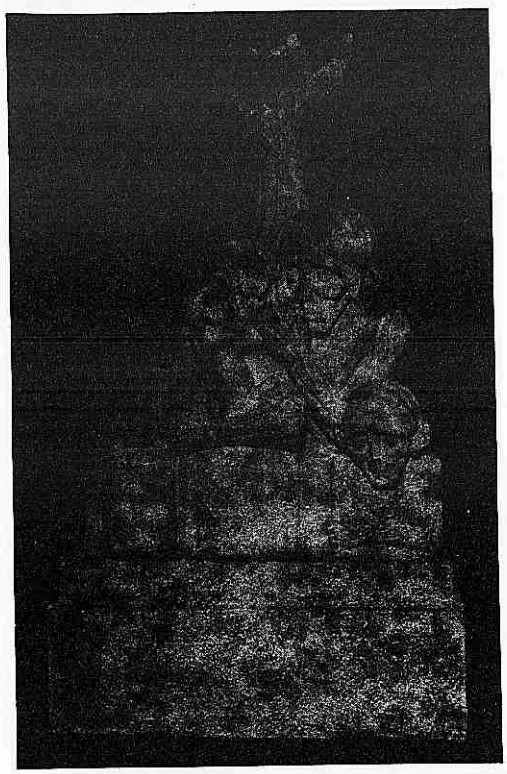


(21)

Lição 77

paz

paz

giz raiz chafariz voz luz cruz

O Nordeste só terá paz quando a raiz de seus males fôr atacada.

Quando a reforma agrária assegurar ao camponês: terra, máquinas, orientação técnica, crédito, mercado, educação e saúde.

Quando o comércio, organizado dentro do espírito cooperativista, valorizar ao máximo a renda do produtor e do consumidor.

Quando a implantação de fábricas permitir a industrialização de nossas matérias primas, na própria região.

A voz do povo traz muita luz sôbre os problemas do Nordeste.

Problemas que podem ser resolvidos com trabalho, honestidade e justiça.

A justiça é harmonia, equilíbrio e igualdade nas relações entre os homens.

Cristo morreu na cruz pregando a justiça sôbre a terra. É indispensável haver paz entre os homens para que haja progresso no mundo.

A paz nasce da justiça.

Lição 76

democracia
cra
cra

cra	cre	cri	cro	cru
cra	*cre*	*cri*	*cro*	*cru*
escravo	credo	criança	crônica	crua
burocracia	decreto	crise	lucro	

Apesar das crises o Brasil cresce.

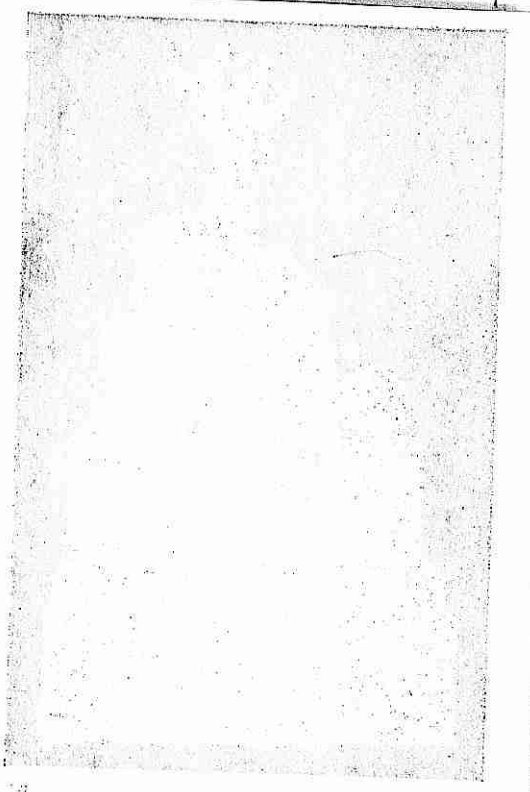
É preciso, porém, que os lucros produzidos pelo trabalho do povo brasileiro revertam em benefício do próprio país.

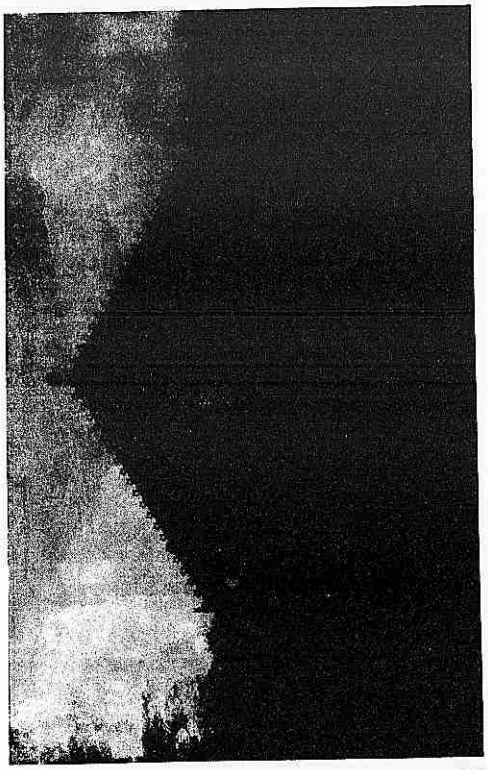
O futuro das nossas crianças depende de como soubermos defender hoje as riquezas de nossa Pátria.

crença **sacrifício**

Cada um tem sua crença: os católicos têm fé em Cristo; os protestantes também; os judeus esperam o Messias; os espíritas acreditam na reincarnação; outros não têm crença.

«Todos são iguais perante a lei!»





(20)

República

bli

bli

problema público bloco blusa

O MCP realiza uma educação popular por vários meios, atingindo ao grande público:

— escolas primárias para crianças e adolescentes;

— escolas radiofônicas e de aperfeiçoamento para adultos;

— programas de educação e cultura pelo rádio e pela televisão;

— escolas de formação profissional, como a de motoristas-mecânicos e o curso de corte e costura;

— praças de cultura, com discoteca, tele-clube, biblioteca pública, cinema, teatro e jogos infantis;

— centros de cultura, clubes de leitura e círculos de cultura, onde, entre outros, são debatidos os problemas brasileiros;

— cursos e campanhas de educação sanitária, além de assistência médica para crianças e adultos;

— cursos de educação física, esportes e piqueniques esportivo-culturais;

— centros de artesanato e artes plásticas e exposições para o público, como as da Galeria de Arte do Recife, construída às margens do Capibaribe;

— programas teatrais realizados no teatro do Arraial Velho e no Teatro do Povo (ambulante), além de debates dos problemas teatrais, com o público.

Enfim, o MCP procura atacar todos os problemas relacionados com a elevação do nível de cultura do povo.

Com êsse programa de educação popular, o MCP possibilita ao homem e à mulher uma ação mais consciente dentro da sociedade.

O bem público deve ser o objetivo dos bons governantes.

Lição 14

República *República*	democracia *democracia*	paz *paz*

— O Brasil é uma **República?**

— Sim. Atualmente é uma **República** Parlamentarista. Tem um Presidente, um Primeiro-Ministro e um Conselho de Ministros, que constituem o Poder Executivo. A Câmara de Deputados e o Senado Federal formam o Poder Legislativo. Os Juízes, integrantes do Supremo Tribunal Federal, representam o Poder Judiciário.

Cada Estado tem um Governador, a Assembléia Legislativa, com os Deputados estaduais e o Tribunal de Justiça com os Juízes.

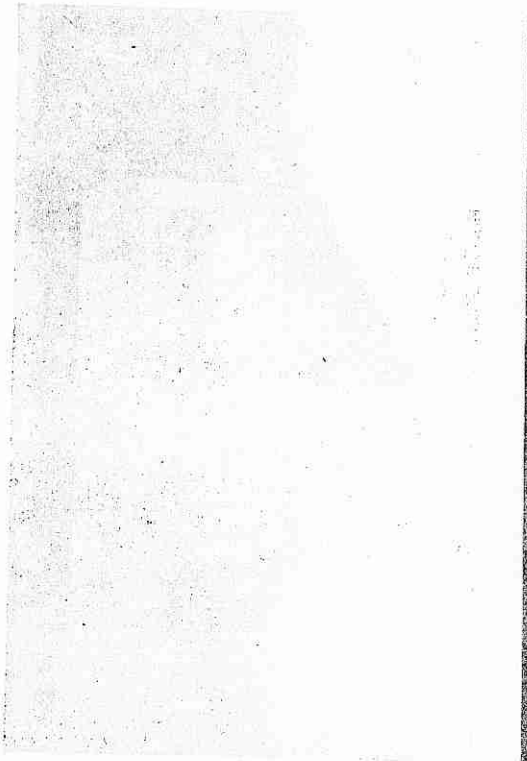
Cada Município tem um Prefeito e a Câmara Municipal, com os Vereadores.

— Como são escolhidas essas autoridades?

— Os Juízes, por concurso. Os demais, representantes do povo, são escolhidos direta ou indiretamente pelo voto dos eleitores, homens e mulheres maiores de 18 anos.

— E que é **democracia?**

— **Democracia** é o govêrno do povo, pelo povo e para o povo. Em uma verdadeira democracia o povo tem **paz**, tudo que é indispensável a uma vida digna e meios para ampliar sua cultura.



Lição 72

caboclinhos
cli
cli

cla	cle	cli	clo	clu
cla	*cle*	*cli*	*clo*	*clu*
classe	clero	clichê	cloro	clube
clamor	clemência	clima		conclusão
declaração		cliente		

Reclamar	Eu reclamo — Eu reclamei Eu reclamava — Eu reclamarei
Esclarecer	Eu esclareço — Eu esclareci Eu esclarecia — Eu esclarecerei

É preciso atender ao clamor do povo!

As classes pobres reclamam seu direito de viver.

Para haver tranqüilidade no país, é necessário que haja um clima de compreensão entre homens de tôdas as classes, com o objetivo comum de resolver os males da Nação.

A Declaração Universal dos Direitos do Homem, da ONU (Organização das Nações Unidas), reivindica para todos os povos, condições dignas de vida.

Lição 73

Guararapes
Gua
Gua

Nos montes Guararapes, os nordestinos ,comandados por André Vidal de Negreiros, Henrique Dias e Felipe Camarão, selaram a unidade das três raças — branca, negra e índia, consolidando a formação de um povo sem preconceito de côr.

A luta do Nordeste contra o invasor foi o primeiro surto de nacionalismo no Brasil.

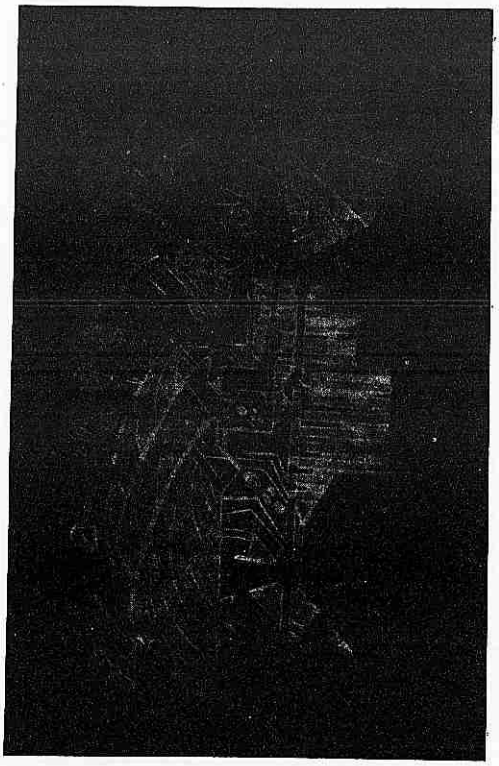
Carlos Gomes compôs a ópera «O Guaraní» em louvor ao índio brasileiro.

Os guaranís já viviam em nossa terra, na época do descobrimento do Brasil pelos portuguêses.

Uma das bebidas indígenas era o guaraná.

O guaraná é uma bebida nacional!

O café e o mate também são bebidas nacionais.



caboclinhos
caboclinhos

Guararapes
Guararapes

O Carnaval do Recife é uma das maiores tradições do Nordeste.

Nossas tradições vêm do português, do índio e do africano.

Numerosos conjuntos folclóricos desfilam no Carnaval do Recife: **caboclinhos,** maracatus, escolas de samba, grupos de frêvo e troças de rua.

A avenida **Guararapes** é tôda decorada com motivos do folclore regional.

O povo brinca, durante vários dias, fazendo o passo nas ruas.

O frêvo domina o Carnaval do Recife!

1158

Lição 70

zabumba
za
za

riqueza zero vazio juízo azulejo

batizado zebu zinco zoológico azul

razão fazenda cozinha zumbi

A fraqueza do homem está no seu isolamento.

O trabalhador sindicalizado é um homem forte.

Através do seu sindicato, êle pode apresentar razões, que fundamentem suas reivindicações.

Ao mesmo tempo, graças ao debate, pode fazer melhor juízo das realizações, governamentais e particulares, que realmente o beneficiam.

Sindicalismo e cooperativismo, armas contra a fraqueza do homem isolado!

Lição 68

frêvo
fre
fre

fra	fre	fri	fro	fru
fra	*fre*	*fri*	*fro*	*fru*
frase	frete	Africa	frondosa	fruto

É preciso que se forme, no Brasil, uma ampla frente, congregando todos que trabalham para suprimir as causas da miséria do povo brasileiro.

O sofrimento do nosso povo é apenas uma conseqüência.

As causas que geram êsses sofrimentos, são mais profundas. Só podem ser eliminadas com planificação e reformas de base.

POVO POBRE — PAÍS FRACO!

Na união fraternal de todos os brasileiros, que amam a sua Pátria, está a esperança de melhores dias para o Brasil.

Só existe verdadeira fraternidade, quando cada homem se interessa pelo bem estar do próximo.

Lição 69

ritmo
rit
rit

técnica intelectual objetivo folclore subsistência

Obter

Eu obtenho — Eu obtive — Eu obtinha — Eu obterei

Num plebiscito o povo pode optar por qualquer forma de govêrno.

O que importa é se a forma escolhida lhe dará meios para obter uma vida digna.

O povo brasileiro está na expectativa de soluções que ataquem as causas de seu sub-desenvolvimento.

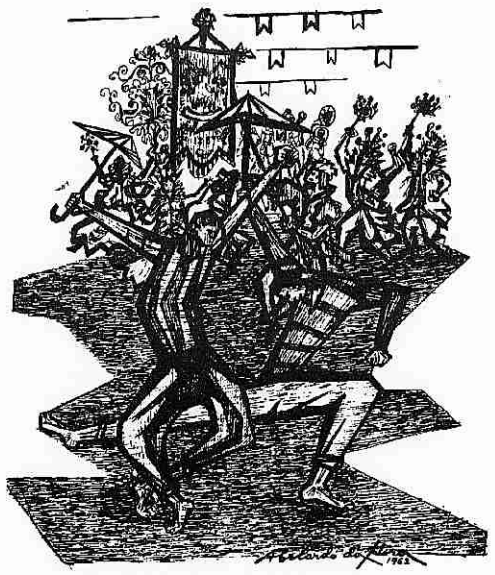
Sem técnica não há desenvolvimento.

«Reforma de base» — só tem significação se acaba com a miséria.

O folclore é o conjunto das tradições de um povo.

O MCP procura captar os ritmos populares do Nordeste, gravando a música do bumba-meu-boi, da chegança, do pastoril, etc.

1156



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frêvo	ritmo	zabumba
frêvo	*ritmo*	*zabumba*

O **zabumba** é uma banda popular.

O **frêvo** é música típica do povo pernambucano.

O **ritmo** do **frêvo** é efervescente.

O maracatu, o samba e o baião também são **ritmos** populares do Nordeste.

Os **ritmos** populares inspiram a música erudita.

A música de um povo é parte de sua cultura.

Um povo sem cultura é um povo pobre!

Lição 66

Brasil	trabalho	coqueiro	arraial	quadrilha

bra	bre	bri	bro	bru
tra	tre	tri	tro	tru
lha	lhe	lhi	lho	lhu
—	que	qui	quo	—
qua	qüe	qüi	—	—

Leia, completando:

Só o ..... consciente de seus filhos levará o Brasil a progredir

.....é a nova capital do Brasil.

A ..... é a emprêsa nacional de petróleo.

Pelo voto o povo ..... seus representantes.

O trabalho do ..... é perigoso e cansativo.

O MCP leva a ....ao povo.

1154

r=rr

honra enrêdo enriquecer enrolar enrugar

O nordestino defende com ardor a honra de sua família.

Muitas crianças do Nordeste morrem na mais tenra idade.

Diversos filmes brasileiros apresentam como enrêdo a vida de Lampião, Maria Bonita e outros cangaceiros.
Nesses filmes os fatos se desenrolam mostrando que o cangaço resulta do desajustamento social.

quadrilha
qua
qua

qualidade quantia quadro-negro quarta-feira
quaresma quadriênio conseqüência tranqüilidade

— Qualquer pessoa pode aprender a ler?
— Sim, em qualquer tempo, se não lhe foi dada oportunidade para isso, quando criança.

A tranqüilidade é um bem.
Só onde há justiça pode haver segurança para todos.
Sòmente o homem que tem segurança é um homem tranqüilo.

Lição 64

arraial
r-ra
rra

terra ferreiro corrida morro arruela

O teatro é uma arte completa. Reúne tôdas as artes: a música, a dança, a mímica, o canto, a poesia, a pintura, a escultura e mesmo o cinema.

É um meio de educação do povo.

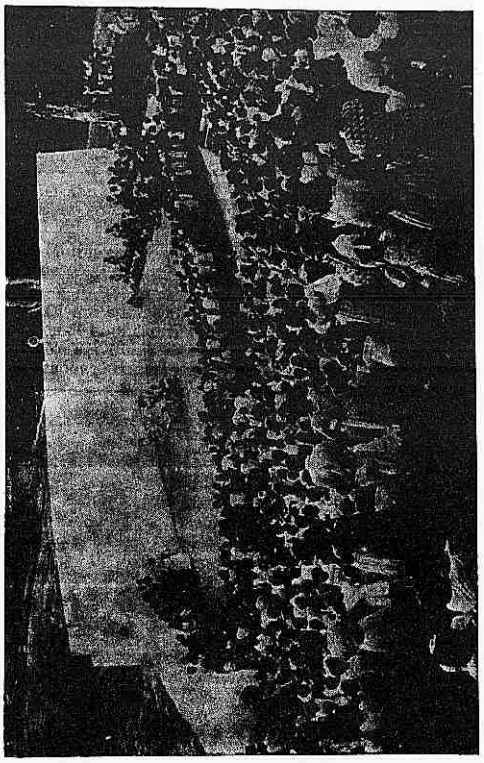
O «Teatro do Arraial Velho» é um teatro ao ar livre, na encosta do morro, onde são apresentados espetáculos gratuitos.

O MCP leva o teatro ao povo!

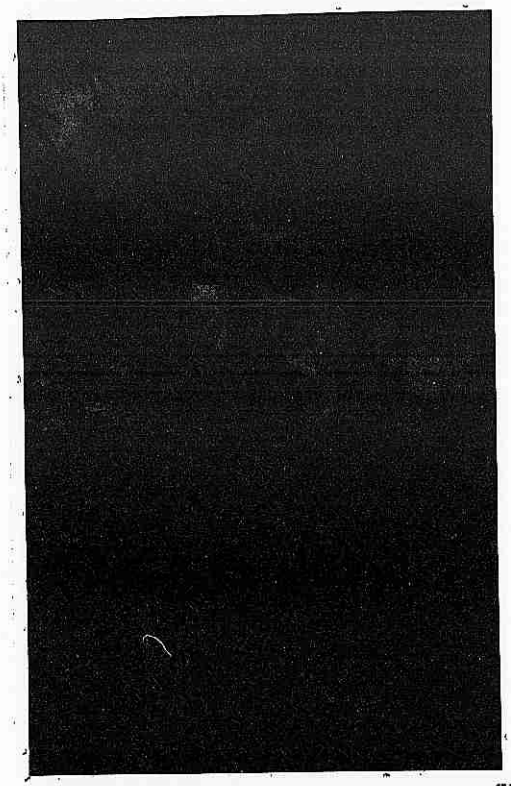
Um teatro verdadeiramente popular concorre para a emancipação do povo.

No Arraial do Bom Jesus está a sede do Movimento de Cultura Popular.

Nesse local histórico o nordestino lutou para defender seu torrão contra o invasor holandês.



1152



arraial
arraial

quadrilha
quadrilha

No **Arraial** do Bom Jesus houve festa de S. João e S. Pedro.

O povo prestigia as festas tradicionais!

Os pares dançaram côco, ciranda e **quadrilha** várias noites.

Os côcos, as cirandas e quadrilhas são danças populares brasileiras, que enchem de sadia alegria as festas joaninas.

No sítio do **Arraial** desfilaram várias «Bandeiras de São João».

O povo aplaudiu com entusiasmo!

Cantadores e violeiros de todo o Nordeste improvisaram seus versos.

Havia muito balão, canjica, milho assado e **pamonha**.

O M.C.P. preserva as tradições do Nordeste incentivando os festejos populares.

Lição 62

jangada *jangada*	peixe *peixe*	coqueiro *coqueiro*

O **coqueiro** e a **jangada** compõem a paisagem das praias do Nordeste.

Tôdas as manhãs os pescadores saem em suas **jangadas** em busca de **peixe** para vender nas praias. Seu trabalho é perigoso e cansativo.

Associando-se nas colônias de pesca, êles se protegem para a velhice e a doença.

O jangadeiro é o herói dos mares bravios!

coqueiro
quei
quei

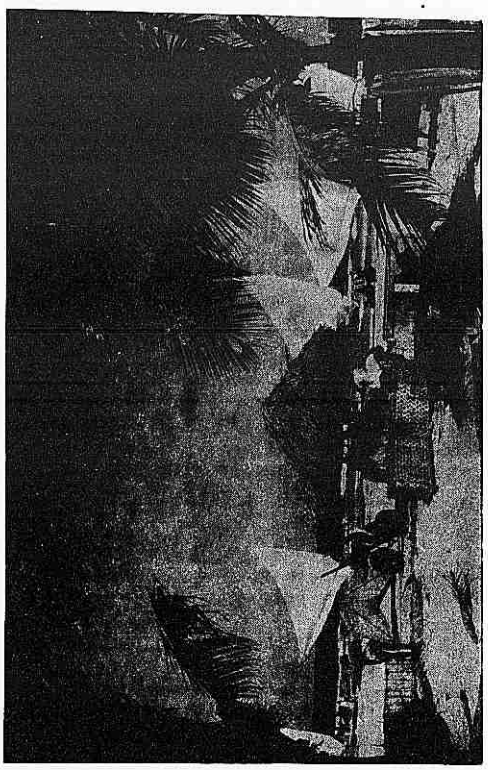
que	qui	quo
que	*qui*	*quo*
xique-xique	queijo	quilo	máquina	quota

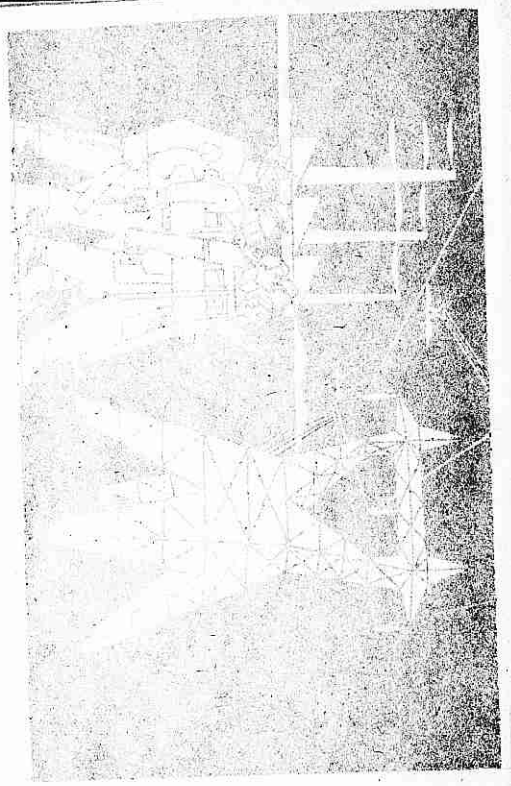
— Por que luta o homem do Nordeste?

— Por seu quinhão de felicidade: casa para morar, alimentação para sua família e educação para seus filhos.

— Quem não compreende a luta dos nordestinos?

— Só aquêles que não amam a Pátria como um todo.





trabalho
lho
lho

lha	lhe	lhi	lho	lhu
lha	*lhe*	*lhi*	*lho*	*lhu*
ilha	mulher	folhinha	filho	abelhudo
palha	colheita		milho	

Uma boa colheita é importante para o trabalhador do campo e para a população da cidade.

A mulher trabalha com os filhos na colheita.

Trabalha junto ao homem para melhorar as condições de vida da família.

Seu trabalho é indispensável para acelerar o progresso do Brasil.

Escolher

Eu escolho — Eu escolhi — Eu escolhia — Eu escolherei

O povo escolhe seus representantes na Câmara e no Senado.

No regime parlamentarista, os deputados federais escolhem o Conselho de Ministros, o Primeiro-Ministro e o Presidente.

1149

Lição 60

trabalho
tra
tra

tra	tre	tri	tro	tru
tra	*tre*	*tri*	*tro*	*tru*
tradição	trem	trigo	petróleo	construção
estrada	três	eletricidade	petrobás	
estrangeiro	trégua	Pátria	ministro	
transporte		indústria		

A mão de obra sem trabalho é um entrave ao progresso do Nordeste.

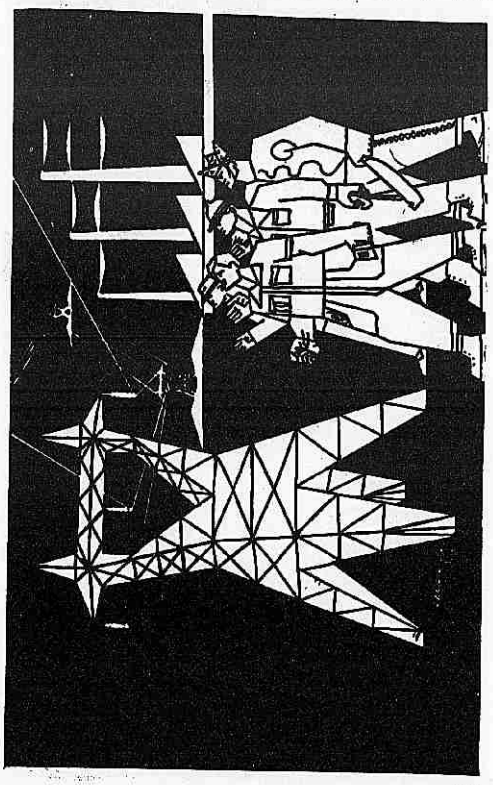
Para o progresso de nossa Pátria é necessário defender a indústria nacional.

A Companhia Hidro-Elétrica (CHESF), em Paulo Afonso, contribui para o desenvolvimento do Nordeste, levando eletricidade à cidade e ao campo.

A Petrobrás é outra emprêsa estatal, atuando em todo o país.

O político nacionalista não trai a confiança do povo: defende o monopólio estatal do petróleo.

A Petrobrás é intocável!



Brasil
Bra
Bra

bra	bre	bri	bro	bru
bra	*bre*	*bri*	*bro*	*bru*
bravura	breve	brio	broca	brucelose
branco	brejo	britador		
Brasília	pobre	obrigação		

A nova capital do Brasil é Brasília.

Brasília é uma cidade moderna, feita de acôrdo com um plano.

Brasília está situada no planalto goiano, no Estado de Goiás.

Brasília foi feita com a ajuda dos nordestinos.

brasileiro **fábrica**

O progresso do Nordeste exige a instalação de fábricas.

O operário brasileiro tem capacidade para atingir um alto nível em sua profissão.

A fábrica é a escola do operário.

1147

Lição 58

Brasil
Brasil

trabalho
trabalho

O **Brasil** necessita do **trabalho** de todos.

Para haver progresso no **Brasil**, não pode haver marginais (marginais são os homens sem **trabalho**).

Para não haver marginais deve existir emprêgo para todos.

O Brasil só progredirá pelo trabalho consciente de seu povo.

1146

Lição 56

S-SS

compreensão persistência pensamento

responsabilidade mensagem anseio

consideração diversão ensino descanso

Conseguir	Eu consigo — Eu consegui Eu conseguia — Eu conseguirei

O operário, depois de muitos anos de canseiras, precisa de uma pensão para poder viver.

Havendo compreensão e responsabilidade, podem ser atendidos os anseios populares.

Devemos ter em nosso pensamento as coisas que são indispensáveis ao homem: o pão, a saúde e a esperança.

«Cultura para todos os homens», é uma mensagem de esperança.

Lição 57

açúcar *açúcar*	engenho *engenho*	enxada *enxada*
homem *homem*	flagelado *flagelado*	progresso *progresso*

ça	—	—	ço	çu
—	ge	gi	—	—
xa	xe	xi	xo	xu
ha	he	hi	ho	hu
fla	fle	fli	flo	flu
pra	pre	pri	pro	pru
gra	gre	gri	gro	gru

A Constituição proíbe a segregação racial.

O MCP é uma Universidade Popular.

O homem do litoral, da mata, do agreste e do sertão luta pelo desenvolvimento do país.

1145

Lição 56

S=SS

compreensão persistência pensamento

responsabilidade mensagem anseio

consideração diversão ensino descanso

Conseguir	Eu consigo — Eu consegui Eu conseguia — Eu conseguirei

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Lição 57

açúcar *açúcar*	engenho *engenho*	enxada *enxada*
homem *homem*	flagelado *flagelado*	progresso *progresso*

ça	—	—	ço	çu
—	ge	gi	—	—
xa	xe	xi	xo	xu
ha	he	hi	ho	hu
fla	fle	fli	flo	flu
pra	pre	pri	pro	pru
gra	gre	gri	gro	gru

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1144

Lição 54

progresso
gre
gre

gra	gre	gri	gro	gru
gra	*gre*	*gri*	*gro*	*gru*
gratidão	greve	gripe	grosa	grude
gramática	grêmio	grito	negro	grupo
granja	agreste	alegria		grumete

Os operários vão à greve para exigir os direitos garantidos por lei.

— As escolas do MCP são gratuitas?

— Sim. E o país só poderá progredir se o govêrno proporcionar ao povo, ensino gratuito em todos os graus.

O MCP congrega homens de tôdas as raças, de tôdas as opiniões, de tôdas as religiões, para um fim comum: a elevação do nível cultural do povo.

Lição 55

progresso
s-so
s-so

O Município precisa da ajuda do govêrno do Estado e da União para a solução dos males sociais da cidade e do campo.

Para haver progresso social é preciso dar as mesmas oportunidades a todos os grupos, sem distinção de raça, situação social ou religião.

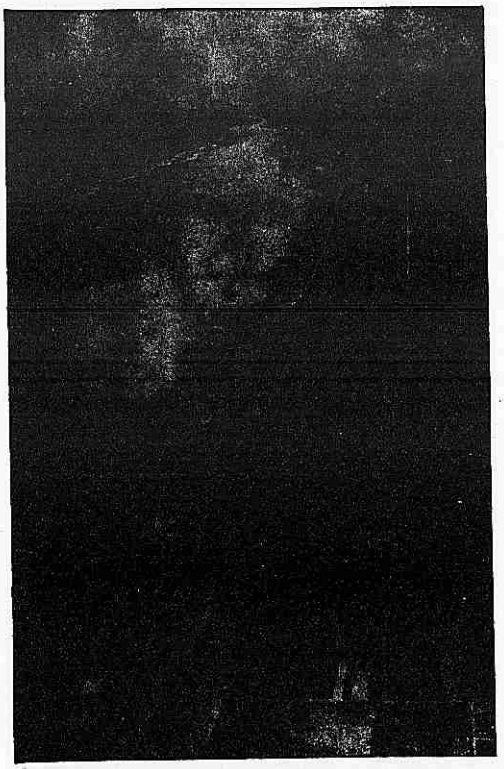
comissão assembléia necessidade associação
interêsse congresso

Sòmente um Congresso nacionalista, isto é, Câmara e Senado com homens interessados no bem estar social do povo, poderá votar reformas básicas, garantindo o progresso da Nação.

A popularidade do líder deve depender de seu interêsse pelas necessidades do grupo e da pessoa humana.

O professor deve ser um líder em sua comunidade.

1143



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Lição 53

progresso

pro

pro

pra	pre	pri	pro	pru
pra	*pre*	*pri*	*pro*	*pru*
praia	prefeito	primário	prova	prumo
praça	preço	primeiro	projeto	
	presidente	privilégio	produção	
	prêmio		profissão	

O progresso atual do Recife resulta do programa cumprido pela Prefeitura Municipal, com a colaboração dos seus habitantes.

O prestígio de um prefeito junto ao povo é uma prova de seu esfôrço em benefício do município.

O prefeito representa o poder executivo.

A fome, a doença, o desemprêgo e o analfabetismo são alguns dos males sociais da região nordestina.

Estes males impedem a ordem e o progresso, lema da bandeira dêste país.

«Ordem e Progresso».

flagelado	progresso
flagelado	*progresso*

— O **progresso** já chegou ao campo?

— Não, e esta é a causa da fuga do camponês.

Por causa disto êle deixa de ser um camponês e se torna um **flagelado.**

O **flagelado** é o camponês desamparado.

Com soluções justas para o campo não haverá mais flagelados.

Um govêrno nacionalista leva o progresso ao campo.

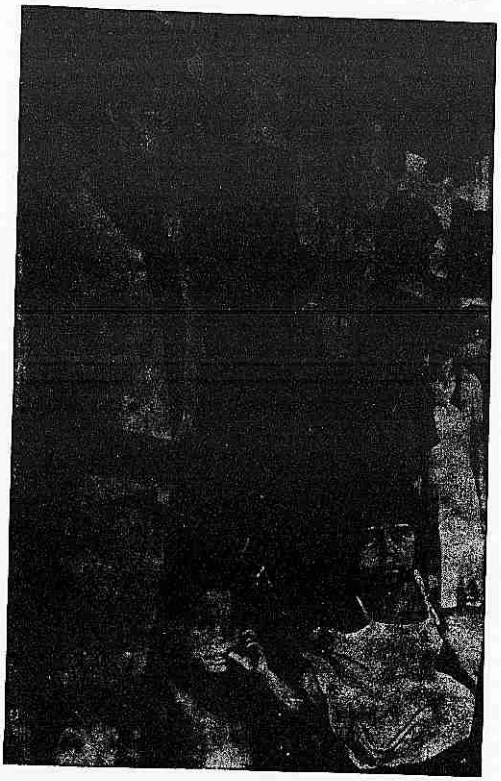
flagelado
fla
fla

fla	fle	fli	flo	flu
flagelo	flecha	aflição	flor	fluvial

— Onde há floresta existe o flagelo da sêca?

— Não. Existe sêca no sertão.

Você já viu a aflição do homem, vivendo onde nada floresce?



1141

Lição 50

Nordeste
Nordeste

homem
homem

O homem do **Nordeste** se chama nordestino.

Pernambuco é um Estado do **Nordeste**.

O pernambucano é um nordestino.

O **Nordeste** tem nove Estados: vai do Maranhão até a Bahia.

O homem nordestino é um lutador.

Êle ajudou o desenvolvimento do sul.

Agora espera apôio para o desenvolvimento de sua região.

O homem do Nordeste pede justiça!

Lição 51

homem
ho
ho

hábito	herói	hino	hoje	humilde
habitação	heroína	higiene	holandês	humano
harmonia	herança	história	horário	humanitário

Verbo haver	Há — Houve — Haveria — Haverá

Em tôda a história da humanidade houve lutas pela liberdade.

Pernambuco também tem sua herança de glórias.

Os heróis pernambucanos venceram o invasor holandês.

Hoje como ontem os homens lutam em defesa de seus direitos.

O «Hino da Independência» exalta o heroísmo dessas lutas.

1140

Lição 48

engenho
ge
ge

ge		gi	
gema	gêlo	ginásio	regime
bagagem	viagem	refúgio	

— O lavrador está fugindo do campo?
— Muitos não fogem mais. Agem pacificamente, com a esperança de justiça para a sua causa.

engenho
nho
nho

nha	nhe	nhi	nho	nhu
nha	*nhe*	*nhi*	*nho*	*nhu*
rinha	dinheiro	banhista	pinho	nenhum

Em uma eleição deve ganhar o candidato com uma linha de conduta reconhecidamente de defesa dos direitos do povo.

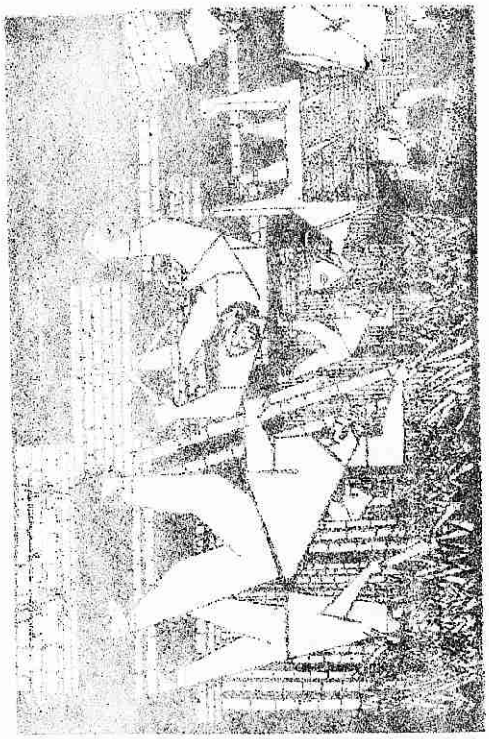
Ninguém pode viver sem ganhar dinheiro.
Pela educação o camponês pode ganhar mais.
O dinheiro é o resultado do esfôrço de muitos.

Lição 49

enxada
xa
xa

xa	xe	xi	xo	xu	
xa	*xe*	*xi*	*xo*	*xu*	
caixa	xerém	xícara	eixo	Exu	(x=ch)
		auxílio			(x=ss)
		oxigênio	sexo		(x=cs)
exame		existência			(x=z)
ex-voto		sexta-feira	experiência		(x=es)

O xerém é uma dança popular.
Exu é uma divindade do xangô.
O xangô é um culto religioso.



Lição 47

açúcar
çu
çu

ça	ço	çu
ça	*ço*	*çu*
caça	poço	açude

justiça **ação** **solução** **eleição** **Constituição**

Na sêca do sertão até o açude seca.

O sertanejo pede a ação do govêrno.

Com esperança aguarda as suas soluções.

Deseja apenas condições para viver: casa, alimentação, roupa e educação.

A educação pode ajudar o povo a conseguir estas condições.

O Movimento de Cultura Popular luta pela educação do povo.

Lição 46

açúcar	Pernambuco
açúcar	*Pernambuco*

engenho	enxada
engenho	*enxada*

A base da economia de **Pernambuco** é o **açúcar.**

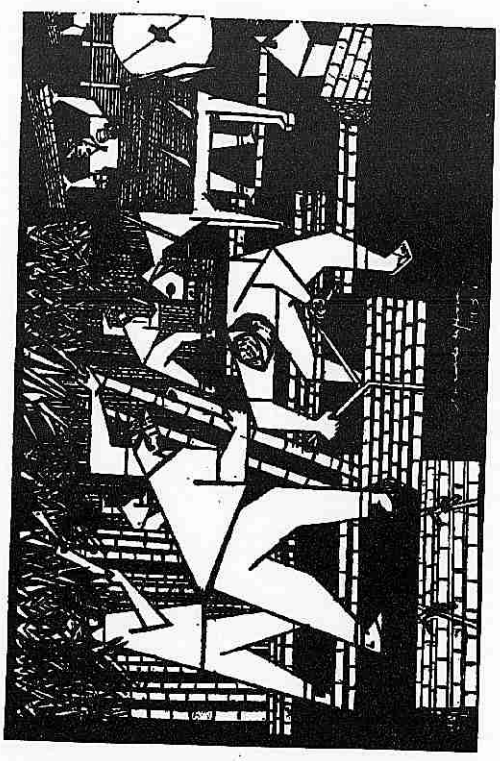
O lavrador ainda cultiva o campo com a **enxada.**

O camponês do **engenho** do **açúcar** planta e corta a cana.

Sua vida é difícil e insegura.

Agora o camponês luta por seu sindicato.

O sindicato defende o camponês!



1137

Lição 46

açúcar	Pernambuco
açúcar	*Pernambuco*

engenho	enxada
engenho	*enxada*

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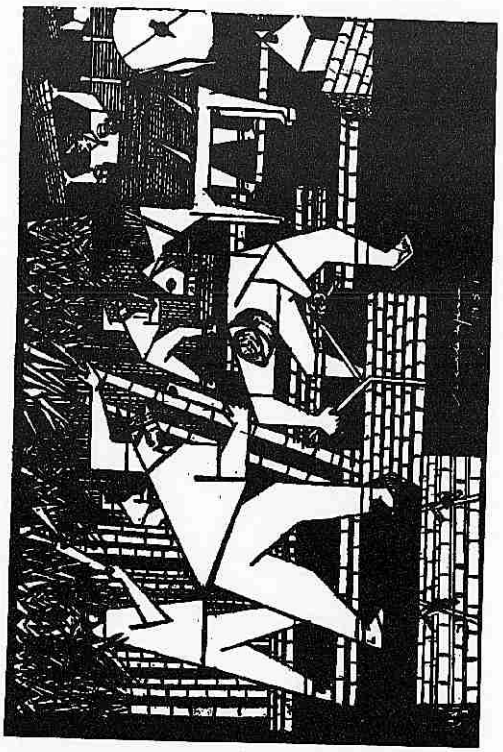


1136

Lição 44

sertanejo	chuva	sol	mangue	draga
sertanejo	*chuva*	*sol*	*mangue*	*draga*

—	ar	er	ir	or	ur
N - *n*	na	ne	ni	no	nu
J - *j*	ja	je	ji	jo	ju
—	cha	che	chi	cho	chu
—	al	el	il	ol	ul
—	—	gue	gui	—	—
—	dra	dre	dri	dro	dru

A SUDENE é um órgão do Govêrno Federal. Êste órgão orienta e supervisiona o desenvolvimento dos nove Estados do Nordeste.

Lição 45

— Recorte dos jornais e cole no caderno, as palavras formadas com sílabas estudadas.

— Leia, completando:

O sertanejo só abandona a sua gleba, se a ..... não chegou.

O ..... é eleito pelo povo para a Câmara de seu município.

— Responda:

— Você mora no sertão?

— A vida do sertão é boa?

— A sua cidade tem um mercado?

— Você gosta da cerâmica vendida nos mercados e nas feiras?

— A sua cidade tem um jornal?

— Como é o nome?

— Você já viu um pastoril?

— Copie seu nome completo.

1135

Lição 42

mangue
man
man

Muitos chefes de família pescam siri, nos mangues, para seus meninos poderem comer.

manga mendigo mingau montepio mundo
mandacaru semente inverno convite funcionário

Plantar

Eu planto.	Nós plantamos.
Eu plantei.	Nós plantamos.
Eu plantava.	Nós plantávamos.
Eu plantarei.	Nós plantaremos.

Entender

Eu entendo.	Nós entendemos.
Eu entendi.	Nós entendemos.
Eu entendia.	Nós entendíamos.
Eu entenderei.	Nós entenderemos.

O Movimento de Cultura Popular é uma resposta.

Resposta ao desafio do analfabetismo.

Acabando-se com o analfabetismo, eleva-se o nível da cultura popular.

No Recife, cultura é movimento popular!

Lição 43

mangue
gue
gue

folguedos foguete fogueira guia águia

Muitos moram nos mangues, pois não podem pagar aluguel.

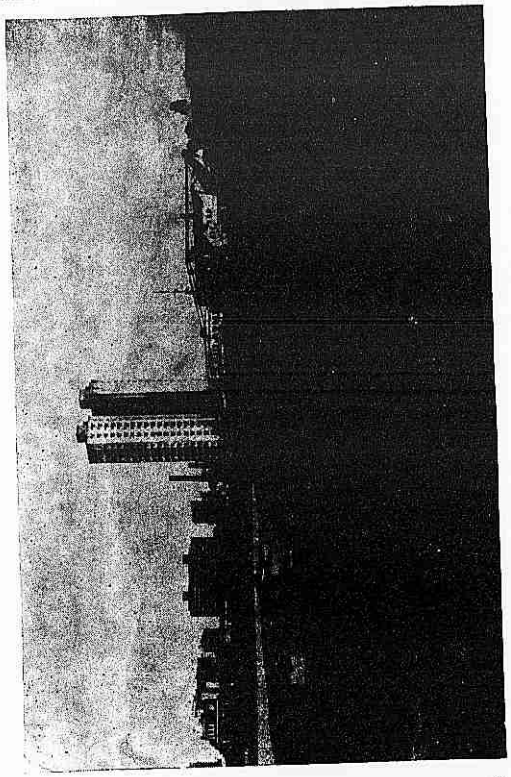
Guiar	Eu guio — Eu guiei — Eu guiava — Eu guiarei
Seguir	Eu sigo — Eu segui — Eu seguia — Eu seguirei

O verdadeiro líder defende os direitos do povo.
Ele guia o povo em suas dificuldades.
O povo o segue conscientemente.

dragar	drenar	drapejar

A cena da sêca no sertão é dramática.
Mas também na cidade a falta dágua é um drama.
Agora os nordestinos tentam, com fé, resolver todos os seus dramas.

A bandeira verde e amarela drapeja, como um símbolo desta fé.



(9)

mangue
mangue

draga
draga

A cidade do Recife é cheia de **mangue.**

Vejam a **draga** à beira do rio Capibaribe.

Esta **draga** é da Municipalidade.

Com a sua ajuda, o **mangue** se torna chão firme e **alarga** a rua.

O govêrno do Município ajuda a recuperar os **mangues** do Recife.

Lição 40

sol

sol

sal mel til futebol cultura

O futebol é um esporte popular.

Pelé é um símbolo do futebol nacional.

Natal analfabetismo

Natal é a festa do nascimento de Jesus.

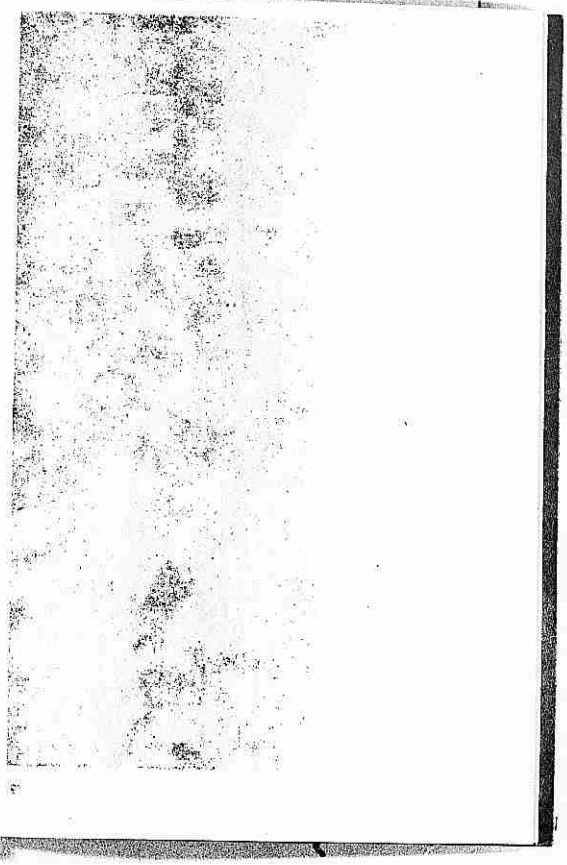
Festa popular e festa religiosa, pois Jesus é o Deus dos cristãos.

No Arraial do Bom Jesus houve bumba-meu-boi, marujada e pastoril.

No pastoril, as pastoras repetiam:

«Vamos a Belém,

Ver o menino Jesus...»



Lição 38

sertanejo
jo
jo

ja	je	ji	jo	ju
ja	*je*	*ji*	*jo*	*ju*
jaca	jenipapo	jirau	jôgo	júri
jambo	jerimum	jiló	jovem	juta
Jesus	jornalista	judeu		

O jornalista deve ser livre para falar de acôrdo com a verdade dos fatos.

Êle ajuda a formar a opinião do povo.

Por isto êle deve levar o povo a respeitar o direito de opinião.

A comunidade judaica deve ser respeitada, da mesma maneira como as comunidades católica, batista, espírita, etc.

Lição 39

chuva
chu
chu

cha	che	chi	cho	chu
cha	*che*	*chi*	*cho*	*chu*
chave	cheia	chita	chôco	chuchu
chácara	chegada	chibata	chocolate	chumbo

Com a chegada da chuva, o sertanejo pode semear.

Chorar		Chover
Eu choro.	Nós choramos.	Chove.
Eu chorei.	Nós choramos.	Choveu.
Eu chorava.	Nós chorávamos.	Chovia.
Eu chorarei.	Nós choraremos.	Choverá.

— O facheiro resiste à sêca?

— Sim, êle vive, mesmo sem chuva.

Lição 36

— Meus amigos, vamos estudar os verbos?

Falar		Ler	
Eu falo.	Você fala.	Eu leio.	Você lê.
Eu falei.	Você falou	Eu li.	Você leu.
Eu falava.	Você falava.	Eu lia.	Você lia.
Eu falarei.	Você falará.	Eu lerei.	Você lerá.
Fala !		Lê !	
Saber		**Ser**	
Eu sei.	Você sabe.	Eu sou.	Você é.
Eu soube.	Você soube.	Eu fui.	Você foi.
Eu sabia.	Você sabia.	Eu era.	Você era.
Eu saberei.	Você saberá.	Eu serei.	Você será.
Ir		**Sair**	
Eu vou.	Você vai.	Eu saio.	Você sai.
Eu fui.	Você foi.	Eu saí.	Você saiu.
Eu ia.	Você ia.	Eu saía.	Você saía.
Eu irei.	Você irá.	Eu sairei.	Você sairá.
Vai !		Sai !	

Lição 37

sertanejo

ne

ne

na	ne	ni	no	nu
na	*ne*	*ni*	*no*	*nu*
cana	carne	menino	ano	minuto
semana	comunidade	notícia	número	
artesanato	município	nome		
governador	união	govêrno		

Um bom govêrno pode levar o povo a se unir em tôrno de uma atividade benéfica para todos.

O artesanato é o meio de vida do povo de muitas comunidades.

Por isto todos os meninos devem ser iniciados nesta atividade.

(8)

sertanejo

ser

ser

sertão servidor sorte

O sertanejo vive no sertão: sua vida é árdua.

Seu voto deve servir para mudar sua sorte.

partido partidário perdão

No MCP, todos participam da luta para educar: você também pode colaborar.

verba verdade verdadeiro

O vereador deve votar, na Câmara, as verbas para o povo.

arte mar lar pescador líder

A arte popular revela as idéias do povo.

A cerâmica é uma arte popular.

No mercado vemos a cerâmica feita por vários artesãos.

1129

Lição 34

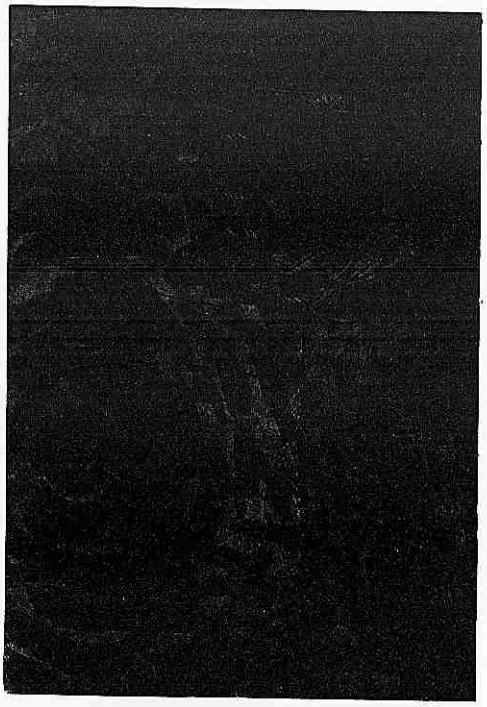
sertanejo	chuva	sol
sertanejo	*chuva*	*sol*

É dura a vida do **sertanejo.**

Todos os anos êle espera a **chuva,** pois o **sol** acaba com a lavoura.

O **sertanejo** ama a sua gleba.

Só a sêca o leva para a cidade.



(7)

Lição 32

escola	operário	livro	templo	globo	atlas

as	es	is	os	us
pla	ple	pli	plo	plu
vra	vre	vri	vro	—
gla	gle	gli	glo	glu
tla	tle	tli	—	—

Os operários ouvem as aulas pelo rádio.
Êles vão às escolas do MCP.
O MCP tem escolas em vários templos.

O atlas é um livro com vários mapas.
A América aparece no atlas.
Vivemos num país da América.

O atletismo liga os povos de todo o globo.

Lição 33

— Copie só os nomes estudados:

A arma do cidadão é o seu voto.
O deputado deve defender o interêsse do povo.

O operário trabalha de dia e vai à escola de noite.
O operário precisa de escola para si e sua família.

— O povo adota a religião que deseja?
— Sim, a Constituição dá êste direito.

Nosso país foi campeão de salto triplo duas vêzes, nas Olimpíadas.
O atleta glorioso foi Ademar Ferreira da Silva.

— Tire dos jornais e cole em seu caderno, os nomes:

Voto — povo — vida — saúde — pão — casa — mocambo — Recife — alagado — escola — operário — livro — templo — globo — atlas.

— Tire também dos jornais nomes com as sílabas estudadas.

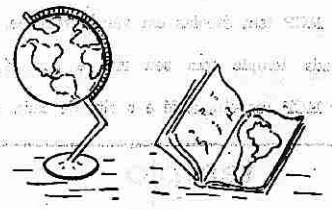
— Copie seu nome completo.

1127

Lição 30

globo
globo

atlas
atlas



O globo é todo dividido em países.

No atlas aparecem todos os países do globo.

O atlas é um livro com vários mapas.

Lá está o mapa da América.

Vivemos em um país da América.

Este país está dividido em estados.

Com o atlas estudamos tudo isto: os estados, as cidades, os rios, os lagos, os mares, etc.

Lição 31

globo atlas
glo tlas
glo *tlas*

gla	gle	gli	glo	glu
gládio	gleba	glicose	glória	glutão
	tle	**tli**		
	tle	*tli*		
	atleta	tlim...	tlim...	

Todos os povos do globo vão às Olimpíadas.

É uma luta sem ódios.

Lá, a glória é dos atletas.

São todos atletas campeões em seus países.

O atletismo liga os povos de todo o globo.

1126

Lição 28

livro
vro
vro

livraria — *livraria*

livreiro — *livreiro*

— Você estuda em um livro?
— Sim, no livro do MCP.

Êste é o meu livro de leitura.

livre
livre

O camponês lavra o campo de dia.
— Êle tem tempo livre para o estudo?
— Sim, depois da luta diária, como o operário da cidade. Com as aulas pelo rádio, êle tem agora uma escola em casa.

Pelo estudo êle será, em realidade, um cidadão livre.

Lição 29

templo
templo

O MCP tem escolas em vários **templos.**

Cada **templo** tem seu rito e sua fé.

O MCP respeita a fé e o rito de cada **templo.**

templo
plo
plo

pla	ple	pli	plo	plu
placa	pleito	amplidão	diploma	pluma

plástico	completo	aplicado	diplomata

Em um plebiscito o povo dá sua decisão.

Lição 26

escola

es

es

as	es	is	os	us
as	*es*	*is*	*os*	*us*
asma	estudo	isca	costa	busca

mascate	mês	país	lagosta	rústico

esmola resposta

Êle estuda.	Êles estudam.
Êle estudou.	Êles estudaram
Êle estudava.	Êles estudavam.

Os operários estudam, votam e lutam.

- Êles estudam de dia?

- De dia êles lutam pela vida.

Lição 27

operário

rari

rari

arado	área	árido	aro	aruá

O camponês pede um arado.
Com a sêca o campo fica árido.

arara	areia	siri	aurora

Nasce o dia: é a aurora.

No Recife, à beira do rio Capibaribe, está a rua da Aurora.

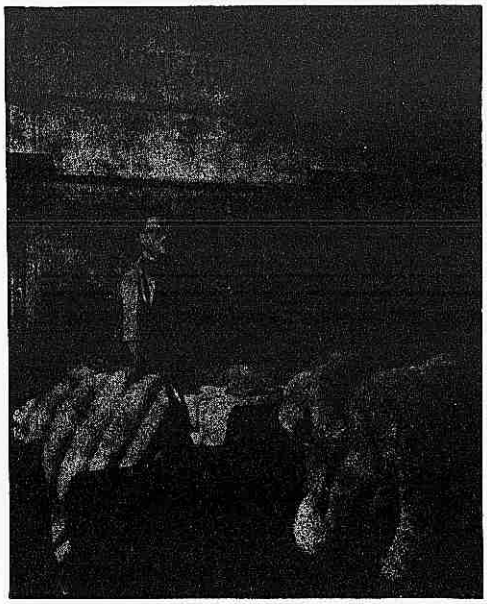
O Beberibe também é um rio do Recife.

O siri é tirado da lama do rio.

rapadura	carestia	vitória	caroá	peru
cerâmica	direito	caridade	—	couro

Com a carestia de vida, um bom salário é a defesa da família do operário.

1124



escola	operário	livro
escola	*operário*	*livro*

– O operário vai à escola?

– Sim, êle vai à escola do MCP.

A escola do MCP é do povo!

– O operário ouve a aula pelo rádio?

– Sim, êle ouve a aula pelo rádio e lê o livro do MCP.

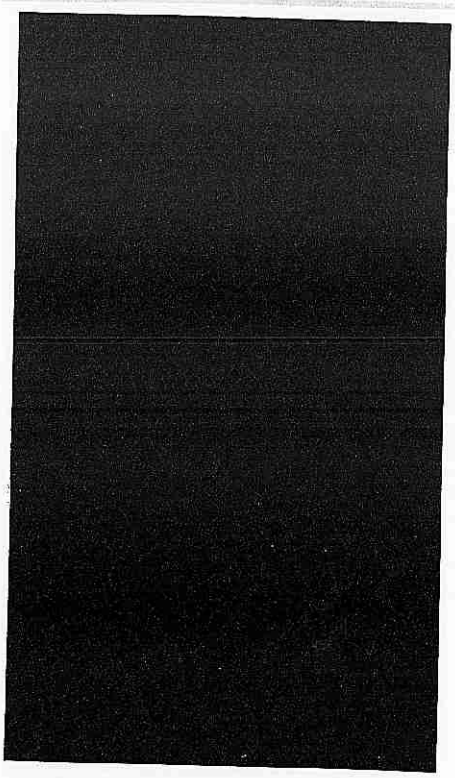
Lição 24

— **Leia e copie:**

1. O Recife tem muito alagado.
2. O povo sem casa vive no mocambo.
3. — O piso do mocambo é de taco?
4. O deputado falou ao povo no comício.
5. Um povo sem pão é um povo sem saúde.
6. Pelo voto o povo decide a vida da sociedade.
7. A vida de cada um é a vida de seu povo.
8. Um bom político fica ao lado do povo.
9. — O povo todo ouve rádio?
10. A batucada é música do povo.
11. O samba também é música do povo.
12. — Você ouve a aula pelo rádio?
13. 13 de maio é uma data cívica.

— **Copie seu nome.**

— **Copie o nome de sua cidade.**



Lição 24

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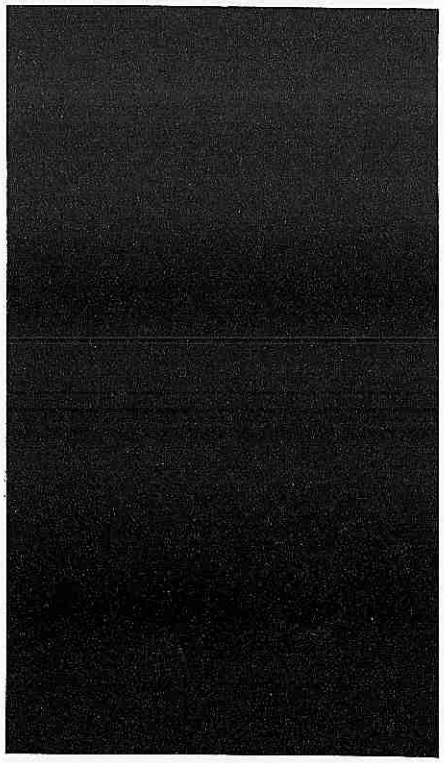


Lição 22

alagado
ga
ga

ga	go	gu
ga	*go*	*gu*

gado lago água

O gado tem sêde e bebe água do alagado.

goiaba goiabada

A goiabada é um doce muito bom.

legalidade amigo agudo

A defesa da legalidade liga todo o povo.

Lição 23

casa	mocambo	Recife	alagado
casa	*mocambo*	*Recife*	*alagado*

C - *c*	ca	—	—	co	—
M - *m*	ma	me	mi	mo	mu
B - *b*	ba	be	bi	bo	bu
R - *r*	ra	re	ri	ro	ru
—	ce	ci	—	—	—
F - *f*	fa	fe	fi	fo	fu
L - *l*	la	le	li	lo	lu
G - *g*	ga	—	—	go	gu
—	am	em	im	om	um

A casa do povo do alagado do Recife é o mocambo.

alagado
la
la

la	le	li	lo	lu
la	*le*	*li*	*lo*	*lu*

lama lei lima lôdo lua

O alagado tem lama e lôdo

lata leite família lote luta

— Lia luta pela vida?
— Sim, ela lava tôda a roupa da família!

ala lema político título lume

O lema da luta de um bom político é a defesa da lei!
A boa lei é pelo bem comum.

Lição 20

Recife
fe
fe

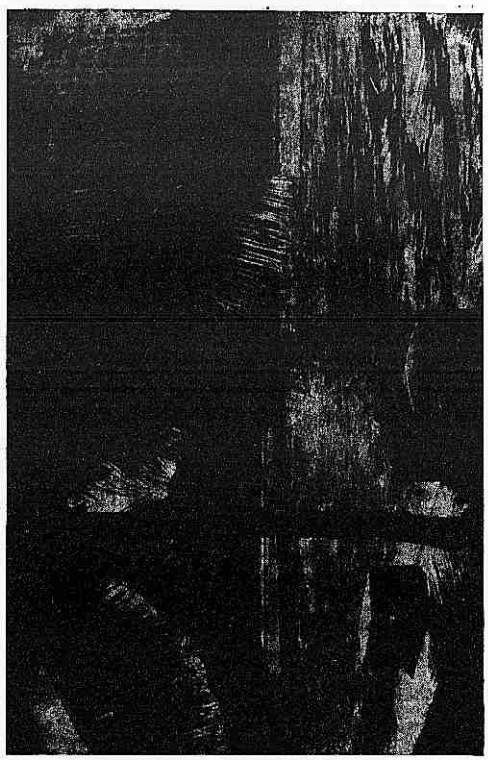
fa	**fe**	**fi**	**fo**	**fu**
fa	***fe***	***fi***	***fo***	***fu***
fato	fé	fio	foto	fumo
faca	afeto	pacífico	fome	fusão

O pão mata a fome do povo.

— Você já viu uma foto da cidade do Recife?

— Sim. Vi uma foto do rio no meio da cidade.

O rio do Recife é pacífico e bom.



(4)

Lição 18

Recife
Re
Re

ra re ri ro ru
ra *re* *ri* *ro* *ru*
raio rei rio roda rua

rato rêde | O rato rói a rêde.

rádio roupa

ramo remo rima rota rumo

O povo todo ouve rádio?

Lição 19

Recife
ci
ci

ce ci cidade
ce *ci* *cidade*

— Você é da cidade do Recife?

— Sim, eu sou um cidadão do Recife!

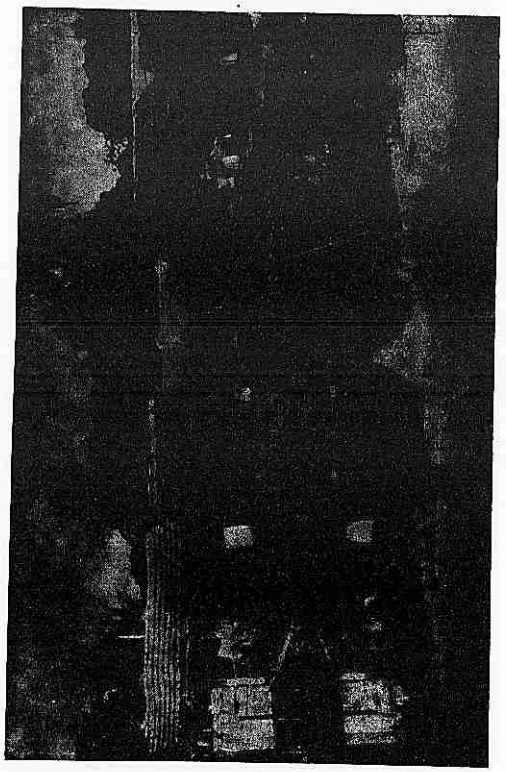
13 de maio é uma data cívica.

céu ceia cem cioba

A ceia do povo é só café com pão.

sócio sociedade cisão decisão

Com o voto o povo decide a vida da sociedade.



(3)

Recife
Recife

alagado
alagado

Um alagado do Recife

— O Recife tem muito alagado?

— Sim, o Recife tem muito alagado!

— Como é a casa do povo do alagado?

— A casa do povo do alagado é o mocambo.

Lição 16

mocambo
cam
cam

cambada comboio cumbuca

campo campeão compota

tampa tempo tombo tumba

pompa pombo

– O povo samba?

– Sim, o povo samba.

O samba também é música do povo!

Lição 14

mocambo
mo
mo

ma me mi mo mu
ma *me* *mi* *mo* *mu*

mapa meia comida moeda música

Eu como.	Eu comi.	Eu comia.
Ivo come?	Ivo comeu?	Ivo comia?

mãe médico camisa mêdo mato

Lição 15

mocambo
bo
bo

ba be bi bo bu
ba *be* *bi* *bo* *bu*

batata bebida bica boi tábua

Eu bebo. Ivo bebe.	Eu bebi. Ivo bebeu.

bôca copo

A batucada é música do povo.

Lição 12

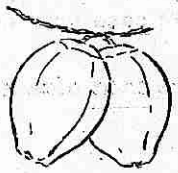
casa
ca
ca

O povo caiou a casa e a casa caiu!

cacau côco cuia

caco cuité

cão cuco



O cão cuida da casa.

cadeado cópia cotia saco

Lição 13

casa
sa
sa

asa casaco coisa uso siso

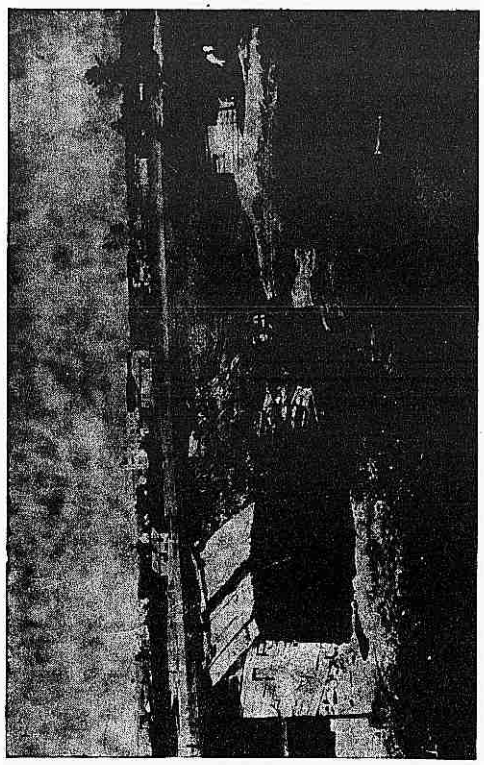
Ivo se casou.

O avião pousa.

visão piso vaso pêso idoso

Eu vi o piso da casa.

O piso da casa é de taco.



casa	mocambo
casa	*mocambo*

O povo sem casa vive no mocambo.

O povo sem casa vive no mocambo.

Eu vi o povo do mocambo...

Eu vi o povo do mocambo...

Lição 10

povo	voto	vida	saúde	pão
povo	*voto*	*vida*	*saúde*	*pão*

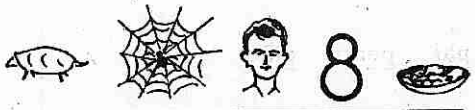
A-*A*	a	e	i	o	u	ão
D-*D*	da	de	di	do	du	dão
V-*V*	va	ve	vi	vo	vu	vão
P-*P*	pa	pe	pi	po	pu	pão
T-*T*	ta	te	ti	to	tu	tão
S-*S*	sa	se	si	so	su	são

data	ave	sítio	pote	pitu
vatapá	sêda	pipa	sopa	dúvida
sapato	sêde	pitada	veto	deputado
saudade	sete	piada	toada	avião
taipa	idéia	dívida	pedido	pavão

Lição 8

Voto
to
to

ta	te	ti	to	tu
ta	*te*	*ti*	*to*	*tu*
tatu	teia	tio	oito	tutu
tatu	*teia*	*tio*	*oito*	*tutu*



tato teto

tato *teto*

Teu tio e tua tia.

Teu tio e tua tia.

Lição 9

saúde
sa
sa

sa	se	si	so	su
sa	*se*	*si*	*so*	*su*
saia	seu		só	sua
saia	*seu*		*só*	*sua*

Eu saio. Eu sai. | Eu sou são.

O povo sai. O povo saiu. | O povo é são?

Eu suo. Eu suava.

Eu suo. *Eu suava.*

O povo sua. O povo suava.

O povo sua. *O povo suava.*

Eu sei.

Eu sei.

Lição 6

vida voto povo
vi vo vo
vi *vo* *vo*

va ve vi vo vu
va *ve* *vi* *vo* *vu*
vaia veia vivo avô
vaia *veia* *vivo* *avô*

Eu vou. O povo vai.
Eu vou. O povo vai.

O povo veio.
O povo veio.

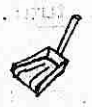
O povo vê.
O povo vê.

Eu vi. O povo viu.
Eu vi. O povo viu.

Lição 7

pão povo
po
pão *po*

pa pe pi po pu
pa *pe* *pi* *po* *pu*
pá pé pia pó pua



pai peão pião pôpa

O povo pode. | O povo pôde. | O povo podia.
O povo pode. | *O povo pôde.* | *O povo podia.*

Lição 4

a	e	i	o	u
a	*e*	*i*	o	*u*
A	E	I	O	U
A	*E*	*I*	*O*	*U*

	ia	
	ia	

ai!	ei!		oi!	ui!
ai!	*ei!*		*oi!*	*ui!*

ao				
ao				

au!	au!	eu		ou
au!	*au!*	*eu*		*ou*

Eu voto.

Eu voto.

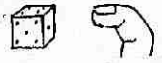
Lição 5

O pão dá saúde.

O pão é do povo.

					vida		saúde		
					da		de		
					da		*de*		

da	de	di	do	du
da	*de*	*di*	*do*	*du*
dado	dedo	dia		
dado	*dedo*	*dia*		



Eu dou. O povo dá.	Eu dei. O povo deu.
Eu dou. O povo dá.	*Eu dei. O povo deu.*

A saúde dá vida ao povo.

A saúde dá vida ao povo.

O pão | O povo | O voto

O pão | *O povo* | *O voto*

A saúde | A vida

A saúde | *A vida*

O voto é do povo.

O voto é do povo.

O pão é do povo.

O pão é do povo.

O pão dá vida e saúde ao povo.

O pão dá vida e saúde ao povo.

Lição 12

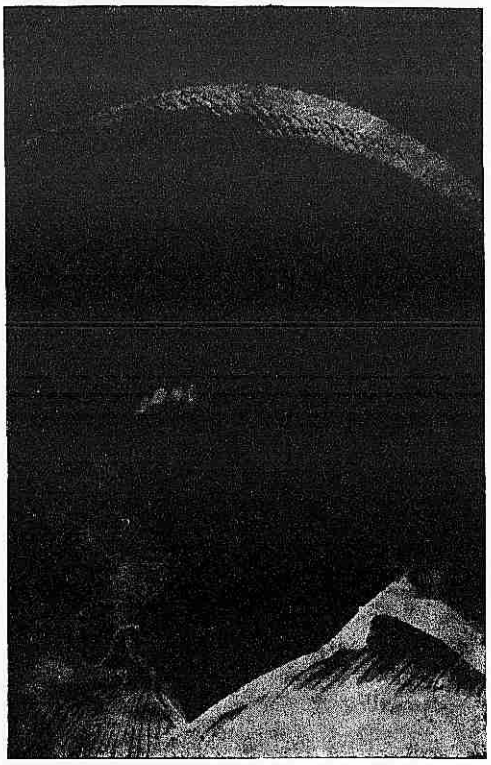
vida	saúde	pão
vida	*saúde*	*pão*

O pão dá saúde.

O pão dá saúde.

Saúde é vida.

Saúde é vida.



(1)

1106

povo
povo

voto
voto

O voto é do povo.

O voto é do povo.

O Movimento de Cultura Popular nasceu da miséria do povo do Recife. De suas paisagens mutiladas. De seus mangues cobertos de mocambos. Da lama, dos morros e alagados, onde crescem o analfabetismo, o desemprêgo, a doença e a fome.

Suas raízes mergulham nas feridas da cidade degradada. Fincam-se nas terras áridas do Nordeste. Refletem o seu drama, como "síntese dramatizada da estrutura social inteira".

Drama também de outras áreas subdesenvolvidas. Do Recife, com 80.000 crianças de 7 a 14 anos de idade, sem escola. Do Brasil, com 6 milhões. Do Recife, com milhares e milhares de adultos analfabetos. Do Brasil, com milhões. Do mundo em que vivemos, em pleno século XX, com mais de um bilião de homens, mulheres e crianças incapazes sequer de ler, escrever e contar.

O Movimento de Cultura Popular representa, assim, uma resposta. A resposta do Prefeito Miguel Arraes, dos vereadores, dos intelectuais, dos estudantes e do povo do Recife ao desafio da miséria. Resposta que se dinamiza sob a forma de um Movimento. Que inicia, no Nordeste, uma experiência nova de Universidade Popular.

Êste Livro de Leitura para Adultos, que hoje o MCP edita, é parte desta resposta. Centrado nos interêsses do adulto, exprimindo os anseios populares, ressaltando os valores regionais, ministrando ao mesmo tempo o ensino da língua e da gramática, êle constituirá, sem dúvida, mais um instrumento da cultura para a emancipação do povo.

GERMANO COELHO
Presidente do MCP

1104

E011

MOVIMENTO DE CULTURA POPULAR
Arraial do Bom Jesus — Estrada do Arraial, 3259
Casa Amarela - Recife - Pernambuco - Brasil.

Este livro contém: trabalhos do escultor **Abelardo da Hora**, do Movimento de Cultura Popular;
fotografias de **Saraiva e Cleto**; e de **Gilvan F. da Silva, Ajax Pereira, Robert Chorovsky, Johannes Friese, Elijah von Soshten**, apresentadas no **Salão Estado de Pernambuco**, em 1962;
desenhos de **Josina**.

JOSINA MARIA LOPES DE GODOY
NORMA PORTO CARREIRO COELHO

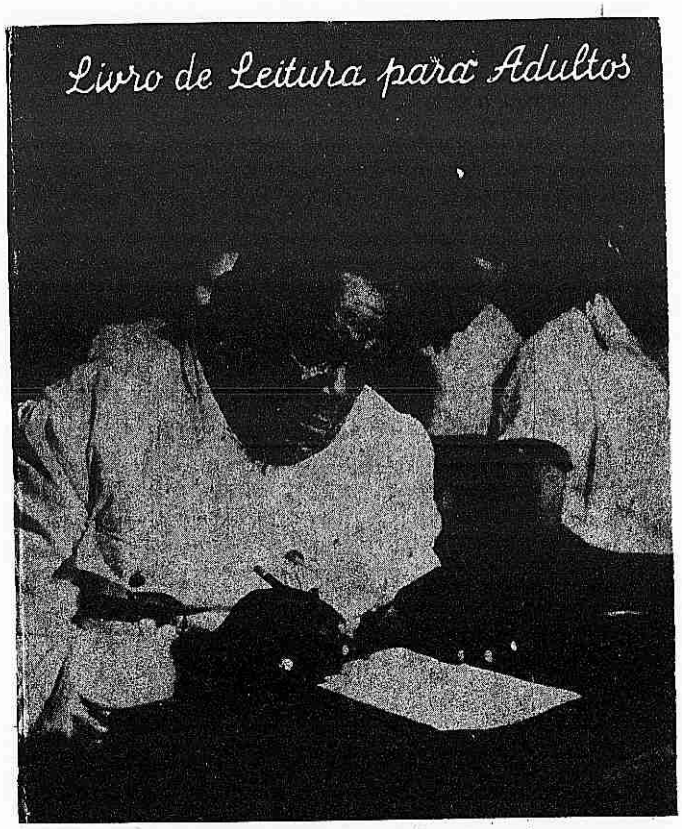
Encl to Dup #198
Recife
4/27/62
Ara

Livro De Leitura Para Adultos

Movimento de Cultura Popular

Gráfica Editôra do Recife S. A.
Recife - Pernambuco - Brasil
1962

Livro de Leitura para Adultos



MOVIMENTO DE CULTURA POPULAR

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Page 2 of
Encl. No.
Desp. No. 178
From RECIFE

student will end this brief fling at education on Lesson 77, learning that "The Northeast shall have peace only when the roots of its ills are attacked."

It is not likely that the primer will provoke any student to violence. It will, however, awaken and nurture latent class resentments, and help to develop a feeling of class solidarity which could be used later to build a mass political movement. With the assistance of selected tutors, the book can also be expected to result in a larger popular vote for Mayor Arraes, whose good works are effectively publicized.

Eugene Delgado-Arias

D. Eugene Delgado-Arias
Consul General

Enclosure: Att attm. M.

One copy of primer entitled "Livro de Leitura para Adultos"

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178
NO.

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FROM : AmConGen RECIFE

April 27, 1962
DATE

TO : THE DEPARTMENT OF STATE, WASHINGTON.

REF :

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DEPARTMENT OF STATE
BUREAU OF
INTER-AMERICAN AFFAIRS
MAY 11 1962

SUBJECT: POLITICAL: Movimento de Cultura Popular Enters Campaign.

In the current gubernatorial campaign, one of the vehicles used by Recife Mayor Miguel Arraes to reach the lower classes is the Movimento de Cultura Popular. Created in 1960 as an affiliated agency of the municipal government, the MCP is generally regarded as an effective Communist-front organization. Its President, Germano Coelho, is a well-known Communist. The MCP has created Centers of Culture and Reading Clubs (said to number more than 200) where literacy classes are held for children and adults, vocational instruction is given, and "discussions" are held on problems of the Northeast. A radio-school, two wandering theatrical groups, an art gallery, and a Plastics Art Center are also sponsored by the MCP.

Recently, the MCP issued a primer for use in the literacy classes of its adult-education schools. The issuance of the primer, it seems obvious, was timed to have maximum effect in the forthcoming election for Governor; it is expected that the primer will be the basic tool in a pre-election anti-illiteracy drive to be sponsored jointly by the MCP, CONSINTRA (local Trade Union Council) and the Pernambuco Students Union. As of possible interest to the Department, a copy of the primer is enclosed.

It will be noted that the lessons of the primer are not designed to teach literacy alone. The peculiar vocabulary, the phrasing, the illustrations, all point up the political content of the book's lessons. Thus, in addition to learning to read and write, a student in one of the MCP's literacy classes will learn that "people without houses live in slums," that "the homes of marshdwellers are slums," that "bread kills the hunger of the people," that "bread belongs to the people." After having progressed to Lesson 55, he will learn that "only a nationalist Congress...with men interested in the social welfare of the people shall be able to vote basic reforms guaranteeing the progress of the Nation." From Lesson 69, he will learn that "In a plebiscite, the people can opt for any form of government. What is important is whether the form chosen shall provide the means to obtain a dignified life." The

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EST/B - JWW	5-16-62	file

U.S. GOVERNMENT PRINTING OFFICE: 1961 O - 612210 (17)

1099

God-given rights, and demanding social justice. Moreover, he was doing so "without looking for rewards other than those emanating from God or from a conscience at peace."

By Eugene Delgado-Arias
Consul General

Distribution: Amembassy Rio, Amembassy Brasilia 2, Amcongen São Paulo, ARA/Brazilian Desk.

federally owned, but is operated under a franchise held by the State Government. For several years there has been talk of withdrawing the state's franchise and reverting to federal administration. Some agitation toward this end is obviously aimed more at embarassing Governor Sampaio's Administration than at effecting a change of port administrators. Moreover, it is to be wondered whether modernization of the port would proceed any less dilatorily under federal administration than under state. (OFFICIAL USE ONLY)

2. Stevedores Complaint Appears Near Solution.

Several weeks ago the local stevedore's union complained to the Delegacia de Trabalho Maritimo that various shipping agents were using non-union workers. The matter is still under study, but all agencies have been instructed to use only union stevedores during the interim and one member of the Conselho da Delegacia informed the Consulate General that the matter was certain to be resolved without difficulty. The complaint apparently stems from the fact that a few minor agencies have been using cheap non-union labor to handle cargo on small coastal vessels, while charging the owners the same stevedoring charges as if they had contracted better paid union labor. The union insists that this be stopped and that such vessels must now be serviced by union members. (UNCLASSIFIED)

PSYCHOLOGICAL

The Recife press gave President Goulart what amounted to an enthusiastic vote of confidence this week. On April 17 both Jornal do Commercio and Diario de Pernambuco ran lead editorials praising him. Jornal's editorial declared that the President's visit to the United States and Mexico had been a complete success and "without doubt gave to Brazil a position of political leadership of continental importance." In the United States, Jornal asserted, Goulart had made a "superhuman effort" to help the Northeast. Diario de Pernambuco's panegyric, entitled "Government of Equilibrium," described Goulart's handling of Brazil's most delicate problems as displaying "a rare sense of equilibrium, good sense, and objectivity." The results of his visit to the United States, it continued, proved that he "was headed on the right course." On the following day, April 18, Jornal do Commercio's primary headline declared: "Problem Number One For João Goulart Will be The Northeast." The article beneath lauded him for concentrating attention on the economic ills of the Northeast. On April 20 Jornal do Commercio declared in its lead editorial that: "President Goulart is making the Northeast the priority problem of his government. We want to say to the Chief of the Nation that he is taking a wise course."

Diario de Pernambuco, in a secondary editorial on April 20, chided Francisco Julião for criticism of Father Francisco Melo, the pariah priest of Cabo widely known for championing the cause of the poverty stricken peasant. Julião, said to have dismissed Father Melo in a recent address as "being far from a reformer because he had a very parochial concept of agrarian reform." Julião, said Diario, was "treading on false ground" with such a statement. In truth, it went on, Father Melo was courageously performing his duty to his parishoners, defending their

1097

The Consulate General has been informed that a majority of the members of the PSD State Directorate are willing to have the party lend its support to Arraes. Minister of Agriculture Armando Monteiro Filho (PSD), however, is challenging Lins' leadership through his own bid to be the PSD candidate. Monteiro Filho has stated frequently that he intends to be a candidate, with the party's support if possible, but without that support if necessary. The PSD State Directorate will meet during the weekend of April 28-29 to discuss the whole question. That meeting could result in a party split or in a decision to lend party support to either Monteiro Filho or Arraes. At this moment, it appears that any decision taken at the meeting will be in favor of Lins and Arraes.

In other developments it was reported that José Ermirio de Morais, wealthy PTB candidate for Senator, had made a large cash contribution (reports ranged from Cr$ 300 million to 3 billion but even the lesser of the two figures would seem exaggerated) to the Arraes campaign fund. (LIMITED OFFICIAL USE)

2. Commission Investigating Ligas Camponesas Visits Recife.

The Parliamentary Commission of Inquiry into the Ligas Camponesas arrived in Recife this week on the last leg of a study trip throughout the Northeast. The Commission is composed of the following Federal Deputies: Andrade Lima Filho (PSD - Pernambuco), Clidenor Freitas (PTB - Piaui), Jacob Franz (PTB - Paraíba), Neiva Moreira (PSP - Maranhão) and Carlos Gomes de Barros (UDN - Alagoas). Deputy Jose Joffily (PSP - Paraíba) has also attached himself to the group in an unofficial capacity. While in Recife the Commission interviewed leading government, church and military officials and members of the Ligas Camponesas. Most of those interviewed, according to press reports, seemed to agree that an effective agrarian reform would satisfy the aspirations of the peasants and could ease the social-economic pressures that lead to the creation of the Ligas. Two notable exceptions to the general consensus were Padre Francisco Melo and State Deputy Francisco Falcão. To Falcão, the solution lies not in agrarian reform which would divide up the land but in the creation of an agrarian structure that would allow landowners to pay peasants a decent wage. To Padre Melo, agrarian reform is not as necessary or desirable as a reform of the entire social and economic system. (UNCLASSIFIED)

Comment: Judging from comments issued to the press by various members of the Commission, the Commission's final report will be sympathetic to the Ligas and will make a plea for immediate and effective agrarian reform. (OFFICIAL USE ONLY)

ECONOMIC

1. Dock Workers Demand Federalization of Port.

The Recife local of the Dock Workers Union of Brazil held a mass meeting on April 18 to demand federalization of Recife's port facilities. Representatives of the Dock Workers declared that the port needed complete overhaul and modernization and that only "those who lead the National Government" would understand the problem and see to its solution. (UNCLASSIFIED)

Comment: The port, which is admittedly in need of repair, is already

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FROM : AmConGen RECIFE

177
NO.

TO : THE DEPARTMENT OF STATE, WASHINGTON.

April 25, 1962 Curitiba-1
DATE Belo Horizonte-1
Porto Alegre-1
Belem-1

REF :

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	REC'D 5-4			AIR 3	ARMY 5	CIA 15	NAVY 3	OSD 3	OCB	USIA 8	1154 3	130 2	INTER-AMERICAN AFFAIRS MAY 7 1962		

SUBJECT: Weekly Summary No. 10.

file no action
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5-11-62

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1. Political Campaign Developments.
2. Commission Investigating Ligas Camponesas Visits Recife.

ECONOMIC
1. Dock Workers Demand Federalization of Port.
2. Stevedores Complaint Appears Near Solution.

PSYCHOLOGICAL

POLITICAL

1. Political Campaign Developments.

During the relatively quiet week preceding Easter, there were few significant political campaign developments. Most important was the apparent attempt by PSD leader Etelvino Lins to lead the PSD into the camp of gubernatorial candidate Miguel Arraes. Lins' reasoning, the Consulate General has been informed, is that the PSD must support a winning candidate this year or suffer a loss of prestige and face possible extinction. The PSD, Lins feels, could not elect its own candidate, and efforts to have Barbosa Lima Sobrinho named the candidate of the opposition have failed. Lins regards Arraes as the probable victor in October, so he feels the only move left for the PSD is to support Arraes and emerge from the election in a stronger position than it now holds. To this end, Lins, in a local press interview this week, denied that Arraes was a Communist and praised Arraes' ability as an administrator. At the same time, a local columnist reported that Lins was under consideration as a possible candidate for Vice Governor on Arraes' ticket.

Department pass: Amconsulates Belem, Belo Horizonte, Curitiba, Porto Alegre.

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57

OUTGOING AIRGRAM

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Page ___ of ___ Pages

Prensa Latina has reported extensively on recent violence in Paraiba involving the assassination of a Peasant League leader in that state. Releases stated that Francisco Julias sent a letter to the Minister of War protesting the killings and requesting that the "latifundist" be disarmed before peasants launch an insurrection. Additional despatches reported a mass demonstration in João Pessoa and stated that the military responded by blocking the highways to João Pessoa and by widespread searches, arrests and arms seizures in the vicinity.

The Consulate is requested to verify and comment on these reports.

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RECIFE A-9 732.00/4-2362

1094

Mariani intentionally misinterpreted or actually ignored his instructions and kept the Delegation at the Conference.

For the Ambassador:

Philip Raine
Counselor of Embassy
for Political Affairs

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TO : THE DEPARTMENT OF STATE, WASHINGTON. — April 23, 1962 DATE

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DEPARTMENT OF STATE
BUREAU OF
INTER-AMERICAN AFFAIRS
APR 30 1962

SUBJECT: Ex-President Quadros Explains Decoration of "Che" Guevara.

file no action
EST/B Jwu
8-1-62

As a historical footnote to the short-lived Janio Quadros regime (January 31 - August 25, 1961), the Department will be interested in a statement attributed to the ex-President reported in Correio Braziliense of April 14, said to have been made on April 12 to a group of 500 students whom Quadros addressed informally in connection with his up-coming campaign for Governor. According to the press report, during the improvised rally among other things the ex-President explained the reasons why he had decorated the Cuban leader Ché Guevara. "It became necessary to reaffirm the independent line of our foreign policy offended as it was by failure of the Brazilian representative at Punta del Este to comply with the instructions of my government."

This is the first time Quadros is credited with this explanation of an incident which probably did more to undermine his support in the Armed Forces than any other single act. In his "explanation" speech of March 15, it will be recalled, Quadros passed over the incident lightly.

As the Embassy has reported, (in memoranda of conversations dated September 27 and October 18) according to a leading Brazilian journalist at the Meeting and an aide to ex-Minister Mariani, President Quadros had at one point before the meeting instructed the Brazilian delegation to walk out of the Punta del Este meeting and had intended that Governor Leonel Brizzola of Rio Grande do Sul make the walk-out speech which was to attack the United States. Quadros' words to the students would appear to confirm the reports that the then Finance Minister Clemente

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FORM 6-61 FS-439

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FROM: RECIFE

TO: Secretary of State

NO: 327, APRIL 19, 2 P.M.

ACTION RIO-DE-JANEIRO PRIORITY 291, DEPARTMENT 327.

MAJORITY LOCAL PSD DIRECTORATE LED BY DEPUTY ETELVINO LINS REPORTEDLY DISPOSED SUPPORT ARRAES FOR GOVERNOR CLAIMING WEAK PARTY UNABLE PRESENT OWN CANDIDATE. MONTEIRO FILHO COUNTING SUPPORT ANTI-LINS FACTION IN UNITING BEHIND HIM.

PARTY SPLIT POSSIBLE OVER ISSUE ALTHOUGH STILL TOO EARLY FOR CONCLUSIVE DECISION. CONGEN ALSO ADVISED USUALLY RELIABLE SOURCE WEALTHY PTB SENATORIAL CANDIDATE JOSE ERMIRIO DE MORAES THROWING IN LOT WITH ARRAES AND CONTRIBUTING THREE BILLION CRUZEIROS ARRAES WAR CHEST.

DELGADO-ARIAS

DMJ/WHC/20

Received 327

732.00/4-1962

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the reasons for the renunciation. Virtually everyone else, however, felt that at best Quadros had explained but not justified his resignation. Two prominent members of the Governor's own Party felt this way. They were Senator Milton CAMPOS and Federal Deputy Pedro ALEIXO, both elected from Minas Gerais. Senator Milton Campos said that Quadros' "explanation did not justify the extreme actipn that created such great anxiety in the country." Deputy Pedro Aleixo asserted that it was his absolute conviction that Quadros' resignation was not the adequate solution to the problems he had expounded in such detail in his television appearance.

Comment: However much of a dud was the explanation of the former President, no one dismisses him as having slipped into political oblivion. What is widely felt is that Quadros has slipped badly and that he will have to give anew proof of his ability in the future if he is ever to recover the lost prestige and messianic aura. (See also classified Consulate Desp. No. 18 of March 15, 1962.)

Edmund A. da Silveira,
American Consul

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Although one of the PTB State deputies, Wilson MODESTO, announced on March 30 that the alliance with the Government Party, the UDN, was practically concluded, there are strong reasons for doubting the accuracy of that announcement. Of these the most important is the presence of San Tiago Dantas, the secretary-general of the Minas Gerais section of the PTB, in the Federal Cabinet, to say nothing of the fact that the national head of the PTB is occupying the Presidency.

The good personal relationship the Governor always enjoyed with San Tiago Dantas served to maintain the State PTB in a condition of "friendly expectation" with respect to the Governor's Administration. The Federal Cabinet change that followed the August political crisis, however, brought about a drastic reversal in the official relations of the Governor with San Tiago Dantas and with the Federal Government. The Governor's increasingly heated criticism of the Federal Government, of which Minister San Tiago Dantas is now a member, and the widely held belief that the Minister's acquiescence to any alliance is essential are factors that do not augur well for the materialization of a firm alliance.

There is also good reason to believe that the PTB delegation in the State Legislative Assembly is split on the question of an alliance with the UDN. It is reported that the PTB bench leader in the Assembly, Deputy Sebastião Patrus de Souza, who plans to run for Federal deputy in the coming elections, is himself dubious about the advantages of an alliance. Two deputies, Dermeval PIMENTA FILHO and Euclides CINTRA, are known to be definitely opposed, and three others -- Godofredo PRATA, Clodsmith RIANI, and Hernani MAIA -- are said not to feel very enthusiastic. This makes six deputies out of 13 whose support of the projected allisnce is at best uncertain. It should be noted, too, that PTB Senator Camilo Nogueira da Gama, president of the executive committee of the State section of the PTB, expressed his displeasure in no uncertain terms at the Governor's attacks on the Federal Administration in his "pronouncement" of January 22.

6. Reaction to Janio Quadros' Speech of March 15

The reaction to Janio Quadros' nationally-televised speech of March 15 was one of profound disappointment and astonishment. This reaction did not stem so much from any widespread belief that Quadros would give a convincing explanation of his renunciation but rather from the frustration inherent in the unfulfilled expectations of sensational disclosures. The long period of suspense and vague hints of sensational revelations that preceded the speech, as well as the theatrical competence of the protagonist, had led everybody, friend foe, and neutralist alike, to expect at the very least an evening of good entertainment.

With one notable exception, all the comments of which the Consulate is aware were unfavorable to Quadros. The notable exception was Governor Magalhães Pinto who declared Quadros' explanation as being "sincere and persuasive," and that he himself had understood from the very beginning

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To bring about the basic reforms, he emphasized, the cooperation of the wealthy classes was essential. For that reason, he continued, the Government wished to launch a "compulsory loan" of 20 billion cruzeiros, the burden of which would fall primarily on those classes favored by the inflation.

Questioned on whether Governor Magalhães Pinto's "pronouncement" of January 22, which was highly critical of the Federal Government (see Consulate's Desp. No. 15 of Feb. 5, 1962), would influence relations between the Federal and the State Governments, the Prime Minister replied in the negative, adding that the pronouncement was received as a political criticism to be answered at the opportune moment. With respect to possible repercussions of the pronouncement, he viewed it simply as devoid of repercussions.

In a pointed reference to the chances of social unrest stemming from the presence of Janio Quadros on Brazilian soil, the Prime Minister expressed the opinion that to hold such fears was to underestimate the strength of Brazilian democracy. As to the risks to national stability involved in a Cabinet change, he stated that such a change might provoke a political crisis but never a military one. A change in Government is after all, he said, an essential attribute of the parliamentary system; that is, when a Government no longer corresponds to the needs of the situation, it is replaced.

Comment: From a low point at the beginning of the year, the image of Tancredo Neves has improved consistently in the eyes of the people of Minas Gerais. This improvement, while not dramatic, contrasts sharply with the deterioration in the Governor's political stature. The Governor has to a large extent failed to transfer to the Prime Minister the onus of alleged Federal neglect of Minas Gerais.

5. Possibility of Formal Labor Party Alliance with State Government Forces

During the last two or three months, the drive to strengthen relations between the PTB and the State Administration has been intensified. Ever since Governor Magalhães Pinto took office in January 1961, he has tried to get the backing of the 13 PTB State deputies in the Legislative Assembly. His success, however, has been minimal, principally because of his reluctance or inability to offer a proper consideration for the solicited support.

It now appears that the Governor has offered the PTB one or two Cabinet posts in exchange for that Party's support of his Administration's proposed legislation. This offer, if true, is made possible by the Constitutionally required resignation of Cabinet Secretaries who will be running for elective offices this year. These Cabinet posts would presumably satisfy a majority of the PTB State deputies and make possible the formation of a concrete alliance.

The objective is to build up UDN committees everywhere throughout the State to get the votes for a sizable increase in the number of UDN State deputies. A further dividend might be a more congenial representation in the Federal Chamber of Deputies after the October elections.

4. Prime Minister Tancredo Neves' Political Pronouncements in Belo Horizonte

During the period under review, Prime Minister Tancredo Neves made a number of visits to Belo Horizonte at which he expressed his views on a wide range of political subjects of current interest. The most important of these occasions were: 1) a press conference on February 19; 2) a lecture on March 1 at the University of Minas Gerais for the opening of the school year; and 3) a talk at the closing session of the Congress of the Commercial Associations of Minas Geraisnn March 17.

The statements he made on these various occasions are interesting and informative for the light they throw on government conditions and policies at the Federal level and on the relations between the State and Federal Administrations, in particular between the two men who now head those Governments and who confronted each other in the elections of 1960 to contest the governorship of Minas Gerais. As new elections approach, and as evidence accumulates that Governor Magalhães Pinto is alienating the Federal Government more and more, the two men are again locked in battle.

In defense of the parliamentary form of government, the Prime Minister stated that the separation of powers in the former presidential regime was in part responsible for the delay in the implementation of basic reforms, the necessity of which was now widely recognized. The separation of powers, he said, engenders opposition, while the transfer of executive powers to the legislature facilitates the political aspects of governing. To the objection that despite six months of parliamentary government these allegedly favorable conditions had not yet been demonstrated, he replied that general awareness of the need for basic reforms was very recent and that in truth the majority of those who demanded these reforms did not have a very clear notion of their significance. To bring about a more responsive form of government, he urged a basic revision of the Constitution and the delegation of constituent powers to the next Federal Congress.

Speaking of basic reforms, he stressed the need for agrarian and monetary reforms, brought about without detriment to essential freedoms. He advocated a banking reform "assisted" by the government so as to become an instrument to promote the people's welfare. He painted the financial situation in somber colors, saying that the previous Administration had left his a deficit of 300 billion cruzeiros (US$1.00 equals approximately Cr$ 340.00) and that inflation, the great problem of Brazil, had been fed for twenty years by a runaway printing press. In an effort to stem this evil, the parliamentary regime, he [illegible] pointed out, had issued in six months only five billion cruzeiros, an amount equivalent to what other Administrations used to issue in a month.

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PR and former Minister of Commerce and Industry in the Quadros Administration; and, for the UDN, present Minister of Mines and Power Gabriel PASSOS, Secretary of Finance in Governor Magalhães Pinto's Cabinet Bilac PINTO, or former State Secretary of the Interior Osvaldo PIERUCCETTI. The PTB has not yet named anyone, a fact that in no way detracts from the Party's determination to use its claim to the second senatorial seat as a political lever. There has been, in fact, a great deal of talk of an alliance between the PSD and the PTB based on their mutual support of the incumbent senators up for re-election this year: PTB Camilo Nogueira da Gama and PSD Benedito Valadares.

3. Governor Magalhães Pinto's Criticism of Political Opposition

In line with the more aggressive and militant attitude Governor Magalhães Pinto has assumed in recent months toward political adversaries, he took the opportunity of a visit to Diamantina, a city in northern Minas Gerais, to lambast both the Federal Administration and the State Legislative Assembly. The attack was noteworthy particularly for its acerbity and timing, coming as it did on March 23, just a few days after Janio Quadros' visit to Belo Horizonte and the political explanation of his renunciation from the Presidency.

The Governor, after describing his efforts to promote a change in administrative processes and methods based on honesty and authority in government, launched charges of irresponsibility against the Legislative Assembly. The Assembly, he said, was evading its fundamental obligation to offer constructive criticism by transforming itself instead in an instrument of systematic opposition and in a barrier to the most legitimate aspirations of the people for which his Administration was fighting daily.

Turning his sights on the Federal Government, the Governor again referred to it as consisting of those who had lost the elections and who vitiated the democratic spirit in their affirmation that were it not for the defeated the winners would be lost. "We want a government with authority," he concluded, "above all a government whose financial assistance is founded on the welfare of the people and not on politico-electoral interests."

Comment: The reaction to the Governor's accusations was immediate and, as expected, politically partisan. It was in evidence particularly in the State Assembly, where the Governor's Party, the UDN, is in a small minority of 12 out of 74 deputies.

This being an election year, he has apparently decided on a tactic of offense by making it clear that only the insurmountable opposition he has encountered in the State Assembly and in the Federal Government has prevented him from implementing his program of reforms for the general benefit of the people. Under his personal leadership, his Party is becoming increasingly active in the interior. This increased activity is especially noticeable in connection with the reorganization of municipal committees and in the frequency of communication with political bosses in the interior.

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Comment: The striking fact about the PSD convention was its inability to compromise over controversial issues. A case in point were votes of approbation for both Prime Minister Tancredo Neves and former President Kubitschek. This quality stems largely from the conservative temper of the Party's leadership, which remains virtually unchanged from what it was prior to the convention. Men like Senator Valadares and Deputy Gustavo Capanema played a leading role in the efforts made not to let the convention fall prey to squabbles between the various factions. The impression was left, too, that important policy decisions were made and will continue to be made by the inner Party machine before they are submitted to a convention for a virtually assured ratification.

It is interesting to contrast the cautious attitudes of the PSD, PR, and UDN, as reflected in their hesitation to start campaigning openly, with the more dynamic and adventurous spirit of the PTB. The PTB is the only party so far to have nominated a full slate of candidates for the Federal and State legislative houses.

Studies made by the present head of the University of Minas Gerais in 1956-58 showed that the center parties, such as the post-1945 PSD, PR, and UDN, had been losing ground consistently for many years. The PTB, characterized as an urban party, considerably to the left of those center parties, has been on the other hand strengthening its electoral foothold with each election. A large number of people believe this trend will continue in the October elections. The crux of the matter is that as the State becomes more and more industrialized, labor unions and urban workers gain in number and flow to the PTB. In contrast, the center parties remain identified with their rural origins and a small middle class of merchants, professional people, and industrialists.

2. Senatorial Candidacies

The State of Minas Gerais, with two senatorial seats at stake in the coming elections, has already three definite nominees and an undetermined number of other possible candidates. The definite nominees are PSD Senator Benedito Valadares, PTB Senator Camilo Nogueira da Gama, and PR Federal Deputy Tristão da CUNHA. The fourth major party, the UDN, has one senator whose term of office is not up for this election. What makes the senatorial picture interesting is the inviting prospect for political horse trading. Indeed, the number of possible combinations in relinquishing one seat for support for the other almost staggers the imagination. In the way of preparation for future bargaining, the four major parties have unofficially named or indicated that they will have candidates for the second senatorial seat. In this way, each of the four major parties is telling the others that it intends to contest both seats but that for a proper consideration the second seat can be released.

The five major candidacies advanced so far to contest that second senatorial seat are: PSD Federal Deputy BIAS FORTES, Governor Magalhães PINTO's predecessor; Artur BERNARDES FILHO, the national president of the

at the Conference was due to the backing the Brazilian working classes and labor unions had given his delegation.

b. The PSD Convention. Although with the exception of Senator Benedito VALADARES, no other candidates were nominated at the PSD convention, the gathering was more animated than the PTB convention. The animation resulted in large part from the existence at the convention of sharply conflicting views with regard to Federal Government policies and the type of political regime best suited to the country. In part also, the direct and sharp attacks made against the State Administration contributed to the excitement.

The exposition of strong criticism of Federal Government policies stood out all the more for the presence of Prime Minister Tancredo Neves. As the exponent of a parliamentary form of government, he was also in the spotlight in a confrontation of views with ex-President Juscelino KUBITSCHEK (now PSD Senator for the State of Goias), an outspoken advocate of the presidential system.

Federal Deputy Paulo Pinheiro CHAGAS, in greeting the convention delegates, made a spirited attack on the State Administration, charging it with ruthless, narrow-minded, and vindictive political persecution of its opponents. Later, in the course of the plenary session, the foreign policies of the Federal Government came under sharp criticism. Olavo COSTA, Mayor of Juiz de Fora -- the second largest city in the State -- and a member of the PSD State committee, introduced a motion of disapproval of the Federal Government foreign policy. This motion was vocally backed by Federal Deputy Pedro VIDIGAL, a Catholic priest, who affirmed that the position of the Brazilian delegation at the Punta del Este Conference constituted "an outright betrayal of the Christian and democratic principles held by the Brazilian people and in particular by the State of Minas Gerais." Olavo Costa's controversial motion, however, never came to a vote. Instead, a substitute resolution, put forth by Federal deputy Gustavo CAPANEMA, was approved by acclamation, This compromise resolution simply stated that the State convention of the PSD "resolved to reaffirm its indestructible fidelity to the Christian and democratic traditions of the Brazilian people and its unshakable determination to fight under all circumstances against international Communism."

It was also at Deputy Gustavo Capanema's suggestion that the convention decided not to nominate candidates for the Federal Chamber and the State Legislative Assembly. He gave as the reason for his suggestion the risk of impeding the work of the legislature by forcing the candidates to leave their offices in order to start campaigning with the election still eight months away. Nevertheless, Senator Benedito Valadares, president of the State section of the PSD, was himself nominated for re-election, and there was much discussion about making room for Kubitschek to run for Federal deputy. Federal Deputies Ultimo de CARVALHO, Guilhermino de OLIVEIRA, and Gustavo Capanema offered to give up their constituencies if need be to facilitate his election.

100-percent increase which would still leave the National Democratic Union (UDN), the Governor's Party, in the minority in a legislature that will then consist of 82 deputies. Consequently, the Governor has been most active also in putting together a firm alliance with the Labor Party (PTB), but his success in this endeavor remains dubious.

As the Governor's tactics have increased in militancy, he has antagonized a large number of political leaders, and his political image has been somewhat tarnished in the process. The impression is that his militancy has not, at least as of now, increased the number and strength of his backers in a measure sufficient to compensate for the opposition he has engendered.

It seems also that the Governor may be making a consequential tactical error with his increasing tone of alarm at the instability of economic, social, and political conditions. The reason for this view is that the scene is measurably more tranquil than it was at the end of 1961. Even if the Governor is right in his assessment of the situation, the evidence is that he has chosen the wrong psychological moment.

1. State Conventions of Political Parties

As a prelude to the coming October elections, two more political parties, the PTB and the Social Democratic Party (PSD) have held State conventions, the first one on February 6 and the second one during February 17-18. The Republican Party (PR) had held its convention in January (see Consulate Desp. No. 15 of February 5, 1962), leaving now only one of the four major parties in the State, the UDN, which has not yet held its convention. The UDN convention is scheduled for May 6 or 13.

a. The Labor Party Convention. The PTB convention was presided over by Minister of Foreign Affairs San Tiago DANTAS, who is the secretary-general of the State [redacted] of the Party. The most important item on the agenda was the nomination of candidates for Federal and State deputies and for Senator.

A total of 66 candidates were nominated for the office of State deputy and 23 for the Federal Chamber of Deputies. With one or two exceptions, all incumbents, including PTB Senator Camilo Nogueira da GAMA, were nominated for re-election. The incumbents number 13 in the State Legislative Assembly and five in the Federal lower house. State deputy Sebastião Petrus de SOUZA, present bench leader, will be running for Federal deputy, and Federal deputy Jose Raimundo Soares da SILVA is his Party's nominee for the mayoralty of Belo Horizonte. Minister San Tiago Dantas and Senator Nogueira da Gama were re-elected, respectively, to the Party offices of secretary-general and president of the executive committee.

The only other event worthy of note was the approval of a motion of solidarity with San Tiago Dantas for his role at the Punta del Este Conference of Foreign Ministers. In response to the many demonstrations of support the Minister received, he stated that the success of his mission

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FROM : AMCONSUL, Belo Horizonte

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TO : THE DEPARTMENT OF STATE, WASHINGTON.

April 19, 1962
DATE

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	REC'D 4/28			AIR 3	ARMY 6	CIA 14	NAVY 3	OSD 3	OCB	USIA 8	NSA 3					

SUBJECT: POLITICAL SUMMARY FOR FEBRUARY-MARCH 1962 - STATE OF MINAS GERAIS

DEPARTMENT OF STATE
BUREAU OF
INTER-AMERICAN AFFAIRS
MAY - 1 1962
file no action
ESTIB Jun 5-1-62

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5. Possibility of Formal Labor Party Alliance with State Government Forces
6. Reaction to Janio Quadros' Speech of March 15.

In preparation for the coming electoral campaign, the pace of political life has quickened throughout the State, with the municipal committees of the various parties coming into action to select those candidates who are believed to be the best vote-getters. Prominent in this political activity have been the Governor himself and his lieutenants.

The Governor is making a determined drive to increase substantially his Party's representation in the State Legislative Assembly which now has 12 deputies out of 74. The most optimistic expectation is of a

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Couns. Cons.Affrs.
Brasilia Office

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democracy, (b) accelerated economic, social and cultural development within the framework of free institutions and (c) inter-American cooperation in the defense of the security of this Hemisphere against aggression or subversion. You may be interested to know that President Betancourt has been subjected to severe and continuing attacks by the Venezuelan Communist Party in its efforts to undermine the stability of his Government. The January 22-24, 1962 disturbances in Venezuela are recent examples of Communist fomented terrorism.

If I may be of further assistance, please do not hesitate to write me.

Sincerely yours,

Frederick G. Dutton
Assistant Secretary

Enclosure:

Copy of Speech of
Representative Rousselot.

ARA:EST:SMoskowitz:abh
4/23/62

aw-H

1081

April 25, 1962

Dear Mr. Beckworth:

I am writing in reply to your recent communication requesting the Department's comments for replying to one of your constituents, Mr. Jack Danziger, who had sent you a speech of Representative Rousselot concerning President Betancourt of Venezuela.

President Kennedy visited Venezuela as well as Colombia in December, 1961 to dramatize and spotlight the cooperative effort being made by the United States and these South American Republics to accelerate their economic and social development. The President's trip demonstrated the intense concern of the United States for the programs of the Venezuelan Government aimed at improving the welfare of the greatest number of its people; and he participated in the dedication of several projects which symbolized the effort which is now going on in most of the American nations.

This Department has been impressed with the approach of the Government of Venezuela, under President Betancourt, to the problem of assuring economic and social progress with political stability and with freedom. It seems firmly determined to maintain the political independence of Venezuela — such independence being, of course, contrary to the objectives of international Communism. The Government of Venezuela is apparently making strong efforts to meet the needs of the Venezuelan people and to strengthen democratic institutions. The United States desires to help by making available financial and technical resources for appropriate and feasible projects for which the Venezuelan Government might request assistance.

The Venezuelan Government of President Betancourt has demonstrated a firm desire to maintain the traditional friendly relations between our countries. Our friendly cooperation has furthered our mutual interests in the following objectives which are the antithesis of international Communism: (a) extension of representative

democracy,

The Honorable
Lindley Beckworth,
House of Representatives.

732.00/4-1862 (cont)

(1) Introduced by RWJR

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Encloses copy of Congressional Record re speech by Cong. John H. Rousselot. Entitled "Tito Betancourt Demands a billion".

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Congress of the United States
House of Representatives
Washington, D.C.

_____, 196__

Ack ARA: S Muskovitz
4/23/62. File

DEPARTMENT OF STATE
APR 20 AM 4 AM '62
OFFICE OF PUBLIC SERVICES

Sir:

The attached communication is sent for your consideration. Please investigate the statements contained therein and forward me the necessary information for reply, returning the enclosed correspondence with your answer.

Yours truly,

Lindley Beckworth
M. C.

Please Comment

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4/18/62

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Jack Danciger

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Progress agreement covering the Northeast. A press conference on April 13 with Mr. Bruno Luzzatto, the new AID Regional Director, was also given prominent treatment. Pictures of the conference were spread on the front page of Diario de Pernambuco for April 14 while Jornal do Commercio announced "Co-ordinator for Alliance for Progress Announces Implementation Phase for the Northeast." Jornal do Commercio the next day went off on another tack with the headline: "Brazil Will Control Alliance Funds for Northeast: Autonomy Will be Total: J. Goulart." The Radiopress despatch which followed quoted Foreign Minister San Tiago Dantas as stating that "the program is not a mixed Brazilian-American program, but is solely Brazilian, formulated and implemented by our technicians. Funds will come simultaneously from the United States and Brazil." The despatch assured that assistance from the United States had no bearing on Brazilian foreign policy, which would continue to be "independent."

The April 14 to 21 edition of the Communist weekly A Hora also featured the Alliance agreement, predictably declaring in its secondary headline: "Alliance for Progress: A New Form of Colonialism."

Lecturing its readers on the serious implications for Pernambuco and the Northeast of the forthcoming elections, the Jornal do Commercio called for an end to "politics of division, of resentment, of hatred," and "separation" which serve only the best interests of those elected. Instead of allowing parties to be organs of political resentment, the Jornal asked that they become the "sum total of the aspirations of the people." The Diario de Pernambuco also called for a revision in the state's political traditions, abolishing the "commerce of votes." Pointing out that by paying for votes, elected officials rid themselves of any obligation to the voters, the Diario warned that if the practice is not abolished soon, "all political activity will be the exclusive privilege of demagogues and rich men." (UNCLASSIFIED)

Eugene Delgado-Arias

J. Eugene Delgado-Arias
Consul General

GPO 902567

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Department of International Technical Assistance, arrived in Recife on April 10. After confering with various SUDENE officials and members of the state government, Bannier gave a press interview in which he was quoted as saying that the Netherlands wanted to assist the Northeast and was now studying means of giving such assistance. Bannier mentioned the possibility of Dutch technicians helping with soil surveys, of establishment of a research center, of grants to permit Brazilian technicians to study in Holland, etc. (UNCLASSIFIED)

2. Governor Sampaio Continues to Seek Aid Funds.

The remaining Cr$ 500 million of the Federal Government's recent Cr$ 1 billion loan to Pernambuco is now being transferred to the state in Cr$ 100 to 200 million allotments. Governor Sampaio, armed with authority from the State Legislature to contract additional loans, is reported to be attempting to negotiate a Cr$ 4 billion loan from the Bank of Brazil for use in a low cost housing program. According to a Radiopress news despatch Sampaio warned the Bank that if they did not grant the loan, Miguel Arraes would be the next Governor of Pernambuco.

The Governor is also energetically going after a Cr$ 300 million Wheat Agreement fund slated for expenditure in Pernambuco. Sampaio cabled Simões Lopez, a Treasury Ministry official, asking why the funds had been tied up in the Ministry for so long. When Lopez replied that the agreement was paralyzed in Minister Saccio's office and that the Brazilian Government could do nothing until the American Embassy approved the agreement, Sampaio fired back a stinging telegram informing Lopez that the American Embassy had long ago approved the agreement and that he had proof that it was resting in "your esteemed hands." (UNCLASSIFIED)

Comment: Sampaio has consistently taken the line that he leads the forces of Democracy and Arraes those of Communism, that the two are locked in struggle, and that he, Sampaio, must have immediate economic assistance or Arraes and his Communist forces will take over the Northeast. Sampaio has become increasingly impatient both with the Brazilian Federal Government and the United States Government for what he imagines to be the short shrift given his pleas. He regards American assistance given through SUDENE as dangerous since he considers SUDENE to be Communist controlled. (CONFIDENTIAL)

3. IADB Loan for Municipal Water Systems.

The Recife press reported last week and continued to comment favorably this week on an IADB loan of $12,978,000 to help finance improvement and expansion of water supply and sewer facilities in Recife, Maceio, Natal, São Luiz, Terezinha, and Campina Grande. (UNCLASSIFIED)

PSYCHOLOGICAL

Topics treated heavily by the Recife press this week included President Goulart's return from his visit to the United States and Mexico, the activities in Paraíba of the Army and the Ligas Camponesas, and the signing of the Alliance for Progress agreement.

All Recife papers gave favorable headline treatment to the Alliance for

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Comment: The Consulate General has reason to believe that the anti-contraband effort was deliberately timed to coincide with the "passeata." It is certain that the deployment of Army troops throughout the interior had an inhibiting effect on the planners of the protest march, and partially accounted for its postponement. It is also certain, that the Army was looking for more than coffee shipments when it erected its roadblocks and initiated its searches. General Costa e Silva, while denying that the Army had prohibited the mass protest in Paraíba, finally admitted that the anti-contraband operation had been sparked by reports of arms, munitions, and propaganda materials being shipped into the area. (OFFICIAL USE ONLY)

4. Stevedores Strike Cancelled.

Local Communists this week seemed to be attempting to push through and expand the stevedores strike called for April 16, hoping for a maximum of agitation. Their hopes were not realized. Recife dock workers only half-heartedly agreed to join the work stoppage, and the Trade Union Council of Pernambuco, meeting on April 13, also agreed, though not very enthusiastically, to support the strike. Climbing on the bandwagon in an effort to move things along, Francisco Julião, his right hand man Carlos Luis de Andrade, and leaders of the UNE (National Union of Students) and the UEP (Pernambuco Students Union) also attended the Trade Union meeting in a show of support for the stevedores. On April 15, however, the local stevedores union announced that a telegram had been received from the National Federation reporting that the Council of Ministers had agreed to all demands, and directing that the strike be called off. The local union expressed gratitude for the support shown by workers, students, Ligas Camponesas, Recife Mayor Miguel Arraes and Vice-Mayor Lima Cavalcanti. (OFFICIAL USE ONLY)

Comment: Though it was to be expected that the government would make concessions, the Communists apparently were looking for a vehicle for agitation and wanted to push the strike through with or without concessions. Efforts to whip up enthusiasm and to mount tensions met with little success, however. (CONFIDENTIAL)

5. Foreign Communist Newsmen Visit Recife.

Recife was honored this week by the separate visits of two foreign Communist journalists, Moric Rapaport, Editor of the International Department of the Czechoslovak News Agency (C.T.K.), and Wong Wei Chen, Brazilian correspondent of the New China News Agency. Wei Chen remained in Recife for three days and visited local and state officials, including Mayor Arraes and Governor Sampaio, and the directors of both the Diario de Pernambuco and the Jornal do Commercio. He was escorted on all visits by Aloiso Falcao, a reputed Communist who is now head of the local Journalists Union. Of Rapaport's activities in Recife, little is known except that he gave an interview to the Diario de Pernambuco. His statements were limited to platitudinous expressions of friendship between the two countries. (UNCLASSIFIED)

ECONOMIC

1. Possible Netherlands Technical Assistance.

J. P. Bannier, described by the Recife press as the Director of the Netherlands

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of Recife), the support of two major parties, the UDN and the PTB, and virtually assures his election to the Senate. The UDN left for its next convention the designation of its other candidate for the Senate and its candidates for Vice Governor and the Federal Chamber of Deputies.

Jose Ermirio de Morais, the other PTB candidate for Senator, arrived in Pernambuco this week to begin his campaign. A wealthy São Paulo industrialist born in Pernambuco, who is said to control 42 different industries, Ermirio de Morais gives early indication of being a candidate of the nationalist, anti-"foreign economic trust" variety. Reportedly, he has purchased the presses of the now defunct Correio do Povo to launch his own newspaper and will purchase Radio Olinda, all to help wage his campaign. (OFFICIAL USE ONLY)

2. Paraíba Ligas Camponesas "Passeata" Postponed.

A widely-publicized "passeata" of "5,000" peasants, protesting the murder of Ligas Camponesas official João Pedro Teixeira (See Weekly Summary No. 8), was called off at the last moment and re-scheduled for May 1. The "passeata" was to have been held in the area of Sapé on April 10. Press reports out of João Pessôa indicated that the postponement was due to the arrest of two Ligas officials, President Assis Lemos and legal counsel Jose Gomes da Silva, and the presence in Paraíba of an augmented Army force because of "Operation Anti-Contraband" (See Item No. 3).

Meanwhile, details of the murder of João Pedro Teixeira began to come to light in the press. While the investigation has not been completed, the finger of accusation points at two members of the state police who were said to have been hired for the job by local landowners. The landowners, presumably, would be members of the "Syndicate of Death," an organization of landowners reported to have been formed in Paraíba with the intention of using paid "capangas" (bushwhackers) to rid themselves of the threat posed by the Ligas Camponesas. (UNCLASSIFIED)

3. IV Army Launches "Operation Anti-Contraband."

Coincidental with the threat of a mass demonstration in Paraíba sponsored by the Ligas Camponesas, the IV Army, in co-operation with the Navy and the Air Force, launched a concerted drive to uncover and seize shipments of contraband articles in the Northeast. According to the Army's original announcement, "Operation Anti-Contraband" was to involve air and sea patrols, road-blocks, and thorough searches of certain areas suspected of being contraband centers. The original announcement stated also that the operation had been launched in co-operation with, and at the request of, the Brazilian Institute of Coffee which was said to be concerned over the large amounts of coffee being shipped out of the country secretly.

When the threat of the "passeata" in Paraíba developed (See Item No. 2), the Army troops had already been deployed to various cities in the interior suspected of being contraband centers, and roadblocks had already been set up. As a result, the press reported that the Army had prohibited the Ligas Camponesas from staging its "passeata" and had "occupied" certain key cities in Paraíba. The Army, of course, denied that there was any connection between its anti-contraband drive and the postponement of the "Passeata." (UNCLASSIFIED)

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CONFIDENTIAL

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FOREIGN SERVICE DESPATCH

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APR 23 1962
~~732.00(W)/4-1862~~

FROM : AmConGen RECIFE

175
NO.

TO : THE DEPARTMENT OF STATE, WASHINGTON.

April 18, 1962
DATE

Belem-1
Belo Horizonte-1
Curitiba-1
Porto Alegre-1

REF : Ara Action per Cheeves INR 4/26/62 SR PC

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			OTHER	AGR	COM	FRB	INT	LAB	TAR	TR	XMB					
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	REC'D 4-25			AIR	ARMY	CIA	NAVY	OSD	OCS	USIA	NSA	NSC				
				15	30	15	20	3		11	3	2				

SUBJECT: Weekly Summary No. 9.

DEPARTMENT OF STATE
BUREAU OF
INTER-AMERICAN AFFAIRS
APR 26 1962
file no action
EST/B JWW 5-1-62

FILED
MAY - 1 1962

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ECONOMIC

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2. Governor Sampaio Continues to Seek Aid Funds.
3. IADB Loan for Municipal Water System.

PSYCHOLOGICAL

POLITICAL

1. Political Campaign Developments.

The União Democratica Nacional held its state convention this week and formally nominated Joao Cleofas as the party candidate for Governor. As expected, the vote on the nomination was unanimous. Also by unanimous vote, the UDN "indicated" Francisco Pessôa de Queiroz as one of its candidates for the Senate. This gives Pessôa de Queiroz, owner-publisher of the Jornal do Commercio and the Diario da Noite (constituting two-thirds of the daily press of Recife),

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LCKilday:WSSmith/rps
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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of the conscious power of a government aware of its duties, certain of its objectives and sure of its authority."

Moderate editorial play went to the Argentine situation. Assis Chateaubriand writing in Diario de São Paulo lauds the armed forces for deposing weak Frondizi and cogently adds that the Republic of the Plata, like Brazil, is not mature enough to construct its own democracy. Correio Paulistano, at first justifying Brazil's decision of non-recognition of the Guido government, criticized the solution applied by the "Gorillas" (military) who now find themselves in a political cul-de-sac. A Hora, faithful to its master, Quadros, says: "See what would have happened if Quadros had not resigned. Opposed by the most powerful groups in the country, oppressed by a crushing congressional majority, Janio could do nothing else but don his hat and leave.... This he did with dignity, and not a drop of blood was shed. As to Frondizi, everything he tried availed him nothing... he ended up by 'resigning' and was melancholically defeated."

In an editorial entitled "Regimes Face to Face," Diario de São Paulo of April 13 sees a proof of the superiority of the democratic system in the gesture of the United States offering to send primary food necessities to Communist China and stresses the inability of Iron Curtain countries to do this. "Despite the political divergence which separates Washington and Peking, the United States, moved by a sentiment of human solidarity, offers to lessen the Chinese food crisis... and demonstrates the superiority of the democratic-capitalistic regime over all those already known to the world."

Daniel M. Braddock per Scott Clyon
Daniel M. Braddock
Minister Consul General

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PSYCHOLOGICAL

1. Local Press Reaction

President Goulart's official visit to the United States continued to command the spotlight in this week's news. Editorialists attributed the success of the visit not only to the Brazilian President's personal qualities but even more to the "reservoir of confidence and friendliness existing in the United States -- factors which it would be criminal not to appreciate" (O Estado de São Paulo, April 8). The São Paulo press generally felt that President Goulart's statements in the United States did much to restore confidence in Brazil and aided Americans to arrive at a more accurate appraisal of Brazil's foreign and domestic policy. Folha de São Paulo called the conversations "frank and cordial between two brothers: Brazil and the United States." Gazeta stated: "The victory of Goulart's visit is indisputable" and adds that the Brazilian president's position" has been strengthened internally." A Hora, however, adds some qualifying phrases, observing that while the United States is extremely hospitable, it does not forget the old maxim: "Never mix business and friendship" and stresses that the Alliance for Progress cannot function unilaterally -- that Brazil must achieve an efficient economic situation.

Sufficiently commented upon also was Goulart's visit to Mexico albeit greatly overshadowed by the U.S. visit and hampered by Goulart's unexpected illness in the Mexican capital. Highlighted in the editorial comment was the commercial importance of the visit in view of Brazil's desire to sell some of its manufactured products to Mexico.

Fidel Castro's proposal to exchange prisoners for money was unanimously condemned by editorialists. Red-lining commentators, undoubtedly finding Cuba's proposal indefensible, avoided comment. Folha entitled its editorial on the proposed exchange: "Human Cattle for Sale" and leveled criticism at the United States government for not taking an active part in the affair since it would be only aiding to repair the grave error of President Kennedy who "conducted himself very badly in the invasion attempt sending hundreds of men to their death." O Estado de São Paulo in its editorial of April 10 entitled "Auction of Men" says: "This is the alternative which the Castrista experience offers as a substitute for the Alliance for Progress."

Prompt and favorable editorial comments followed President Kennedy's firm and energetic action in the steel controversy. O Estado lauds the American president for his action and qualifies Kennedy as an exceptional statesman who had the capacity to analyze an internal situation rapidly in relation to the responsibilities which the United States has assumed on the international scale. Diario de São Paulo in an article entitled "Stronger than Steel" says: "This is an example

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3. Legislative Assembly Paralyzed

Since the opening of its session on March 12, the São Paulo Legislative Assembly has almost never been able to muster a quorum. Absenteeism is a common Brazilian legislative problem, but in this case there are usually enough Deputies to allow voting. They simply refuse to answer the roll. Their motive is to block the vote on a bill which would force them to account for a sum of money called their "personal allowance," preventing its use as a campaign fund. (OFFICIAL USE ONLY)

Comment: The Deputies (from several parties) who are in on this scheme evidently do not feel that paralyzation of the State Legislature will do them as much electoral harm as loss of their slush fund. It seems incredible that they should so risk the voters' ire ~~almost~~ in an election year. Their resolve, nevertheless, seems if anything to be strengthening. They are correct in fearing a difficult race for re-election, but this sort of irresponsibility can only increase the probability of sweeping changes in the roll which will be called next year. (LIMITED OFFICIAL USE)

4. Mayor Sums up Year in Office

Mayor Francisco Prestes MAIA summed up progress made during his first year in office with a lengthy public statement on April 8. Press, public, and political reaction varied widely: some accused him of doing nothing; others held that he had made surprising progress considering the flat municipal pocketbook. A running battle with many of the members of the City Council continued. (UNCLASSIFIED)

Comment: The Mayor has two technical problems: (A) an extremely slim budget, resulting from the fact that inflation has increased the city's expenses much faster than its income; and (B) a mess inherited from previous administrations, especially that of immediate predecessor Adhemar de Barros. Maia's struggle with these problems is of great political interest, affecting the careers of Barros and (to a lesser extent) Carvalho Pinto, who backed the Mayor for election. The public verdict is still unclear. São Paulo recently saw a bad State administration (also Adhemar's) succeeded by a good one (Quadros') and probably realizes that progress under such conditions cannot be immediate and spectacular. Maia has maintained a reputation for honesty and has made a solid beginning at cleaning house. He has not shown great diplomatic skill in getting along with the City Council, but many of the Councilmen neither deserve nor hold public confidence. (LIMITED OFFICIAL USE)

Governor CARVALHO PINTO was accused of (among other sins) planting a false story in the press to further his goal of perpetuating a dynasty. Moura Andrade found "The idea of 'continuism'...odious to democracy" (Nogueira's prime campaign slogan is "administrative continuity"). The Governor, said the PSD candidate, was abusing official prerogatives in the campaign for his successor. (UNCLASSIFIED)

Comment: Moura Andrade's fiery refutation may have been an attempt to burn his bridges, over which many Social Democrats would like to see him retreat gracefully. His candidacy was launched prematurely in October (São Paulo Despatch 128 of October 17, 1961), though even then the long odds should have been clear. Some of his party colleagues balked then and are bolting now.

The "continuism" charge has had its teeth pulled by the enthusiasm of most Paulistas for their Governor's work. Nevertheless, the line may do José Bonifacio a little harm, Moura Andrade a little good, and some third candidate a favor -- though the potentially strong Janio QUADROS and Adhemar de BARROS have already been Governor once and are themselves open to a variation of the "continuism" charge. Moura Andradde's criticism of the administration candidate exclusively is in itself an indication of José Bonifacio's strength. (LIMITED OFFICIAL USE)

2. Quadros' Vice Gubernatorial Invitations Turned Down

Former State Secretary of Finance Gastão VIDIGAL turned down an invitation to be Janio Quadros' running mate in a letter which did not become public until several days later, on April 13 -- and then through channels which are still not clear. Quadros' reluctance to divulge it was understandable. In it, Vidigal refused to contribute to the split in "forces which can and should remain united": a polite way of blaming Janio for starting a fight with Governor Carvalho Pinto (Weekly Summaries 13, 14).

Dom Jorge MARCOS de OLIVEIRA, "Workers' Bishop" of the industrial suburb of Santo André, turned down the next invitation in terms more blustery but less specific. His motives were clarified when he later gave effusive praise both to the Governor and to candidate José Bonifacio in a celebration of Santo André's 409th birthday (during which the local Mayor also "nominated" Carvalho Pinto for the Presidency). (LIMITED OFFICIAL USE)

Comment: The embarrassing difficulty in obtaining a running mate (and a party -- see Weekly Summary 15) spotlights the squeeze on candidate Quadros. (LIMITED OFFICIAL USE)

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AIR PRIORITY — ~~CONFIDENTIAL~~ — LIMITED OFFICIAL USE

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FOREIGN SERVICE DESPATCH

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FROM : Amcongen SÃO PAULO — 240 (NO.)

TO : THE DEPARTMENT OF STATE, WASHINGTON. — April 18, 1962 (DATE)

REF :

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DEPARTMENT OF STATE
BUREAU OF
AMERICAN AFFAIRS
APR 23 1962
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POLITICAL

1. MOURA ANDRADE Denies Withdrawal, Blasts Governor

The Social Democrats (Partido Social Democrático -- PSD) enjoy much less strength locally than nationally and have not been able to get together with other São Paulo parties, leaving their gubernatorial nominee in a weak position. There have been many rumors that candidate Auro Moura Andrade would withdraw, freeing his party to back some more likely coalition choice. O Estado de São Paulo (which does not hide its enthusiasm for administration candidate José Bonifacio NOGUEIRA) featured one such rumor on April 14, together with news of a dissident Social Democratic wing's switch to Nogueira. José Bonifacio gave out hints which added further impetus to the rumor of Senator Moura Andrade's withdrawal.

Moura Andrade's bitter rebuttal appeared next day in Folha de São Paulo, his most important friend in the local press, and a few other newspapers.

See last page/lfw (REPORTER)

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TALLY OF VOTES IN 1958 ELECTIONS FOR FEDERAL DEPUTY

FRENTE DEMOCRÁTICA PERNAMBUCANA

ADELMAR da Costa CARVALHO	29,737
Antonio de ANDRADE LIMA FILHO	19,949
PETRONILO SANTA CRUZ de Oliveira	17,287
Clelio LEMOS	16,676
ETELVINO LINS de Albuquerque	16,325
ADERBAL de Arrujo JUREMA	16,161
NILO de Sousa COÊLHO	15,820
ARMANDO de Queiroz MONTEIRO FILHO	15,254
MILVERNES CRUZ LIMA	15,175
Antonio GERALDO de Azevedo GUEDES	12,732
GILENO DE CARLI	12,703
Monsigneur Alfredo ARRUDA CÂMARA	12,356
OSVALDO Cavalcanti da Costa LIMA FILHO	11,816
NEY de Albuquerque MARANHÃO	11,662
JOÃO Inacio Ribeiro ROMA	11,557

OPOSIÇÕES UNIDAS DE PERNAMBUCO

JOSUÊ Apolonio DE CASTRO	33,656
ESTÁCIO Gonçalves SOUTO MAIOR	26,772
JOÃO CLEOFAS de Oliveira	26,348
ALDE Feijo SAMPAIO	19,129
BARROS CARVALHO	17,861
JOSÉ LOPES Siqueira Santos	15,853
Edgar BEZERRA LEITE	15,682
José LAMARTINE TAVORA	15,417
Alexandre Jose BARBOSA LIMA SOBRINHO	14,218
Luis DIAS LINS	13,817
FERNANDO Augusto MENDOÇA	2,868

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support of Janio Quadros. Formerly President of Regional PSB. Lost race for Vice Mayor in 1959 and has lost other elections in the past. Anti-Communist and pro-U.S. though would probably criticize U.S. on some points, e.g., support of Batista in Cuba. Reform-minded. Would support Quadros if Quadros should become Prime Minister but might be expected to break with Quadros if latter moves too far to the left. Carvalho has visited the U.S. twice at invitation of Department of State; in 1957 on LAJP tour, and presently on Recife Journalist Press Tour.

With financial support of Cleofas and moral support of Quadros, Carvalho might be able to reverse his history of election losses.

11. FERNANDO NAVARRO - PTN. Young (33), wealthy. American-educated. Family owns machinery-importing business (Cobrama). Claims to be pro-American and anti-Communist. No real political history but family very friendly with Janio Quadros and loyal to Quadros. Says he is running for election at Quadros' request. Chances of election would seem to be determined by extent of influence Quadros has on elections in Pernambuco.

12. FRANCISCO JULIÃO - (Reported in Official-Informal letter to Political Counselor, American Embassy, Brasilia: cc ARA/EST/B, INR/RAR.)

13. LAEL Feijó SAMPAIO - (Reported in Official-Informal letter to Political Counselor, American Embassy, Brasilia: cc ARA/EST/B, INR/RAR.)

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Senator Novaes Filho and of Gubernatorial candidate João Cleofas de Oliveira. Has sugar properties. Conservative. If Cleofas is elected, Novaes will probably ride to victory with him. Has support within the interior.

2. João MONTEIRO - UDN. Labor adviser to Governor Cid Sampaio and attorney for the city of Recife. Opportunistic. Reputed to be dull and not very appealing but could win because of Governor Sampaio's support.

3. CARLOS GUERRA - UDN. Son of Pio Guerra, former deputy and now President of Companhia de Armazenagem Geral de Pernambuco. 22 years old. Father using his position to push son's election so Guerra will probably win.

4. LUIS MAGALHAES MELO - UDN. Secretary of Justice. Former state deputy. Former federal deputy. Nephew of former Governor Agamenon Magalhaes. Was PSD. Conservative.

5. ANTIOGENES FERREIRA - UDN. Secretary of Agriculture. Not a particularly strong candidate but may be able to use position to bring about victory. Conservative.

6. MURILLO COSTA REGO - PTB. State deputy. Supported by Janio Quadros. Quadros named him Director of Companhia Nacional de Alcalis. Playboy-politician. Opportunistic. Expelled from local club for having created scandal which publicized widely in local press, but might win if Janio comes to Recife to campaign for his men.

7. JOSÉ de Moura CAVALCANTI - Former Governor of the Federal Territory of Amapá. Janista, member of Quadros' general staff. Property owner. Has absolutely no political support locally. Even with Quadros' active support extremely unlikely that Cavalcanti could win.

8. Artur LIMA CAVALCANTI - PTB. Vice-Mayor of Recife. Architect. Member of wealthy, influential family. Claims to be close friend of President Goulart. Financially supported by wealthy uncle Luis Ignacio Pessôa de Melo. Natty dresser. Bon Vivant. 31 years old. Elected as Vice-Mayor in 1959 with support of left, whom he has courted since, although it is generally conceded that Cavalcanti is not himself a leftist and certainly not a Communist. Hopes that Miguel Arraes will resign as Mayor, leaving him to hold mayorship. If this occurs, he has stated confidentially, he intends to oust Communist from city government. Should win easily.

9. JOSÉ COSTA CAVALCANTI - UDN. A career Lt. Colonel in the Army now serving as Secretary of Public Safety. Trained at U.S. Army installation and served at Brazilian Embassy in Washington as Assistant Army Attaché. Cousin of Governor Cid Sampaio. Ineffective as Secretary of Public Safety. Reflects conservative views of Governor Sampaio. Is using his official position in campaign, police throughout the state working for him, ensuring his almost certain election.

10. SOCRATES TIMES DE CARVALHO - PTN. Political columnist for the Diario da Noite. Running at the request of gubernatorial candidate João Cleofas and with

GPO 801867

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17. MILVERNES CRUZ LIMA - PSD. Now serving first term. Owns onion and grape lands in Sao Francisco Valley area. Political ally of Armando Monteiro Filho. Ultra-Conservative. A probable winner in October.

18. NILO de Sousa COELHO - PSD. Now serving second term in Chamber. Former state deputy. Secretary of Fazenda under Etelvino Lins. Wealthy landowner and manufacturer. Has political following in Sertão. Political ally of Armando Monteiro Filho. Very conservative. Will probably win.

19. OSVALDO Cavalcanti da Costa LIMA FILHO - PTB. Now serving first term. Extremely capable and highly respected in Congress. Former Vice-President of Chamber of Deputies. Formerly ultra-nationalist, now great friend of the United States since he traveled as a guest of the State Department on a leader grant. National PTB wants to expel him because he opposed Sergio Magalhaes in Chamber elections, but local PTB supports him. Earned relatively few votes in last election but expected to win re-election.

20. PETROLINO SANTA CRUZ de Oliveira - PSD. Now serving first term. Former Secretary of Agriculture. Catholic and conservative. Professor of School of Agronomy, Rural University of Recife. Not expected to win if he seeks re-election.

21. JOSUE Apolonio DE CASTRO - PTB. (Reported in Official-Informal letter to Political Counselor, American Embassy, Brasilia: cc ARA/HST/B, INR/RAR.) Recently named Brazilian Ambassador to UN agencies in Europe. Sure to win.

22. JOÃO CLEOFAS de Oliveira - UDN. Candidate for Governor. Former Secretary of Agriculture. (To be reported separately)

23. ESTACIO Gonçalves SOUTO Maior - PTB. Was serving second term when appointed Minister of Health. Doctor of medicine. Very wealthy. Conservative. Expected to win with at least 20,000 votes.

24. ARMANDO de Queiroz MONTEIRO FILHO - PSD. Now Minister of Agriculture. Hopes to be PSD candidate for Governor. Elected at last election to second term as deputy. Young (38-39). Conservative. Member of wealthy sugar family. If he runs for deputy again he is a cinch to win.

25. NEY de Albuquerque MARANHÃO - PTB. "Suplente" in Federal Chamber of Deputies and Mayor of Moreno. A committee in Chamber now studying complaint that his mandate should be revoked or suspended on the grounds that it is unconstitutional to hold two elective offices at the same time. Charged with murder of a truck driver whose truck was involved in an accident with Maranhão's car but legal proceedings postponed because Maranhão claimed legislative immunity. Family reported to have suffered financial reverses recently. Maranhão has little support within the state although he and his father, Constancio Maranhão, have heretofore held absolute political control of Moreno and vicinity. Will probably lose.

NEW CANDIDATES

1. AUGUSTO NOVAES - Partido Libertador. Now a state deputy. Nephew of

GPO 902857

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7. Edgar BEZERRA LEITE - PTB. Now serving first term. Owner of ceramic factory. A political opportunist and adventurer. Doubtful that he will be re-elected.

8. CLÉLIO LEMOS - PSD. Now serving first term. Former Persident of State Assembly and Secretary of Fazenda. Recently re-elected Second Vice-President of Federal Chamber. Probably second most influential member of local PSD. A lawyer and a doctor of medicine. Author of Codigo Tributario do Estado de Pernambuco. Moderate-Conservative. A sure winner.

9. Luis DIAS LINS - UDN. Now serving second term. Wealthy businessman (hotels, insurance company). Has little political following in State but by campaigning hard and spending much money has managed to win two elections. Said to be interested in deputyship only for business purposes. If he works hard enough and spends enough he may be re-elected again though he will have an uphill struggle. Reactionary.

10. ETELVINO LINS de Albuquerque - PSD. Ex-Governor, Ex-Senator, Ex-Ministro do Tribunal de Contas. Very influential in PSD circles. Has a faithful political following in the Sertao. Honest, hard-working. Sure to win again.

11. FERNANDO Augusto MENDONÇA - PTB. Now serving first term as deputy, he garnered only 2,800 votes in last election but enough to be "suplente." Took seat of Estacio Souto Maior when latter named Minister of Health. Little political backing. Conservative. Not likely to run again.

12. Antonio GERALDO de Azevedo GUEDES - Partido Libertador. Former Secretary of State of Pernambuco. An outstanding lawyer of middle-class background with a reputation as a good legislator. Supporter of Janio Quadros, but now disillusioned with him. Guedes lacks the financial support needed to wage an effective campaign. He is campaigning intensively and is confident of re-election. Some observers feel he has limited possibilities of re-election.

13. GILENO DE CARLI - PSD. Former President of Institute of Sugar and Alcohol. Wealthy. Sugar interests. Very intelligent. Personal enemy of Barbosa Lima Sobrinho. Conservative. Already working hard for re-election. Will probably win.

14. JOÃO Inacio Ribeiro ROMA - PSD. Elected as "suplente", Roma is filling the Chamber seat of Minister of Agriculture Armando Monteiro Filho. Former Secretary of Public Safety under Barbosa Lima Sobrinho. Rich. Property owner. Very capable. has considerable influence within local PSD. Conservative. May not run for re-election although would probably win.

15. JOSÉ LOPES Siqueira Santos - PTB. Now serving first term. A sugar mill owner. Very wealthy. Reactionary. Will run for re-election and probably win.

16. José LAMARTINE TÁVORA - PTB. Now serving first term. Probably has largest mass following of any deputy in Pernambuco. Poor. Brother of Rio Bishop Dom Jose Távora. Moderate-leftist. He has political support of Claudio Braga, Communist leader of Railway Workers Union. Will run for re-election and win, probably with over 25,000 votes.

GPO 902667

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influence obtained tax exemptions from Federal Government, long-term low-interest loans from various pension and welfare funds, thus multiplying his wealth a hundredfold. Has extensive property and business holdings in Rio de Janeiro and Pernambuco, including franchise for International Harvester Corp. Fined Cr$ 10 million two months ago for evading payment of import taxes but is fighting the case. In name of crippled daughter, sponsors annual literary prize of Cr$ 100,000, but this is regarded as an attempt to buy culture. Has no interest in politics, using seat in Chamber only for purpose of increasing wealth. A real opportunist, he will vote on any issue in the direction determined by his personal and business interests. Buys votes and makes no attempt to hide this fact. Busy now buying votes for himself and for his son who is a candidate for the state assembly. Regarded as sure to win.

2. ADERBAL de Araujo JUREMA - PSD. Now serving first term. Had leftist leanings as a youth he later became a Catholic and, politically, a democratic liberal. Brother of influential (Paraíba) Deputy Abelardo Jurema. A journalist and former Secretary of Education and Professor of Philosophy at University of Recife, he is regarded as an articulate, intelligent legislator. Has small political following and little financial backing. Pro-U.S.

3. ALDE Feijó SAMPAIO - UDN. Has been Federal Deputy since 1934. Older brother of Governor Cid Sampaio. Member of Consultative Council of Federation of Industries of the State of Guanabara. Economic Consultant to various national and foreign business interests. Wealthy. Conservative. Almost certain of re-election.

4. Antonio de ANDRADE LIMA FILHO - PSD. Now serving first term in Chamber. Former President of State Government's Serviço Social Contra o Mocambo. Has been indicted for misuse of funds while in that post. Legal action postponed because of his immunity. Former Commander of Integralist Militia during Vargas regime. Personal enemy of PSD leader Etelvino Lins and Governor Cid Sampaio. Broke with local PSD. No political support in Pernambuco. No money. May not seek re-election but if he does sure to lose.

5. Monsigneur Alfredo ARRUDA CAMARA - PDC. Serving in Chamber since 1934. Strong anti-Communist. Good legislator. Conservative. Given support of Archbishop, should win handily.

6. Alexandre José BARBOSA LIMA SOBRINHO - PSB. Serving in Chamber since 1934 except for four years he was Governor of Pernambuco. University professor and intellectual. Member of Brazilian Academy of Letters. Reputed to be theoretical and impractical. A conservative turned moderate-leftist he has much prestige among Brazil's leftists. (Point upon which he is very touchy is Guantanamo Bay, Cuba which he thinks should be given back to Cubans immediately.) May have to compete for leftist vote with Francisco Julião. Elected as first "suplente" in last election he took Chamber seat surrendered by Barros Carvalho, who had been elected both Senator and Deputy. Has a good chance for re-election if he is preferred candidate of leftist elements in Pernambuco.

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FORM FS-439c
6-1-60

CONFIDENTIAL

Page 1 of
Encl. No. 1
Desp. No. 176
From RECIFE

SENATORS AND DEPUTIES FROM PERNAMBUCO: INCUMBENTS AND NEW CANDIDATES

SENATORS

INCUMBENTS

1. Antonio NOVAES FILHO - Partido Libertador. Moderate-Conservative. Now serving second term. Former Prefeito of Recife during Vargas Dictatorship. Intelligent, rich, represents sugar interests. Not known yet which other parties will support him in bid for third term but generally agreed that he has slim chance for re-election, especially competing against heavily-favored Francisco Pessôa de Queiroz.

2. JARBAS MARANHÃO - PSD. Now serving first term. Conservative. Intelligent. Member of cabinet of former Governor Magalhaes. A small property holder himself, he married a wealthy woman. Has a reputation as a poor legislator, uninterested in his work. A political playboy. Not expected to seek re-election as Senator but may run for Federal Deputy from Pernambuco or Guanabara. If he does run for Senator he will lose.

NEW CANDIDATES

1. Jose ERMIRIO DE MORAIS - PTB. "Indicated" by PTB at February convention in Recife and has started to campaign. A Pernambucano by birth he has lived in São Paulo for years. Said to be head of most powerful economic group in Brazil, controlling 42 different industries. Now moving much capital into Pernambuco, erecting new tire plant, caustic soda plant, etc. Nominated by Janio Quadros as Ambassador to West Germany but Senate refused to confirm nomination. Has vowed to get even with Senate group responsible for Senate action. Reported to have contributed 80 million cruzeiros to Janio Quadros campaign fund in 1960. Still supports Quadros who is expected to come to Pernambuco to campaign for him. The "radical" wing of the local PTB opposes his prospective nomination and is trying to drum up party feeling against him. Said to be considering purchase of radio station and newspaper to use in campaign. A nationalist, he is reported to have donated 3 million cruzeiros to campaign fund of Miguel Arraes. Will probably win.

2. FRANCISCO PESSÔA DE QUEIROZ - PTB. (Reported in Official-Informal letter to Political Counselor, American Embassy, Brasilia: cc: ARA/BST/B, INR/RAR) "Indicated" by the UDN at the April convention so will run with the support of both the PTB and the UDN. Campaigning hard and using his press, radio, and TV properties to publicize his campaign. Sure to win.

DEPUTIES

INCUMBENTS

1. ADELMAR da Costa CARVALHO - PSD. Now serving first term. A wealthy merchant. Carvalho has a reputation as a most unscrupulous person. Said to have made first big sum of money by defrauding State Government on supply of construction contracts during administration of Governor Magalhaes. Using purchased political

CONFIDENTIAL

GPO 902687

candidates he favors. The early initiation of Alliance for Progress dramatic impact projects , on the other hand, could diminish the prospects of success of the state's leftist-nationalist anti-American candidates and enhance the chances of those candidates who identify themselves as friends of the United States. The estimates furnished, then, are preliminary and are subject to revision as the campaign gathers momentum.

Eugene Delgado-Arias

Dr. Eugene Delgado-Arias
Consul General

Attachments:

1. List of present senators and deputies from State of Pernambuco and other persons expected to be candidates for those positions in the 1962 election.
2. Tally of the votes won by each successful candidate for the Federal Chamber of Deputies in the 1958 elections.

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APR 29 1962
XR 732.521

FOREIGN SERVICE DESPATCH

FROM : AmConGen RECIFE

376
NO.

TO : THE DEPARTMENT OF STATE, WASHINGTON.

April 18, 1962
DATE

REF :

22 For Dept. Use Only	ACTION	INFO	DEPT	RM/R	REP	AF	ARA 3	EUR	FE	NEA	CU	INR 5	E	P	IO 2	ICA
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	RECD 6/4			AIR	ARMY	CIA	NAVY	OSD	OCB	USIA						

SUBJECT: Candidates from Pernambuco in 1962 Congressional Elections.

Attachment Number One to this despatch consists of a list of present senators and deputies from the State of Pernambuco and other persons expected to be candidates for those positions in the 1962 elections. Attachment Number Two is a tally of the votes won by each successful candidate for the Federal Chamber of Deputies in the 1958 elections.

Following each name in Attachment Number One is a concise statement of available information regarding the person's party affiliation and support, financial backing, political inclination, present or past positions, together with an estimate of his chances of victory in the coming elections. The information furnished in some cases is quite incomplete, but the Consulate General hopes to be able to furnish further details as the campaign develops and additional information becomes available. The number of known candidates for Congress at this time is relatively small but is expected to grow substantially within the next few months. Thus, the Consulate General intends to submit as many subsequent lists of this type as may be necessary to provide complete coverage.

A note of caution might well be sounded with regard to the estimates of the various candidates' prospects in the elections. A number of factors of possible influence on the elections' final results are imponderable at this time. For example, a substantial increase in the number of voters which is traceable to a freshly-acquired literacy would be expected to lend added strength to leftist candidates. The proportions of such an increase, however, will not be calculable until July or August of this year. Janio Quadros, so widely discredited following his big speech, could yet return to capture the imagination of the public to the extent of assuring the election of those candidates he

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FORM 6-61 FS-439 GPO 912596

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ACTION ASSIGNED TO:		ACTION TAKEN	NOTED	
NAME OF OFFICER & OFFICE SYMBOL		DATE OF ACTION	9 MAY 62	DIRECTIONS TO RM/R FILE

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Enc. 1
Despatch 806 4/17/62
Brasilia Office

JORNAL DO BRASIL APRIL 8, 1962

ARA

JORNAL DO BRASIL

Rio, 8 de abril de 1962

Diretor-Presidente: C. Pereira Carneiro

Diretor: M. F. do Nascimento Brito

1059

Enc. 1
Despatch 806 4/17/62
Brasilia Office

JORNAL DO BRASIL APRIL 8, 1962

AIRA

Brizola aponta eleições como última "chance" para o Brasil

[illegible]

[illegible]

[illegible]

DISTRIBUTION: All consulates in Brazil; Amb-DCM, Army, Navy, Air Attachés, USIS, Econ (2), Pol I (5), Pol II, Labor, CF-Rio (3), Brasilia (5).

comes from those who oppose the revolution, who want to maintain the regime of private property in those basic industries."

Expropriation

He said the seizure of the I.T.& T. subsidiary was done only to serve the interests of his state. He denied that President Goulart resented the fact that he had not been consulted prior to the act.

Agrarian Reform

Regarding accusations that he had fomented land seizures by peasants, he said "Up till now, the Government of my state has assured property rights. As Governor, I feel equally obliged to assure the right to congregate of agricultural workers, since they have done so in a perfectly orderly fashion. The Government has the duty to hear the complaints of those who want land to work, with the same patience it hears the appeals of credit bankers and other requests from landowners."

Comment: Although other political figures use the United States as a scapegoat, and call for socialization of basic industries and other extreme measures, none, except acknowledged Communists, are so dogmatic and vituperative. Brizzola's approach may prove too extreme even for Janio Quadros, though this remains to be seen. Brizzola is attempting to create a national issue for the election campaign, but the reception accorded such an out-and-out anti-U.S. bias is unlikely to be a warm one. The national mood is doubtless favorable to reforms but their enactment is more apt to be entrusted to more prestigious, moderate reformers than to Brizzola who will find it hard to attract to his banner any important support not openly Communist or the equivalent.

It is difficult to say whether Almino Afonso's statement of support of Brizzola is a genuine endorsement of the specifics of Brizzola's views, or simply periodic maintenance of his own image as an extreme nationalist.

For the Chargé d'Affaires, a.i.:

Approved by:

Philip Raine
Political Counselor

Harry Weiner
Second Secretary
of Embassy

Enclosure:

Governor Brizzola's interview with Rio's Jornal do Brasil of April 8.

formation of a national Parliament capable of voting in the measures necessary to promote economic emancipation of the country from the United States. The Embassy finances, thusly, political corruption as a means of maintaining our country as a dependency of the corporations and the trusts. I consider this meddling a true act of alienation of our national sovereignty. I am not content with this and have decided to draft a complaint to the Federal Government in the name of the Government of Rio Grande do Sul. Should this malevolent intervention persist, I prefer to see my state excluded from the part of Brazil touched by the Alliance for Progress."

Own Political Plans

Brizzola said he would soon announce his decision with regard to standing for Federal Deputy from the State of Guanabara. (He is constitutionally prohibited from succeeding himself as Governor. A campaign in Guanabara would bring him into sharp and widely-publicized contact with the violently anti-Communist Governor Carlos Lacerda.) "What is most important to me is that the new Parliament have the largest possible number of independent popular representatives, authentic public men, deputies and senators who do not confuse their personal interests with those of the nation."

Program of Reform

Brizzola listed the following reforms as "indispensable": (1) Agrarian reform - "as a condition of the creation of a larger internal market and the possibility of a better field for industrial development." (2) Urban reform - to face "the reality of this country where millions of families live in shacks, huts and shanty towns." (3) Educational reform - "so that education will no longer be, in Brazil, a caste privilege as well as a lucrative industry"(private schools). (4) Reform of the control and administration of foreign trade, commercial, economic and financial relations with the United States, other countries and economic groups, in sum, with the whole world, a spoliative process that transforms Brazil into a 'punctured can' from which our financial resources drain out." (5) Revision of national planning to correct class and regional inequities. (6) Legislative reform - "so that Parliament can vote with greater speed the laws that the country lacks." (7) Tax reform to correct the inequity of the distribution of wealth. (8) Reform of the civil code. (9) Ad ministrative reform to "remove bureaucratic obstacles." (10) Reform of the national communications system.

Socialization

"Socialization of basic industry is the fundamental condition for the economic emancipation of the country," and, according to Brizzola, history shows that this can be done by revolution, although this does not necessarily mean by violence. "Violence

have as an instrument of the process of social transformation. The economic oligarchies are becoming active, the persons implicated in the spoliative process spare no resources to elect throughout the country deputies and senators who will be agreeable to reactionary representation, and that representation can come to power only on rivers of money. If in Argentina, the Prussian power wrecked the elections, in Brazil the economic power, a bit more malicious, will arrange, not for the wrecking, but for the frustration of the objectives of the election."

Brizzola calls for an electoral reform law as the best means of combatting these influences, without giving any details of the features to be embodied therein. Presumably he would like to see an end to the literacy requirement for voters, which would enlarge his base enormously.

Alliance for Progress

"As conducted now, it is nothing more than a program of neo-colonialism." While claiming to finance progress in Latin America, the fact that no concessions are made in trade nor in aiding Latin America control of her own industries, means, in fact, that Latin America is financing the progress of the United States; in these circumstances, the Alliance is an instrument of the Cold War, an instrument of political coercion against Latin America, Brizzola said.

Also, there are insuperable contradictions in the Alliance, for example, how can one expect basic reforms to be made, Brizzola asks, when the resources of the Alliance are furnished, as in Ecuador and Venezuela, to groups who maintain themselves in power only through preservation of the existing condemned structure.

The United States Embassy

Bizzola's direct attack on the Embassy in the terms used is an innovation. According to the Governor, the Embassy effects "practically, the political corruption of Brazil" /it is/ "a species of super-government, since it distributes among Governors, Mayors, businessmen, etc., recommendations for financial favors which, properly, is within the competence of the Brazilian Federal Government and its official credit agencies."

"This outpouring of money is made with the objective of deforming the decisions of the ballot-box, and to impede the

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AIR POUCH — CONFIDENTIAL

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FOREIGN SERVICE DESPATCH

FROM : Amembassy, Brasilia Office (Rio) — NO. 806

TO : THE DEPARTMENT OF STATE, WASHINGTON. — DATE April 12, 1962

732.14

REF : S/P ICA

		DEPT	RM/R	REP	AF		EUR	FE	NEA	CU	INR			
19 For Dept. Use Only	ACTION ARA-4		2	1			1		3	3	5	3	1	
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			3	3	15	3	3		8	3				

RECEIVED OFFICE OF LATIN AMERICAN AFFAIRS APR 20 1962

SUBJECT: Leonel Brizzola Attacks the Embassy and the Alliance for Progress

In an exclusive interview with Rio's Jornal do Brasil, April 8 (copy enclosed), Rio Grande do Sul Governor Leonel Brizzola gives his views on the current Brazilian scene. He follows closely the same line he took recently in his statement on Janio Quadros (see Embassy Despatch 771 of March 30) but goes even further in viciously attacking the United States and the Alliance for Progress. His language and approach show increasing use of Marxist language and concepts.

no action necessary
J W Wilson
4/23/62

According to a press report, on April 10, Almino Afonso, recently reelected (by a narrow margin) leader of the PTB in the Chamber of Deputies and leader of the Party's extreme left wing, sent a telegram of support to Brizzola and read it into the Congressional Record. "I agree in kind number and degree with all you said. I insist on the necessity of a broad understanding among men of the same political views, with the greatest urgency or else we shall see even sadder days in our country."

FILED APR 23 1962

After reiterating his demand for a plebescite and return to presidentialism in terms similar to those reported in Embassy Despatch 771, Brizzola turns to the forthcoming October elections: "Everything indicates that an economic conspiracy is being readied to transform the elections into an episode without the transcendental significance they should

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REPORTER

FORM 6-61 FS-439

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Jim

Re the 2 letters, I have some doubts which may be incorrect.

1) The letter for Herb which he apparently will forward to the Prof refers to a separate letter which will analyze the Prof's comments.

This seems dangerous; the Prof will immediately write for ~~the~~ a copy of letter #2.

2) Letter 2 implies that since Quadros lost the support of Brazilian "conservative" elements, then he is not worthy of our support x This is the type of "conservative" attitude the State Dept is ~~could~~ constantly criticized for adopting - What about Alliance for Progress

Re situation in Brazil
Wants it be put in
touch with Stall Dept

65

ACTION
is assigned to
ARA

FILE

y April 12, 1962

United States Senate

Re: Prof. Augustin Maslowsky
338 E 139 Street
Bronx 54, New York

Respectfully referred to
Congressional Liaison
Department of State
Washington 25, DC

for such consideration as the communication herewith submitted may warrant, and for a report thereon, in duplicate to accompany return of inclosure.

By direction of

HUBERT H. HUMPHREY

U. S. S.

Enc.
Brazilian Desk - for information and comments in reply.
Many thanks. HHH

Interim reply drafted 4-17
ARA:EST/B:GMSutton:zec

~~Further reply drafted 4-17~~

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Letter and enclosures, if any, microfilmed by RM/R

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URGENT

A CONGRESSIONAL - FOR IMMEDIATE ACTION

A reply or written acknowledgment must be made within Three Working Days *(See 5 FAM 1524.3 or H - Guide Lines).*

If for any reason, a problem is anticipated, drafting officer should immediately call H - Extensions 4286 or 7579.

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(45)

April 23, 1962

Dear Senator Humphrey:

Thank you for your communication dated April 12, 1962 enclosing a letter from Professor Augustin Maslowsky of New York City concerning the political situation in Brazil.

Professor Maslowsky states in his letter that communist influence in Brazil is increasing and suggests that the United States should assist him in conducting an anti-communist campaign in that country.

The political situation in Brazil is of course an internal affair of that country. Therefore, it would not be practicable for the Department to sponsor Professor Maslowsky in the type of program he outlines in his letter.

Meanwhile, we are cooperating with the Brazilians to counter the communist threat to that country in many fields. In this regard, the United States and Brazil have recently signed an agreement extending $131 million of Alliance for Progress funds to relieve the economic and social situation in Northeast Brazil which has been a source of communist exploitation in the past.

I hope that the above information has been helpful. If you have any further questions on this subject, please do not hesitate to write me.

Sincerely yours,

Frederick G. Dutton
Assistant Secretary

Enclosure:

Letter from
Professor Maslowsky.

The Honorable
Hubert H. Humphrey,
United States Senate.

(1)

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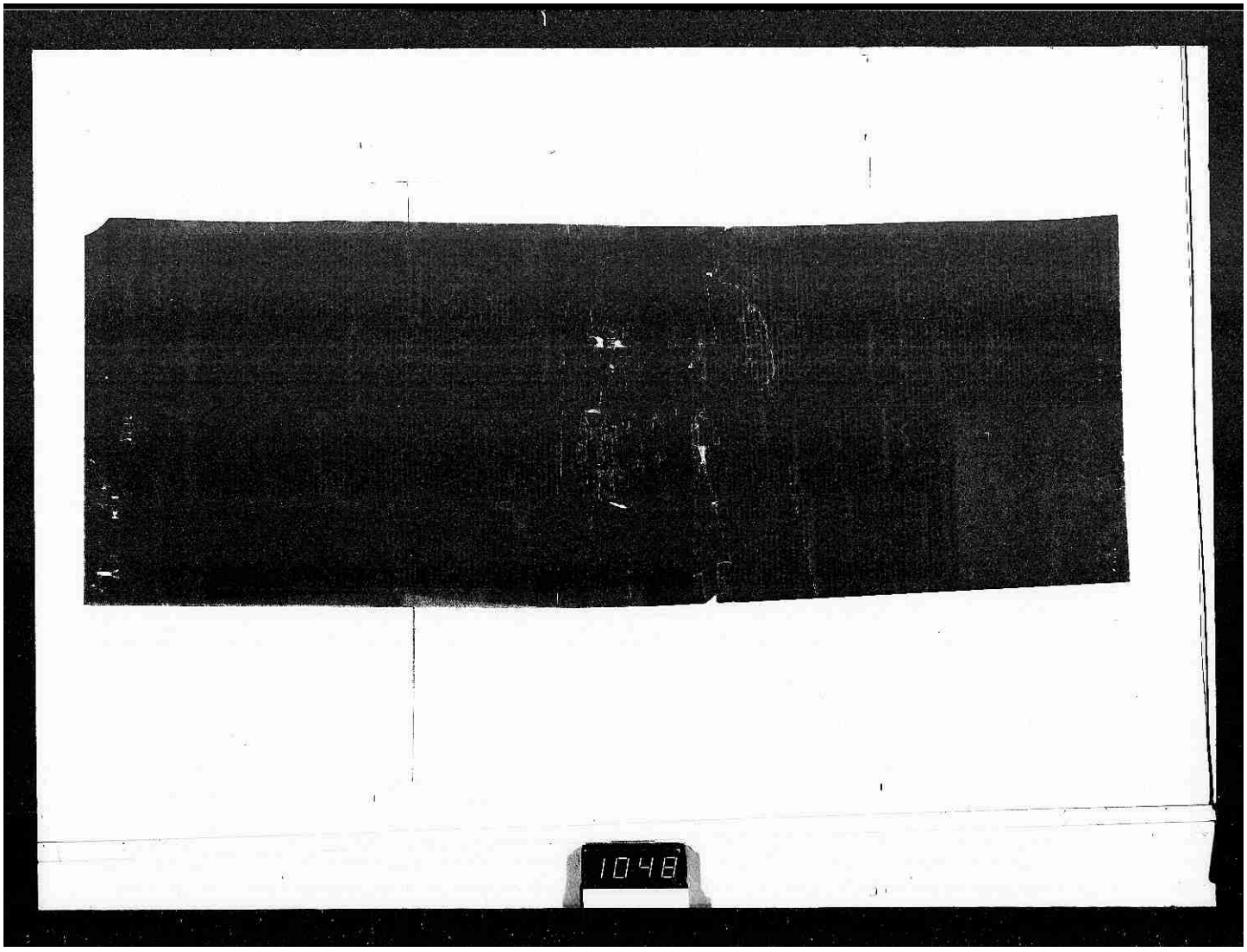
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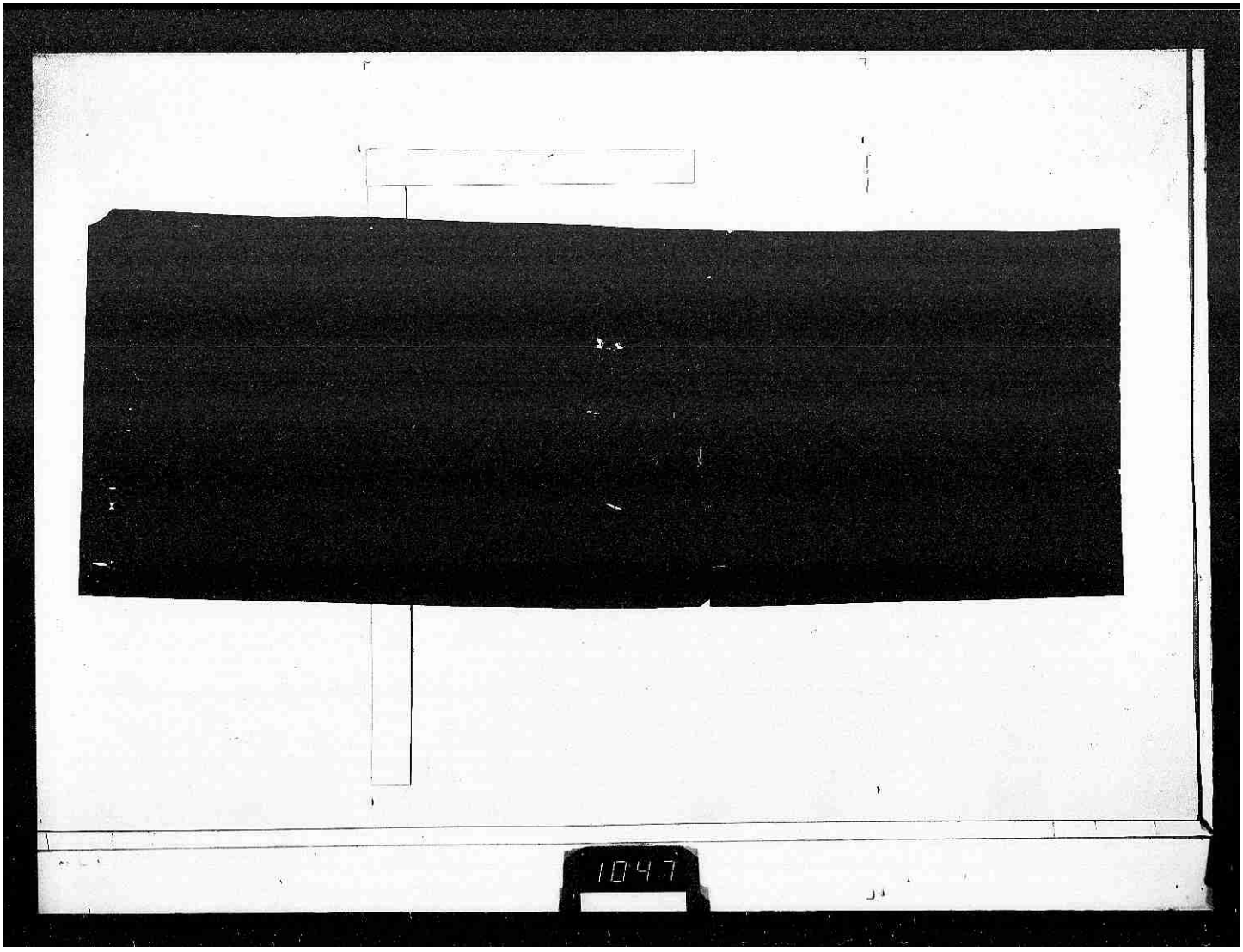
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SR

together, convinced and resolute, in order to orient the choice of its future defenders in the government, the Assembly, the Parliament.

It has confidence in the patriotism and common sense of the political parties, in the /capacity for/ self-criticism and the moral grandeur of the candidates, and in the courageous independence of the people.

Thus is founded, in Goiania, the "Family Electoral Alliance".

No one will desert or betray.

The Goianian family is going to make a revolution by ballot, outside and above the /political/ parties, at the side of Goiás, in defense of the Fatherland.

Goiania, January 30, 1962"

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MANIFESTO OF
THE FAMILY ELECTORAL ALLIANCE

The Goianian family has become conscious of its value and its rights, and has decided to organize itself in order to influence, in a Christian manner, national life.

It will combat the enemies of its indissolubility and respectability, inasmuch as divorce is a cancer which precedes the officialization of egotism, of sensuality and of unhappiness of wives and children.

It will demand justice for the large family in the acquisition of land, of a home, and housing co-operatives, in job promotions, in education, in taxation, and in profit-sharing.

It will defend agrarian reformulation, orienting it toward assistance and protection for the rural worker, compensatory production, co-operative association, defense of just private property, and a salary sufficient to worthy and honest citizenship.

It will defend the elimination of abuses of economic power; the erradication of illiteracy by means of basic education; reform of university education so as to place it at the service of the people and the country; resistence to any imperialism, and just independence for Colonies.

It will point out /to public/ opinion the cowards of democracy, the peculators, the liars, the contraband dealers, those exploiting State concessions, the monopolists, the corrupt, the embezzelers, the fraudulent.

It will denounce political careerists, unmasking demagogery, disorder, irresponsibility to democracy, disrespect for legality, identifying the agitators and terrorists, observing the administrative comportment of the authorities in the government and in the Houses of the Legislature in defense of the individual and of the common good.

It will stimulate the /political/ parties to present the best and most capable candidates for public office, because the greatest victim of the errors of public men has unquestionably been the family--in its housing, in its nourishment, in its clothing.

This being the case, the Goianian family, the Brazilian family, has decided to take advantage of its great opportunity, joining

1045

of considerable electoral significance.

For the Chargé d'Affaires a.i.:

Harry A. Quinn
Second Secretary of Embassy

APPROVED:

Philip Raine
Counselor of Embassy
for Political Affairs.

Enclosures:

1. Portuguese-language version of the Manifesto of Council of Bishops.

2. English translation of the Manifesto of the Family Electoral Alliance of Goiás.

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

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questions as the extent and content of the Church's forthcoming electoral effort were discussed and decided. The details of this conclave have, of course, been kept secret. Nonetheless, the Council made public a manifesto on April 5 which, in general terms, confirms the previous evidence of the Church's intention to play a more active rôle in politics in general, and the forthcoming elections in particular. In addition, the manifesto outlines, in general terms, the appeals and methodology which will be utilized in this effort.

Commencing (quite naturally) with a lengthy exposition of the Papal Encyclical "Mater et Magistra", the Manifesto then offers this "social doctrine of the Church" as the answer to the problem of increasing "Communist infiltration" (which, the Bishops state, is favored both by the recent re-establishment of diplomatic relations with the Soviet Union and by the erroneous assumption that Communism "can solve the dolorous problem of populations oppressed by inhuman social structures"). In the light of this social doctrine, the Bishops aver that the "so-called basic reforms" (some of which, they note, are "of pressing urgency") would be "welcomed" by the Church. Spelling out some of these reforms, the manifesto first asserts that progress should not be confused with "kilowatts" or "tons of steel" but should instead be equated with "number of calories" consumed by each citizen. With this in mind, the bishops advocate a "healthy" agrarian reform (one which will provide "technical assistence, credit and social services" to the farmer thereby cutting the ground from beneath the "demagogues" who exploit the "legitimate anxiety" of the rural laborer). The manifesto also cites the need for an electoral reform which "in fact permits the voters complete liberty of choice," while at the same time calling on all voters to "reserve" their votes for those who will put the "legitimate interests" of the nation first. Significantly, the Bishops note in this latter regard that the Family Electoral Alliance should prove a "valuable instrument in the orientation of the electorate."

Thus the manifesto would seem clearly to confirm the Church's intention to step firmly into the electoral arena. In a predominantly Catholic country, this new attitude[5] should prove to be of

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5 And it is a new attitude, contrasting strikingly with the stance of the heirearchy in past contests--when Church pronouncements were either vague or contradictory. Too, the Church tended in the past to ignore the bread-and-butter issues which, it has been the Embassy's experience, are those which are electorally meaningful.

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on this important topic and as evidence of its evaluation of the present situation. Thus, though the Church has made abundantly clear that it seeks through these new organizations both to strengthen the family as a social institution (i.e., combat the growing number of politicos advocating legalization of divorce in Brazil) and to prevent Communists from taking public office, it has also stressed the fact that the organization will be neither purely anti-Communist (or pro-Fascist) nor reactionary. The Alliance therefore advocates land reform (though not of the demogogic variety), anti-trust legislation, educational reform (including erradication of illiteracy[2]), profit-sharing with workers and extension of social-security legislation to the rural worker.[3]

Undoubtedly, of course, there will be some regional variations upon the major themes, as the various "Alliances" come into existence. Indeed, such tailoring to regional conditions and audiences is already apparent in the differences of the appeals made by the two existing Alliances--with that in Rio de Janeiro publicly stressing anti-Communism and that in Goiás not even (publicly) mentioning the subject. The recent pronouncement by the Bishops of Pernambuco, for example, which, inter alia, forbade priests to run for public office (except for those already holding one who may opt for re-election--see Recife Weekly Summary 5) may or may not be applied to the entire country. The same may be true of the vigorous, and explicit, anti-Communist declaration recently delivered over the Rio de Janeiro air waves by Rio's Cardinal-Archbishop, Dom Jaime de Barros Camâra--which so far has, to the Embassy's knowledge, yet to find an accurate echo in the rest of the country.[4]

Of course, the Brazilian Council of Bishops has just concluded a three-day meeting in Rio de Janeiro, at which, undoubtedly, such

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2 In this field, of course, the Council of Bishops has been in the forefront of those actively attacking the problem--particularly in the Northeast. See Embdesp 890 (Weeka 13, Item 3) of 3-29-62.

3 For a fuller account, see Enclosure No. 2, "Manifesto of the Family Electoral Alliance", for Goiás.

4 An outspoken conservative, Dom Jaime has in the past been sometimes at odds with his colleagues on electoral matters.

1042

AIR POUCH — CONFIDENTIAL

HANDLING INDICATOR

For Department Use Only

732.00/4-1162

XR 832.413

FOREIGN SERVICE DESPATCH

Rio

FROM : Amembassy BRASILIA Office — 802 NO.

TO : THE DEPARTMENT OF STATE, WASHINGTON. — April 11, 1962 DATE

REF :

For Dept. Use Only	ACTION	INFO	DEPT	RM/R	REP	AF	VISA	EUR	FE	NEA	CU	INR	E	P	IO	ICA
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DEPARTMENT OF STATE
BUREAU OF
INTER-AMERICAN AFFAIRS
APR 20 1962

SUBJECT: THE CHURCH AND THE ELECTIONS

file no action
EST/B JWW 4-26-62

There are increasing signs that the Church intends to play an active rôle in the 1962 elections. One of the most recent of these is the formation of Church-backed regional organizations called "Family Electoral Alliances" ("Aliança Eleitoral Pela Familia"). As previously reported (Embdesp 757, Weeka 12), only two of these organizations have, to the Embassy's knowledge, so far been formed, but CAS has been informed that the movement, which is backed by the Council of Brazilian Bishops, is to be nation-wide in scope.

Though the formation of such a nation-wide, Church-supported pressure group is a comparatively new,[1] and very significant event, the high social-reform content of the organization's program is equally significant--both as an indication of the Church's thinking

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1 There has, in fact, been one previous incursion into the electoral field: the Catholic Electoral League ("Liga Eleitoral Catolica") whose moving spirit, reportedly, was the well-known Catholic intellectual (and sometime Pan American Union official) Amoroso Lima. Founded in 1933, this organization apparently still exists but its basic lack of organization, its failure to provide a meaningful message to the electorate (a mistake which the new Alliance obviously intends not to repeat) and the indifferent support it received from the heirarcy all combined to render the "League" ineffective as an electoral organization.

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REPORTER

FORM 6-61 FS-439

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

*U.S. GOVERNMENT PRINTING OFFICE: 1961 O - 612210 (17)

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INCOMING TELEGRAM *Department of State* ACTION COPY PERMANENT RECORD COPY

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Action

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CONFIDENTIAL

Control: 8599
Rec'd: April 13, 1962
12:44 AM

FROM: Recife

TO: Secretary of State

NO: 311, April 11, 9 a.m.

PRIORITY

ACTION RIO DE JANEIRO PRIORITY 282, DEPARTMENT 311.

WEEKA telegram 2.

CONGEN informed Pernambuco bishops conducted poll showing 68 percent voters favor Arraes, 10 percent support Cleofas, 22 percent undecided or favoring some other candidate. Poll confirms increasing fears Arraes would win in landslide over Cleofas.

CONGEN informed Saturday Army and State Government would collaborate new anti-Communist drive time announced Monday April 9. On Monday Army announced concerted anti-contraband drive request Minister Fazenda with cooperation Air Force and Navy. Anti-contraband drive to involve patrols along coast and interior, road blocks, auto and trucks searches. Army claims patrols will especially seek out coffee on way to secret unauthorized exportation. CONGEN suspects drive intended turn up contraband arms and propaganda materials.

Unconfirmed press accounts today report 10 truck loads Army troops joined Fifth and Tenth Infantry Battalions to seal off SAPE, Paraibato prevent march "five thousand peasants" protest last week killing SAPE Ligas Camponesas leader Joao Pedro Teizeira.

DELGADO ARIAS

kea:3

CONFIDENTIAL

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

RECIFE 311

732.00/4-1162

1040

confidence that candidates without money could overcome the handicap of poverty and be elected. (UNCLASSIFIED)

2. **Journalists Leave for the United States.**

The jointly-sponsored press tour of the United States (see Weekly Summary No. 7) got under way on Sunday, April 8 as the fifteen journalists and two escorts boarded a MATS Constellation and departed Recife for San Juan, Puerto Rico. On the eve of departure the group was addressed by MATS Commander Lt. General Joseph Kelly, who extended a welcome to the journalists on behalf of the United States Government and discussed briefly the main points of the group's itinerary. Later, General Kelly expressed to the Consulate General his pleasure over the manner in which the tour had been arranged and his hope that another similar tour of journalists from this region could be arranged this year. (UNCLASSIFIED)

J. Eugene Delgado-Arias
Consul General

Contributors:

L. C. Kilday
W. S. Smith

1039

3. German Aid.

The new German Consul in Recife announced this week that the West German Government is planning to extend a $50 million (US) loan to Brazil for use in development projects, especially in the Northeast. A team of German technicians is slated to arrive in May to study specific projects. (UNCLASSIFIED)

4. Oil Shipments from Alagoas.

The Recife press reported on April 8 that Petrobrás had "exported" 3,600 barrels of crude oil from the state of Alagoas. The oil was obtained from two low production wells currently producing in the state. Though press reports talk of "export," sources close to Petrobrás indicate that the oil was simply shipped to Bahia for refining. (UNCLASSIFIED)

Comment: Petrobrás has been drilling in Alagoas for many years and a few oil producing wells have been brought in, though most have failed to produce in commercial quantities before going dry altogether. The latest discovery is said to be giving up 40 barrels a day. (OFFICIAL USE ONLY)

PSYCHOLOGICAL

1. Press Review.

The headline topic of the week for the local press, as expected, was President Goulart's trip to the United States. Although most of the coverage of the trip consisted of straight UPI and AP accounts, Esmaragdo Marroquim of the Jornal do Commercio and Diario da Noite, who accompanied Goulart, sent back several Northeast-oriented reports. In these, Marroquim displayed the anti-American bias for which he is known. Writing of Goulart's speech to Congress, for example, Marroquin reported that Goulart "told these people things they needed to hear." President Kennedy's welcome speech to President Goulart was most praiseworthy, according to Marroquim, for sweeping away the "anti-Brazilian campaign" and "introducing a little good sense into the heads of the journalists and radio and TV commentators....who persist in keeping the people of this country in an invincible ignorance of the facts of the rest of the world."

In more formal editorial comment the Diario da Noite hoped that President Goulart's trip "will not have been in vain" in helping the world's democracies in the fight for their own preservation." The Jornal do Commercio thought the visit a reflection of a "desire for an opportune and necessary understanding."

"A vote is not merchandise to be bought and sold" stated the Jornal do Commercio in an editorial on the commercialization of elections in Pernambuco. Lecturing that the people of Pernambuco are "disappointed, shocked, and unsatisfied," the Jornal's lesson was that the traditional abuses of democratic practices in the state are not likely to stave off social revolt. Writing in the same paper, Antônio Bezerra de Carvalho commented that everything indicated that the next elections "shall be decided, unhappily, on the basis of money." Socrates Times de Carvalho reported in the Diario da Noite the general feeling that the going price for a seat in the Federal Chamber would exceed 10 million cruzeiros, but expressed

1038

5. Leader of Ligas Camponesas in Sapé Killed.

Although almost ignored until now by the local non-Communist press, it became evident this week that violence had broken out anew near Sapé, Paraíba, the zone of greatest Ligas Camponeses penetration in Brazil. Details are entirely lacking; it is known only that one João Pedro Teixeira, Second Vice President of the Ligas Camponesas, was killed on Monday, April 2. The Communist weekly in Recife, A Hora, attributed the killing to landowners and the "secret service" of the 4th Army. (UNCLASSIFIED)

ECONOMIC

1. Five Northeastern Governors Attend SUDENE Deliberative Council Meeting.

The Governors of the Northeastern states turned out almost en masse for the 4th meeting in 1962 of the SUDENE Deliberative Council. Attending were Governors Magalhaes Pinto (Minas Gerais), Cid Sampaio (Pernambuco), Pedro Gondim (Paraíba), Aluysio Alves (Rio Grande do Norte), and Parsifal Barroso (Ceará). Minister of Labor Francisco Montoro also attended.

Among other things, the Council:

a) Approved a project creating a Central de Abastecimento de Pernambuco, S.A. (Food Supply Center for Pernambuco).
b) Approved a project creating the Artesanato do Nordeste, S.A. (Technical Training and Apprenticeship Program).
c) Heard Minister of Labor Francisco Montoro describe his low-cost housing plan and request SUDENE's co-operation and collaboration.
d) Discussed, in secret session, Article No. 34 of the SUDENE Plan, which provides certain tax benefits for 100% Brazilian firms investing in the Northeast. The main point of discussion was the proper definition of a 100% Brazilian firm. (UNCLASSIFIED)

Comment: The advance knowledge that five governors would attend this meeting of the Council led to expectation of a concerted attack on SUDENE and/or Director Celso Furtado. The meeting was certainly the most pyrotechnic this year and SUDENE was attacked, but not concertedly and not with any fresh ammunition. Governor Barroso chided SUDENE for moving too slowly. Governor Sampaio again warned that SUDENE could destroy Brazil's federal system if not properly controlled. Governor Alves agreed and called for greater supervision of SUDENE by the Deliberative Council. (OFFICIAL USE ONLY)

2. Stevedores Protest Use of Non-Union Workers.

The Recife local of the Federation of Stevedores this week presented to the Delegacía de Trabalho Marítimo a formal protest against several steamship agencies in this area, complaining that they were using non-union stevedores to handle cargo. The Delegacía in turn gave the agencies five days to present their side of the story. At the end of that time, the Conselho da Delegacía will convene and attempt to resolve the problem. The stevedores, as usual, are threatening to strike unless things go their way. (UNCLASSIFIED)

1037

Comment: Governor Alves' proposal of Magalhaes Pinto as a presidential candidate was so inauspicious, even as a trial balloon, that its seriousness could be open to question. Yet Governor Alves is a close friend and political supporter of Magalhaes Pinto and a seasoned politician himself, so it may be assumed that the proposal was made seriously and with the approval of the Minas Gerais Governor. Certainly during his stopover in Recife Magalhaes Pinto acted like a presidential candidate, going out of his way to avoid alienating any possible supporter. He refused to commit himself to the support of either Cleofas or Arraes for Governor of Pernambuco, though Cleofas had reason to hope that his close friendship with Pinto would evoke from the latter a statement clearly in Cleofas' favor. Of Cleofas and Arraes, Magalhaes Pinto would only say that he found them both to be preoccupied with the situation in the Northeast, holding "identical views on the necessary reforms of the region." In any event, Magalhaes Pinto proved himself still to be a politician of considerable prestige in this area. A crowd of over 500 persons representing all political views greeted him when he arrived in Recife, and his every move was reported in both of the local morning papers. (OFFICIAL USE ONLY)

3. Celso Furtado to Visit West Germany.

It was reported this week that Celso Furtado, Director of SUDENE, will depart April 26 on a visit to the Federal Republic of Germany. The visit will precede the visit to Northeast Brazil of a group of German technicians who apparently will discuss and determine the manner and extent of German developmental assistance to Brazil, the majority of which will, reportedly, be earmarked for the Northeast. (see Item No. 3 ECONOMIC) (UNCLASSIFIED)

Comment: It is not known whether Furtado will take advantage of his presence in Europe to accept the invitation to visit Czechoslovakia. (See Weekly Summary No. 7) (OFFICIAL USE ONLY)

4. National Student Group to Visit Northeast.

It was reported this week that a group of students representing the União Nacional dos Estudantes would arrive in Recife on Tuesday, April 10, on the first stop of a swing through the Northeast. The group is to be composed of UNE directors and members of the UNE's Centro Popular de Cultura. The announced purpose of the visit is to "expose to university students and local authorities the contents of the new program of action /of the UNE/ and to spread to the region's principal cultural centers basic reforms in university teaching." In addition to releasing in Recife the UNE film "Cinco Vezes Favela" the group will visit local student organizations, trade unions, and politicians.

Comment: It has also been reported that the UNE group will open a regional headquarters in Fortaleza, Ceará. Until now, the University of Ceará has suffered little from student agitation, strikes, etc., but if the UNE locates itself in Fortaleza the University's problems with students can only increase. (OFFICIAL USE ONLY)

1036

It has been reported to the Consulate General that the Catholic bishops of Pernambuco conducted a confidential poll of voters to determine the present strength and political appeal of gubernatorial candidates Miguel Arraes and João Cleofas. The results of the poll reportedly indicated that 68% of the persons interviewed favored Arraes for Governor while only 10% intended to vote for Cleofas. The remaining 22% were either undecided or favored some other candidate. Although the poll's statistics would seem to give an unrealistic indication of Arraes' strength on a state-wide basis, the poll appears to confirm the political judgment of those who expect that Arraes would win in a landslide against Cleofas. Despite this feeling that Cleofas could not win against Arraes, the UDN still plans to nominate him at the convention in Recife on April 12. There were increasing indications, however, that Cleofas would be asked or forced to resign his candidacy in favor of some other candidate with greater popular appeal and multi-party support. One of these was a report that President Goulart had appealed to Governor Cid Sampaio and Paulo Maciel, Secretary of Fazenda (still hopeful of being nominated if Cleofas steps down) to support José Neves (PSD), former Secretary of Justice and Interior. Minister of Agriculture Armando Monteiro Filho, meanwhile, re-affirmed his intention to be a candidate for governor whether or not the PSD formally nominated him.

Cid Sampaio stepped-up his efforts to convince the voters that he had performed well as Governor, taking multiple page ads in the Sunday press to describe the achievements of his administration. The first signs of activity of the Instituto Brasiliero de Ação Democratica (See Weekly Summary No. 6) were noticed as the Caruaru branch of IBAD had printed a quantity of anti-Arraes leaftlets, primarily for distribution in Recife and other municipalities. In the name of the City of Caruaru, the leaflets urge citizens of Pernambuco to repudiate "the Communist" Arraes. Finally, Padre Wanderley Simões took pen in hand and wrote a letter to the press defending his right to support Miguel Arraes' candidacy and scorning claims that Arraes was a Communist. The letter was written in reply to an editorial which had criticized Simões for defying the Declaration of the Bishops (see Weekly Summary No. 5). (CONFIDENTIAL)

2. Governor Magalhaes Pinto for President in 1965.

Governor Magalhaes Pinto of Minas Gerais went to Natal this week to serve as godfather for the son of Rio Grande do Norte Governor Aluysio Alves. He returned to Belo Horizonte as a candidate for the Presidency in 1965. His candidacy was launched by Governor Alves, his close personal friend and political ally, during a luncheon following the baptismal ceremony.

Before arriving in Natal, Governor Pinto spent two days in Recife attending the SUDENE Deliberative Council meeting and conferring with political leaders, including Governor Cid Sampaio, gubernatorial candidate João Cleofas, Mayor Miguel Arraes, Vice Governor Pelopidas Silveira, and the governors of Paraíba, Ceará, and Rio Grande do Norte. According to the press, Magalhaes Pinto attempted to persuade the governors to take part in a series of round-table discussions of current national problems he plans to hold with all governors of the Republic. (UNCLASSIFIED)

CONFIDENTIAL

HANDLING INDICATOR

FOREIGN SERVICE DESPATCH

For Department Use Only
732.00/4-1162
APR 14 1962
XR 832.00

FROM : Amcongen RECIFE

X 172
NO.

TO : THE DEPARTMENT OF STATE, WASHINGTON.

April 11, 1962
DATE

REF :

22 For Dept. Use Only	ACTION	ARA-4	INFO	DEPT	RM/R	REP	AF	ARA	EUR	FE	NEA	CU	INR	E	P	IO	ALD
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SUBJECT: Weekly Summary No. 8

DEPARTMENT OF STATE
BUREAU OF
INTER-AMERICAN AFFAIRS
APR 25 1962
file no action
EST/B JWW 4-27-62

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3. Celso Furtado to Visit West Germany.
4. National Student Group to Visit Northeast.
5. Leader of Ligas Camponesas in Sapé Killed.

ECONOMIC

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2. Stevedores Protest Use of Non-Union Workers.
3. German Aid.
4. Oil Shipments from Alagoas.

PSYCHOLOGICAL

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POLITICAL

1. Political Campaign Developments.

Political activity was little in evidence during the week, most of it transpiring behind the scenes, much in the proportion of the iceberg's submerged bulk.

It has been

Distribution: Amembassy Rio, Amembassy Brasilia 2, Amcongen São Paulo, ARA/Brazilian Desk
Department pass: Amconsulates Belem, Belo Horizonte, Curitiba, Porto Alegre

See last page/rps

CONFIDENTIAL

Number corrected in RM/AN per WIROM 330 from Recife

FORM 6-61 FS-439 REPORTER GPO 012686

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

1034

WITHDRAWAL NOTICE

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Document Date: 10/04/62

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X Security-Classified Information

NND: 949515

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FOIA RETRIEVAL #: 949515 01577 00008

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Requests political + economic information to be used in speech before local civic clubs.

65

ACTION
is assigned to
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Congress of the United States
House of Representatives
Washington, D.C.

April 9 1962

Department of State

Sir:

The attached communication is sent for your consideration. Please investigate the statements contained therein and forward me the necessary information for reply, returning the enclosed correspondence with your answer.

Yours truly,

Charles E. Bennett, M. C.

re: Request by Young, John E.
2585 University Station
Gainesville, Florida

ENCL

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16—76550-1

732.00/4-962 NR 832.00
John E Young

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APR 27 1962

Urgent file 4/17/62 DB

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Letter and enclosures, if any, microfilmed by RM/R

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URGENT

A CONGRESSIONAL - FOR IMMEDIATE ACTION

A reply or written acknowledgment must be made within Three Working Days *(See 5 FAM 1524.3 or H - Guide Lines).*

If for any reason, a problem is anticipated, drafting officer should immediately call H - Extensions 4286 or 7579.

M-115
9-62

1037

(6)

April 23, 1962

Dear Congressman Bennett:

I want to thank you for your communication of April 9 enclosing a letter from Mr. John E. Young of Gainesville, Florida. Mr. Young is interested in obtaining information about Brazil.

It is hoped that the enclosed information sheet will prove useful to Mr. Young. For further material he may wish to contact the Office of Public Information, Pan American Union, Washington 6, D. C., or the Brazilian Embassy, Washington, D. C.

I am returning your constituent's letter for your files. If I may be of any further assistance to you, please do not hesitate to call on me.

Sincerely yours,

Frederick G. Dutton
Assistant Secretary

Enclosures:

1. From Mr. Young.
2. Information sheet.

732.00/4-962
XR 832.00

The Honorable
Charles E. Bennett,
House of Representatives.

(2)

Reconfirmed by RAUR

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Control: 6957
Rec'd: April 11, 1962
9:10 a.m.

ARA
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FROM: Recife

TO: Secretary of State

NO: 308, April 9, 4 p.m.

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The originator of this message, erroneously typed as Rio de Janeiro should be corrected to read Recife.

noted yes

RMR

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INCOMING TELEGRAM

Department of State

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COPIES REC'D ARA

Control: 6957
Rec'd: April 11, 1962
9:10 a.m.

1962 APR 11 AM 10 19

FROM: ~~Rio de Janeiro~~ Recife

TO: Secretary of State

NO: 308, April 9, 4 p.m.

ACTION:
INFO:
RM/R FILES:

PRIORITY

ACTION RIO DE JANEIRO PRIORITY 281, DEPARTMENT 308

Jordado Emerenciano, Chief Civil Cabinet Governor CID Sampaio, informed me in strictest confidence he served recently as messenger from President to Governor, proposing political deal by which Jose Neves (PSD), former member Sampaio Cabinet, would be compromise candidate Governor, with support Sampaio. This would involve withdrawal Joao Cleofas and Paulo Maciel, presently Secretary Finances, who would be appointed Director Sudene replacing Furtado. In addition new Ministry for Development Pernambuco would be created.

Sampaio, who estranged Jose Neves, turned down proposal, also Maciel. However, Emerenciano arranging meeting this week his home between Sampaio and Neves for possible reconciliation but noted Emerenciano describes Neves as aggressive, intelligent, young (late thirtes), self-made, ambitious, extremely successful lawyer. Emerenciano also stated it axiomatic no "usineiro" can succeed another as Governor thus eliminating Cleofas as successor Sampaio. Neves appears have considerable potential popular following.

DELGADO ARIAS

FH/2

RECIFE 308

732.00/4-962

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Control: 6950

Rec'd: April 11, 1962
9:10 a.m.

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RMR

FROM: Recife

TO: Secretary of State

NO: 305, April 9

PRIORITY

ACTION DEPARTMENT 305; INFORMATION RIO DE JANEIRO UNNUMBERED

Re DEPTEL 434. 732.00

Original text reference sentence CONTEL 300 as transmitted reads as follows: "moderate-conservatives in area voicing increasing apprehension over possibility Arraes will win election. Much speculation Cleofas will withdraw or be forced out in favor etc".

DELGADO ARIAS

FH/2

Recife 305

ACTION: EST/B
INFO:
RM/R FILES file

EST/B-RC 6-26-62

732.00/4-962

FILED
OCT - 8 1962

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1027

FORM FS-439 G
6-1-60

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Encl. No.
Desp. No. 51
From AmConsulate, Curitiba

3. Ucranians Against Russian Ambassador

The Ucranio-Brazilian Club of Curitiba distributed a manifesto which says that the new Soviet Ambassador to Brazil is an enemy of the Ucraine, of Brazil, of culture and of humanity.

Source: Manifesto of Ucranians.

George M. Scanlan

George M. Scanlan
American Vice Consul

S

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GPO 902667

1026

described the University of Paraná as "anti-democratic and ripe for reform". A series of films, plays and round-table discussions were planned.

Press coverage was intensive on three Paraná teachers who went to the U.S. for a one year course at the University of Indiana and two local students who participated in a seminar at UCLA. The director of the legal medicine division of the Paraná Police Department also traveled to the United States on an AID grant.

The German Government is offering scholarships to students aged 25-35. Knowledge of German is required and 600 marks per month and free travel within Germany are provided.

A local medical student who went to the USSR last year to begin a five year course returned to Curitiba after only six months absence. There were no explanations.

Sources: "Diário do Paraná", 1.28.62; 2.3.62; 2.9.62
"Estado do Paraná" 1/28/62; 2/3; 2/9; 2/23/62
"Gazeta do Povo" 1/28/62; 2/3; 2/9/62
"Ultima Hora" March 15,62

VI MISCELLANEOUS:

1. "O Estado do Paraná" Sold

A group of coffee tycoons, merchants and industrialists purchased a controlling interest in "O Estado do Paraná" for 120 million cruzeiros. At present former economic affairs secretary João RIBEIRO Junior owns a 42% interest in the paper. "O Estado", which claims the largest circulation in Parana, reads as if written by a motley crew of conservatives and liberals, socialists and communists.

Source: "Gazeta do Povo" - Feb.22,1962

2. Ambassadorial Visits:

The Honduran Ambassador visited Curitiba from February 5 to 8 and the Japanese Ambassador is scheduled to arrive on April 10. Ambassador Lincoln Gordon's visit of March 16, however, created the most interest (see Curitiba despatch 50 of April 3,1962).

Sources: All newspapers

however justified, and (2) the fact that a great many Brazilians seem to regard American newspapers as mouthpieces of the U.S. Government.

Sources: "Diário do Paraná" - March 3,4,9,1962
"Gaseta do Povo" - March 2,1962
"Ultima Hora" - March 2,1962

2. "Alliance for Progress":

The local press was pleased that Paraná and Santa Catarina were not entirely forgotten in the list of 43 projects the Brazilian Government submitted for "Alliance for Progress" assistance. A request for 3.5 million dollars was made for Paraná's COPEL electricity installation and eight million more for the tri-state (Paraná, Santa Catarina, Rio Grande do Sul) "Southern Development Bank". President Kennedy's reassuring comments on the "Alliance" in the aftermath of the I.T.&T. takeover were welcomed.

Sources: All newspapers.

3. Cuba and Punta del Este:

Reaction to Punta del Este followed the expected lines. "Diário do Paraná" supported the American position while "Ultima Hora", "Gazeta do Povo" and "Estado do Paraná" defend the views advanced by San Thiago Dantas. A number of columnists (Enes Veira in "Estado", Dorian Freire in"Ultima Hora" and Silveira Lenzi in "O Estado" of Florianópolis) jumped to the defense of the Castro regime while others (notably Coelho Junior of "O Estado do Paraná") accused Dantas of making a mockery of the terms "nonintervention" and "self determination".

Governor Ney Braga limited himself to expressing support for the Brazilian position while the Archbishop of Curitiba said that if one is to defend self-determination then one must come forward and call for free elections in Cuba.

Aside from Punta del Este, Cuba continued in the headlines as a number of starry-eyed students returned from Havana with praise for Fidel and all he is doing within the country. They generally avoided comments on Castro's intimate relations with the Communist bloc. A debate on Cuba between two rightists and two leftists ended in a fist fight, and the "Brazilian-Cuban Cultural Institute" in Curitiba claimed it was gaining more members every day.

Sources: "Diário do Paraná" - Feb.1,3,4,6,1o,1962
"Estado do Paraná" - Jan.23,3o,31;Feb.3,4,10
"Ultima Hora" - Jan.24,Feb.3,March 1o
"Tribuna do Paraná" - Jan.23, Feb.3o

V Cultural Notes:

The Second National Seminar for University Reforms was scheduled to be held in Curitiba from March 17 to March 22. One of the participants

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appears to have received a certain degree of popular support, especially among the less enlightened. More informed elements were less inclined to support the measure. Among the press, "Última Hora" was all for the takeover, "Diário do Paraná" condemned it and "Estado do Paraná" adopted its customary schizophrenic position by objecting to the timing while chiding the State Department for its reaction. "Estado" appears to suffer from "psychosis americanis".

Sources: "Diário do Paraná" - Feb. 22,28,1962
"Estado do Parana" - Feb.23,28,March 1o,1962.

2. Left Wing and Right Wing:

"A Noticia" of Florianópolis carried a series of lengthy articles objecting to the proposed legalization of the Communist party. Answering the argument that legalization will put the Communists in the open, the writer, Justino Vasconcelos, says "legalizing the Communist party will permit it to establish, in addition to its secret organization, a public organization as well, thereby doubling its area of action".

The same newspaper pointed up the influx of Communist publications into Brazil and their distribution within Brazil by the Cuban Embassy. A large number of these publications (about the USSR, China and Cuba) are available on newsstands in Curitiba, Porto Alegre and Florianópolis.

The activities of MAC(Movimento Anti-Comunista) also received a considerable amount of attention in the press. The leader of the movement in Curitiba, Manoel Linhares de Lacerda, was quoted as saying that "100 thousand men are ready with weapons polished, for an offensive against the revolution organized by Moscow, which will begin in July". He added that he has 4.5 million cruzeiros with which he intends to purchase arms. The local police described Lacerda and his friends as "half a dozen paranoiacs" while Plinio Salgado, during a visit to Curitiba, said they were "imbeciles".

The usual groups (students, left wing politicians, etc.) sent protest telegrams to Governor Carlos Lacerda about the "terrorist actions" against the Soviet diplomatic mission in Rio.

Sources: "Diário do Paraná": Feb. 3,1962
"Estado do Paraná": Jan.3o,1962
"Tribuna do Paraná": Jan.17,1962
"Noticia" - Feb. 3,11,1962

IV PSYCHOLOGICAL - REACTION ON INTERNATIONAL DEVELOPMENTS

The flow famous editorials on Brazil in the "Washington Daily News" and "New York Times" were received rather emotionally here. The Paraná Journalists syndicate sent protest telegrams to Goulart, Neves and Dantas, a few aldermen in Curitiba were up in-arms and the leftists, who can dish it out much better than they can receive it, made the usual comments about "imperialism". The whole affair merely pointe up (1) the extreme Brazilian sensitivity to outside criticism,

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With the exception of Camargo all of the changes were necessitated by the political pretentions of Pereira and Ramos.

Sources: "Diário do Paraná" - Feb.25,March 8,9,1962
"Estado do Paraná" - Feb.28,March 2,9,1962
"Gazeta do Povo" - Feb.25, March 9,1962

4. PTB Convention:

The Paraná PTB held a convention on February 17 and 18 in Curitiba to choose its candidates for the forthcoming elections. Among the selections - state deputy Amaury de Oliveira e SILVA for senator; bank employees leader Wilson CHEDID, state deputy Luiz Alberto DALCANALE, and Rio Grande do Sul Governor Leonel BRIZOLA for federal deputies; anti-American state deputies Pedro Liberti and Waldemar DARCS for re-election; and Curitiba mayor Ibere de Mattos and his chief assistant Peres KREITSCHMANN for state deputies. The convention was highlighted by (1) a motion approving the activities of San Thiago DANTAS in Punta del Este (2) some protests about Brizola's candidacy from local PTB'ers who feel he would take votes away from them (3) criticisms by the PSD about the candidacy of Adelpho de Oliveira Franco for federal senator. Franco is the running mate of the PTB's Amaury Silva on the slate which has the state Government's support. (The Braga administration, in return, is expected to support the PTB's candidate for mayor of Curitiba) (4) an anti-communist resolution proposed by state deputy Jorge de Lima which was not carried.

5. PSB Selects Its Candidate: PSD in the Doldrums

PSB: Former PTB federal deputy (from Pernambuco) Sebastião Vieira LINS has been selected by the PSB as its candidate for federal senator. Its convention, held at the end of March, was preceded by the expected slogans- it is the only party not sustained by outside economic interests, it welcomes all true nationalists, it knows what the people want. Lins can be expected to gather the votes of the professional communists, the extreme left wings of the PTB and PDC, the student politicians, the more leftist labor unions, and the not insignificant portion of the Brazilian population which is easily influenced by smooth oratory and shrewd politics, two of Lins' specialties.

PSD: Former Governor Lupion (whereabouts unknown) was registered as a PSD candidate for senator from Paraná. Along with this news came yet another rumor on where he is. He is alleged to be at his fazenda in Northern Paraná. Since this rumor, according to "Diário do Paraná" came from "highly placed PSD sources" it may be somewhat more credible than some of the others. The PSD, with or without Lupion, remains in eclipse, but it is undeniable that the former Governor still enjoys a good deal of popularity.

Sources: "Última Hora" - March 8,14,1962
"Diário do Paraná" - March 15,1962

III - PSYCHOLOGICAL - Reation on National Developments

1. Brizola and I.T.& T. :

Brizola's expropriation of the telephone company in Rio Grande do Sul

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of 210,000 alqueires. The government contends that title to the lands was received illegally by the land company holding them, an organization set up by ex-Governor Lupion. Settlers on the lands will be given titles by the state if they cultivate their plots. A Presidential decree of March 1961 had expropriated the lands. However, the decree was not executed. Governor Braga has now put the decree into effect with the acquiescence of the President. Goulart accompanied Braga on a visit to the area concerned on March 17. It appears that a deposit of 200 million cruzeiros which the Federal government was originally going to pay to the land company will now be paid by the state of Parana pending the conclusion of a judicial process against the company.

Comment: The expropriation is a big step forward in bringing to a close the "land war". In 1956 a number of settlers were murdered in Pato Branco and just recently some others complained that they had been threatened with death by the land company guards.

Sources: "Diário do Paraná" - Feb.25,1962
"Ultima Hora" - Feb.26, March 1,1962
"Gazeta do Povo" - Feb. 25,1962

2. One Year of Braga:

On January 31 the Paraná-state administration celebrated its first year in power with a flourish of self-praise and more than a few accolades from the Curitiba press. There appears to be general agreement that the Governor is honest, capable and hardworking and is doing as good a job as possible considering the mess he inherited from his predecessor.

Governor Braga claims that he was able to reduce the 1962 budget deficit from 12 billion to 4 billion through higher taxes and lower expenditures. He is also actively seeking financial support from the Interamerican Development Bank and other sources for government programs in the field of electric power, water supply, habitation, etc. At the conclusion of one year in office the governor appears to be as popular as ever.

Sources: "Diário do Paraná" - Jan.31,1962
"Estado do Paraná" - Jan.31,1962

3. Paraná State Government Changes:

As of March 1 Ayrton Ricardo dos SANTOS replaced Justino Alves PEREIRA as Secretary of Public Health. Pereira is now a candidate for state deputy on the UDN ticket. Jucundino da Silva FURTADO has replaced Mario Braga RAMOS as Secretary for Education and Culture (Ramos is a UDN Federal Deputy candidate). Furtado, who was one of the governor's chief assistants, has been replaced by Vespero MENDES. Finally, Julio FARAH (UDN) has replaced Afonso Alves de CAMARGO Neto (PDC) as Secretary of Interior and Justice. Camargo was appointed head of the Parana Development Company (DODEPAR).

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FROM : AmConsulate, CURITIBA — NO. 51

TO : THE DEPARTMENT OF STATE, WASHINGTON. — DATE April 6, 62

REF :

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		REC'D 4-12-62			AIR 3	ARMY 5	CIA 9	NAVY 3	OSD 3	OCB	USIA 8	NSA 3					

SUBJECT: NEWS SUMMARY (NON-ECONOMIC) FOR PERIOD JANUARY 16 - MARCH 15, 1962

DEPARTMENT OF STATE
BUREAU OF
INTER-AMERICAN AFFAIRS
APR 13 1962

file no action
E 35/6 June 4-24-62

CONTENTS

1. Municipal Politics
2. State Politics
3. Psychological-Reaction on National Developments
4. Psychological-Reaction on International Developments
5. Cultural
6. Miscellaneous

I. MUNICIPAL POLITICS:

The maneuvering for the selection of candidates for the mayoralty race continued and at the close of this reporting period very little of a definite nature could be said. The marriage of the PTB and PDC on the municipal level, fostered by President Goulart, has yet to come about, but appears to be in the works. Carlos Alberto MORO or Rubens de Melo BRAGA will more than likely be selected as the coalition candidate, with the odds on the first. The only positive development was the selection of Abilio RIBEIRO as PSD candidate. Ribeiro's candidacy will be haunted by the ghost of Lupion despite the fact that he has been mum on the scandals of the former state administration.

Sources: All newspapers.

II STATE POLITICS:

1. Paraná Land Reform:

On February 25 Governor Braga announced the expropriation of "Missões" and "Chapin" two "glebas" in southwest Paraná comprising an area

cc: AmEmbassy, Rio de Janeiro (2)

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democratic institutions nor for rapid and lasting economic development nor for social progress nor for the increase and raising of cultural scientific, technological, literary and artistic processes nor finally for a situation of security and independence in international life if we do not completely eliminate illiteracy from our country; illiteracy being considered not only the absence of instruction but also incomplete and inadequate instruction.

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existing regional services created to solve the problems of Amazonia, of the Northeast, of the San Francisco Valley, and of the Southwest frontier, sufficient resources, rapid and secure action, and to creation of new services for other regional problems as may be necessary.

MUNICIPAL PROGRESS:

The PSD whose roots extend even to the most rudimentary centers of population in the country, considers the municipal problem in the following way: it is imperative that small cities as well as the towns and villages throughout the country possess a minimum of local services such as schools, hospitals, water services, electrical energy without which life in common is not considered supportable. On the other hand there must be assured to the cities that have already reached a minimum of security and urban comfort conditions of greater social and cultural development which will make them centers of activity and prosperous life.

FOREIGN POLICY:

The PSD adopts the following guidelines for foreign policy: (1) to persevere in a strict line of independence, without prejudice, however, to our well-known obligations ("compromissos") of solidarity with the Western, Christian, democratic world; (2) to maintain, while safeguarding the interests of national security, friendly relations with all peoples; (3) to fight, at international conferences and in every way possible, for peace among nations, beginning with the adoption, which cannot be delayed, of a policy of general disarmament, especially for atomic weapons.

In the Inter-American field (a) to preserve the general friendliness and the fundamental inter-American solidarity within the OAS (b) to observe in Inter-American relations in an unrestricted manner the treaties and other obligations assumed, in the feeling that in this observance are also included, without restriction, all the peoples integrated within the system (c) not to lose sight of the fact that among these obligations is the one of respect for the principles of self-determination and non-intervention, as well as protecting a minimum base of the existence of democracy, (d) to fight for the immediate execution of the program of the Alliance for Progress, with the objective of giving the inter-American system a goal of guaranteeing the general political security, but also of cooperation for the purpose of pulling up quickly all the presently underdeveloped countries of the New World.

ILLITERACY:

The PSD considers as the primary problem of Brazil basic education and feels that it is really a matter of "material of public salvation." We cannot hope for a definitive consolidation of our

living worsens constantly and in a disorderly manner and has become a nightmare for all those with fixed cruzeiro incomes, in a situation in which currency has lost to a considerable extent its character as a measure of value. Therefore it is absolutely necessary to restrict emissions of currency. This will be possible only with a reduction in the deficit of the Federal Treasury and includes not only the budget deficit itself but also the result of all those payments made by monetary authorities without having resources. It is therefore the view of the PSD that the main points of our action will be the following: (a) a balanced budget (b) the discipline of credit expansion to keep it within the bounds of real resources (c) the legal control of currency emission.

FOREIGN CAPITAL:

The PSD with regard to this problem holds the following points of view: Foreign capital is necessary for us because the internal formation of capital is insufficient given our low level of saving, a natural consequence of the underdevelopment of the country. There cannot be overlooked methods capable of providing incentives and even forcing an increase in internal saving, but it must be recognized that this method has modest limits which cannot be exceeded. It is therefore indispensible to maintain a propitious climate for the entrance of foreign capital. The maintenance of such a climate does not exclude, rather it makes necessary, the adoption of disciplinary norms over the investments and its profits. The adoption of these norms should be based on a analysis of precise and incontestable data based on reality without ideological preconceptions, irrespective of whose they are.

AGRARIAN REFORM:

The PSD will fight for agrarian reform within the following precepts: This reform is understood to be a movement with two central objectives: (a) elimination of the misery in which the greater part of our rural population lives and a continued raising of their standard of living (b) the rapid increase in the productivity of our agriculture in order for there to be achieved on the one hand abundance and excellence of basic food stuffs for the consumption of the general public and on the other hand quantities and varieties of raw materials necessary for national industry, and those agricultural products appropriate for export.

REGIONAL DEVELOPMENT:

The PSD considers the problem of regional development to be of vital importance. Due to the vastness and diversity of Brazilian territory it is necessary to consider along with national problems in general those typically regional problems in order to provide their special solutions. We are comitted, therefore, to give to the

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TRANSLATION OF
THE CHARTER OF PRINCIPLES OF THE PSD

PARLIAMENTARISM:

It is necessary to recognize that in our time the parliamentary system constitutes, together with the presidential system, the two most convenient forms of government, being at the same time democratic and progressive. On the other hand, it is certain that no form of government will be capable of funotioning efficiently if it is not juridically institutionalized. Given this fact, the PSD will direct its efforts to seeing passed without further delay the primary complementary law of the Additional Act now under consideration in the Senate and that there will be presented and voted new laws of the same nature and as well as any constitutional admendments that may become necessary, all with the objective of giving to the new political system adopted by the country immediate and correct juridical institutionalization. Following the same line that it adopted during the presidential period, the PSD recognizes the right of each of its members to work for the reform of the Constitution for the purpose of adopting any other system of government.

ELECTORAL REFORM:

The PSD wants electoral reform and will direct its actions in the following directions: (a) to redefine party organization and the electoral system of the country in terms of facilitating the functions of the parliamentary system of government (b) to eliminate from our electoral practices all the vices which support concealment or falsification of the truth in elections.

ABUSE OF ECONOMIC POWER:

The PSD proposes energetic action with regard to this problem in the following terms: it declares that abuses of economic power are no less intolerable than abuses of political power with the further aggravation that the remedies against abuses of economic power are still imprecise and insecure, not to say non-existent. It will suffice to point out especially among these abuses the formation of monopolies, national or international, the elimination of competition and therefore tyranny over the consumer. The PSD will direct its efforts so that the law now before the Congress which deals with this subject is concluded without further delay.

INFLATION:

The PSD affirms the following: the gravest problem confronting the country is the violent increase in prices. The high cost of

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Outlook For the Future

It is too soon to make predictions about the elections; much history is to be written in the intervening half-year. The PSD's expertise in forming local electoral alliances, holy and unholy, that have no relation to national issues, is formidable. Nonetheless, the PSD at the moment can only be described as flabby and directionless. Its chief vote-getter, Juscelino Kubitschek, is already in the Senate and is unlikely to be running for office despite the party's hope that he will run for deputy in a populous state and thereby elect (hopefully) other PSD deputies with him. He has in fact shown interest in experimenting with the "above-party" technique of Quadros. Ideologically (if one may use that word about the major Brazilian political parties) the PSD's appeal to the center, eroded in the past by the UDN, is now being nibbled at strongly by none other than the PTB. President Goulart, without losing his popular base, has been wooing business and rural interests with considerable success. The military, while not yet ready to bear Jango on their shoulders, are far from the intransigent position many of its key officers held last August. The President's visit to the United States will help him substantially in this effort to encroach on the center.

There is more than ironic humor in PSD Deputy (Minas Gerais) José Maria Alkmim's comment "The PSD is sinking, but in perfect order."

For the Chargé d'Affaires a.i.:

Harry Weiner
Second Secretary of Embassy

APPROVED:

Philip Raine
Counselor of Embassy
for Political Affairs

DISTRIBUTION: All consulates in Brazil, Service Attachés, USIS, Econ (2), Labor, Pol Rio (5), Pol II, CF (3), Pol Brasilia (5)./30.

Enclosure: Translation of the Charter of Principles of the PSD

(2) DEMOCRATIZING THE PARTY: Attempts by the party's young Turks, known as "invisibles", to "democratize" the party by increasing the size of the national directorate (currently 25) through bestowing automatic membership on all PSD federal deputies (currently 115) were compromised by an agreement to add 15 new members. The effect of this move was largely vitiated, however, by the provision that each state could provide no more than one new directorate member, which will result in the under-representation on the party's policy making body of large state blocs (Minas sends 18 PSD deputies to the Chamber) and the over-representation of states where the party is of relatively small importance. This maneuver of Amaral Peixoto keeps party control in his hands, and the concession he had to make was small: the election as party leader in the Chamber of Martins Rodrigues (Ceara), closely connected with "the invisibles", thus drawing off from the rebels one of their most effective stalwarts.[1]

(3) PARLIAMENTARISM vs. PRESIDENTIALISM: Since the parliamentary system vests power in the Congress, where the PSD is the largest seat-holder, it is not surprising that the party favors its continuance. (The Constitution as amended in September 1961 permits a plebiscite on the question in 1965.) On the other hand, Juscelino Kubitschek, former President and by far the most popular figure in the party, certainly has his eye on the presidency when Goulart's term expires in 1965 and he has made clear his opposition to the parliamentary system. Indeed, he has said that the presidency should be made stronger than ever, blaming the weakness of the office for hamstringing him during his tenure (shades of J.Quadros). Thus, the section of the Charter dealing with parliamentarism supports it yet recognizes the right of individual party members to plump for other systems. Also, since the power of President Goulart (who is the head of the PTB) has not been mitigated to nearly the extent the PSD would like, the Charter calls for immediate legislation complementary to the constitutional amendment. Such legislation would formalize the vestment of additional power in the Prime Minister; power that Neves has not contested with the President.

(4) JÂNIO QUADROS: On the surface at any rate, the PSD is convinced that Quadros is no national threat, and little mention was made of him at the Convention.

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1 An indication of the directorate's conservative control is seen in comparing the section on Agrarian Reform in the Convention's draft of the Charter of Principles with the final version approved by the directorate. The draft proposes revision of Article 141 of the Federal Constitution, which requires prior cash indemnification for expropriations. The final version is silent on the subject.

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Convention in Brasilia March 15-17. On March 31, the party's national directorate approved, with modifications, the "Charter of Principles" that had been drafted at the Convention.

Despite the fact that the past year has been among the most hectic in the political history of Brazil, the PSD appears little changed since 1960. It remains a party with neither ideology nor program; it is really a national association of public office-holders and would-be office-holders. Founded from among the middle and upper ranks of Vargas' governmental machinery, the PSD has been accustomed to finding itself in office, and has rarely given thought to justifying its role, beyond that of big business representatives in the party in maintaining the status quo.

The Charter of Principles it has just adopted is very similar to the one adopted in February by the União Democratica Nacional (UDN). This would seem to call into question the sincerity of both, since they are the two largest parties, holding 185 of the 326 seats in the Chamber; having the same program why have they not enacted it?

Both parties oppose inflation and illiteracy, they agree on the need for agrarian reform as well as electoral, tax and banking reforms. They both attach special importance to the problems of the Northeast. In foreign policy, they call for an independent policy but loyalty to committments to the West. (A translation of the PSD Charter of Principles is attached as Enclosure 1.)

But the real concerns, complaints and objectives of the PSD have small relation to the lofty ideals of the Charter. They are: (1) CAMPAIGN FUNDS: the party bemoans the fact that those cabinet positions which offer the greatest financial resources to be tapped for the forthcoming election campaigns, i.e., the Ministry of Mines and Energy, traditionally possessed of fat slush funds, are in the hands of other parties. Tancredo Neves, defeated for the Minas Gerais governship in 1960 by Magalhães Pinto but now the Prime Minister, was sharply attacked at the Convention for allowing the Ministry of Mines and Energy to remain under the UDN Gabriel Passos. Pedro Vidigal, deputy from Minas Gerais, who is also a priest, warned Neves that the UDN is already using government funds to help its electoral hopefuls and that the PSD faces defeat at the polls if it does not quickly pull the UDN's nose out of the trough and substitute its own. Reply was made by the party's national president, Amaral Peixoto, who defended himself against the charge of not being a sufficiently dedicated party man by saying that when during the presidency of Kubitschek when he had been Minister of Transport, he had always put the interests of the PSD above that of all others! To his credit, Tancredo Neves told the questioners what they did not want to hear--that his is a government of coalition, intent above all on stabilizing the democratic regime and that he would continue to put the interests of the nation above any consideration of party. Nonetheless, it will be a major objective of the PSD in the coming months to get hold of as much government money as it can.

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TO : THE DEPARTMENT OF STATE, WASHINGTON. — DATE: April 5, 1962

REF : Embassy Despatch 466, December 6, 1960

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SUBJECT: NINTH NATIONAL CONVENTION OF THE PSD

DEPARTMENT OF STATE
BUREAU OF
APR 12 1962
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Summary

The PSD, its national convention just concluded, shows itself to be, despite the crises of the past and the challenges of the future, little changed from the collection of representatives of big land and business interests, parochial office-holders and office-seekers that was thrashed in the 1960 elections by Janio Quadros. Nothwithstanding its high-sounding Charter of Principles (almost identical to the one adopted by the UDN in February), the eyes of the PSD are more on the pork barrel than on the stars. It supports the parliamentary system over the presidential and would like to see the power of the Prime Minister strengthened vis-à vis the President; but as a concession to its most prominent member, ex-President Juscelino Kubitschek, and his supporters, it frees those of its members to work for presidentialism as wish to. It does not presently regard Janio Quadros as a serious national threat. The PSD's position as a centrist party, already eroded by the UDN, is under vigorous attack from the PTB, since President Goulart has been waging a successful campaign to win the confidence of the business, rural and military sectors.

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The Partido Social Democratica (PSD), soundly thrashed in the October 1960 elections and then unexpectedly returned to executive power by the resignation of Janio Quadros and the subsequent adoption of a "parliamentary" system, held its Ninth National

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TO: Secretary of State

NO: 2369, APRIL 5, 9 AM

FOLLOWING FROM BRASILIA:

RE DEPARTMENT TELEGRAM 2728.

OFFICIAL CHAMBER DEPUTIES INFORMED EMBASSY OFFICER ONLY TWO ELECTORAL REFORM BILLS NOW PENDING (1) PROPOSAL CREATE JOINT COMMITTEE STUDY ENTIRE QUESTION ELECTORAL REFORM WHICH PRESENTLY AT STANDSTILL IN CHAMBER DUE PLETHERA PROPOSED AMENDMENTS ITS TERMS REFERENCE AND (2) LONG OUTSTANDING PROPOSAL INTRODUCE SINGLE OFFICIAL BALLOT FOR USE PROPORTIONAL ELECTIONS STATE AND NATIONAL LEGISLATURES WHICH HAS PASSED CHAMBER AND AWAITS SENATE ACTION.

SAME CHAMBER SOURCE CONFIRMS EMBASSY OPINION THAT PASSAGE ANY ELECTORAL REFORM LEGISLATION PRIOR OCTOBER ELECTIONS HIGHLY UNLIKELY.

EMBASSY BELIEVES CAMPOS PROBABLY REFERRING TO LEGISLATION REPORTEDLY BEING DRAFTED IN MINISTRY JUSTICE SOME MONTHS AGO. THERE HAVE BEEN NO RECENT REPORTS ON ITS PRESENT STATUS.

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support of Arraes' candidacy. The message was carried to Rio by six trade union leaders from Recife, who read the message to Goulart and discussed the gubernatorial election with him. Goulart, according to the press, was non-committal at his end of the discussion. Goulart was also non-committal when UDN candidate Joao Cleofas called on him with the probable intention of asking Goulart's support in forming a UDN-PTB coalition based on Cleofas' candidacy for Governor.

Most local observers agreed that Arraes has continued to gain strength throughout the state. As a consequence of this feeling there was increasing speculation that Cleofas would renounce his candidacy in favor of a compromise UDN-PSD (and possible PTB) candidate. It is known to the Consulate General that Governor Cid Sampaio, mindful of Arraes' increasing strength and unimpressed by Cleofas' campaign so far, is ready to withdraw his begrudging support of Cleofas if Cleofas does not pick up strength in the next month or so. The question that remains unanswered is who would be the moderate-conservative candidate in the event of Cleofas' withdrawal and a UDN-PSD compromise. Governor Sampaio still seems inclined toward Secretary of the Treasury Paulo Maciel, but Minister of Agriculture Armando Monteiro Filho would probably have greater acceptance among the various elements that have to be satisfied. In this connection, it seems a strong possibility that Monteiro Filho would be assured of President Goulart's support.

In the only other gubernatorial race in the Consular District, Governor Parsifal Barroso of Ceara sent a personal message to the Consul General giving assurances that Communism would not be an issue in his state. Although it is not yet clear which of the three possible candidates he will support, he asserts that all three have given him assurances of their anti-Communist position. (OFFICIAL USE ONLY

2. Celso Furtado to be Invited to Visit Czechoslovakia.

According to local press reports, the Government of Czechoslovakia will invite SUDENE Director Celso Furtado to make an official visit to Czechoslovakia on the occasion of the International Fair at Brno. Ferdinand Hadek, identified as the Commercial Attache of the Czech Embassy, was reported to have stated that the Czech Government had already instructed him to issue the invitation. A number of journalists from this region are to be invited to make the trip with Furtado.

Comment: The Czech economic and commercial effort in Northeast Brazil appears to be assuming sizeable proportions. (See Item 2, Economic) The Consulate General has no precise information concerning Czech political activities in the area, but it may be assumed that the Czechs are not merely disinterested observers of the political scene. Furtado's acceptance of the Czech invitation would have definite political repercussions. At the very least it would confirm the suspicions of many of Furtado's critics (many of them closely identified with Governor Sampaio) that he is a Communist, and would strengthen their resolve to have Furtado ousted from his position as SUDENE Director. (OFFICIAL USE ONLY

3. State UDN Convention in Alagoas.

The Alagoas branch of the Uniao Democratica Nacional held its annual convention this week, nominating two candidates for the Senate and six candidates for the

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FROM: AmConGen, RECIFE

NO. A 170

TO: THE DEPARTMENT OF STATE, WASHINGTON

DATE: APRIL 4, 1962

REF:

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2. Czech Activity.
3. Governor Alves Comments Again on Alliance for Progress.
4. Sugar Harvest Terminating.
5. Private Capital for Area Development.

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POLITICAL

1. Political Campaign Developments.

The Communist Party has clearly indicated its support of Miguel Arraes for Governor. Its press organ in Recife, A Hora, issued a strong statement of support this week favoring the candidacy of Recife's Mayor, "the preferred of the masses." In addition, press reports datelined Rio de Janeiro indicated that sixty-six Pernambuco trade unions sent a message to President Goulart in support

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DEPARTMENT OF STATE

Approved in S
4/12/62

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Memorandum of Conversation

The Secretary's Office
DATE: April 4, 1962
6:00 p.m.

SUBJECT: Brazilian Foreign Policy; Goulart Visit

PARTICIPANTS: Brazilian Foreign Minister San Tiago Dantas
The Secretary
Ambassador Gordon
Mr. J. W. Wilson, Officer in Charge of Brazilian Affairs

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In a discussion of other matters, the Secretary referred to the description of Brazil's foreign policy as "independent". He said that if some in Brazil used this term because they thought they were describing something distasteful to the United States, they should understand that an independent foreign policy was no problem to us. We would be content if all countries had an independent policy. This is in the UN charter. From our viewpoint, being independent is not thumbing the nose at the U.S. If all countries had an independent policy, the U.S. might then be able to have one too. We have allies, not satellites, nor do we wish to be the satellites of others. The Foreign Minister indicated he understood. He said Brazil desired an independent policy such as that of Canada or the U.K.

Commenting on the visit of President Goulart, the Secretary said he thought it most profitable. Congressional comment is favorable. This is very good since general opinion here has been rather quizzical on Goulart recently. The Foreign Minister commented that Goulart is a person who grows on you with personal contact. He said he was very happy with the visit.

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APR 5 4 25 PM '62

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BEGIN QUOTE

Moderate conservatives in area are voicing increasing apprehension over possibility Arraes will withdraw or be forced out in favor more attractive compromise candidate acceptable UDN, PSD and possibly PTB.

END QUOTE

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FROM: RECIFE

TO: Secretary of State

NO: 300, APRIL 4, 9 AM

ACTION RIO-DE-JANEIRO 273, INFORMATION DEPARTMENT 300.

WEEKLY TELEGRAPHIC SUMMARY ONE.

RECIFE MAYOR MIGUEN ARRAES CONTINUES GAIN STRENGTH WITH HIGHLY EFFECTIVE CAMPAIGN FOR GOVERNOR WHILE CLEIFAS, UDN CANDIDATE, NOT YET AIRBORNE. ("MODERATE-CONSERVATIVES IN AREA ARE VOICING INCREASING APPREHENSION OVER POSSIBILITY ARRAES WILL WITHDRAW OR BE FORCED OUT IN FAVOR MORE ATTRACTIVE COMPROMISE CANDIDATE ACCEPTABLE UDN, PSD AND POSSIBLY PTB.")

GOVERNOR CEARA GAVE CONGEN PRIVATE ASSURANCE COMMUNISM WILL NOT BE ISSUE GUBERNATORIAL RACE THAT STATE; ALL THREE CANDIDATES CLEARLY ANTI-COMMUNIST.

DELGADO-ARIAS

DMJ

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for Latin American democracy. "The worst foes of democracy are those," said Correio Paulistano, "that harm it pretending to defend it." A parallel was drawn between Frondizi and former President Quadros: "The example from the Argentine President came seven months late," said O Estado de São Paulo in an editorial titled "He didn't run away." Editorialists spoke unanimously in praise of President Frondizi's heroism in not resigning in the face of pressure from the military. Commenting on João Goulart's eventual intention of expropriating all public service organizations owned by foreign companies, O Estado suggested "a cautious approach must be followed," adding that first, it is necessary to respect the rights of foreign capital, and secondly, the State has proved to be very lax in operating other public utilities. "The (Brazilian) government must resist false and superficial theses of a 'nationalistic' origin which are neither constructive nor beneficial to the interests of the taxpayers," said Folha.

In several editorials, O Estado while praising President Goulart generally for his attitude on foreign investments and the taking over of public utilities sharply reminded the President that he did not tell the entire story especially regarding the latter question -- that he should have stressed the point that the agitation was the work of a small group of extremists and that relatives of the President were implicated.

The foundation of Peasants' Leagues in São Paulo, said A Hora "is merely an attempt to cause confusion and anarchy." Commented Diario de São Paulo: "...the Peasants' Leagues, created by a Deputy who is inspired by Cuban methods and who frequently travels to Havana (followed by an aftermath of troublesome movements among farmers), offer no solution to the problems of agriculture."

Commenting on Cuban affairs, Diario de São Paulo ironically editorialized that the "Lenin Peace Award was justly deserved by Fidel Castro," and in another editorial opined that the "world worries about the fate of 1,200 Cuban patriots, who defend their country's democracy and who are now on trial in Havana." O Estado qualified this trial as "a new treason of Fidel." (UNCLASSIFIED)

Daniel M. Braddock
Minister Consul General

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Communist-controlled Local Union of Metal Workers. On hand was Federal Deputy Francisco JULIÃO, League leader from the Northeast. He was "a man sent by God" in the words of the President of new branch, José CUMPRE. Both the latter and Vice President Sebastião MARGOLINO were said to be "farm workers." Of the dignitaries attending, they were the only ones not previously known to the Consulate General. State Deputies Cid FRANCO (a far-leftist) and Luciano LEPERA (Communist) reportedly spoke. Another speaker was Communist Lindolfo SILVA, President of a front called the "Union of Land Workers and Agricultural Laborers of Brazil" (União dos Lavradores e Trabalhadores Agrícolas do Brasil -- ULTAB). Principal speaker Julião was quoted as saying that he was a social agitator "like Christ fighting Roman imperialism, like Lenin defeating the cruelty of czarism to install the first socialist nation in the world, or like Fidel Castro, who defeated North American economic power to insert a socialist bulwark in the Americas." (OFFICIAL USE ONLY)

Comment: The Communists may hope to use the Ligas -- despite their notoriety -- as a slightly more subtle organization than ULTAB, which does not seem to have made much impression in São Paulo. An interesting feature of the event was the close cooperation of the Communists with Julião and his League, whose degree of Red influence has been the subject of much debate. (OFFICIAL USE ONLY)

PSYCHOLOGICAL

1. Local Press Reaction

São Paulo papers were generally optimistic about President João Goulart's visit to the United States. Despite the fact that such knotty problems as the expropriation of the property of foreign companies and the remittance of profits legislation were on the agenda, editorials expressed the opinion that João Goulart's frankness and objectivity would lead to a climate of understanding between the Brazilian and American presidents and by extension between the two countries. A Hora felt that "There was reason to hope for the best results from the encounter. Mr. João Goulart has revealed himself to be a man of judgment within a framework of unexpected firmness, a well balanced leader who can be objective without abandoning the dignity that his office imposes upon him....Americans prefer these frank encounters of putting one's cards on the table, dominated by frankness and honesty even to the point of rudeness if the moment is propitious for this." A Gazeta felt that the encounter between Presidents Kennedy and Goulart would "bring back to Brazil the leadership of Latin America lost by Frondizi in his struggle with the military in Argentina."

The Argentine crisis was considered a setback both for Argentina as well as

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PDC last week backed UDN member José Bonifacio Coutinho Nogueira for the Governorship. (UNCLASSIFIED)

Comment: This expected political swap puts Queiroz Filho in an excellent position for one of the two São Paulo Senate seats in question in the October elections. He has stature in his own right and will be actively aided by Governor Carvalho Pinto. His fate will presumably rise and fall with the Carvalhista tide. Most serious opponents to date: (A) current PTN Senator Lino de MATOS, who can hardly fail to be re-elected to one of the two vacant seats unless Janio Quadros founders in sufficiently spectacular fashion to take his friends with him; (B) Mario BENI, a strong candidate from the Social Progressive Party. (OFFICIAL USE ONLY)

7. Tarso Quits PDC

São Paulo Federal Deputy Paulo de Tarso, Mayor of Brasília under Quadros, appears to have fulfilled his threat to resign from the Christian Democratic Party (PDC) to protest its backing of administration gubernatorial candidate Nogueira. In his formal resignation letter to the São Paulo PDC, he heatedly criticized what he took to be an "opening to the right." He persisted in his resignation and his hopes for Quadros in spite of being "horrified" at some of the latter's proposed "compromise candidates" (item 3). (UNCLASSIFIED)

Comment: The bewildered Mr. Tarso appears to be trying to pick up some tricks from hero Quadros, resigner supreme. Tarso has some vote appeal but, in general, the PDC might gain as much as it loses from his action. He was perhaps the loudest of the Party's left wing, which has not lately been in the ascendant (São Paulo Despatch 91 of September 18, 1961 and Weekly Summary 3). His ideological position is characterized by some really remarkable reasoning, such as a direct equation between communism and capitalism. He appears to find the latter, like the former, a sort of substitute for religion rather than an economic system; and he finds capitalism even more of a danger to Christian Democracy than communism. He does seem to have the courage of his convictions, such as they are. As nearly as officers of the Consulate General have been able to determine in infrequent conversations with him, his position is the result of an odd reasoning process rather than of unfriendliness to the United States.

Like Quadros, he may yet resign his attempt at resignation. (LIMITED OFFICIAL USE)

8. Ligas Camponesas Come to São Paulo

A São Paulo branch of the "Peasant Leagues" (Ligas Camponesas) was founded on March 31. A group of national and local leftist figures -- many of them definitely Communists -- held the first "solemn session" in the headquarters of the

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Governor Carvalho Pinto flew to Rio de Janeiro on March 29 for a brief surprise visit with President GOULART. On his return, the Governor said that he talked only about São Paulo's share in the "Alliance for Progress," but there was much speculation that he had in fact won the support of Goulart's Brazilian Labor Party (Partido Trabalhista Brasileiro) for Nogueira's candidacy.

Derville ALLEGRETTI, leader of the new Labor Renovation Movement (Movimento Trabalhista Renovador -- MTR) in São Paulo, is reported to have said that his party will also support the administration candidate.

State Deputy AVALONE Junior, a member of the Carvalhista wing of the locally important National Labor Party (Partido Trabalhista Nacional -- PTN) claims that pressure from voters in the interior will bring his party behind Carvalho Pinto's candidate. (The vociferous Janista wing of the PTN has been appearing to gain the upper hand. See Weekly Summary 9.) (UNCLASSIFIED)

Comment: With only four State Deputies in the Legislative Assembly, the PRT is one of the least important of the thirteen legal São Paulo parties. The small parties are little heard from until election eve, when they furnish a useful wind sock.

Quadros' definitive split with the State administration should remove any reservations President Goulart might have had toward the Nogueira candidacy. Whether or not he is interested in helping the latter, Goulart is presumably anxious to seize on the best means to defeat Quadros. It is possible that he has been lending quiet support to Nogueira for some time, but if so, the local PTB has chosen not to get the hint. The PTB is currently a weak party in São Paulo.

The MTR will be going through its first election next October and can hardly amount to a major electoral force. MTR support of candidate Nogueira -- still by no means certain -- might throw light on (A) the sympathies of Federal Deputy Fernando FERRARI, party leader, and (B) the loss of prestige undergone by Janio Quadros, towards whom the local branch of the party has been leaning.

If the PTN can be deflected from support of Quadros, even if it nominates no gubernatorial candidate, José Bonifacio will have won a critical victory. (LIMITED OFFICIAL USE)

6. UDN Backs Queiroz Filho for Senate

The São Paulo branch of the National Democratic Union (União Democrática Nacional -- UDN) has expressed its formal support for the Senatorial candidacy of Antonio de Queiroz Filho, National President of the Christian Democratic Party (Partido Democrata Cristão -- PDC) and State Secretary of Justice. The

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Comment: Quadros' motives appear crystal clear. His tongue must have been in his cheek when he promised to refrain from entering the race if José Bonifacio would resign in favor of one of the above unlikely candidates, none of whom would stand much chance at this late date of gaining enough strength to win the Governorship. When the compromise candidate's weakness later became clear, Quadros could be "obliged" to reconsider his candidacy to save the State from the "forces of reaction." By then it would be too late for José Bonifacio, who as a relative "unknown" could not re-enter the race at the last moment. If, on the other hand, Quadros' candidate looked unexpectedly strong, the ex-President could claim the credit and count on a Governor-elect indebted to him. In any case, the play was calculated to arouse the gratitude of the proposed "compromise candidates" -- most of whom nurture more or less hidden gubernatorial aspirations. (LIMITED OFFICIAL USE)

4. Carvalho Pinto Strong in Interior

Governor Carvalho Pinto appears to have won especial popularity in the São Paulo "interior" (which in local usage includes everything but the capital city). Many mayors of interior municipios (townships) have lent express political support (see Weekly Summary 12). The Governor is embarking upon a program of tours to inaugurate public works, reminding observers of the campaign style of ex-President KUBITSCHEK -- except that in the present case most of the works are finished before inauguration. The São Paulo "Plan of Action" for economic development has built a great many public works for which the Governor may legitimately take credit. The Mayors of the two largest "interior" São Paulo cities -- Santos and Campinas -- are openly supporting administration political plans, and the Santos City Council has reportedly approved a resolution congratulating the Christian Democratic Party for supporting administration candidate José Bonifacio Coutinho Nogueira. (UNCLASSIFIED)

Comment: The big question is whether the Governor's popularity will rub off on José Bonifacio. Some of it may: as State Secretary of Agriculture, the administration candidate has also been able to devote much time to the interior.

Much of Janio Quadros' term as Governor was necessarily spent in putting the State's economy in order, with the assistance of then State Secretary of Finance Carvalho Pinto. The reinvigorated State finances left the latter, when his turn came, with the opportunity to build works of greater political value. (OFFICIAL USE ONLY)

5. PRT Nominates Nogueira; Others Coming Around

In an orderly State convention on March 31, the Rural Labor Party (Partido Rural Trabalhista 1/ -- PRT) nominated José Bonifacio Coutinho Nogueira its gubernatorial candidate. There were no reports of dissenting voices.

1/ formerly Partido Republicano Trabalhista

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Quadros was the big loser. By drawing a ridiculous connection between José Bonifacio and the mysterious forces which led to his resignation, he further discredited his explanations. (LIMITED OFFICIAL USE)

3. Quadros Proposes Seventeen "Compromise" Gubernatorial Candidates

The move which came closest to bringing the March 25 Christian Democratic convention to Janio Quadros' terms was Janista Deputy Paulo de TARSO's reading of a plaintive note from the ex-President (Weekly Summary 13). In it, Quadros appealed to party patriotism, saying that Governor Carvalho Pinto had refused to accept either Tarso or Christian Democratic Party President QUEIROZ Filho as a "compromise" candidate in place of José Bonifacio Coutinho Nogueira. This, as it turned out, was not the half of it: he later informed the press that he had proposed fifteen additional candidates of the most diverse financial, political, and ideological background. Among the more important:

1. José Ermirio de MORAES, one of Brazil's biggest industrialists and once -- probably still -- one of the heaviest contributors to Quadros' campaign fund.

2. João Batista Leopoldo FIGUEIREDO, President of IPES (anti-Communist businessmen's association -- see Weekly Summary 6), ex-President of Bank of Brazil under Quadros; present degree of Janismo not clear.

3. Paulo MARZAGÃO, State Secretary of Labor; was disappointed not to be made Quadros' Minister of Labor.

4. Castro NEVES, Minister of Labor under Quadros; one of the most leftist of his supporters.

5. Franco MONTORO, present Minister of Labor.

6. Senator (from São Paulo) Lino de MATOS, President of the National Labor Party (PTN), which is the most important of the São Paulo parties leaning toward support of Quadros.

Also included was another ex-Minister of Labor, other big industrialists, the Rector of the University of São Paulo, an ex-Rector and founder of the Brazilian Socialist party, and even three "compromise" candidates earlier suggested by Social Progressive Party leader and arch-opponent Adhemar de BARROS.

Even Paulo de Tarso, when he heard of this list, declared himself "horrified." (LIMITED OFFICIAL USE)

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to be, I repeat here, a candidate (for the Governorship)." The price of his withdrawal from the race, it was clear, was the withdrawal of José Bonifacio.

José Bonifacio immediately threw the stones back at the glass house. Referring indirectly to Quadros' well known (and presumably rewarding) friendship with São Paulo "robber barons," Nogueira stressed his own anti-"reactionary" actions: "I can explain the origin of what I have and give the reasons why I could never take voyages around the world....I never played the game of any economic group." He claimed that he had "fought for Petrobras" as President of the National Student Union and later "faced the reactionaries in the episode of agricultural reform." Janio Quadros, on the other hand, he accused of having "fled from the Presidency" just when he could have "routed the international trusts, the eventual impositions of the International Monetary Fund...." Quadros was using "diversionary language so that the six million Brazilians who gave him their vote would not perceive the anti-national sense of his economic-financial policy...his bill on remittance of profits...rather than stopping the drainage to the exterior of the fruits of national labor, would in fact have legalized despoliation by foreigh capital...." Moreover, Nogueira claimed (and was later backed by the Governor) that his candidacy got its start at Quadros' own suggestion; "since then, only one new fact occurred: his resignation." "The ex-President should recall the story of the soldier who said that the whole batallion was out of step with him."

Later, at a luncheon in his honor given by national magazine Manchete in Rio de Janeiro on March 29, Nogueira referred to the need of overcoming the "privileges and oppressions common to capitalism and communism." This had a familiar ring to those accustomed to the preachings of the left wing of the Brazilian Christian Democratic Party (item 7), but Nogueira belongs to the National Democratic Union (UDN).

Asked about the Quadros/Nogueira debate, Senator Auro MOURA ANDRADE, only other announced gubernatorial candidate so far, was quoted as saying: "This week two men have been working intensely for my candidacy." (LIMITED OFFICIAL USE)

Comment: Senator Moura Andrade drew the moral. The above polemic damaged both Quadros and Nogueira and burned the bridges over which they could have turned back to reconciliation. Most moderate local observers find Nogueira preferable to Quadros, but they can hardly have been encouraged by his recital of many of the current leftist/nationalist slogans. Nogueira's contacts have previously expressed reservations as to the attractiveness of his personality; now they have reason to question his ideology. He may simply have become carried away in his reply to Quadros' accusations, but he could have refuted them without going to extremes. Carvalho Pinto, his mentor, has managed to keep the leftists happy without ever tossing them such juicy tidbits.

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Carvalho Pinto inherited and built upon Quadros' own State political support. The forthcoming battle thus amounts to a political civil war between opposing factions of one of the most important of modern Brazilian electoral movements. That Quadros worried about this was evidenced by his hesitation in declaring candidacy despite the urgings of his "general staff."

Carvalho Pinto and his candidate, José Bonifacio Coutinho NOGUEIRA, have unmistakably won the first skirmishes of the battle. José Bonifacio obtained the support of the Christian Democratic Party in a March 25 State nominating convention which Quadros did everything possible to upset (Weekly Summary 13). Moreover, when the extent of Quadros' maneuvers became known (see item 3 below), the reaction of most observers was disgust. Several called them "Machiavellian"; Senator CALAZANS referred to their author as a "Hillbilly Hitler." In the face of this reaction, Quadros was quoted as saying "...there are times when I feel discouraged....if things go on like this, we shall leave Brazil again. I'll be a bricklayer in Cuba."

Quadros nevertheless entered in a verbal brawl with Carvalho Pinto and especially with José Bonifacio (item 2), whose replies gave a preview of the campaign publicity which will be used against the ex-President. Most telling accusation: that if he won the Governorship he would pull another of his famous resignations within months, using São Paulo only as a "springboard" to national power. At the same time, curiously, some of his national supporters were rumored to be dissatisfied with his "regionalism." Quadros' São Paulo campaign will be a tough one, restricting his gallivanting about the nation. (LIMITED OFFICIAL USE)

Comment: Quadros' fiasco since his return has been remarkable, but it is still much too early to write him off as an important political force. (LIMITED OFFICIAL USE)

2. Nogueira Returns Quadros' Fire with Leftist Slogans

Late at night on March 25, the normally soft-spoken Governor of São Paulo rubbed salt in the wounds Janio Quadros had received in the same day's Christian Democratic convention, referring obliquely to the "intrigues" and "low processes" the ex-President used in an unsuccessful attempt to alter the party's preference for the administration gubernatorial candidate. A thoroughly stung Mr. Quadros replied in much stronger terms the next morning, accusing the Governor of intransigence in not accepting a compromise candidate (see following item) in place of the "totally unacceptable" José Bonifacio. The administration candidate, said Quadros, was "linked...to the most reactionary forces of the country...an instrument of economic power, abusive and inhumane, the preponderant element in my resignation. It is to combat such forces that I remain in public life, fighting for the radical reform of Brazilian institutions and structures, foreseeing and trying to avoid an appalling tragedy. For this end I do not necessarily have

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SUBJECT: Weekly Summary No. 14

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PSYCHOLOGICAL:

1. Local Press Reaction

File no action ARA/ES+/B J W Wilson 4/23/62

POLITICAL

1. Quadros Fumbles Again in Split with State Administration

Since his return to Brazil on March 7, ex-President Janio QUADROS has made a series of unfortunate political moves (see Embassy reporting and São Paulo Weekly Summaries 11, 12, 13). His week-old campaign for the São Paulo Governorship so far seems to be another, though proof will not be available until the October 7 elections. The disadvantage of his gubernatorial candidacy is that it made inevitable a split with Governor CARVALHO PINTO, who cannot honorably withdraw support from his own candidate.

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RM/R

April 3, 1962

Dear Walter:

I am returning to you the correspondence which the Vice President received from Mr. Robert Kleberg, Jr.

I have asked our people here in the Department to look over the correspondence and to give me in the form of informal memoranda their confidential reaction to it as you requested.

Since the file covers material concerning two countries, Cuba and Brazil, I am sending to you herewith one informal memorandum on each of the two countries. I told the officers who prepared the memoranda that the Vice President did not wish to have any draft letters prepared for his possible use, but that he did wish to have the Department's reaction to the information contained in Mr. Kleberg's file. I hope that the two attached memoranda will meet the purpose you had in mind.

Sincerely,

Francis E. Meloy, Jr.

Attachments.

737.00/4-362
XR 732.00

(2)

Mr. Walter Jenkins,
Office of the Vice President,
Room 274,
Executive Office Building.

GiFEMeloy,jrmlh

microfilmed by RM/R

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have Janio's backing also, but who in fact is generally considered an outsider now, and, some say, is seeking the backing of minor parties since he is unlikely to be nominated by the PL. In addition to PL support, he has minority PRT support, and has been actively courting the PTN and, more recently, the PSP.

(3) PL federal deputy Nestor Duarte has not been campaigning actively and has been only casually mentioned.

(4) PL federal deputy Luiz Viana Filho has been even more casually mentioned.

Although the scene is already complicated by the three-element system of Magalhães, Balbino, and Quadros, there is yet a fourth complicating element, a recently-formed alliance between the government PR and the opposition PTB. It is not yet clear whether this will end as an accretion of strength for the government or one for the opposition, but it seems probable that the PTB's traditional ties to the PSD are likely to swing the two-party grouping into the opposition camp, even though the PR is the stronger party here in Bahia. PR state secretary Manoel Novais has a reputation for political venality, and PR Vice Governor Orlando Moscozo has privately told the Consul that he expects the backing of the PSD for his own candidacy. These are the two leading candidates of the PR-PTB coalition, since the PTB is too weak to put forward a candidate of its own here. Of the two, Moscozo was believed to be the stronger, but his campaign has been very quiet, while Novais has the reputation of being a very effective politician of the old back-room school. At the moment, Novais is ahead; one imagines that he will seek to use this advantage in obtaining something other than the governorship, when the hard bargaining starts.

Although the 17 UDN, PSD, PL and PR candidates listed above are not all the known candidates for governor in Bahia today -- some 23 have been reported -- they are probably the only ones with real possibilities. At the present time, the fragmentation of the Magalhães coalition brought about by Janism and the PR-PTB alliance makes it seem most likely that the PSD and its strongman, Antonio Balbino, will have most to say about Bahia's next governor. It is possible that if Balbino has the choice, he will select himself.

C. Dirck Keyser
C. Dirck Keyser
American Consul

cc: Brasilia, Political Counselor Raine

DEPARTMENT PLEASE PASS COPIES TO: Belem, Recife, Rio de Janiero/Political Section, Rio de Janiero/Consular Section.

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so far are those of administration and "basic reforms". The "ins" are receiving the usual broadsides of the "outs", charging them with maladministration, and there has been one feeble squeak from Communist federal deputy Fernando Santana (elected on the PTB ticket) on the usual Communist and left-wing thesis urging "basic reforms".

While the UDN proposes and the PSD seeks to dispose, other parties and political movements have not remained silent. The most significant development has been that arising from the re-entry of Jânio da Silva Quadros onto the political scene (see Despatch 43, March 21, 1962). The Janista camp in Bahia consists of the PL, the MTR, the PTN, and dissident elements of the UDN. Janism does not today have the strength in Bahia that it had in 1960, and according to a recent poll, has been reduced to about 60 per cent of its 1960 strength, or about 28.6 per cent of the Bahia body politic (this accords closely with the Consulate's independent estimate of 25 to 30 per cent reported in Despatch 43).

A defeat for Janism in Bahia was a March 27 vote of the state Assembly, in which honorary citizenship for Quadros was voted down by 18-16, with one abstention, on a secret ballot. This is the first time that honorary citizenship, once proposed in the Assembly, has ever been refused to anyone by Bahia. The negative vote has been attributed to the efforts of Balbino. Leading the opposition was PSD deputy Raimundo Reis, while the PL, PR, and the PTN declared that they would support Jânio. The UDN floor leader declared that UDN deputies were free to vote either way, and the evidence is that they did. The PSD also split, as did the PTB.

Nevertheless, there can be little doubt that Janism is a significant force here, if only because it threatens the government's position by splitting the pro-government forces. In fact, if the political situation in Bahia were to be frozen as of today, the split in the anti-PSD forces into those of Magalhães and those of Quadros would leave things very much in the hands of Balbino and his followers. Perhaps Balbino's slow pondering of the Governor's letter is related to a pondering of whether or not he needs the Governor's help in defeating a Janista candidate. He would not if the weight of forces were to remain what it is, and therefore as yet has little to gain from an alliance; on the other hand, it behooves him not to be over-hasty in rejecting the Governor's alliance, since the Janistas may become stronger.

The Janista candidates are as follows:

(1) PL Secretary of Finance Josaphat Marinho, who has emerged as the official spokesman for Janism in Bahia (it will be recalled that his initial reactions to Janio's return were very cautious). Marinho, before becoming the leading Janista, was supposed to have the Governor's backing, and evidently seeks, with the Governor's son Juracy Magalhães Junior, to promote an entente between the Governor and Quadros.

(2) PL Mayor of Jequie Lomanto Junior, who claims to have Janio's

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has been lamenting the high cost of living, and since December 21, he has been pointing out that he has no control, as Governor of Bahia, over this factor. He has been less successful with this issue that with that of development, and has been under attack directly by the PSD and others since at least December 18. Similarly, since December or earlier the Communists, unions, and other left-wing elements have been agitating the issue. That it is indeed an important issue is evidenced by figures published on March 28 by the Bahia Commissão de Abastecimento e Preços (COAP) contrasting March 1962 prices with those of March 1961, indicating that important staples in the local diet had doubled, trebled, and even quintupled in price in one year:

	March 1961	March 1962
Rice, bag	Cr$1,830	Cr$3,800
Dried salt codfish, pkg.	2,821	7,050
Jerked beef, kilo	100	320
Manioc meal, bag	800	4,000
Mulatinho beans, bag	1,950	6,000
Corn, bag	480	1,500

Those who have tried to place the responsibility for these prices on the Governor have argued that Bahia's plight is exceptional, prices being higher here than anywhere else in Brazil. To the extent that this may be true, it is perhaps due to the effects of the drought which has hit Bahian crops. It is reported that the 1961 drought, the worst since 1932 (in 1961 Bahia had about half its usual rainfall), caused heavy losses in beans and manioc, and sharply reduced cattle slaughter. Corn crops were also down.

Oddly, enough, however, the drought itself has been a less important issue. It is possible that the opposition has not wanted to emphasize this issue, since it has been hinted that PSD strongman Balbino has been in part responsible for the lack of federal government interest in the plight of Bahia, on the assumption that the problem would cause the state government more trouble than the national. Perhaps, too, the effect is more sensed in the inarticulate backlands and in food prices. It has been a stick used to beat Secretary for Public Works Vieira de Mello, accused of having taken inadequate measures to assure the Salvador city water supply. The city, which would use an estimated 100,000 cubic meters of water a day, has a system capable of supplying only 65,000 cubic meters when operating at full capacity; at one point during the week-end of March 24-25, it was reported that it was receiving only 30,000 cubic meters a day. Currently, the supply is said to be 39,000 cubic meters, and it may improve during April.

The only other issues seriously receiving attention so far are

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has been waging a very active campaign for the PSD nomination, covering the streets with his name and speaking frequently at various gatherings. Alone of the PSD possibilities, he has tended to reject pacification, and his campaign has been characterized as leftist. It is a fact that he gets very favorable press from the generally pro-Communist Jornal da Bahia. He is generally viewed as opposed to Balbino, and his campaign statements have at times been rather inflammatory, such as that of January 17 in which he said that "The overwhelming majority of the families of our land have no dinner at night...hundreds of thousands, in the cities and in the countryside, are condemned to this extreme poverty." Pires has evidently been seeking support in working-class quarters and among unions.

(4) Tarcilo Vieira de Mello, who has also been active since January, has based his campaign on an opposite premise from that of Waldir Pires, that of pacification. As the enemy of Balbino, his effort is in effect to win the PSD rank and file to his point of view. Thus if Balbino accepts pacification, he may have to join with his long-time rival for party leadership, and if he rejects it to seek the governorship himself, he may have first to get rid of Waldir Pires.

(5) Edgar Pereira, a federal deputy, has been mentioned, but seems an unlikely candidate, as does

(6) Miguel Calmon, another little-known federal deputy.

Whether because naming a candidate would lead to considerable hassling within the party, because the PSD wishes to delay the UDN's campaign preparations, or simply because the Governor's letter, with its implication that partisan politics is somehow un-Bahian, leaves no easy openings, the PSD has yet to reply, and some say that it will delay until late April. Currently, the party is consulting with its allies, the ~~PTB~~ PTB, PDC, PTN, PRP, PSP, PST, and PRT, and it is said that the PSD will meet to consider the letter again on April 14.

One aspect of the Governor's letter which makes a reply difficult is that he has, perhaps successfully, sought to preempt the most significant campaign issue, that of economic development. In a February 1 speech on the subject, he listed the accomplishments of his administration in road-building, shipping, schools, public health, electricity, and banking. The speech seems to have impressed Bahianos, and even opposition spokesmen agreed that he had indeed done much. He has continued to speak of these achievements since February 1.

Other campaign issues now taking shape include, first and foremost, that of inflation. Here again the Governor has sought to preempt his local opposition by taking advantage of the fact that, nationally, the local opposition parties are government parties. Since at least December 12, 1961, Governor Magalhães has been

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PSD politicians.

A review of the various potential gubernatorial candidates is perhaps in order in connection with the Governor's proposal. It is interesting to note, for instance, that the apparent generosity and abnegation of the Governor's request that the opposition suggest candidates comes at a time when the UDN itself has few attractive possibilities. Six UDN personalities have been mentioned as potential gubernatorial candidates; none has been seriously campaigning, and only one, who says he is no candidate, is really of significant stature. The six are as follows:

(1) former finance minister (under Quadros) and Banco da Bahia president Clemente Mariani, who has told the reporting officer privately that he is not a candidate, but who is the only UDN personality of stature in the state other than the Governor;
(2) University of Bahia rector Alberico Fraga, who has little political experience;
(3) Secretary of the Government of the state and state party chairman Ruy Santos, a colorless party wheel-horse who is apparently strongly loyal to the Governor;
(4) state deputy and UDN Assembly leader Orlando Spinola; who has been more or less openly campaigning since February 5;
(5) federal deputy Antonio Carlos Magalhães, no relation to the Governor; and
(6) the unpolished but apparently capable mayor of Salvador, Heitor Dias.

In the context of these human resources of the UDN, it is perhaps significant that at the time the Governor sent his proposal to the PSD, it was noised about that he had suggested three possible candidates, none of whom was of the UDN; these were PR Vice-Governor Orlando Moscozo Barreto de Araujo, PSD Secretary of Public Works Vieira de Mello, and PL Secretary of Finance Josaphat Marinho.

The Governor's proposal may have been designed to cause trouble for the PSD in view of the latter party's embarrassment of riches in the field of candidates. The five generally accepted papabili among the PSD leaders are as follows:

(1) Antonio Balbino himself is the looming figure of the PSD, but he has been keeping his cards very close to his chest, some say because he hopes to become prime minister, others because he is holding his fire until whites of eyes become generally visible, sometime in June or July.

(2) Minister of Education Oliveira Brito is another one of the PSD greats in Bahia, and is an obvious suggestion for anyone thinking in terms of PSD gubernatorial possibilities. Like Balbino, he is said to be a potential prime minister.

(3) Federal deputy Francisco Waldir Pires de Souza has been

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Magalhães has advocated since January (and he maintains publicly, since the beginning of his governorship) what he terms "pacification" of the Bahian political scene. "Pacification" means collaboration between the UDN-PR-PL government coalition and the PSD-PTB-PDC-PTN-PRP (Partido de Representacao Popular) - PSP (Partido Social Progressista) - PST (Partido Social Trabalhista) - PRT (Partido Rural Trabalhista) opposition coalition dominated by Balbino.

The high point of Governor Magalhães' "pacification" effort came on March 8, when he sent to the PSD's state chairman, Andre Negreiros Falcão, a letter which he had that morning had approved by the state chairmen of the three government parties (Ruy Santos, UDN; Manoel Cavalcante Novais, PR; and Luiz Viana Filho, PL). The letter, which reportedly had been drafted by the Governor shortly before Carnival week-end, was published on March 15 by the pro-governmental daily Estado da Bahia. In it, the Governor stated that "I seek a union around a great figure of our land, for the execution of a program which will permit us to overcome the great difficulties of the State." Restating his point, he described his proposal as a "formula of understanding, built around a development program". To select the man for the job, he suggested that the PSD present a list of names chosen from its own ranks, those of its allies, or even from the ranks of the government parties; from this list a "pacification" candidate would be chosen, who would have the backing of all the parties.

Various observations on the Governor's tactic and his rather unusual letter may be proffered. For one thing, the letter's proposal that all the parties get together behind a single candidate is reminiscent of the general mistrust of partisan politics characteristic throughout the underdeveloped world; one can point not only to the national unity lists of Communist and nationalist dictatorships, but also to Charles de Gaulle's lofty disdain for parties. Such a note seems strange coming from Juracy Magalhães, who appears in so many ways to have espoused sincerely the traditional liberal view of politics.

It is possible that Magalhães seeks to place the government coalition on a loftier plane, in the popular estimate, than his opponents, viewed as low partisans of narrow party interest. Such a tactic, of course, would pre-suppose the refusal of his proposal by the PSD.

Another possibility is that he is proposing an alliance with the PSD against Janio Quadros. It is a fact that, prior to the return of Quadros, the general tenor of the Governor's proposal, as yet uncommitted to paper, was viewed as unlikely to win PSD support, and a sort of guerilla warfare in the field of patronage was going on between the UDN-dominated state government and the PSD-PTB-dominated national government, Balbino being considered the author of the national government's measures. Since the sending of the letter and the nearly simultaneous return of Quadros, "pacification" is said to have won the support of as many as 90 per cent of the PSD politicians.

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HANDLING INDICATOR

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732.00/4-262

FOREIGN SERVICE DESPATCH

FROM : Amconsulate, Salvador, Bahia, Brazil — NO. 44

TO : THE DEPARTMENT OF STATE, WASHINGTON. — DATE April 2, 1962

REF : - - - - - -

22 For Dept. Use Only	ACTION	ARA-4	INFO	DEP	RM/R 2	REP	AF	ARA	EUR	FE	NEA	CU	INR 5	E	P	IO	ICA
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DEPARTMENT OF STATE
BUREAU OF INTER-AMERICAN AFFAIRS
APR 12 1962

SUBJECT: Bahia Gubernatorial Campaign

Since early January, the Bahia gubernatorial campaign has been increasingly in the news, although no parties have yet made formal nominations for the October 7 contest. So far, the campaign has consisted of discussion of possible nominees, party alliances, and campaign issues.

The dominant figures in the cautious maneuvering of Bahia's as yet unengaged political armies have been incumbent UDN Governor Juracy Montenegro Magalhães; former PSD Governor Antonio Balbino, who is Consultor Geral da Republica in the cabinet of President João Goulart and in effect the leader of the opposition here in Bahia; and, since his return to Brazil on March 7, former UDN-backed president Janio da Silva Quadros, of Sao Paulo State, whose Bahia followers are complicating the Bahia scene by injecting a "third force" element. There is also a "fourth force" alliance of the PR and the PTB.

Governor Juracy Magalhães' government has received legislative support from his own UDN (12 of the state Assembléia's 60 seats), the PR (10 seats), and the PL (3 seats). This minority coalition (25 out of 60 seats) has obtained passage of government-sponsored legislation through the support of dissident PSD forces led by state Secretary of Transportation and Public Works Tarcilo Vieira de Mello, who was leader of the PSD in the Chamber of Deputies under Kubitscheck. It has also received support from individual deputies of other parties from time to time on specific issues.

Perhaps because his legislative position may have given him a sense of leading a minority government, or perhaps in anticipation of the return of Janio Quadros, Governor Magalhães has

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FORM 6-61 FS-439 GPO 912595

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ACTION ASSIGNED TO		ACTION TAKEN	no action
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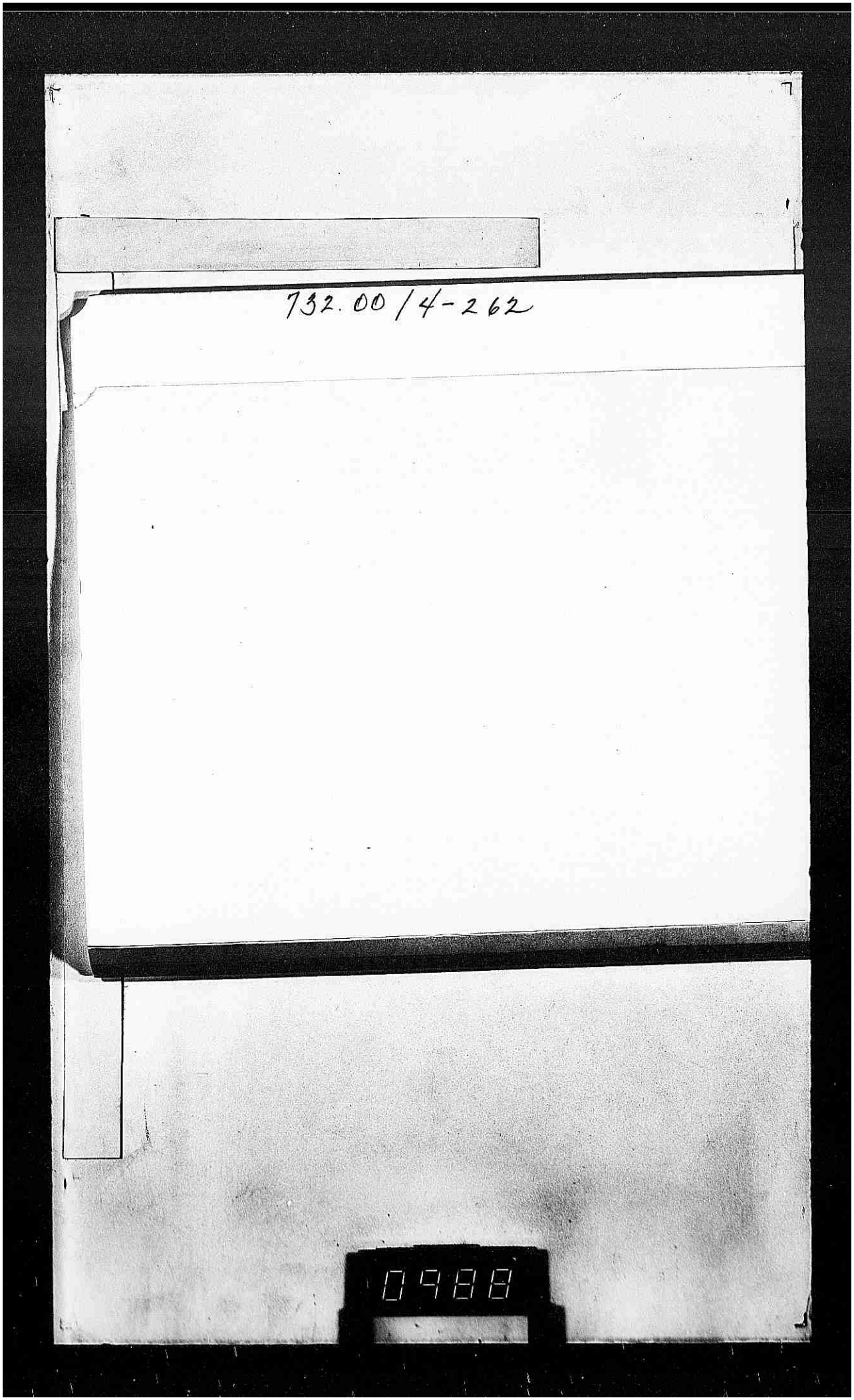
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Avalone Junior (PTN Leader in São Paulo State Assembly and avowed Janista)

"Janio did not tell 70 million Brazilians what they wanted to hear and has lost the supreme moment of his career. He has the capacity to recover but he will have to return to his origins to be the authentic Janio."

Adelmario Pinheiro - President of Bahia State Legislature

"I believe there are other reasons, impossible to bring to the public, that contributed decisively to the resignation."

OTHERS:

Virgilio Tavora - UDN Minister of Transport

"I believe that Janio Quadros added nothing to what was already known about his resignation. The facts he set forth were already public knowledge."

Armando Falcão - PSD Minister of Justice under Kubitschek

Stated that he is convinced that Janio Quadros was indeed planning a coup and the news that the Congress was forming an investigating committee propelled him toward his resignation.

Gilberto Freyre (noted sociologist)

"The archaic act of a Don Quixote."

BOND

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3-28-62

PRaine

STATE ASSEMBLYMEN:

Lope Coelho - PSD President of Guanabara State Assembly

"I think that the ex-Governor (sic) was unconvincing in his attempt to clarify the reasons for his resignation."

Saldanha Coelho - PTB leader - Guanabara

"It would have been better for him to remain abroad, although it makes no difference to us."

Gonzaga da Gama - PSD Leader - Guanabara

"After the Nation has heard Janio, it befits us to cast our ballots so that the ex-President undergoes a political re-education, which some day, admittedly far off, will permit him to participate in some fashion in the progress of the country."

Gladstone de Melo - PDC Guanabara

"The long awaited and 'sensational' statement of citizen Janio Quadros brought nothing new of substance. He preferred to insist on the vague formula of 'terrible forces' and fell into an evident contradiction, when he made reference to the pressure of the USA after having made it clear, through a long string of figures, that it was the United States that held off collapse and immediate financial chaos."

Sousa Marques - PTB Guanabara

"I could not understand his defense. I believe that many people could not make any judgment regarding his explanation."

Hugo Ramos Filho-PSD Guanabara

"Janio Quadros' declarations did not deceive me. I was expecting yet another proof of his incapability and his demogogic leanings."

Abreu Sodre, President of the São Paulo State Legislature

"The reasons . . . do not convince us and aggravate the impression we already had of the harm caused the nation."

Ranieri Mazzilli - PSD President of the Chamber of Deputies (who succeeded to Presidency of the Republic on Quadros' resignation).

Denied that the Congress had borne Janio Quadros any ill-will. As concerned the investigating committee referred to by Janio Quadros as a principal reason for his resignation, Mazzilli pointed out that it had not even been formed.

Pedro Aleixo - UDN Minas Gerais and party leader in the Chamber under Janio Quadros.

"I am absolutely convinced that his resignation was not the action that was called for."

Daniel Faraco - PSD Chairman of Chamber Committee on Economics

"I got the impression that he was sincere, although he must have known that sincerity would reduce the political effectiveness of his speech. We therefore have a highly significant testimonial on the non-viability of the presidential system in our country. The tremendous concentration of power, in the hands of only one man, brings about the fatal collapse of the system when that man has the authority and radical concepts of Janio Quadros."

João Mendes, leader of the Ação Democratica Parlamentar, a centrist group of deputies varying in size from 60 to 150.

"Janio Quadros would deserve the absolution of the electorate if he could prove he was not the author of that letter with which he turned his back on the six million Brazilians who elected him. In his defense, he was the Devil's advocate."

Carvalho Sobrinho - PSP Deputy - São Paulo

" . . . a false Paulista, who, using the name of this state, won the Presidency and was the protagonist in the greatest farce in our political history."

Abelardo Jurema - PSD Pernambuco

"The election of Janio Quadros was said to be a revolution by ballot . . . did he expect to get everything his own way? Did he lie to the people when he promised to lead that revolution?"

José Joffily - PSB Paraíba

"I was expecting something more."

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FEDERAL CONGRESSMEN:

Herbert Levy - UDN São Paulo - UDN National President

Referred to Janio's complaint that Levy approached Pedroso Horta with UDN demands as "inexplicable." "The ex-President never showed an interest in exchanging ideas with me, although I had fought loyally and with dedication at his side to enable him to carry out in the Government the work to which he, as well as the UDN, was committed."

Meneses Cortes - UDN Chamber Leader now and also under Quadros

"The ex-President was wrong when he affirmed that he resigned as a gesture in defense of the dignity of his authority threatened by the Congress . . . Another aspect of his speech that deserves reply was his charge that the Congress did not provide him with support. Nothing could be more unjust . . . First, because none of the reforms he mentioned in his speech were sent to the Congress. Second, because of the eight messages he sent, only one really was patently in the public interest, the anti-trust or profit remittance bill.

All in all, his explanations were not convincing."

Almino Afonso - Amazonas - PTB Chamber Leader

" . . . his words could have had an enormous signfficance in national politics . . . In my view it is no longer possible to respect a popular leader who does not accept all the risks inherent in leadership. Janio Quadros continues to struggle against the symptoms, but he does not have the courage to point out the true causes of the exploitation to which the country has been submitted. I conclude by saying that in his speech nothing was more significant than the silence that he maintained."

Milton Campos (Janio's running-mate and UDN Senator from Minas Gerais).

"What he said /In his speech/ represented the sad truth. As for the reasons for his resignation, however, it seems to me that his exposition did not justify the extreme gesture of resignation and all the disquieting consequences it produced in the country. The pressures and difficulties he referred to are common to all governments and did not excuse him from his duty to fight."

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STATE ASSEMBLYMEN:

Afonso Arinos Filho - PDC [redacted] - Guanabara

"Only the deaf do not hear the clamor of the people--of which the President yesterday was a true interpreter--from hunger and thirst, for bread and justice. I am a soldier of the Cross of Janio."

Arnaldo Nogueira - UDN Guanabara

"It was excellent. It did not constitute any surprise because the reasons given were already known to us. If he did not say more it was because he was held back by understandable obstacles. But some day he will tell."

UNFAVORABLE

GOVERNORS:

Carvalho Pinto - UDN São Paulo

"In my view, the resignation episode should be considered closed . . . more useful than a sterile discussion on psychological aspects and political forces involved in the unexpected gesture is the reinvigoration of our struggles . . . against the grave problems which afflict the nation." (The Governor has subsequently broken openly and apparently definitively with Quadros over the gubernatorial succession issue.)

Carlos Lacerda - UDN Guanabara

"My TV set was not working and I have been too busy to read about it. At any rate I have no reason to comment."

Cid Sampaio - UDN Pernambuco

"Where the former president referred to me /as one of those in the UDN who sought to change his foreign policy/ he must have been mis-quoted or else he was lamentably mis-informed."

Juracy Magalhães - UDN Bahia

"Those who were anxiously awaiting his statement must have felt deceived . . . nothing that he revealed would justify, in a normal man, the course of action he took."

ORIGIN/ACTION: ARA-4

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OSD 16	USIA 8	NSA 3

Action Copy

DEPARTMENT OF STATE

AIRGRAM

(Departmental and Foreign Service)

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NUMBERED

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A-423 NO.

OFFICIAL USE ONLY

1962 APR 3 AM 11 43

TO : Secstate WASHINGTON

1962 APR 2 PM 1 52

ACTION:
INFO:
RM/R FILES

RM/AN ANALYSIS & DISTRIBUTION BRANCH

DATE: March 31, 1962

FROM : Amembassy BRASILIA Office

SUBJECT : Reaction to Quadros March 15 Speech

REF :

In addition to previously reported press reaction Janio Quadros' March 15 "resignation explanation" speech, presented below is round-up from press of statements of leading government figures--Governors, Federal Congressmen, State Assemblymen. Embassy believes it accurately measures highly unfavorable reaction of Brazilian governing groups (consistent with other even stronger comment made to the Ambassador and other Embassy officers); some anti-Janio reaction has been omitted for lack of direct quotes, for example the ex-Janista Ney Braga PDC Governor of Parana. No known pro-Janio comment has been omitted.

FAVORABLE

GOVERNORS:

Leonel Brizzola - PTB Rio Grande do Sul

"Although omitting certain events before his resignation, particularly the historic resistance of the Brazilian people in defense of public liberties and the democratic regime, I consider the declarations of Janio Quadros as being consistent with the present situation of the government, principally with regard to foreign policy."

Magalhães Pinto - UDN Minas Gerais

"I have understood, since the day of the resignation, the reasons that guided him, now the whole country knows them."

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FORM DS-323 11-61

Drafted by: HWeiner

Concents and Classification Approved by:

Clearances: PRaine

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Although the party conventions of the PSD and the UDN to formally announce their candidates for deputies, have not yet been held, most of the deputies or new aspirants are actively campaigning. State deputies are similarly engaged. But all are hampered by the high cost of politicking; cost of running for the office of deputy is estimated at between Cr$ 3,000,000 to 6,000,000 depending on whether it is for re-election or for a freshman effort. No doubt the parties will take into account the potential vote-getting power of many of the candidates before giving them their official stamp of approval. Once the candidates are officially announced, the effort will be all out, but by then the picture will have become sharp and distinct.

Eugene Delgado-Arias
Consul General

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family sugar interests would make him highly acceptable to the traditional conservative forces, and whose youth and lack of negative political history could be potential assets. Senator Barros Carvalho, the PTB candidate, is of course at the orders of the President, who is the leader of his party. Current rumors in political circles in Recife credit these developments as strong possibilities.

Deputy Etelvino Lins (PSD) widely recognized as king-maker within the state party structures, has been advocating Barbosa Lima Sobrinho, regarded as sufficiently nationalistic and leftist to cut into Arraes' popular following. So far he has not found much response. The possibility remains, however, that this and similar efforts may be trial balloons to test public response. Lins' approach undoubtedly does not rule out a deal leading subsequently to Monteiro's acceptance as the compromise candidate, who would be least objectionable to the largest number.

A formula is under consideration among state deputies which its advocates believe could be an ultimate solution to the Arraes boom. The establishment of a parliamentary form of government, following the national pattern, appeals to a very substantial number - some of them claim they already have the necessary number for the required constitutional amendment. Of this group, some favor accepting Arraes as Governor, confident that within the parliamentary system they would have the means of neutralizing him at will, following the relationship between the Congress and Goulart. Others, probably representing majority sentiment, want no part of Arraes, and would prefer to choose, in accordance with parliamentary devices, another governor, possibly one of their own number. This preference for a parliamentary form of state government would undoubtedly find widespread support in the national congress, where the large conservative majority recently ousted ultra-nationalistic and pro-leftist Deputy Sergio Magalhaes and First Vice-President of the Chamber, replacing him with Osvaldo Lima Filho, a native Pernambucano. (It is interesting that Sergio Magalhaes grew up in Recife, and has close ties of kinship among old families of this area.) Pernambuco, it is worth observing, came out of the election for Congressional offices with three members: Osvaldo Lima Filho (PTB), First Vice-President; Clelio Lemos (PSD), Second Vice-President; Geraldo Guedes (PL), Third Secretary.

Deputy Geraldo Guedes has confided to the reporting officer that the removal of Deputies Sergio Magalhaes and Celso Brandt from the "Mesa" was deliberately planned to put an end to the former's dangerous practice of using the chair to foster pro-Communist maneuvers in the Chamber.+ With this type of Pernambuco deputies in Congress, therefore, anti-Arraes support from that direction is bound to be determined and effective.

+ In discussing this problem, Guedes remarked on the remarkable change which was produced in Deputy Osvaldo Lima Filho, who is a highly respected member of the Pernambuco congressional representation. Guedes and his friends concur in observing an amazing change after Lima's trip to the United States as a guest of the Department. From a rabid nationalist, he has become a persuasive friend and great admirer of the United States.

GPO 802887

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As evidence of some of the highly refined electoral tactics of the Arraes machine, the following program is known to be already in effect. Lacking large funds for the campaign, Arraes will avoid any highly dispendious mass techniques, accessible to the Cloefas forces, for instance, television and radio.

1) It is planned that the leftist candidate will go to the people more directly, with frequent personal appearances in the interior towns by means of mobile units, using the homey touch and engaging camaraderie. He will be supported by dedicated henchmen.

2) Large numbers of cartoon books are being prepared for mass distribution to the public, exploiting the discontent of the people, and promising honesty in government.

3. In order to help finance the campaign, it is reported that the Companhia de Transportes Urbanos (the street transit company) owned by the city, is already secretly - and illegally - diverting the daily proceeds from three of its buses, amounting to a total of some 60,000 to 75,000 cruzeiros a day, to the war fund.

In addition, the new President of the CTU is prepared to award substantial contracts to friends of Arraes or anyone who will make contributions to the fund. (It will be remembered that a few weeks ago the CTU workers syndicate succeeded in ousting the former President, General Viriato de Madeiros, who was apparently unwilling to play the game under the rules written by the Mayor.)

The confident euphoria of the Arraes camp, nevertheless, has suffered certain checks, however, with the recent Bishops' declaration against the clergy seeking political office. Although the interdiction of the Pernambuco bishops was generally believed directed at Father Wanderley Simões, similar decisions by the Ceara and Rio de Janeiro hierarchy indicate that this is becoming church policy. It has undoubtedly helped to clear the confusion of many well-meaning Catholics as to what and for whom they should vote.

Another defection from the Arraes camp of representative conservative elements is said to be that of the Vice-Mayor, confidentially reported on the point of breaking his connection with Arraes. Artur Lima Cavalcanti, scion of an aristocratic family, is said to have finally become convinced that his possible idealism may have been misplaced. If true, this would further diminish Arraes' appeal to rightist elements.

The conservative camp - represented by all anti-Arraes forces - is not enjoying such confidence, nor the tightly knit organization. A news item published by "A Noite" and transmitted from Rio by Radiopress reports that Cleofas, after a meeting with President Goulart, had intimated at possible acceptance of a deal, thus appearing to confirm other reports that he has recently had increasing doubts as to his ability to win against Arraes, despite his ample financial resources.

This might mean that the President may be using his influence to reach a conciliatory agreement among the three leading parties, and the logical conciliation candidate could be Minister of Agriculture Armando Monteiro (PSD) whose

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TO : THE DEPARTMENT OF STATE, WASHINGTON.

DATE March 30, 1962

REF :

DEPARTMENT OF STATE
BUREAU OF INTER-AMERICAN AFFAIRS
APR 16 1962

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		OTHER	AGR	COM	FRB	INT	LAB 5	TAR	TR	XMB					
	REC'D 4/13		AIR 3	ARMY 5	CIA 9	NAVY 3	OSD 3	OCB	USIA 5	NSA 3					

Belem-1
Belo-Horizonte-1
Curitiba-1
porto alegre-1

SUBJECT: The Political Scene in Pernambuco.

The pace of the gubernatorial race in the State of Pernambuco has shown some evidence of acceleration in the last two weeks. However, in the nature of politics in the Brazilian Northeast, where power and private interests have traditionally played a far more influential part than public opinion, the behind-the-scenes activity of deals and counter-deals is still dominant. A visit to some of the interior towns reveals that traditional party affiliations are usually as much a part of a family's heritage as real property, defections to the opposition party regarded as treasonous. Party loyalties - read loyalty to a "chefe politico" - still run very deep. A tragic consequence of the system is the lack of continuity or sustained effort in carrying out effective programs benefiting the community. Anything started or proposed by one administration, if not finished, is abandoned by the next; personnel is fired - as in the case of teachers - and whenever possible money left over diverted to other purposes.

Total disillusionment of the people, who are resigned to expect nothing from government, is the result, although their hopes never completely die out. In the paternalistic Brazilian pattern of the family structure, government is expected to have the answers to their problems.

In this atmosphere of semi hopelessness, the highly streamlined Arraes machine is moving in, soberly promising a good state administration solidly grounded on his reputation as Mayor of Recife. It is known that the Arraes lieutenants are highly confident of their success, and they count on a solid majority in the capital.

As evidence.

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0978

PORCENTAGEM DOS VOTOS APURADOS, BRANCOS E NULOS

Para Governador

QUADRO II

CIRCUNSCRIÇÕES	VOTOS				% SÔBRE OS VOTANTES		
	APURADOS	BRANCOS	NULOS	TOTAL	APURADOS	BRANCOS	NULOS
Alagoas	116.088	3.832	5.201	123.019	92,57	2,83	4,20
Goiás	291.353	17.107	9.554	318.014	91,62	5,38	3,00
Guanabara (*)	965.191	13.369	21.053	999.613	96,54	1,36	2,10
Maranhão	237.680	11.185	6.702	245.547	92,69	4,56	2,75
Mato Grosso	143.215	6.380	7.163	156.961	91,83	3,53	4,59
Minas Gerais	1.500.917	157.990	69.885	1.728.455	86,82	9,14	4,04
Pará	216.506	7.480	8.736	232.732	93,03	3,21	3,75
Paraíba	278.093	6.165	5.145	286.312	95,35	2,85	1,80
Paraná (*)	672.754	18.949	31.827	723.530	92,98	2,62	4,40
Rio Grande do Norte	219.921	3.451	2.883	225.605	97,15	1,53	1,28
Santa Catarina	503.476	13.384	7.152	533.992	96,09	2,55	1,36
TOTAL	5.128.031	266.487	175.372	5.583.880	92,17	4,68	3,15

Para Vice-Governador

Alagoas	106.660	13.685	4.174	123.019	88,07	10,56	3,37
Goiás	268.878	42.338	6.738	318.014	84,58	13,28	2,14
Maranhão	221.564	17.703	6.280	245.547	90,23	7,21	2,56
Mato Grosso	129.432	23.560	2.949	155.961	83,00	15,10	1,90
Minas Gerais	1.137.413	542.651	48.392	1.728.455	65,80	31,40	2,80
Pará	201.673	22.825	8.234	232.732	86,65	9,81	3,54
Paraíba	255.659	20.826	9.937	286.312	89,28	7,97	3,47
Rio Grande do Norte	215.633	7.858	2.244	225.605	85,52	3,48	1,00
Santa Catarina	470.367	44.337	9.286	533.992	89,77	8,48	1,77
TOTAL	3.007.179	735.062	98.296	3.840.537	78,39	19,14	2,56

OBSERVAÇÕES: A divergência entre os totais de votantes das Eleições Presidencial e Estadual, decorre do voto dos militares, em trânsito (Res. nº 8.525 de 12-8-1960).

(*) Não há cargo de Vice-Governador.

GOVERNADOR E VICE-GOVERNADOR

APURAÇÃO FINAL DAS ELEIÇÕES DE 1960

Para Governador

QUADRO I

CIRCUNSCRIÇÕES	VOTOS			CANDIDATO ELEITO	PARTIDO PELO QUAL FOI ELEITO	VOTAÇÃO OBTIDA
	APURADOS (1)	NULOS	TOTAL			
Alagoas	119.718	5.201	123.919	Luiz de Souza Cavalcante	U.D.N.	38.815
Goiás	308.460	9.554	318.014	Mauro Borges Teixeira	P.S.D.	160.369
Guanabara (*)	978.750	21.003	999.853	Carlos Lacerda	U.D.N.	337.153
Maranhão	238.785	6.762	245.547	Newton de Barros Belo	P.S.D./U.D.N./P.T.B./P.L.	142.414
Mato Grosso	145.798	7.163	152.961	Fernando Corrêa da Costa	U.D.N.	66.206
Minas Gerais	1.658.599	69.888	1.728.455	José de Magalhães Pinto	U.D.N./P.R.T./P.L.	709.427
Pará	223.906	8.736	232.732	Aurélio Corrêa de Carmo	P.S.D./P.D.C./P.T.B.	118.129
Paraíba	281.167	5.145	286.312	Pedro Moreno Gaudim	P.S.B./U.D.N./P.L./P.T.B.	148.961
Paraná (*)	661.763	61.827	723.630	Ney Aminthas de Barros Braga	P.D.C./P.L.	253.552
Rio Grande do Norte	222.722	2.883	225.605	Aluízio Alves	P.S.D.	121.976
Santa Catarina	516.840	7.152	523.992	Celso Ramos	P.S.D./P.D.C.	261.762
TOTAL	5.858.508	175.372	5.503.880			

Para Vice-Governador

Alagoas	119.745	4.174	123.919	Teotônio Brandão Vilela	U.D.N.	33.932
Goiás	311.216	6.798	318.014	Antônio Fernandes Monteiro	P.S.D.	138.014
Maranhão	239.267	6.289	245.547	Alfredo Salim Duailibe	P.S.D./U.D.N./P.T.B./P.L.	132.226
Mato Grosso	153.012	2.949	155.961	Cicero Garcia Neto	U.D.N.	71.279
Minas Gerais	1.659.063	48.392	1.728.455	Clovis Salgado	P.R./P.S.T.	500.820
Pará	224.498	8.234	232.732	Newton Bucharmaqui Miranda	P.S.D./P.T.B.	100.670
Paraíba	226.875	9.937	236.312	André Gadelha	U.D.N.	102.872
Rio Grande do Norte	223.801	2.244	225.605	Walfredo Gurgel	P.S.D.	115.702
Santa Catarina	514.704	3.288	523.992	Doutel de Andrade	P.T.B.	228.664
TOTAL	3.742.241	93.296	3.840.537			

OBSERVAÇÕES: A divergência entre os totais das Eleições Presidencial e Estadual decorre do voto dos militares, em trânsito (Res. 6.428, de 12-8-1960).

(*) Não há o cargo de Vice-Governador.

(1) Inclusive votos brancos.

Comparecimento %

QUADRO XI (CONTINUAÇÃO)

CIRCUNSCRIÇÕES	% DO COMPARECIMENTO						
	1945	1947	1950	1954	1955	1958	1960
Alagoas	82,81	66,13	68,36	62,31	55,32	92,33	80,18
Amazonas	75,02	66,23	63,64	56,35	44,32	88,66	69,23
Bahia	81,16	68,74	70,30	62,35	45,55	89,76	62,90
Brasília	—	—	—	—	—	—	52,69
Ceará	78,94	73,17	69,67	81,05	76,24	85,65	68,23
Espírito Santo	87,64	74,70	72,29	66,81	65,91	94,84	82,76
Goiás	89,83	76,07	69,36	61,98	46,00	89,12	78,07
Guanabara	90,43	74,77	72,68	72,04	69,06	94,86	90,98
Maranhão	69,20	62,47	60,50	49,92	37,28	80,53	61,16
Mato Grosso	77,63	69,54	66,94	60,41	53,16	86,91	76,61
Minas Gerais	82,36	68,66	68,71	66,19	52,22	92,73	80,34
Pará	77,46	69,71	70,22	64,63	52,87	85,67	71,69
Paraíba	85,65	78,86	76,68	66,85	53,67	90,67	81,62
Paraná	85,24	61,89	73,63	68,63	67,62	91,38	81,72
Pernambuco	85,91	72,18	69,32	65,00	52,70	89,44	71,62
Piauí	85,94	79,60	76,87	64,64	44,28	90,55	64,17
Rio de Janeiro	84,76	69,33	71,16	61,89	57,68	92,28	83,03
Rio Grande do Norte	81,64	74,34	72,30	68,69	52,49	85,59	81,12
Rio Grande do Sul	85,09	70,86	72,85	69,08	68,48	95,27	89,66
Santa Catarina	87,49	71,33	76,08	69,21	71,16	94,36	90,14
São Paulo	82,65	71,76	73,60	69,99	70,47	94,61	89,10
Sergipe	85,77	68,90	69,68	58,71	49,14	85,15	63,74
Território do Acre	80,09	—	75,42	68,83	52,27	91,15	76,01
Território do Amapá	80,83	—	76,73	42,56	54,36	88,99	52,43
Território do Rio Branco	78,89	—	76,60	47,43	47,68	93,81	76,51
Território de Rondônia	72,86	—	73,62	64,21	52,64	91,00	67,09
Território de Iguaçu	80,39	—	—	—	—	—	—
Território de Ponta Porã	76,52	—	—	—	—	—	—
TOTAL	83,12	70,74	72,06	65,48	59,68	92,00	80,97

Obs.: O decréscimo do eleitorado de 1958 é resultante do novo alistamento determinado pela Lei n.º 2.550, de 25-7-55, que invalidou o anterior.

Abstenções %

QUADRO XI (CONCLUSÃO)

CIRCUNSCRIÇÕES	% DA ABSTENÇÃO						
	1945	1947	1950	1954	1955	1958	1960
Alagoas	17,19	33,87	31,64	37,69	43,68	7,67	19,82
Amazonas	24,98	33,77	36,35	43,22	55,68	11,44	30,77
Bahia	18,84	31,26	29,70	37,65	54,45	10,24	38,00
Brasília	—	—	—	—	—	—	7,31
Ceará	21,06	26,83	30,43	39,15	24,76	15,35	34,78
Espírito Santo	12,36	25,30	27,71	31,19	34,09	5,16	17,25
Goiás	10,47	23,93	30,64	38,02	55,00	10,88	21,93
Guanabara	9,57	25,23	27,42	27,96	30,14	5,14	9,02
Maranhão	30,80	37,53	39,50	49,09	62,72	19,47	38,84
Mato Grosso	22,47	30,46	33,06	39,59	46,86	13,09	23,49
Minas Gerais	17,64	31,34	31,29	34,81	46,78	7,27	19,66
Pará	22,64	30,29	29,78	35,37	47,13	14,33	28,31
Paraíba	14,37	21,44	23,40	43,15	46,43	9,93	18,38
Paraná	14,76	38,91	26,37	31,47	32,48	8,62	18,28
Pernambuco	16,09	27,82	30,68	35,00	47,21	10,56	28,48
Piauí	14,06	20,40	24,43	35,36	55,80	9,06	45,85
Rio de Janeiro	15,24	30,67	28,84	37,82	42,42	7,72	16,97
Rio Grande do Norte	18,46	26,66	27,70	31,31	47,61	14,61	18,88
Rio Grande do Sul	16,91	29,16	27,14	30,92	31,62	4,73	10,35
Santa Catarina	12,60	28,67	23,95	30,79	28,85	5,74	9,86
São Paulo	17,36	28,24	26,40	30,01	29,53	5,39	10,90
Sergipe	16,23	33,00	30,32	41,29	50,86	14,86	36,26
Território do Acre	19,91	—	24,58	31,17	47,73	8,85	23,99
Território do Amapá	19,17	—	23,27	57,44	45,66	11,01	7,47
Território do Rio Branco	21,11	—	23,40	52,57	52,12	6,19	24,49
Território de Rondônia	27,15	—	26,38	35,79	47,36	9,00	32,91
Território de Iguaçu	19,61	—	—	—	—	—	—
Território de Ponta Porã	24,68	—	—	—	—	—	—
TOTAL	16,88	29,26	27,94	34,54	40,32	8,00	19,03

Obs.: O decréscimo do eleitorado de 1958 é resultante do novo alistamento determinado pela Lei n.º 2.550, de 25-7-55, que invalidou o anterior.

COMPARATIVO DAS ELEIÇÕES DE 1945 A 1946

Eleitorado

QUADRO XI

CIRCUNSCRIÇÕES	ELEITORADO						
	1945	1947	1950	1954	1955	1958	1960
Alagoas	82.068	87.166	146.182	195.816	189.977	134.959	154.621
Amazonas	31.548	37.488	75.367	121.565	119.771	88.712	91.529
Bahia	440.621	477.635	867.292	1.090.000	1.093.808	920.249	943.317
Brasília	—	—	—	—	—	—	23.664
Ceará	369.550	383.442	683.466	683.466	589.085	666.716	668.703
Espírito Santo	121.381	126.585	180.607	261.969	249.194	253.653	335.056
Goiás	105.079	116.657	217.812	363.738	365.728	326.976	407.667
Guanabara	549.363	589.972	837.428	965.481	892.469	977.339	1.099.490
Maranhão	109.101	130.279	262.296	403.586	426.049	276.094	384.327
Mato Grosso	59.121	74.417	152.057	182.743	194.161	177.004	203.984
Minas Gerais	1.231.361	1.276.286	1.936.691	2.366.686	2.458.361	2.056.005	2.161.283
Pará	159.598	177.601	277.692	346.588	373.125	271.574	324.611
Paraíba	175.534	195.946	246.141	439.460	447.698	291.120	363.371
Paraná	229.572	239.801	372.796	609.838	672.645	684.881	885.418
Pernambuco	321.736	349.788	462.545	697.377	875.070	514.637	676.179
Piauí	132.455	139.957	220.073	293.683	304.472	232.368	244.262
Rio de Janeiro	383.400	404.472	631.872	911.081	842.988	790.762	827.398
Rio Grande do Norte	131.550	159.310	243.231	324.309	294.570	229.625	278.087
Rio Grande do Sul	765.232	788.659	987.236	1.212.792	1.319.170	1.274.344	1.409.310
Santa Catarina	248.085	261.182	367.695	474.379	493.928	624.109	681.358
São Paulo	1.688.693	1.691.283	2.041.860	2.767.399	2.784.717	2.385.751	3.412.611
Sergipe	97.089	101.678	147.144	218.847	200.906	145.303	160.095
Território do Acre	6.895	—	12.284	18.421	17.284	14.941	14.941
Território do Amapá	3.353	—	6.737	9.982	9.229	7.718	7.378
Território do Rio Branco	573	—	3.505	7.196	6.676	5.998	5.696
Território de Rondônia	2.902	—	5.161	11.283	6.995	8.126	8.339
Território de Iguaçu	16.733	—	—	—	—	—	—
Território de Ponta Porã	10.361	—	—	—	—	—	—
TOTAL	7.469.849	7.710.604	11.455.149	15.104.604	15.243.246	13.780.460	15.543.332

Obs.: O decréscimo do eleitorado de 1958 é resultante do novo alistamento determinado pela Lei n.º 2.550, de 25-7-55, que invalidou o anterior.

Votantes

QUADRO XI (CONTINUAÇÃO)

CIRCUNSCRIÇÕES	VOTANTES						
	1945	1947	1950	1954	1955	1958	1960
Alagoas	67.959	57.540	99.927	121.608	106.984	124.609	125.976
Amazonas	23.966	24.828	47.964	61.502	51.889	78.666	63.462
Bahia	307.621	328.230	609.696	679.607	498.277	826.087	584.678
Brasília	—	—	—	—	—	—	21.842
Ceará	291.739	280.527	476.464	553.966	383.052	559.064	436.124
Espírito Santo	107.161	94.586	130.366	180.256	164.247	221.045	194.609
Goiás	83.012	81.739	161.072	223.406	163.652	291.409	316.280
Guanabara	496.771	441.086	697.851	698.472	693.256	927.582	1.000.386
Maranhão	76.497	81.444	155.690	201.497	158.842	225.955	255.049
Mato Grosso	45.859	44.306	87.194	110.391	103.186	153.851	166.077
Minas Gerais	1.014.064	876.224	1.330.525	1.642.594	1.308.336	1.888.027	1.728.455
Pará	123.474	123.790	194.987	188.721	197.366	232.586	232.652
Paraíba	150.396	133.922	265.125	249.817	239.763	262.328	286.312
Paraná	195.768	145.489	274.474	417.920	464.140	636.864	723.609
Pernambuco	269.965	246.962	404.189	469.573	460.864	649.670	483.606
Piauí	113.831	111.404	166.303	189.119	134.568	211.548	152.332
Rio de Janeiro	324.717	280.384	449.644	563.867	486.430	729.781	656.872
Rio Grande do Norte	107.273	118.430	175.867	190.333	154.779	196.011	226.588
Rio Grande do Sul	625.840	558.747	719.335	837.786	903.408	1.214.094	1.263.461
Santa Catarina	216.817	186.290	279.731	328.293	361.443	494.052	534.047
São Paulo	1.395.670	1.149.040	1.562.841	1.929.731	1.962.286	2.702.012	3.040.669
Sergipe	81.328	69.063	102.532	128.476	98.739	123.737	96.666
Território do Acre	5.522	—	9.264	12.678	9.034	13.619	11.357
Território do Amapá	2.720	—	5.109	4.248	5.016	6.869	7.279
Território do Rio Branco	504	—	2.584	3.413	2.717	6.627	4.301
Território de Rondônia	2.114	—	3.814	7.244	5.781	7.395	6.696
Território de Iguaçu	13.451	—	—	—	—	—	—
Território de Ponta Porã	7.796	—	—	—	—	—	—
TOTAL	6.200.805	5.454.111	8.254.989	9.890.475	9.097.014	12.678.997	12.586.354

Obs.: O decréscimo do eleitorado de 1958 é resultante do novo alistamento determinado pela Lei n.º 2.550, de 25-7-55, que invalidou o anterior.

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Em 1955

QUADRO X (CONTINUAÇÃO)

CIRCUNSCRIÇÕES	1955				
	JUSCELINO KUBITSCHEK	JUÂREZ TÁVORA	ADHEMAR DE BARROS	PLÍNIO SALGADO	TOTAL
Alagoas	38.776	44.126	10.218	5.907	99.025
Amazonas	16.026	7.682	17.994	3.648	45.249
Bahia	260.213	149.771	51.061	63.136	464.181
Brasília	—	—	—	—	—
Ceará	136.779	176.735	29.974	13.408	356.896
Espírito Santo	56.650	29.721	41.135	29.531	157.028
Goiás	46.201	33.119	16.327	1.570	96.217
Guanabara	199.520	174.804	266.289	35.495	676.008
Maranhão	66.588	16.764	55.726	2.699	140.595
Mato Grosso	65.767	29.709	56.121	3.732	152.379
Minas Gerais	718.113	283.567	147.112	78.213	1.222.005
Pará	89.344	21.496	65.176	4.213	180.139
Paraíba	91.307	114.128	16.813	9.900	222.148
Paraná	108.031	91.540	127.768	103.255	430.585
Pernambuco	163.919	184.847	51.739	29.206	429.705
Piauí	67.665	45.469	13.164	2.395	125.693
Rio de Janeiro	215.486	101.186	122.101	27.653	466.426
Rio Grande do Norte	57.200	45.425	34.832	13.883	141.53
Rio Grande do Sul	329.562	302.696	176.186	66.109	873.453
Santa Catarina	152.739	89.187	57.561	69.162	338 649
São Paulo	240.940	625.627	867.320	169.051	1.853.938
Sergipe	42.195	45.354	3.996	1.899	92.443
Território do Acre	3.906	2.698	1.801	230	8 632
Território do Amapá	4.039	309	459	79	4.886
Território do Rio Branco	1.828	448	326	33	2.634
Território de Rondônia	1.739	258	3.459	132	6.629
Território de Iguaçu	—	—	—	—	—
Território de Ponta Porã	—	—	—	—	—
Território de Fernando Noronha	—	—	—	—	—
TOTAL	3.077.411	2.610.462	2.222.725	714.379	8.624877

Em 1960

QUADRO X (CONCLUSÃO)

CIRCUNSCRIÇÕES	1960			
	JÂNIO QUADROS	HENRIQUE LOTT	ADHEMAR DE BARROS	TOTAL
Alagoas	53.835	32.253	26.926	112.014
Amazonas	23.812	32.524	2.202	58.338
Bahia	265.650	252.331	47.824	636.745
Brasília	7.518	10.444	1.813	19.775
Ceará	189.372	184.118	27.668	401.158
Espírito Santo	88.900	59.805	31.705	180.410
Goiás	125.427	126.671	22.338	274.436
Guanabara	418.813	237.826	268.117	956.766
Maranhão	66.727	81.102	72.456	210.285
Mato Grosa	77.531	58.448	7.398	143.377
Minas Gerais	692.044	679.951	183.699	1.556.694
Pará	102.176	90.251	18.074	210.510
Paraíba	143.408	104.725	18.149	266.482
Paraná	369.737	122.360	163.810	655.907
Pernambuco	226.311	185.136	34.526	455.973
Piauí	83.172	61.051	7.790	122.013
Rio de Janeiro	245.655	249.707	146.485	641.847
Rio Grande do Norte	95.698	96.721	15.646	207.966
Rio Grande do Sul	541.331	431.497	214.963	1.187.791
Santa Catarina	226.379	221.013	41.706	489.889
São Paulo	1.688.553	441.755	855.093	2.855.441
Sergipe	42.377	45.541	2.844	90.562
Território do Acre	5.495	4.356	785	10.616
Território do Amapá	2.845	3.971	105	6.921
Território do Rio Branco	1.905	2.067	98	5.282
Território de Rondonia	1.240	1.741	2.301	
Território de Iguaçu	—	—	—	—
Território de Ponta Porã	—	—	—	—
Território de Fernando Noronha	—	—	—	—
TOTAL	6.636.623	3.845.825	2.195.709	11.679.157

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COMPARATIVO DOS VOTOS APURADOS PARA OS CANDIDATOS

Em 1945

QUADRO X

CIRCUNSCRIÇÕES	1945				
	EURICO DUTRA	EDUARDO GOMES	YEDDO FIUZA	ROLLIM TELLES	TOTAL
Alagoas	53.361	24.760	5.048	4	83.173
Amazonas	12.687	7.281	1.671	10	21.819
Bahia	166.247	144.564	22.069	63	332.933
Brasília	—	—	—	—	—
Ceará	108.363	164.632	12.643	7	286.595
Espírito Santo	72.764	26.671	4.442	56	103.933
Goiás	39.937	19.514	3.148	1	43.195
Guanabara	166.070	183.981	134.769	6.389	490.149
Maranhão	44.760	27.050	685	6	72.469
Mato Grosso	20.639	33.390	5.260	16	79.295
Minas Gerais	478.803	339.463	16.699	314	834.579
Pará	61.691	45.537	4.272	6	109.406
Paraíba	51.090	76.110	5.719	10	143.929
Paraná	137.060	80.561	6.811	600	195.182
Pernambuco	126.804	93.168	33.673	8	253.845
Piauí	61.229	68.739	648	1	110.617
Rio de Janeiro	178.073	99.706	42.638	410	320.727
Rio Grande do Norte	50.693	48.500	6.916	3	103.111
Rio Grande do Sul	447.492	110.444	50.199	341	608.446
Santa Catarina	136.399	69.676	1.802	39	207.916
São Paulo	780.546	577.635	192.867	2.419	1.363.445
Sergipe	54.886	34.793	6.565	4	76.235
Território do Acre	3.293	2.018	172	—	5.483
Território do Amapá	2.502	122	94	2	2.720
Território do Rio Branco	71	124	72	237	504
Território de Rondônia	1.718	876	123	—	2.114
Território de Iguaçu	11.373	1.574	197	3	13.461
Território de Ponta Porã	4.028	3.077	688	3	7.796
Território de Fernando Noronha	77	3	25	—	106
TOTAL	3.261.507	2.039.341	569.818	10.001	5.870.667

Em 1950

QUADRO X (CONTINUAÇÃO)

CIRCUNSCRIÇÕES	1950				
	GETÚLIO VARGAS	EDUARDO GOMES	CRISTIANO MACHADO	JOÃO MANGABEIRA	TOTAL
Alagoas	45.909	25.292	22.940	51	94.192
Amazonas	26.466	12.104	7.057	9	45.646
Bahia	306.899	165.883	108.719	243	581.744
Brasília	—	—	—	—	—
Ceará	107.164	198.473	146.484	105	452.226
Espírito Santo	50.536	42.098	20.841	94	125.369
Goiás	35.744	27.397	19.677	23	82.841
Guanabara	378.016	169.263	29.642	3.017	579.937
Maranhão	64.169	14.505	70.989	6	149.961
Mato Grosso	61.298	55.446	24.105	45	140.894
Minas Gerais	418.194	441.690	409.403	356	1.269.642
Pará	125.463	52.761	78.032	112	256.042
Paraíba	169.036	41.363	20.690	67	231.156
Paraná	172.665	108.852	54.538	182	335.237
Pernambuco	23.370	73.547	36.602	196	133.715
Piauí	274.588	110.942	94.595	6	480.131
Rio de Janeiro	86.378	45.731	50.446	499	183.054
Rio Grande do Norte	346.796	147.571	207.613	34	702.014
Rio Grande do Sul	110.398	101.386	59.501	936	272.221
Santa Catarina	925.493	367.413	153.039	27	1.445.972
São Paulo	43.425	27.834	24.785	3.650	99.694
Sergipe	4.101	737	4.211	109	9.158
Território do Acre	812	89	4.188	—	5.049
Território do Amapá	1.845	69	645	—	2.549
Território do Rio Branco	2.595	412	646	—	3.653
Território de Rondônia	—	—	—	—	—
Território de Iguaçu	—	—	—	—	—
Território de Ponta Porã	—	—	—	—	—
Território de Fernando de Noronha	—	—	—	—	—
TOTAL	3.849.040	2.342.384	1.697.195	9.466	7.898.083

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COMPARATIVO DOS PRESIDENTE ELEITOS EM: ✓

QUADRO IX

CIRCUNSCRIÇÕES	1945			1950			1955			1960		
	VOTANTES	ENRICO DUTRA	PERCENTAGEM	VOTANTES	GETÚLIO VARGAS	PERCENTAGEM	VOTANTES	JUSCELINO KUBITSCHEK	PERCENTAGEM	VOTANTES	JÂNIO QUADROS	PERCENTAGEM
Alagoas	67.949	33.561	49,08	99.027	45.969	45,84	106.304	38.778	36,24	135.976	53.338	45,42
Amazonas	35.966	12.457	37,95	47.956	26.466	55,17	51.320	16.952	33,03	63.462	23.813	37,52
Bahia	337.631	196.247	62,07	669.696	306.893	50,33	699.277	326.213	46,18	894.978	355.670	45,08
Brasília	—	—	—	—	—	—	—	—	—	21.842	7.638	34,41
Ceará	281.749	105.953	37,14	473.664	197.154	33,53	383.012	195.770	35,44	456.124	189.272	43,42
Espírito Santo	107.161	72.764	67,90	150.885	90.335	46,21	164.267	66.690	34,49	234.609	88.909	43,70
Goiás	93.012	39.957	42,16	161.972	61.288	40,47	163.662	66.767	40,18	318.260	122.477	39,40
Guanabara	486.771	186.676	33,42	697.851	379.035	52,39	695.536	199.530	28,77	1.005.385	419.813	41,66
Maranhão	75.497	44.760	60,27	155.690	64.140	40,42	165.842	66.566	41,87	226.049	80.727	34,18
Mato Grosso	45.539	20.520	44,78	87.194	38.244	40,99	103.196	45.291	43,80	155.077	77.651	49,67
Minas Gerais	1.614.064	675.505	47,18	1.530.626	418.194	21,42	1.508.388	713.115	54,69	1.728.465	699.044	40,03
Pará	125.474	81.891	49,98	194.687	68.978	28,79	197.266	89.344	46,29	253.682	102.176	45,92
Paraíba	150.596	61.050	40,61	265.126	125.463	47,12	233.753	81.307	35,91	296.212	145.636	50,08
Paraná	196.768	137.960	70,01	274.474	157.026	61,68	464.140	109.031	24,78	722.669	360.757	51,09
Pernambuco	269.988	125.804	46,57	494.195	172.058	42,49	469.884	165.919	35,66	483.006	226.221	46,77
Piauí	115.651	51.230	45,00	166.963	76.570	18,78	134.618	67.603	50,28	252.225	93.172	40,18
Rio de Janeiro	254.717	178.079	54,83	449.644	274.582	61,05	655.430	285.455	44,78	626.872	242.555	55,76
Rio Grande do Norte	107.203	50.625	47,24	176.997	86.375	49,11	154.178	57.300	76,76	235.688	96.898	42,83
Rio Grande do Sul	626.349	447.462	71,49	749.256	346.796	46,31	965.493	329.062	34,47	1.265.461	541.281	47,84
Santa Catarina	216.817	156.399	65,20	299.731	116.548	39,46	351.443	133.759	37,76	524.042	226.376	43,19
São Paulo	1.796.670	769.646	65,92	1.502.841	527.451	41,28	1.962.285	386.340	17,27	2.640.669	1.188.691	52,34
Sergipe	81.828	34.880	42,49	102.422	45.450	42,56	98.750	43.196	43,72	98.666	42.372	44,39
Território do Acre	5.622	2.295	39,68	9.254	4.301	44,36	9.054	3.556	42,25	11.527	6.486	48,30
Território do Amapá	3.730	2.602	91,93	6.169	882	15,70	5.616	4.059	66,67	7.379	3.865	59,68
Território do Rio Branco	604	71	14,08	2.624	1.845	69,74	2.717	1.538	67,28	4.301	1.995	44,51
Território de Rondônia	2.114	1.118	52,92	5.814	2.855	68,05	6.761	1.759	30,08	8.895	1.349	22,16
Território de Iguaçu	19.483	11.373	84,53	—	—	—	—	—	—	—	—	—
Território de Ponta Porã	7.796	4.028	67,56	—	—	—	—	—	—	—	—	—
Território de F. de Noronha	—	27	—	—	—	—	—	—	—	—	—	—
TOTAL	6.250.805	3.251.507	52,43	9.344.929	3.545.060	45,62	9.097.014	3.077.411	53,03	12.586.554	5.626.654	44,78

COMPARATIVO: ELEITORADO E VOTANTES, NAS ELEIÇÕES DE 1955 E 1960

QUADRO VIII

CIRCUNSCRIÇÕES	ELEITORADO				VOTANTES			
			DIFERENÇA				DIFERENÇA	
	1955	1960	Números absolutos	Percentual	1955	1960	Números absolutos	Percentual
Alagoas	169.977	144.671	— 25.306	— 14,89	105.994	133.976	+ 18.982	+ 45,68
Amazonas	119.771	91.929	— 27.842	— 23,24	51.586	63.462	+ 11.882	+ 23,03
Bahia	1.092.265	948.317	— 143.401	— 13,13	438.277	524.878	+ 86.601	+ 17,88
Brasília	—	23.564	—	—	—	21.842	—	—
Ceará	609.068	668.705	+ 159.618	+ 31,56	369.628	456.124	+ 55.872	+ 18,26
Espírito Santo	249.324	235.056	— 14.168	— 5,67	164.242	194.508	+ 30.262	+ 16,42
Goiás	363.728	407.557	+ 43.929	+ 12,08	163.662	318.700	+ 155.038	+ 94,67
Guanabara	992.489	1.099.409	+ 107.051	+ 10,78	695.558	1.033.358	+ 337.049	+ 44,78
Maranhão	429.945	284.837	— 41.719	— 9,79	155.942	235.949	+ 79.207	+ 47,97
Mato Grosso	104.143	303.984	+ 9.855	+ 5,06	102.156	155.077	+ 52.891	+ 51,76
Minas Gerais	2.468.201	2.161.333	— 307.078	— 13,49	1.308.326	1.730.468	+ 422.130	+ 32,11
Pará	373.136	324.511	— 48.614	— 13,02	197.268	332.632	+ 35.356	+ 17,92
Paraíba	447.295	352.371	— 94.227	— 21,05	239.763	286.313	+ 46.549	+ 19,41
Paraná	672.546	688.419	+ 237.773	+ 21,52	464.149	725.609	+ 259.469	+ 69,55
Pernambuco	875.071	676.172	— 198.891	— 22,50	660.864	483.696	+ 22.742	+ 4,93
Piauí	304.472	744.369	— 60.216	— 19,77	154.668	172.532	— 2.220	— 1,65
Rio de Janeiro	942.288	927.339	— 15.660	— 1,86	485.456	686.872	+ 201.442	+ 41,49
Rio Grande do Norte	284.979	278.937	— 16.765	— 5,59	164.778	228.688	+ 70.910	+ 51,36
Rio Grande do Sul	1.319.170	1.409.310	+ 90.140	+ 6,83	905.402	1.365.451	+ 362.049	+ 39,82
Santa Catarina	491.308	491.518	+ 87.430	+ 17,70	351.443	524.047	+ 172.604	+ 49,11
São Paulo	2.784.717	3.412.511	+ 627.894	+ 22,54	1.962.205	3.340.059	+ 1.075.854	+ 54,82
Sergipe	208.900	160.389	— 49.569	— 23,26	98.720	95.666	— 3.054	— 3,10
Território do Acre	17.264	14.941	— 2.342	— 13,55	9.624	11.957	+ 2.325	+ 26,71
Território do Amapá	9.329	7.975	— 1.354	— 14,67	5.516	7.979	+ 2.265	+ 46,11
Território do Rio Branco	5.575	5.686	+ 21	+ 0,37	2.717	4.201	+ 1.584	+ 68,29
Território de Rondônia	5.995	6.339	+ 1.344	+ 23,21	5.782	5.966	— 116	— 5,71
TOTAL	15.943.346	15.543.332	+ 540.086	+ 1,96	9.697.554	12.986.554	+3.489.240	+ 56,58

DISCRIMINAÇÃO DOS VOTOS APURADOS, BRANCOS E NULOS

Para Presidente

QUADRO VI

CIRCUNSCRIÇÕES	1955				1960			
	VOTOS			TOTAL	VOTOS			TOTAL
	Apurados	Brancos	Nulos		Apurados	Brancos	Nulos	
Alagoas	99.026	2.805	5.153	106.984	112.014	7.819	4.143	123.976
Amazonas	45.249	1.957	4.674	51.880	58.338	1.696	3.428	63.462
Bahia	464.181	7.516	26.581	498.277	535.746	19.931	29.202	584.878
Brasília	—	—	—	—	19.778	779	1.288	21.842
Ceará	354.896	7.169	20.987	383.052	401.158	15.152	21.814	435.124
Espírito Santo	147.028	2.364	4.855	164.247	180.410	6.144	8.956	194.509
Goiás	134.379	3.507	7.776	165.662	274.436	23.744	20.100	318.280
Guanabara	676.108	6.841	11.387	693.336	765.756	28.720	14.899	1.009.385
Maranhão	140.598	5.249	12.997	158.842	210.286	11.201	13.563	235.049
Mato Grosso	86.237	2.993	4.676	103.186	143.377	7.866	4.834	155.077
Minas Gerais	1.222.008	32.466	53.864	1.308.338	1.536.594	88.266	64.696	1.729.456
Pará	180.139	4.912	12.216	197.266	210.510	12.683	9.439	232.632
Paraíba	222.148	8.182	9.433	239.763	266.482	10.345	9.485	286.312
Paraná	430.581	10.613	12.942	454.143	666.907	46.946	21.756	725.609
Pernambuco	429.705	12.861	18.308	460.854	485.973	15.027	24.606	485.606
Piauí	126.693	3.978	3.927	134.558	122.013	4.638	5.682	132.333
Rio de Janeiro	466.426	6.988	13.416	486.830	641.847	16.320	29.705	686.872
Rio Grande do Norte	141.336	5.769	7.674	154.778	207.955	9.890	7.733	225.588
Rio Grande do Sul	873.461	10.705	19.762	903.408	1.187.791	33.501	42.159	1.263.451
Santa Catarina	339.649	4.836	7.956	351.445	489.889	25.241	10.917	524.047
São Paulo	1.893.938	21.497	46.850	1.962.285	2.885.441	55.589	101.639	3.040.669
Sergipe	92.443	1.328	4.959	98.730	90.662	2.276	2.634	95.666
Território do Acre	8.632	922	182	9.854	10.515	283	169	11.367
Território do Amapá	4.886	61	69	5.016	6.921	189	169	7.279
Território do Rio Branco	2.634	39	44	2.717	4.061	103	137	4.301
Território de Rondônia	5.628	43	110	5.781	5.282	148	165	6.595
TOTAL	8.624.977	161.862	310.185	9.097.014	11.679.157	435.391	473.806	12.586.354

Para Vice-Presidente

QUADRO VII

CIRCUNSCRIÇÕES	1955				1960			
	VOTOS			TOTAL	VOTOS			TOTAL
	Apurados	Brancos	Nulos		Apurados	Brancos	Nulos	
Alagoas	94.765	7.326	4.893	106.984	103.806	16.779	3.391	123.976
Amazonas	41.683	6.020	4.177	51.880	55.546	4.985	2.931	63.462
Bahia	456.928	39.092	22.257	498.277	517.011	44.676	23.222	584.878
Brasília	—	—	—	—	18.617	2.185	1.040	21.842
Ceará	341.222	25.234	16.596	383.052	395.847	27.092	16.198	436.124
Espírito Santo	138.712	22.003	3.532	164.247	172.481	16.213	6.815	194.509
Goiás	143.174	16.579	4.909	165.662	253.856	39.373	14.051	318.280
Guanabara	667.683	15.964	9.689	693.336	761.811	224.938	13.636	1.000.385
Maranhão	137.492	8.996	12.354	158.842	200.006	26.260	9.793	236.049
Mato Grosso	92.618	6.896	3.723	103.186	135.100	15.516	5.461	156.077
Minas Gerais	1.169.995	101.627	46.813	1.308.335	1.460.112	207.062	61.291	1.728.466
Pará	173.477	12.613	11.176	197.266	195.988	26.629	9.115	232.632
Paraíba	208.548	24.269	6.946	239.763	252.649	26.413	7.250	286.312
Paraná	386.187	58.287	9.666	454.140	547.169	161.261	16.189	725.609
Pernambuco	401.871	44.354	14.939	460.864	434.263	31.324	18.029	483.606
Piauí	122.920	8.983	2.685	134.588	120.071	7.984	4.278	132.333
Rio de Janeiro	433.661	20.882	10.887	465.430	639.746	35.606	22.622	686.872
Rio Grande do Norte	134.947	13.319	6.512	154.778	202.079	18.216	5.294	225.588
Rio Grande do Sul	832.965	57.460	16.983	903.408	1.171.536	56.929	32.986	1.263.451
Santa Catarina	317.889	27.510	6.044	351.443	468.939	45.316	8.792	524.047
São Paulo	1.718.489	205.491	38.396	1.962.285	2.710.546	255.964	76.369	3.040.669
Sergipe	90.671	3.708	4.461	98.730	89.095	4.320	2.251	95.666
Território do Acre	8.301	602	71	9.854	10.095	945	317	11.357
Território do Amapá	4.720	243	53	5.016	6.715	449	116	7.279
Território do Rio Branco	2.651	122	44	2.717	3.974	190	137	4.301
Território de Rondônia	5.440	256	76	5.781	4.976	482	137	6.595
TOTAL	8.116.409	722.674	257.931	9.097.014	10.922.111	1.305.868	358.376	12.586.354

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PORCENTAGEM DOS VOTOS APURADOS, BRANCOS E NULOS

Para Presidente

QUADRO IV

CIRCUNSCRIÇÕES	VOTOS				% SOBRE OS VOTANTES		
	APURADOS	BRANCOS	NULOS	TOTAL	APURADOS	BRANCOS	NULOS
Alagoas	112.014	7.819	4.143	123.976	90,35	6,31	3,34
Amazonas	58.338	1.896	3.638	63.462	91,93	2,51	5,56
Bahia	535.746	19.931	29.202	584.878	91,60	3,40	5,00
Brasília	19.775	779	1.288	21.842	90,53	3,56	5,91
Ceará	401.168	13.152	21.814	436.124	91,98	3,02	5,00
Espírito Santo	180.419	5.144	8.953	194.809	92,78	2,65	4,60
Goiás	274.436	23.744	20.100	318.280	86,22	7,46	6,32
Guanabara	956.766	28.720	14.899	1.000.385	95,64	2,87	1,49
Maranhão	220.285	11.201	15.563	235.049	89,46	4,77	5,77
Mato Grosso	143.377	7.866	4.834	156.077	91,86	5,04	3,10
Minas Gerais	1.665.594	88.266	84.696	1.728.456	90,00	5,11	4,89
Pará	210.510	12.583	9.439	232.532	90,49	5,45	4,06
Paraíba	266.482	10.346	9.486	286.312	93,07	3,62	3,31
Paraná	655.907	46.945	21.766	725.609	90,64	6,35	3,01
Pernambuco	445.973	13.027	24.606	483.606	92,22	2,69	5,09
Piauí	122.013	4.653	5.682	132.333	92,20	3,51	4,29
Rio de Janeiro	641.847	16.320	29.705	686.872	93,45	2,23	4,32
Rio Grande do Norte	207.965	9.890	7.733	225.588	92,19	4,38	3,43
Rio Grande do Sul	1.187.791	33.501	42.189	1.263.481	94,01	2,65	3,34
Santa Catarina	489.889	23.241	10.917	524.047	93,48	4,44	2,08
São Paulo	2.885.441	53.589	101.639	3.040.669	94,90	1,76	3,34
Sergipe	90.552	2.270	2.834	95.656	94,67	2,37	2,96
Território do Acre	10.615	283	459	11.357	93,47	2,49	4,04
Território do Amapá	6.921	189	169	7.279	95,08	2,60	2,32
Território do Rio Branco	4.061	105	137	4.301	94,42	2,39	3,19
Território de Rondônia	5.282	148	166	5.595	94,40	2,65	2,96
TOTAL	11.679.187	433.391	473.806	12.586.364	92,79	3,44	3,77

Para Vice-Presidente

QUADRO V

CIRCUNSCRIÇÕES	VOTOS				% SÔBRE OS VOTANTES		
	APURADOS	BRANCOS	NULOS	TOTAL	APURADOS	BRANCOS	NULOS
Alagoas	103.806	16.779	3.391	123.976	83,73	13,53	2,74
Amazonas	55.846	4.985	2.631	63.462	87,63	7,85	4,62
Bahia	517.011	44.575	23.292	584.878	88,40	7,62	3,98
Brasília	18.617	2.185	1.040	21.842	85,24	10,00	4,76
Ceará	393.847	27.082	15.195	436.124	90,31	6,21	3,48
Espírito Santo	172.481	16.215	6.816	194.809	88,68	8,33	2,99
Goiás	265.866	50.373	14.851	318.280	79,76	15,83	4,41
Guanabara	761.811	224.938	13.636	1.000.385	76,15	22,49	1,36
Maranhão	200.006	26.260	9.793	235.049	85,09	10,74	4,17
Mato Grosso	135.180	15.515	5.461	156.077	86,56	9,94	3,50
Minas Gerais	1.460.112	207.052	61.291	1.728.455	84,47	11,98	3,55
Pará	196.988	26.529	9.115	232.632	84,68	11,40	3,92
Paraíba	262.649	26.413	7.250	286.312	88,24	9,23	2,53
Paraná	547.189	161.251	15.169	725.609	75,42	22,23	2,10
Pernambuco	454.263	31.324	18.029	483.606	89,79	6,48	3,73
Piauí	120.091	7.984	4.258	132.333	90,74	6,03	3,23
Rio de Janeiro	628.745	35.606	22.522	686.872	91,54	5,18	3,28
Rio Grande do Norte	202.079	18.216	5.294	225.588	89,58	8,07	2,35
Rio Grande do Sul	1.173.836	56.929	32.686	1.263.451	92,91	4,50	2,59
Santa Catarina	468.939	46.316	8.792	524.047	89,48	8,84	1,68
São Paulo	2.710.346	263.954	76.769	3.040.669	89,14	8,68	2,51
ergipe	89.093	4.322	2.251	95.666	93,13	4,52	2,35
Território do Acre	10.095	946	317	11.357	88,89	8,32	2,79
Território do Amapá	6.715	448	116	7.279	92,25	6,16	1,59
Território do Rio Branco	3.974	190	137	4.301	92,40	4,42	3,18
Território de Rondônia	4.976	482	137	5.595	88,94	8,61	2,45
TOTAL	10.522.111	1.305.865	358.378	12.586.354	86,78	10,37	2,85

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APURAÇÃO FINAL

QUADRO III

UNIDADES DA FEDERAÇÃO	PRESIDENTE DA REPÚBLICA						VICE-PRESIDENTE DA REPÚBLICA						VOTANTES
	JANIO	APUINAN	LOTT	VOTOS NOMINAIS	VOTOS BRANCOS	VOTOS NULOS	FERRARI	JANGO	MILANEZ	VOTOS NOMINAIS	VOTOS BRANCOS	VOTOS NULOS	
Alagoas	53.855	25.926	52.293	132.074	7.579	6.147	48.422	49.276	25.010	102.806	16.779	3.291	122.876
Amazonas	23.841	2.903	37.234	63.978	1.686	3.628	14.274	29.451	8.821	52.546	4.286	2.951	60.462
Bahia	266.690	67.824	252.291	586.745	19.921	29.202	67.735	233.156	217.141	517.014	44.670	23.295	584.979
Brasília	7.536	1.813	10.493	19.775	779	1.288	2.797	19.134	5.686	48.617	2.193	1.640	21.842
Ceará	189.372	27.666	184.118	401.156	18.157	21.814	20.935	199.076	163.288	399.849	27.087	18.186	436.124
Espírito Santo	68.900	21.705	59.825	150.430	9.144	6.955	34.921	71.186	66.374	172.481	16.214	6.818	194.699
Goiás	125.437	23.358	120.271	274.426	23.744	20.160	28.676	132.782	94.392	253.850	22.373	14.021	290.244
Guanabara	419.825	240.117	267.826	856.768	28.759	14.699	211.710	245.644	267.027	724.381	29.933	13.686	768.040
Maranhão	66.727	72.495	81.802	219.585	11.301	15.563	61.966	122.257	35.775	220.006	25.340	9.733	255.079
Mato Grosso	77.451	7.598	68.448	143.577	7.566	4.894	14.954	89.497	69.679	174.109	13.445	8.661	196.077
Minas Gerais	693.844	283.699	679.953	1.657.496	86.756	54.083	132.252	660.537	607.571	1.463.112	207.252	61.291	1.728.455
Pará	162.724	18.074	90.324	269.102	12.382	9.439	26.259	122.471	103.969	252.649	26.433	7.259	286.312
Paraíba	145.429	16.549	104.758	266.492	10.345	9.465	23.493	219.006	194.670	547.169	151.361	16.189	722.009
Paraná	369.737	163.836	122.860	656.907	46.946	31.756	67.307	162.496	184.469	434.268	31.524	19.029	485.626
Pernambuco	206.281	34.626	186.156	446.073	42.627	34.006	19.657	62.181	547.39	129.071	7.984	4.276	152.333
Piauí	63.122	7.758	61.884	132.012	4.438	5.685	125.308	272.434	225.203	618.745	35.668	23.822	686.672
Rio de Janeiro	2 0.668	146.493	249.707	647.867	16.120	29.701	32.290	96.538	67.466	202.079	18.216	6.291	226.488
Rio Grande do Norte	96.898	15.648	95.721	207.985	9.970	7.725	267.474	472.962	143.899	1.175.855	25.909	12.686	1.262.541
Rio Grande do Sul	641.031	214.963	451.497	1.307.791	57.931	43.139	28.522	255.532	179.529	463.939	46.316	8.791	518.047
Santa Catarina	226.670	41.708	221.815	490.593	25.341	10.917	456.401	940.628	1.414.907	2.710.346	288.914	70.260	3.040.569
São Paulo	1.863.393	855.051	441.760	2.955.444	65.589	101.670	42.377	45.866	40.193	88.059	4.532	2.281	93.866
Sergipe	42.377	2.644	42.345	90.566	2.276	2.824	5.074	6.896	373	12.343	916	217	13.307
Território do Acre	3.496	703	4.530	10.619	233	459	1.165	5.188	620	6.795	443	116	7.379
Território do Amapá	2.845	155	3.971	6.971	189	169	557	1.614	1.114	3.974	190	127	4.291
Território do Rio Branco	1.006	93	2.597	4.061	103	137	1.816	1.644	1.114	3.974	190	127	4.291
Território de Rondônia	1.240	2.301	1.741	5.282	149	162	2.128	2.096	754	4.978	432	137	5.556
TOTAL	5.536.425	2.196.796	3.846.828	11.579.167	435.391	473.896	2.137.382	4.547.810	4.257.719	10.922.911	1.306.860	388.376	12.686.364

Secretaria do Tribunal Superior Eleitoral, Brasília, em 13 de Janeiro de 1961. — Confere: *Hilda de Almeida Carneiro*. — Visto: *Geraldo da Costa Manso* Diretor-Geral.

ELEIÇÕES PRESIDENCIAIS

POPULAÇÃO, ELEITORADO E VOTANTE

QUADRO I

CIRCUNSCRIÇÕES	POPULAÇÃO EM 1960	ELEITORADO		COMPARECIMENTO	
		NÚMEROS ABSOLUTOS	% SÔBRE A POPULAÇÃO	NÚMEROS ABSOLUTOS	% SÔBRE O ELEITORADO
Alagoas	1.269.000	154.621	12,28	123.976	80,18
Amazonas	636.000	91.929	14,68	63.462	69,25
Bahia	5.987.000	943.317	15,75	584.878	62,00
Brasília	—	23.564	—	21.842	92,69
Ceará	3.490.000	668.703	19,16	436.124	65,22
Espírito Santo	992.000	238.056	23,99	194.509	82,75
Goiás	* 1.798.000	407.667	22,67	318.280	78,07
Guanabara	3.220.000	1.099.490	34,14	1.000.388	90,98
Maranhão	2.839.000	384.327	13,85	235.049	6 ,16
Mato Grosso	660.000	203.984	31,39	165.077	76,61
Minas Gerais	8.886.000	2.161.283	24,20	1.728.456	80,54
Pará	1.371.000	324.511	23,66	232.632	71,69
Paraíba	2.070.000	353.871	17,07	286.312	81,02
Paraná	3.701.000	855.418	23,92	725.609	81,72
Pernambuco	4.997.000	676.179	16,69	483.606	71,62
Piauí	1.345.000	244.262	16,19	132.333	54,17
Rio de Janeiro	2.855.000	827.358	28,86	686.872	83,03
Rio Grande do Norte	1.228.000	278.057	22,70	225.588	81,12
Rio Grande do Sul	5.244.000	1.405.510	26,87	1.255.451	89,65
Santa Catarina	2.076.000	581.358	28,00	524.047	90,14
São Paulo	11.672.000	3.412.611	29,23	3.040.609	89,10
Sergipe	768.000	150.095	19,54	95.666	63,74
Território do Acre	166.000	14.941	9,00	11.357	76,01
Território do Amapá	65.000	7.876	11,93	7.279	92,43
Território do Rio Branco	27.000	6.096	21,09	4.591	75,31
Território de Rondônia	65.000	8.339	12,82	5.696	67,09
TOTAL	** 66.302.000	15.543.332	23,44	12.586.354	80,97

* — Inclusive Brasília.

** — Inclusive dados relativos à região da Serra dos Aimorés e Território de Fernando de Noronha.

ZONAS EXISTENTES E SEÇÕES INSTALADAS NAS DIVERSAS CIRCUNSCRIÇÕES

QUADRO II

CIRCUNSCRIÇÕES	NÚMERO DE ZONAS	SEÇÕES			
		ORGANIZADAS	FUNCIONARAM	NÃO FUNCIONARAM	ANULADAS
Alagoas	39	626	626	—	3
Amazonas	21	360	355	5	16
Bahia	116	3.479	3.475	4	8
Brasília	26	120	120	—	—
Ceará	83	2.438	2.435	3	4
Espírito Santo	33	1.035	1.035	—	—
Goiás	82	1.584	1.583	1	5
Guanabara	15	2.948	2.948	—	10
Maranhão	61	1.885	1.863	22	28
Mato Grosso	26	853	853	—	3
Minas Gerais	278	7.970	7.970	—	—
Pará	35	1.376	1.369	7	—
Paraíba	57	1.346	1.346	—	3
Paraná	86	3.895	3.895	—	—
Pernambuco	111	2.564	2.564	—	1
Piauí	46	995	992	1	2
Rio de Janeiro	65	2.954	2.954	—	—
Rio Grande do Norte	42	1.008	1.008	—	1
Rio Grande do Sul	92	6.429	6.429	—	4
Santa Catarina	47	2.612	2.608	4	1
São Paulo	176	11.369	11.369	—	—
Sergipe	27	857	857	—	1
Território do Acre	7	54	54	—	—
Território do Amapá	4	22	22	—	—
Território do Rio Branco	2	49	49	—	—
Território de Rondônia	2	25	25	—	—
TOTAL	1.669	68.241	68.194	47	90

AKA

Enclosure
Despatch 770
Brasilia Office
3-30-62

TRIBUNAL SUPERIOR ELEITORAL

ESTATÍSTICA DAS ELEIÇÕES DE 1960

—Presidente e Vice-Presidente da República
—Governadores e Vice-Governadores

(*Separata do Boletim Eleitoral n.º 120*)

DEPARTAMENTO DE IMPRENSA NACIONAL
1961

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The Embassy will, of course, comment in detail on some of the relevant aspects of this data in its despatch on the forthcoming 1962 elections which now is in preparation.

For the Chargé d'Affaires a.i.:

Harry A. Quinn
Second Secretary of Embassy

APPROVED:

Philip Raine
Counselor of Embassy
for Political Affairs

Enclosure:

Enc with desp

Official Report on the 1960 Presidential and Gubernatorial Elections.

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

0964

AIR POUCH — CONFIDENTIAL
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FOREIGN SERVICE DESPATCH

FROM : Amembassy BRASILIA Office — 770 NO.

TO : THE DEPARTMENT OF STATE, WASHINGTON. — March 30, 1962 DATE

MAR 31 1962

REF :

22 For Dept. Use Only	ACTION	INFO	DEPT	RM/R	REP	AF	ARA	EUR	FE	NEA	CU	INR	DEPARTMENT OF STATE BUREAU OF INTERAMERICAN AFFAIRS	ICA
	ARA-4*			2								5	APR 5 1962	
			OTHER	AGR	COM	FRB	INT	LAB	TAR	TR	XMB			
	REC'D 4/3			AIR 3	ARMY 5	CIA 10	NAVY 3	OSD 3	OCB	USIA	NSA 3			

file no action
E.S.B. Jwwy 12-62

SUBJECT: The 1960 Presidential Elections: Official Results

Enclosed is the preliminary official report on the 1960 presidential and gubernatorial elections, copies of which were recently given to Embassy officers by officials of the Superior Electoral Tribunal. As the Department will note, this is not the extremely detailed and lengthy final report of election results which the Tribunal has provided in the past (which, according to officials of the Tribunal, will be ready within several weeks). Nonetheless, the present document does appear to contain all the information vital to a detailed analysis of the 1960 election results.

The Embassy is of the opinion that it would be superfluous to analyze these results in this despatch, inasmuch as these statistics by and large merely confirm the conclusions which the Embassy has already drawn from preliminary data and reported some time ago--either in separate despatches or in the "Weeks".

Nonetheless, it would appear to be worthwhile to note the following facts which the report contains:

(1) The 38 percent increase in Brazilian voters between 1955 and 1960.

(2) The fact that the huge (5,636,623) vote received by Janio Quadros in 1960, though it was by far the largest numerical endorsement ever received by a presidential candidate, did not represent an absolute majority of the votes cast--a feat achieved under the present regime only by Eurico Dutra in 1945. --Indeed, Quadros' percentage of the votes cast was also bested by Getulio Vargas in 1950. (Table IX).

HaQuinn:jw — 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 RM/R

0963

furnish the necessary information for putting into operation the "Rio Grande do Sul Agrarian Reform Institute". Secretary Obino has stated that this survey will prove that miserable living conditions exist in the interior of the State.

Due to a lack of adequate funds, Secretary of Agriculture João Caruso is of the opinion that no more than 12 settlement projects for landless farmers can be completed during Governor Brizola's remaining term of duty, which expires next January 31. Secretary Caruso has announced that 4 projects are slated for early completion, including the "Banhado do Colégio" in Itapoã; "Sarandi Farm" in Nonoai; "Pangaré Farm", "donated" by Governor Brizola in Palmares; and the land "donated" by President Goulart in São Luiz Gonzaga.

The circumstances which made the above farm lands available for landless farmers have been reported in previous despatches.

Hyman Bloom
American Consul

cc.: Amembassy Rio
Counselor for Consular Affairs, Rio
Counselor for Political Affairs, Brasília
Officer in Charge-Brazil Desk, Washington

0962

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732.11

FOREIGN SERVICE DESPATCH

FROM : Amconsulate PÔRTO ALEGRE — 72 NO.

TO : THE DEPARTMENT OF STATE, WASHINGTON. — March 30, 1962 DATE

REF : Consulate's despatch No. 58, March 12, 1962

AID-1

55 For Dept. Use Only	ACTION	ARA-4	INFO DEPT	RM/R 2	REP 1	AF	ARA	EUR	FE	NEA	CU	INR 5	E	P	IO	ICA
			OTHER	AGR 10	COM 10	FRB	INT 7	LAB	TAR	TR	XMB					
	REC'D 4/5			AIR	ARMY 5	CIA 9	NAVY 3	OSD 3	OCB	USIA 8	NSC 3					

SUBJECT: Governor Brizola Announces Plan to Expedite Agrarian Reform

In connection with the plan of Governor and Mrs. Brizola to sell 1,000 hectares, or 40 percent of the total area comprising their estate, "Fazenda Pangaré" at Palmares, the Consulate reports additional developments on this and other agrarian reform measures which have appeared in the local press.

In the area of "Fazenda Pangaré" there is a farmers' association named "Bacopari". In accordance with recommendations made by the Executive Group for Agrarian Reform, Governor Brizola has now authorized this association to take over the above land and start the settlement of an agricultural community. This community is planned to consist of 25 families, each family to privately own 1 hectare for raising poultry and hogs, and 2.3 hectares for planting corn, black beans and rice. In addition, there will be an area for collective use, consisting of 25x35.7 hectares, adequate for planting rice and raising dairy cattle. This additional area will be divided into three parts, one-third of which will be planted to rice and two-thirds for raising dairy cattle and work animals.

The expenses to be incurred by the pilot plan are expected to amount to Cr$24,721,000.00 per year (about Cr$830,000.00 per family). Returns are estimated at Cr$1,300,000.00 per family, not including the vegetable garden, poultry and eggs. Each family will thus have a net income of over Cr$400,000.00 per year. It is also planned to have facilities such as cooperatives, groceries, medical assistance, schools, churches and water works.

The Secretary of Finance Gabriel Obino has been directed to prepare a survey to determine the number of landless farmers in Rio Grande do Sul, so that the State's pilot plan for agrarian reform can get under way. This survey, it is expected, will

HBloom/AJkirchhof/zms — UNCLASSIFIED

REPORTER

FORM 6-61 FS-439

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ACTION ASSIGNED TO	ACTION TAKEN	
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0961

~~ARA~~
RMR

April 10, 1962

Dear Boggy:

Thank you for your letter of March 29, 1962 enclosing the letter from your friend concerning the current situation in Brazil.

I have read the letter with interest and I have passed it on to our people on the Brazil Desk for their information.

Thank you again for bringing this to our attention. With warmest personal regards,

Sincerely,

Edwin M. Martin
Assistant Secretary

FW 732.00/3-2962

Mr. H. A. Bogdan,
H. A. Bogdan & Co., Inc.,
63 Wall Street,
New York 5, New York

ARA:EST/B:GMSutton:sec 4/6/62

0960

Owing, specially, to the increased wages and, if you want, also as a consequence of inflation, the workers and lower classes have now a much greater purchasing power, and therefore there is an enormous increase in the demand of everything. Not only food, cloths, etc., but also all kind of industrial products. - Regarding food the internal consumption of meat has increased considerably and also the consumption of all other articles, some of which can even be considered as luxurious.

Thus, you know, provided that there is some support which could give Brazil some exchange stability, I think that there is no reason at all to fear any radical change in our progress. - This has a great political influence because, if all industries and business are in progress, there is but a reduced chance to have troubles. - For this reason, I think the U. S. Government should go all out for Goulart.

If we can succeed to have a stabilization of exchange, other stabilizations would follow: wages, etc., and thus the working classes would have an adequate remuneration which, no doubt, would be the basis of social peace.

The above is my feeling today. You will ask why I say today. It is because we will have general elections in October, for 100% of the Chamber, 2/3 of the Senate and eleven State Governments, amongst them some quite important ones, as: Sao Paulo, Rio Grande do Sul, Pernambuco, State of Rio and Baia.-

Therefore, If Goulart is successful in the U. S. States and continues his efforts in the right direction, this will be of enormous influence in the elections and will encourage the conservative classes who, for the first time, are collaborating in some "movements", in order to exercise influence in the future elections in the conservative direction.

I think the above covers a great deal of your questions.

Sincerely yours,

- The Armed Forces, no doubt, are very well inspired and they will support the legal Government. - They are giving a large credit of confidence to Goulart.
- So, as long as Goulart keeps himself as he is today, moving more to the center and abandoning the left, he certainly will have the entire support of the Armed Forces. - One cannot speak of a conflict between Goulart and Quadros; in this respect Quadros is absolutely out of the game.

(5) Do you think that the United States Government should go all out for Goulart when he arrives in this country, or should we be very cautious, with the idea that we may wish or may have to, switch horses in the near future?

- I think U. S. should give all support to Goulart.
- You will be surprised that I am saying this, but I am doing no more than transcribing here my feelings. I see with pleasure that Goulart is moving to the right or at least to the center and trying to do now things which the country needs. Therefore, I am giving him a great credit of confidence, and I am not fearing to have to switch horses in the near future.

(6) If there is a chance of Goulart remaining in power for sometime to come, do you think that he will be able to adopt and carry through an effective anti-inflationary program --- and when I say anti-inflationary you know, of course, that I do not mean a program which will bring on a recession and unemployment and a shrinkage of production, but a program designed to bring to a halt the continuous spiral of inflation and the cost of living and thus the mounting imbalance of social justice?.-

- To the first part of the above question I would reply: Yes.- I think Goulart has all possibility to remain in power until his time finishes. - About the possibility of his carrying through an effective anti-inflationary program, I would tell you that this is not at all his intention or the intention of anyone in the Government. - The intention is to adopt measures enabling the Government to gradually reduce the inflation and that - in my opinion - is the right thing to be done. This would not affect the internal business which needs to be developed. You know that I always - in every place where I am - call the attention to the peculiar position of Brazil, with her tremendous need of development. I regret that my English is not strong enough to make my thoughts quite clear to you, but I will try.-

March 23, 1962

Mr. N. A. Bogdan
N. A. Bogdan & Co., Inc.
63 Wall Street
New York 5, N.Y.
U.S.A.

My dear Boggy:

I just received your letter of March 19th and I will try to reply to your different questions to the best of my today's opinion. I say today's because this year is a year which will be a test for the political situation of Brazil.

Therefore, you will have to consider my replies more as a guess than an opinion, at least for some of the questions.

(1) Do you think that Quadros is likely to become a political factor of determining influence?

(a) Quadros had a much cooler reception in Santos than he and his partners expected;

(b) His speech all over the country by television and radio was a failure. The results were, doubtless, negative; even his partners agreed to this. - In spite of that some people think he has a chance, should he present himself as a candidate for the presidency of the State of Sao Paulo. - I, personally, do not agree.

(2) Do you feel he will seek power the constitutional way, i.e. by trying to be elected to the Senate and then to a Governorship, etc.?

- Maybe that, instead of trying to be elected for the presidency of Sao Paulo, he will be a candidate for the Senate.

(3) Or do you think that he may try to get in by force?

- Not at all. He has not a remote possibility in this direction.

(4) Where do you feel the Armed Forces of Brazil stand now, particularly with respect to possible open rivalry and conflict between Goulart and Quadros?

0957

N. A. BOGDAN & CO., INC.
63 WALL STREET
NEW YORK 5, N.Y.

TELEPHONE
HANOVER 5-6150

CABLES:
NABOGDAN

March 29, 1962

Dear Ed:

I have just received a letter from one of my oldest friends in Brazil in response to a few questions I threw at him on the general political outlook in Brazil. This man is one of the leading industrialists of Brazil whose mature judgment on political and economic matters I have always respected and followed for well over 20 years.

I am taking the liberty of sending you herewith a copy of his letter in the hope that it may be of some interest to you.

Sincerely yours,

The Hon. Edwin M. Martin
Assistant Secretary of State for Latin America
Department of State
Washington
D.C.

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microfilmed by RMJR

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The local press proclaimed Juscelino Kubitschek "statesman of the year" as a result of his lecture campaign in the United States. His insistence that "the democratic conscience of Brazil would not permit it to accept extreme right or left" was well received by the press. Similar statements by Ambassador Roberto Campos found their way on to the front pages of Jornal do Commercio. Adolf Berle's declaration that the "Inter-American system should protect the right of self-determination of the smaller nations and provide social and economic assistance was prominently and similarly hailed. (UNCLASSIFIED)

In a scathing editorial, the Diario de Pernambuco sharply rebuked Padre Wanderley Simoes for his defiance of the "Bishop's Declaration," which had instructed Catholics not to vote for Communists, and had prohibited members of the clergy from running for office. The Diario commented that Padre Simoes had "neither understood nor obeyed /the declaration/ and was disposed to contribute to the election of Miguel Arraes with his vote as well as by open campaigning." Other comment on the declaration lauded the bishops and was unanimously critical of Padre Simoes. On the candidacy of Arraes, the Diario stated that although Arraes had never publicly declared himself a Communist, his entire political career was proof of his Communist sympathies. (UNCLASSIFIED)

Eugene Delgado-Arias
Consul General

Contributors:

L. C. Kilday
W. S. Smith
D. Elleby

0955

It seems probable that these prohibitions, at least in part, represent a belief on the part of the Church hierarchy that abstention from partisan politics and electoral campaigns by members of the clergy will, in the long run, enable the Church to use its prestige and influence to greater effect. (OFFICIAL USE ONLY)

4. Number of Federal Deputies Increased.

Three states in this consular district will enjoy increases in their representation in the federal Chamber of Deputies as a result of reapportionment due to population increases revealed by the 1960 census. An announcement this week indicated that the number of federal deputies for Pernambuco will be increased from 22 to 24, the number for Ceará from 18 to 21, and for Paraíba from 11 to 13. The number for Alagoas will remain at 9 and for Rio Grande do Norte at 7. (UNCLASSIFIED)

5. New German Consul Arrives.

Horst Pommerening, newly-assigned Consul of the Federal Republic of Germany, arrived in Recife this week from Belo Horizonte, his last duty station. Pommerening is a career consul. It is not known whether Pommerening will be named Consul General when the German Consulate is elevated in rank to a Consulate General, an action expected in the near future. (UNCLASSIFIED)

ECONOMIC

1. Efforts to Relieve Food Shortages and Control Prices.

The economic situation in the Northeast remained virtually unchanged this week. Staple foods such as rice, beans, and dried beef are still scarce, prices continue to increase, and inflationary practices on the part of speculators have continued. Shipments of food arranged through SUDENE, various other federal agencies, state governments and American assistance agencies have not yet arrived in sufficient quantities to appreciably alter existing conditions. The March 23 edition of Jornal do Commercio reported also that in addition to food shipments the Federal Government was giving serious consideration to freezing prices of staple foods in the Northeast in order to curb speculation. (UNCLASSIFIED)

Comment: A price freeze unaccompanied by solution of the basic problem of food shortages would probably have the effect of driving all staple foods off the shelves and onto the black market, thus compounding and aggravating the situation rather than easing it. Efforts aimed at dumping large quantities of food on the market at prices low enough to undercut the speculators would be far more effective. (OFFICIAL USE ONLY)

PSYCHOLOGICAL

The great issue focused on in the press of the Northeast, from Rio Grande do Norte to Alagoas, was the "alarming situation provoked by the rising cost of living." "It's no longer deprivation, it's hunger" stated João Pessoa's Correio da Paraíba, while arriving shipments of foods gave rise to headlines in João Pessoa's A União. The Recife Communist news organ A Hora hit the "decrease in production, disorganization of distribution and, worst of all, criminal speculation."

GPO 902867

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and dental assistance, technical advice to rural workers, and other social welfare services. IBAD apparently also plans to use radio and television programs and motion pictures to spread its message to the state's voters. IBAD's goal, as expressed by Director General F. Osório Filho, is the creation in Pernambuco "of a climate of order and progress in which Brazilian democracy might be strengthened in order to permanently oppose totalitarianism." (UNCLASSIFIED)

Comment: IBAD, apparently active for some time in Brazil, is not well known in Pernambuco or to the Consulate General. If IBAD carries on a program of the dimensions indicated it could be of influence in the coming elections. When the Consulate General is able to obtain reliable information regarding IBAD's political orientation and source of financial support, an evaluation of its potential effectiveness will be submitted. (OFFICIAL USE ONLY)

2. Electoral Campaign.

This week passed without clarifying developments in the Pernambuco gubernatorial race. For the first time since his candidacy was announced in December, João Cleofas (UDN) was rumored to be suffering doubts as to his ability to win the election, and seriously considering the advisability of renouncing his candidacy in favor of some compromise candidate of the UDN and the PSD. Although such rumors persisted, Cleofas himself continued to act like a candidate, journeying to São Paulo to confer with Janio Quadros in a bid for Quadros support.

The candidacy of Recife Mayor Miguel Arraes, on the other hand, appeared to be somewhat more definite, as Arraes and the Partido Socialista Trabalhista, the only party to support Arraes publicly so far, rejected overtures from other opposition parties to discuss the possibility of selecting some other person as the candidate of the opposition. Meanwhile, reports from the interior indicated that Arraes was picking up strength as a result of his recent swing "downstate." In several cities Arraes has been able to erect photo exhibits which convincingly portray the progress effected in Recife during his administration. And the city of Palmares agreed to set up a basic mass education program under the supervision of Recife's Movimento de Cultura Popular, considered to be one of Arraes' most effective instruments in drumming up popular support, and suspected of strong Communist penetration. (OFFICIAL USE ONLY)

3. Archbishop of Ceará Prohibits Priests from Running for Office.

Dom Antonio Lustosa, Archbishop of Ceará, following the example of the Pernambuco Bishops, this week issued a declaration prohibiting priests in his diocese from seeking electoral office they do not now hold. The prohibition was popularly interpreted to be aimed at Father Archimedes Bueva, who had been rumored as a probable candidate for Vice Mayor of Fortaleza on the ticket of mayoralty candidate Moura Beleza, now President of the Banker's Union. (UNCLASSIFIED)

Comment: The withdrawal of the Catholic clergy from active and direct participation in Brazilian politics seems to be one of the healthy trends emerging from the current political situation. Members of the clergy have now been prohibited from running for elective office in Pernambuco, Ceará, and Rio de Janeiro.

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FOREIGN SERVICE DESPATCH

FROM AmConGen RECIFE

168 NO.

TO : THE DEPARTMENT OF STATE, WASHINGTON.

March 28, 1962 DATE

REF :

22 For Dept. Use Only	ACTION ARA-4	INFO	DEPT	RM/R 2	REP	AF	ARA	EUR 3	FE	NEA	CU	INR 5	E	P	IO	ICA
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SUBJECT: Weekly Summary No. 6

APR 25 1962

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EST/B JWW 4-27-62

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5. New German Consul Arrives.

ECONOMIC
1. Efforts to Relieve Food Shortages and Control Prices.

PSYCHOLOGICAL

POLITICAL

1. Ação Democratica in Pernambuco.

The Instituto Brasiliero de Ação Democratica (IBAD) announced this week that it would expand and intensify its activities in Pernambuco, using all means at its disposal to help elect democratic, anti-Communist candidates in the October elections. According to a half-page ad in the Sunday press, the Instituto has already installed "democratic action" centers in Recife, Jaboatão, and Vitoria de Santo Antão, and plans to construct additional centers in other towns throughout the state. Each center is to provide free medical and dental

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Department pass: Amconsulates Belem, Belo Horizonte, Curitiba, Porto Alegre

See last page/rps

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Number corrected in RM/AN per WIROM 330 from Recife

FORM 6-61 FS-439 REPORTER 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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on the part of the US because this modesty is misinterpreted by the Brazilian people who hear only Communist propaganda against the US.

(b) Lacerda thinks the US does not always distinguish clearly between its real friends and those who only pretend friendship. Lacerda did not elaborate, but we had the impression Lacerda in this regard was thinking primarily of himself.

(3) Janio Quadros: According to Lacerda, Quadros resigned in order to get around the increasingly hostile opposition. He thought in so doing, he would immediately be returned to office but with virtually dictatorial power. Lacerda said he was impressed by the very moderate reception Quadros received on his return to Brazil and more particularly by the general apathy towards his nation-wide TV broadcast several weeks ago. He thought Quadros would nonetheless try a comeback probably starting with running for the governorship of São Paolo.

(4) President Goulart: Lacerda thought Goulart had done far better than anyone could have expected. But he attributed this measure of success more to Goulart having surrounded himself with intelligent and able people rather than as a reflection of his own intelligence. Lacerda said he never sees Goulart and clearly does not regard him highly.

Comment: We have in the past found Lacerda's appraisal of the Brazilian scene for the most part accurate. We feel his judgment is somewhat hampered, however, by his blind personal ambition and constant warring with anyone holding the Presidency--the one office he clearly feels can be effectively held only by himself.

STEVENSON

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OSD 16	USIA	NSA 3

20 DEPARTMENT OF STATE

AIRGRAM

(Department and Foreign Service)

732.111/3-2862
XR 033.3211
XR 732.00

A-252 CONFIDENTIAL

TO : Department of State

FROM : USUN DATE: March 28, 1962

SUBJECT: Brazil

REF :

Carlos Lacerda (Governor, Guanabara, Brazil) breakfasted with Ambassador Stevenson last week. During broad tour d'horizon, the following points were covered:

(1) Foreign Minister ~~Santiago~~ San Tiago Dantas: According to Lacerda, Dantas is not anti-US per se. Rather, he "despises" the democratic system, thinking it cumbersome and therefore inadequate to meet the needs of Latin American countries. Lacerda pointed out that Dantas was one of the first line intellectual leaders of the Green Shirt movement in Brazil in the early nineteen thirties. Lacerda described Dantas as very intelligent but handicapped by a deep conviction in his own intellectual superiority. Lacerda does not consider Dantas pro-Communist either, but said he admires the efficiency of the totalitarian system. Lacerda believes Dantas is firmly convinced that the democratic system is on the way out; therefore, he hopes to cast Brazil's lot with the wave of the future (USSR) rather than with "~~Caesar's~~ Rome" (US).

(2) US attitudes towards Latin America: (a) Lacerda believes the Communists have been making very effective use of accusations of imperialism against the US. As a result, Lacerda feels the US becomes too timid and inhibited in its reactions to these accusations. He believes the US should meet the charge more squarely and trumpet far and wide what the US has done and is doing in and for Brazil. In this regard, Lacerda had highest praise for Ambassador Gordon, who, Lacerda said, is most effective in countering Communist propagandists. In effect, Lacerda believes this is not the time for modesty /on the

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Drafted by: CGParker:sr 3/28/62 Contents and Classification Approved by:

Clearances: POLSEC COUNS (in) Amb. Stevenson

0950

"idealistic concept" of foreign relations, "that recognizes the pacifist-sentiment of the Brazilians and the inescapable need for economic progress."

However, the situation in neighboring Argentina was the leading item for news and editorials. Papers noted the contrast in handling the recent political crises in Brazil and Argentina, the Brazilian solution being described as evidence of political maturity -- as democratic processes failed in Argentina. Ultima Hora rejoiced at Frondizi's problems (saying they were caused by the breaking of diplomatic relations with Cuba and by letting private firms exploit Argentina's oil), but other papers worried about the prospects. Said Folha de São Paulo: "The Peronist victory is a serious warning: Democracy is in danger in Latin America. The (Argentine) nation longs for the Dictator's return." Commented O Estado the military shoulda't cancel election results: "We understand their concern, but nonetheless we regret their mistake."

Peace in Algeria was greeted by all papers, which also recognized that real truce has a long way to go yet. O Estado hoped de Gaulle's decision will make prevail in Algeria "common sense and the instinct for survival." Cease-fire in Algeria, said Folha, "is the end of a nightmare."

A lot continued to be written about former President Quadros, proving his significance in Brazil's politics. Critics -- ranging from O Estado to Diarios to Correio Paulistano to Ultima Hora -- repeated their dissatisfaction with Janio Quadros' TV appearance. Only exception: A Hora, who is said to be financed by Janistas.

The Diarios began a "vigorous campaign for 'Free Enterprise'," in the style of previous campaigns. Ultima Hora's leftist Wilson Rahal, without mentioning Diarios, ironically commented: "Capitalism is very good, indeed, for... capitalists."

Daniel M. Braddock
Minister Consul General

Contributors:
DCProper
JLiebof
SHendsch

Distribution:
INS/RAR, Amembassy Rio 3, Amembassy Brasilia 2, Amcongen Recife, Amconsulates Belem, Belo Horizonte, Curitiba, Porto Alegre, Salvador, Santos.

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Comment: This violent infighting is only a preview of the Carvalho Pinto/Janio Quadros battle which it portends. Few administration parties are in a position to avoid damages. So far the Janistas are suffering most of them, but election is a long way off. (LIMITED OFFICIAL USE)

3. Democratic Labor Meeting Supports Alliance for Progress

The Democratic Union Movement (Movimento Sindical Democrático - MSD) held its Second Regional Convention on March 25 at Aparecida do Norte. A motion of support for the Carvalho Pinto administration (implying also support for José Bonifacio Coutinho Nogueira's gubernatorial candidacy) approved at the MSD First Regional Convention at São José do Rio Preto a month earlier (see São Paulo Despatch No. 221 of March 16, 1962) was ratified. Other resolutions approved (all unanimously) included 1) "reaffirmation of the democratic workers' determination to maintain their affiliation with ORIT and ICFTU...and acknowledgement of the contribution to the formation of the Alliance for Progress by the workers of the hemisphere"; and 2) a request that President Goulart during his visit to the U.S. "deliver a message of solidarity and support of the democratic Brazilian labor leaders and workers to their brothers, the American workers, and to the AFL-CIO, and express the Brazilian workers' unlimited confidence that the Alliance for Progress...will stimulate and consolidate the democratic unity of the Americas." (UNCLASSIFIED)

Comment: Labor Minister André FRANCO MONTORO had promised to attend but did not appear. Representatives of the São Paulo State Secretary of Labor were present. The Labor Officer is informed that the State Government participated actively in the preparations and financing of the convention, which further strengthened the public identification of the MSD with the Carvalho Pinto-José Bonifacio forces. This increasing political definition has recently caused grumbling within MSD ranks, notably among the important metal worker leaders who were in evidence at the Aparecida meeting. (LIMITED OFFICIAL USE)

PSYCHOLOGICAL

1. Local Press Reaction

Geneva's Disarmament Conference, where Brazil's Foreign Minister San Tiago Dantas took a controversial position, brought reactions ranging from completely favorable to completely unfavorable. To O Estado de São Paulo some "inferiority complex" once again rendered San Tiago Dantas "uncapable of interpreting abroad the real spirit and the true traditions of our (Brazilian) diplomacy." To Ultima Hora it was a proof of Brazil's independence and maturity in international politics. To Correio Paulistano, it was a consequence of Mr. Dantas'

GPO 802567

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The first authoritative statement of Quadros' plans came to the public in a joint press release after he met with São Paulo Governor CARVALHO PINTO on March 25: "...the Governor set forth the reasons which led him to maintain his solidarity with the José Bonifacio (Coutinho NOGUEIRA) candidacy....(On the other hand) Mr. Janio Quadros declared by the same token that he did not see how to excuse himself from the convocation of his name to the São Paulo (gubernatorial) succession by political and popular currents." (OFFICIAL USE ONLY)

Comment: Though he is still hedging his bet, Quadros' statement all but amounts to the portentous break with Carvalho Pinto and a yielding to the temptations of the Governorship (Weekly Summaries 11 and 12). The Governor seems determined not to back down from support of his own candidate. If the former and present Governors continue on collision course, one or the other -- perhaps both and the State as well -- must lose heavily. Quadros' failure to profit from the dramatic March 22 date to announce his candidacy indicates worry that the loser might be himself. (LIMITED OFFICIAL USE)

2. Quadros' Maneuvers Split Christian Democrats

Mr. Quadros' traditional aloofness from political parties obscures the fact that he needs them and must, if he is to be a successful guberatorial candidate, keep the rest of them off the José Bonifacio band wagon. The Republican Party (PR) and National Democratic Union (UDN) are already on it (Weekly Summaries 8 and 10), the Social Democrats (PSD) have their own candidate, the Social Progressive Party (PSP) waits for leader Adhemar de BARROS to make up his mind, and the National Labor Party (PTN) is leaning toward Quadros but split. Key importance obviously attached to a March 25 convention of the Christian Democrats (PDC), the only other first-rank São Paulo party. As the most important member of the administration coalition, it inclined strongly toward José Bonifacio Coutinho Nogueira, but a militant Janista wing led by young Paulo de Tarso (see item 1) agitated it. Tarso is one of the party's outspoken (and ideologically very hazy) leftists. When he could not recruit any party figure of greater prestige, he announced his own candidacy for the governorship, apparently planning to withdraw later in favor of Quadros. Though superficial, his appeal to the PDC to nominate its own candidate was reported to have some initial success at the convention. It was strengthened by his reading of a letter in which Quadros claimed that Governor Carvalho Pinto, in a talk the same morning (item 1), had refused to accept as compromise candidate either Tarso or Antonio de QUEIROZ Filho (national President of the PDC and State Secretary of Finance). Queiros Filho denied ambition for the candidacy and a delegation calling on Carvalho Pinto was told that Quadros, in any case, had misrepresented their conversation. The delegation returned to a calmed convention, which then named Nogueira its candidate by acclamation. Paulo de Tarso is reported to have left the convention and the party. (LIMITED OFFICIAL USE)

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FOREIGN SERVICE DESPATCH

FROM : Amcongen SÃO PAULO — 230 NO.

TO : THE DEPARTMENT OF STATE, WASHINGTON. — March 28, 1962 DATE

REF :

MAR 28 1962

22 For Dept. Use Only	ACTION	ARA-4	INFO	DEPT	RM/R 2	REP 1	AF	ARA	EUR	FE	NEA	CU	INR 5	E 3	P 1	IO	AID 11
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	REC'D 3/30				AIR 3	ARMY 5	CIA 10	NAVY 3	OSD 3	OCB	USIA 8	NSA 3					

SUBJECT: Weekly Summary No. 13

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2. Quadros' Maneuvers Split Christian Democrats
3. Democratic Labor Meeting Supports Alliance for Progress

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1. Local Press Reaction

POLITICAL

1. QUADROS Probable Gubernatorial Candidate

Following ex-President Janio QUADROS' coolly-received March 15 explanation of his resignation, supporters said that he would announce his specific political plans on the twenty-second: the anniversary of his first big São Paulo electoral victory (see Weekly Summary 12). March 22 passed with no announcement. The Janista "staff" reportedly tried to launch a declaration of proposed "basic reforms" in lieu of a speech from its leader, but this too failed to appear. Most of the staff kept insisting, as it had for weeks, that Quadros would be a candidate for the São Paulo gubernatorial election next October. Former State Secretary of Finance Gastão VIDIGAL (Weekly Summary 6) leaked news of an invitation to be Quadros' running mate, to the surprise of three others who also seemed to have been offered the Janista vice-gubernatorial candidacy: staffer José Vicente de FARIA LIMA, current Vice Governor PORFIRIO da PAZ, and Paulo de TARSO Santos, former Mayor of Brasilia.

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See last page/lfw — LIMITED OFFICIAL USE

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ACTION ASSIGNED TO: ARA	ACTION TAKEN: no action		
NAME OF OFFICER & OFFICE SYMBOL: EST/B JWW	DATE OF ACTION: 4-12-62	DIRECTIONS TO RM/R: file	

0946

Pelo Brasil, Pelo Seu Progresso e Pela Felicidade do Seu Povo: Contra a Desordem, a Irresponsabilidade e a Demagogia

O Brasil está sendo minado e corroído pela desordem, pela irresponsabilidade e pela demagogia, a serviço dos que têm interêsse em desmoralizar a democracia e impedir o progresso nacional.

Para enfrentar essas fôrças desagregadoras, convocamos todos os brasileiros, a fim de se empenharem num combate imediato, duro e denodado, animados da convicção inquebrantável de que o Brasil, a despeito de tudo, cresce e progride; e nesta rota há de continuar.

Proclamamos a certeza inabalável de que, dentro dos quadros democráticos, da ordem, da responsabilidade e da decência política, a nação vencerá os obstáculos que lhe buscam criar, com o fito de impedir-lhe o desenvolvimento e que frutifique o esfôrço criador.

Esta não é a hora de apontar responsáveis. Todos terão uma parcela de responsabilidade nas dificuldades e sofrimentos que nos afligem, pela ação maléfica que exerceram, ou exerceem, ou — e aqui se encontrará o maior número — pela omissão, que traduz comodismo e cumplicidade.

Repudiamos a desordem. Não a toleramos como rota dominadora da vida nacional. Não consentiremos que as nossas dificuldades financeiras sejam manejadas como armas políticas, para que a agitação desça às ruas e a subversão triunfe.

Repudiamos a irresponsabilidade, que renega princípios e compromissos a serviço do carreirismo político. O Brasil reclama, imperiosamente, responsabilidade administrativa, rigor no tratamento dos corruptos, seleção de homens de autoridade e capacidade para as funções públicas, acatamento ao sistema legal e eficiência de mecanismo de proteção aos direitos.

Repudiamos a demagogia, que hoje se apresenta consciente, afrontosa e desafiadora, inspirada pela má-fé e pela cobiça política, empenhando-se em envenenar a opinião pública, desestimular o trabalho, aprofundar a inquietação, desorientar os espíritos, aguçar conflitos e incentivar a dissolução das fôrças que devem responder pela sobrevivência do país.

A demagogia acena com objetivos que se resumem na destruição da democracia política, já conquistada pelo povo brasileiro, e do esfôrço honesto que deve ser feito para torná-la também uma democracia econômica e social. Como percebem que o Brasil começa a vencer a etapa do subdesenvolvimento, sob o signo dos princípios cristãos e da liberdade individual, lançam os demagogos a sua ofensiva desesperada, manejando as armas mais espúrias e nefastas para impedir o nosso verdadeiro progresso.

Há uma urgente reforma de base a ser feita no Brasil: consiste em desmascarar a desfaçatez demagógica que se infiltra pela vida nacional. Só simultâneamente com êsse rigoroso trabalho de saneamento, poderão ter sucesso outras reformas básicas, necessárias aos objetivos de definitiva implantação de uma democracia, que se apóie no equilíbrio econômico, para garantir a paz e a justiça social.

Cumpre que cada qual analise, friamente, dia a dia, a matéria publicada, porque esta pode encontrar-se a serviço da subversão; atente, cuidadosamente, nos boatos que são lançados para construir o pânico preparatório da convulsão; reaja, corajosamente, no seu centro de vida, identificando o agitador, pois a segurança nacional é a soma das seguranças individuais; observe o comportamento dos responsáveis pela administração pública e dos membros das casas legislativas, para apontar os que servem aos interêsses do povo e do Brasil e marcar, com a sua condenação, os que se acham a serviço dos seus interêsses subalternos e da desordem.

O Brasil não enfrenta apenas uma crise, cuja gravidade não encontra paralelo na sua história. Vive hora de perigo extremo, em que joga o seu destino e a felicidade do seu povo. Nada poderá salvá-lo da ameaça que se dirige contra o seu futuro se os brasileiros não se dispuserem a lutar para merecer a vitória, com a urgência, a decisão e o vigor que o momento reclama; se os governantes forem incapazes de exemplos de modéstia, sobriedade e sacrifício, e de fidelidade às leis e ao espírito do regime; se os órgãos de informação não se esforçarem para desmascarar o êrro, a impostura, e os agentes da agitação; se os legisladores não se aplicarem com seriedade ao estudo das leis e das reformas necessárias; se as classes armadas não preservarem a sua unidade, sob os princípios da hierarquia e da disciplina.

Cumpre sempre relembrar que o Brasil, no que êle tem de melhor e mais duradouro, foi construído, pelo livre esfôrço e pela capacidade do seu povo, permitindo que êste alcançasse, em certas áreas, em ritmo comparável ao de nações mais ricas, um padrão de vida digno. Os resultados dessa experiência nos transmitem fundadas esperanças sôbre o regime que praticamos, e que tornou possível êsse esfôrço criador. Não duvidamos da nossa capacidade de aperfeiçoar êsse sistema de vida, resolvendo-lhe sempre as reformas indicadas, para que se alcance mais rápidamente o enriquecimento do país e a justiça social; sob o signo da liberdade individual — instrumento insubstituível do trabalho que dignifica o homem.

Nada de milagroso se deve esperar do Estado em si mesmo, como agente econômico. Só dispõe êle dos recursos que o trabalho coletivo produz, para que o Estado possa atender às tarefas que, por sua natureza, escapem à missão ou aos instrumentos da emprêsa privada.

O Brasil não pode ser vencido; nem o será. O Brasil desafia o nosso instinto de conservação, e não merece que o desamparemos. O Brasil deve empenhar-se num esfôrço decisivo, nesta encruzilhada da nossa história. A honra nacional se exprime pela capacidade de um povo de construir o seu próprio destino. A deserção nessa luta será, já agora, um ato de traição à pátria.

Estado do Amazonas

Associação Comercial de Manaus

Estado da Bahia

Associação Comercial da Bahia
Câmara de Vereda da Bolsa de Mercadorias da Bahia
Centro das Indústrias do Estado da Bahia
Federação do Comércio da Bahia
Federação das Indústrias do Estado da Bahia
Sindicato de Laticínios
Sindicato Atacadista de Drogas e Medicamentos da Cidade de Salvador
Sindicato dos Atacadistas de Gêneros Alimentícios de Salvador
Sindicato Atacadista de Jequié
Sindicato dos Bancários de Salvador
Sindicato do Comércio Atacadista da Cidade do Salvador
Sindicato do Comércio Varejista de Combustíveis Minerais
Sindicato do Comércio Varejista de Material Elétrico
Sindicato do Comércio Varejista de São Félix, Cachoeira e Muritiba
Sindicato das Emprêsas de Compra e Venda e da Locação de Imóveis da Cidade de Salvador
Sindicato dos Estabelecimentos Bancários no Estado da Bahia
Sindicato de Fiação e Tecelagem do Estado da Bahia
Sindicato da Indústria do Açúcar no Estado da Bahia
Sindicato da Indústria de Alfaiatarias e Confecção de Roupas e Chapéus para de Senhoras, de Salvador
Sindicato da Indústria de Calçados no Estado da Bahia
Sindicato da Indústria de Cerveja e Bebidas em Geral no Estado da Bahia
Sindicato da Indústria da Construção Civil de Salvador
Sindicato da Indústria de Curtimento de Couros e Peles do Estado da Bahia
Sindicato da Indústria da Extração de Sal no Estado da Bahia
Sindicato das Indústrias de Papel e Papelão, Artefatos e Artes de Papel da Cidade de Salvador
Sindicato das Indústrias de Trigo, Milho, Mandioca, Massas Alimentícias e Biscoitos, de Salvador
Sindicato dos Lojistas da Cidade de Salvador
Sindicato de Material de Construções
Sindicato Nacional da Indústria de Cimento, no Estado da Bahia
Sindicato das Representações Comerciais da Bahia
Sindicato Varejista de Jequié
Sindicato Varejista de Santo Amaro

Estado do Ceará

Associação Cearense de Imprensa (Fortaleza)
Associação Cearense de Imprensa (Crato)
Associação Comercial do Ceará
Associação Comercial do Crato
Associação Comercial do Juazeiro do Norte
Associação dos Empregados no Comércio (Juazeiro do Norte)
Associação dos Empregados no Comércio do Crato
Associação dos Merceeiros (Fortaleza)
Associação Profissional dos Empregados no Comércio do Crato
Associação Rural do Crato
Centro dos Exportadores do Ceará
Centro Industrial do Ceará
Centro dos Retalhistas
Círculo Operário de Trabalhadores de São José (Juazeiro do Norte)
Clube de Diretores Lojistas de Fortaleza
Congregação Mariana (Juazeiro do Norte)
Faculdade de Ciências Econômicas da Associação dos Empregados no Comércio do Crato
Federação das Associações Rurais do Estado do Ceará
Federação dos Centros Operários do Ceará
Federação do Comércio do Ceará
Federação das Congregações Marianas de Arquidiocese de Fortaleza
Federação das Indústrias do Estado do Ceará
Fênix Caixeiral (Fortaleza)
Governo Monsenhor Joviniano Barreto (Juazeiro do Norte)
Instituto Cultural de Cariri (Crato)
Instituto Padre Ambrósio Ahlzeiro do Norte)
Irmandade de Santíssimo Sacramento do Crato
Ordem dos Advogados do Brasil — (quinto do Norte) (Crato)
Sindicato do Comércio Atacadista do Ceará
Sindicato do Comércio Atacadista de Tecidos, Vestuário e Armarinho (Juazeiro do Norte)
Sindicato de Gêneros Alimentícios de Juazeiro do Norte
Sindicato dos Lojistas (Fortaleza)
Sociedade Padre Cícero (Juazeiro do Norte)
Sociedade São Vicente de Paulo (Crato)
União Beneficente Jubalcleense
União dos Clubes Praianos do Ceará
União dos Operários e Trabalhadores (Juazeiro do Norte)

Espírito Santo

Federação do Comércio do Estado do Espírito Santo

Estado de Goiás

Associação Comercial de Anápolis

Estado da Guanabara

Associação Brasileira de Química
Associação dos Bancos do Estado da Guanabara
Associação Brasileira de Indústria Farmacêutica
Associação Comercial do Rio de Janeiro
Associação das Concessionárias de Aparelhos Domésticos Elétricos (ACADE)
Associação dos Diretores de Vendas do Rio de Janeiro
Associação dos Exportadores de Café do Rio de Janeiro
Associação de Medicina Pública do Estado da Guanabara
Câmara Mexicana do Comércio do Brasil
Centro do Comércio do Café do Rio de Janeiro
Centro de Estudos de Seguros e Capitalização
Centro Industrial do Rio de Janeiro
Clube dos Diretores Lojistas do Rio de Janeiro
Confederação Nacional do Comércio
Confederação Nacional de Transportes Terrestres
Confederação Rural Brasileira
Federação dos Acionistas Autônomos do Comércio do Estado da Guanabara
Federação das Associações das Emprêsas de Telecomunicações do Brasil (Telebrasil)
Federação de Comércio Atacadista do Estado da Guanabara
Federação do Comércio Varejista do Estado da Guanabara
Federação das Emprêsas de Transportes Rodoviários do Leste Meridional do Brasil
Federação Interestadual dos Trabalhadores nas Indústrias Químicas e Farmacêuticas do Estado da Guanabara
Federação Nacional do Comércio Varejista de Combustíveis Minerais e Lubrificantes
Federação Nacional dos Despachantes Aduaneiros
Federação Nacional do Grupo de Marujos da Marinha Mercante
Federação Nacional de Hotéis e Similares
Federação dos Trabalhadores nas Indústrias de Construção Mobiliária do Estado da Guanabara
Federação de Turismo e Hospitalidade no Estado da Guanabara
Instituto de Arquitetos do Brasil (Departamento do Guanabara)
Liga de Comércio do Rio de Janeiro
Pontifícia Universidade Católica do Rio de Janeiro
Região Nordeste da Conciliação Internacional do Comércio e Produção (CICYP)
Sindicato dos Cabineiros de Elevador do Rio de Janeiro
Sindicato do Comércio Atacadista de Drogas e Medicamentos do Rio de Janeiro
Sindicato do Comércio Varejista de Carnes Frescas do Estado da Guanabara
Sindicato do Comércio Varejista de Combustíveis Minerais do Estado da Guanabara
Sindicato do Comércio Varejista de Ferragens do Estado da Guanabara
Sindicato do Comércio Varejista de Material Elétrico do Estado da Guanabara
Sindicato do Comércio Varejista de Produtos Farmacêuticos do Estado da Guanabara
Sindicato das Consignatárias e Consignatárias de Gêneros Alimentícios do Estado da Guanabara
Sindicato dos Corretores de Mercadorias do Rio de Janeiro
Sindicato dos Corretores de Navios do Estado da Guanabara
Sindicato dos Empregados em Casas de Diversões, em Emprêsas de Turismo e em Emprêsas de Compra e Venda e de Locação de Imóveis do Estado da Guanabara
Sindicato das Empresas de Garagem do Estado da Guanabara
Sindicato das Indústrias Mecânicas e de Material Elétrico do Estado da Guanabara
Sindicato Atacadista de Tecidos, Vestuário e Armarinho do Estado da Guanabara
Sindicato Atacadista de Louças, Tintas e Ferragens do Estado da Guanabara
Sindicato Atacadista de Manufaturados em Geral do Estado da Guanabara
Sindicato Atacadista de Café do Estado da Guanabara
Sindicato dos Hotéis e Similares do Estado da Guanabara
Sindicato da Indústria de Produtos Farmacêuticos do Estado da Guanabara
Sindicato da Indústria de Torrefação e Moagem de Café do Rio de Janeiro
Sindicato dos Leiloeiros Públicos do Estado da Guanabara
Sindicato dos Lojistas do Comércio do Estado da Guanabara
Sindicato dos Oficiais, Barbeiros, Cabeleireiros e Similares do Rio de Janeiro
Sindicato dos Representantes Comerciais do Rio de Janeiro
Sindicato de Salões de Barbeiros e Cabeleireiros e Similares
Sindicato dos Trabalhadores na Indústria da Construção Civil, Ladrilhos Hidráulicos, Pavadores de Cimento da Estado da Guanabara
Sindicato dos Trabalhadores na Indústria de Artefatos de Borracha do Rio de Janeiro
Sindicato dos Trabalhadores na Indústria de Chapéus, Guarda-Chuvas, Bengalas e de Penas, Bordas e Similares do Rio de Janeiro
Sindicato dos Trabalhadores nas Indústrias de Móveis de Junco e Vime, de Vassouras, de Pincéis, de Fuzeis, de Caixilhos e Estofos do Rio de Janeiro
Sindicato dos Trabalhadores nas Indústrias de Cerâmica para Construção de Cerâmica de Olaria, Cal, Gêsso e de Artefatos de Cimento Armado do Rio de Janeiro
Sindicato dos Trabalhadores nas Indústrias de Fundição, Confecção, Produtos de Cacau e Balas, Torrefação e Moagem de Café do Rio de Janeiro
Sindicato dos Trabalhadores nas Indústrias de Produtos Químicos para Fins Industriais, de Produtos Farmacêuticos, de Perfumarias, de Tintas e Vernizes, de Sabão e Velas, de Resinas Sintéticas, de Adubos e Colas, de Fermentação e Destilação e de Material Plástico, do Estado da Guanabara
Sindicato dos Trabalhadores nas Indústrias de Vidros, Espelhos, Cristais de Louça e Porcelana do Estado da Guanabara
União dos Ferroviários do Brasil
União dos Ferroviários do Estado da Guanabara

Estado do Maranhão

Federação do Comércio
Sindicato do Comércio Atacadista de Gêneros e Medicamentos
Sindicato do Comércio Atacadista de Gêneros Alimentícios
Sindicato do Comércio Varejista do Gêneros Alimentícios
Sindicato do Comércio de Vendedores Ambulantes
Sindicato dos Corretores de Mercadorias e Despachantes
Sindicato dos Empregados do Comércio
Sindicato dos Lojistas

Estado de Minas Gerais

Associação Comercial Industrial e Agropecuária de Uberlândia
Associação Comercial e Industrial de Montes Claros
Associação Comercial de Minas Gerais
Associação Comercial e Industrial de Uberaba
Associação Rural de Montes Claros
Associações das Emprêsas de Telefones municipais do Centro do Brasil (Telecentro)
Centro Industrial de Juiz de Fora
Centro dos Industriais da Cidade Industrial
Clube dos Diretores Lojistas de Belo Horizonte
Conferência de São Vicente de Paulo
Federação do Comércio do Estado de Minas Gerais
Federação das Indústrias do Estado de Minas Gerais
Liga Católica Nossa de Juiz Fora
Ordem dos Advogados do Brasil (seção em Uberaba)
Sindicato dos Bancários
Sindicato do Comércio Atacadista de Gêneros Alimentícios de Belo Horizonte
Sindicato do Comércio Atacadista de Tecidos, Vestuário e Armarinhos de Belo Horizonte
Sindicato da Comércio Varejista de Automóveis e Acessórios de Belo Horizonte
Sindicato do Comércio Varejista de Gêneros Alimentícios de Belo Horizonte
Sindicato do Comércio Varejista de Jaguaçuma, Ferragens e Tintas de Belo Horizonte
Sindicato do Comércio Varejista de Móveis Clumo
Sindicato do Comércio Varejista de Produtos Farmacêuticos de Belo Horizonte
Sindicato do Comércio Varejista de Uberaba
Sindicato do Comércio Varejista de Uberlândia
Sindicato da Construção Civil
Sindicato dos Empregados no Comércio de Uberaba
Sindicato da Indústria de Alfaiataria e Confecções de Roupas de Homem de Belo Horizonte
Sindicato da Indústria de Calçados de Belo Horizonte
Sindicato da Indústria de Calçados de Juiz de Fora
Sindicato da Indústria da Cerâmica para Construção de Belo Horizonte
Sindicato da Indústria de Cerveja e Bebidas em Geral de Belo Horizonte
Sindicato da Indústria do Cimento, Cal e Gêsso de Belo Horizonte
Sindicato da Indústria de Ferro no Estado de Minas Gerais
Sindicato da Indústria de Fiação e Tecelagem de Juiz de Fora
Sindicato da Indústria de Lavanderia

(Continua na página 20)

Observação

Muitas entidades de classe não tiveram oportunidade de assinar êste Manifesto, principalmente as dos pontos mais distantes, por falta de tempo.

Quando a coleta de assinaturas foi encerrada, e os têrmos dêste documento passaram a ser conhecidos, vários delas desejaram manifestar sua adesão. Isto poderá ser feito através de cartas ou telegramas às entidades ou pessoas signatárias dêste Manifesto.

the mission, nor the role of a private enterprise.

Brazil cannot be vanquished and never will be. Brazil challenges our instinct of conservation and does not deserve to be deserted. Brazil must exert a decisive effort at this crossroad of our history. The national honor is expressed by the capacity of a people to build their own destiny. Desertion of this battle will be, as always, an act of treason to the Fatherland.

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There is an urgent basic reform to be made in Brazil, which consists of unmasking the politicial corruption that has infiltrated the national life. Only by simultaneous strict housecleaning, will the other basic reforms be successful, which are necessary for the implementation of a democracy that supports economic stability and which guarantees peace and social justice.

Everyone should analyze, coldly, day by day, the published material which might be dedicated to the service of the subversion; note carefully the rumors that are planted to build up the panic preparatory to an uprising; react, bravely, in their own community by identifying the agitator since national security is the sum of the individual securities; observe the behavior of these responsible for public administration and that of the members of the legislative houses, so as to support the ones that serve the interests of the Brazilian people; brand with their condemnation the ones that are in the service of nefarious interests and of disorder.

Brazil is now facing a crisis, the gravity of which is unparalled in the country's history. It is living in an hour of extreme danger, in which it is gambling with its destiny, and the happiness of its people. Nothing can save Brazil from the threat against its future if Brazilians are not prepared to fight for a victory, with the urgency, the decisiveness and the vigor which the moment calls for; the governing party appears incapable of giving examples of modesty, sobriety, sacrifice and fidelity to the laws and the spirit of the regime; the press does not make an effort to unmask the errors, the frauds and the agitators; the legislators do not apply themselves seriously to the study of the necessary laws and reforms; the military classes do not preserve their unity, according to the principles of chain of command and discipline.

We should always remember that whatever Brazil has of better and long lasting value was constructed by the free courage and capacity of its people., allowing Brazil to reach, in certain areas, a level of the standard of living comparable to richer countries, a heritage of dignified life. The results of this history brings us high hopes for the present system which was made possible by this creative effort. We do not doubt our capacity to perfect this system of life, provided the indicated reforms are introduced in order that we may reach, more rapidly, the enrichment of the country and social justice, beneath the banner of individual liberty - irreplaceable instrument of work which dignifies man.

We must not expect miracles from the State itself as an economic agent. It only disposes of those resources which collective work produces so that the State can attend those tasks which, by their nature, are not

FOR BRAZIL, FOR ITS PROGRESS AND FOR THE HAPPINESS OF ITS PEOPLE:

AGAINST DISORDER, IRRESPONSIBILITY AND DEMAGOGY.

Brazil is being undermined and corrupted by the disorder, irresponsibility and demagogy of those who are interested in demoralizing democracy and stopping National progress.

To face these disunifying forces, we call all Brazilians to immediate combat, backed by the inflexible conviction that Brazil, despite everything, is growing and progressing; we must continue in this direction.

We proclaim with unshakable certainty that along the democratic paths, of order, responsibility and political decency, the nation will overcome the obstacles that seek to prevent its development and the flowering of its creative force.

This is not time to name those responsible. All share a part of the responsibility for the difficulties and sufferings that afflict us because of the crime which has taken place, or now is taking place- and we will find the mayority in this group- is that of omission, which exhibits itself in complicity and convenience.

We repudiate disorder. We can not tolerate it as the dominating note of national life. We will not allow that our financial difficulties be managed as political weapons, in order that agitation descend to the streets and subversion triumph.

We repudiate the irresponsibility that denies principles and makes compromises to further political careers. Brazil demands strongly administrative responsibility, stern treatment of the corrupt, selection of men with authority and capacity for the public functions, respect for the legal system, and efficiency in the mechanism of the protection of rights.

We repudiate the demagogy existing today, outrageous, inspired by the bad faith and political cowardice, interested in poisoning public opinion and disparaging work, creating anxiety, misleading minds, instigating conflicts and provoking the desintegration of the forces on which the survival of the country depends.

This demagogy has as its objectives the elimination of political democracy, already attained by the Brazilian people and the prevention of the honest exertion that must be made to turn it into an economic and social democracy as well. Realizing that Brazil is beginning to conquer its underdevelopment under the sign of the Christian principles and individual freedom, these demagogs have launched a desperate offensive, using the most illegitimate and ominous means to impede our real progress.

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TELEPHONE: WHITEHALL 4-2400

CABLE ADDRESS: LADEVCOM, N. Y.

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EST/B

LATIN AMERICAN DEVELOPMENT COMMITTEE

SUITE 1224 — 72 WALL ST.
NEW YORK 5, N. Y.

P. O. BOX 348
NEW YORK 5, N. Y.

For app hand.

March 27, 1962

Mr. Richard N. Goodwin
Assistant Special Counsel to
the President
Executive Office of the President
White House Office
1600 Pennsylvania Avenue
Washington, D.C.

GS

① please prepare acknowledgement
② was this reported by Cab Rio
③ if not send informally to Rio & request comment.

file reply drafted 4-6-62 OMS Hon

Dear Mr. Goodwin:

Enclosed you will find a photostatic copy, as well as an English translation, of an advertisement which appeared in the principal newspapers of Brazil in January 21st of this year.

As far as I can determine, this advertisement has not been reported in the United States and I believe it is important that it be publicized to correct the distorted impression which current reports on Brazil are giving to the American public.

In my opinion, the attached advertisement is proof that Brazil is full of sound thinking citizens, who disgusted with the demagogy and political opportunism in their country, are ready and anxious to put their efforts toward a more solid and sincere governement.

Unfortunately, most of the newspaper reports from Brazil stress only the chaos in the government and the economy, and the famine conditions in the North East. They do not underline the tremendous progress which Brazil has made industrially and the rapid rise of a strong middle class.

It will be noted that the signers of this advertisement are not limited to any one region or area of the country, but are composed of associations and unions from all of the states.

I believe that it is important that this expression of positive thinking for the betterment of Brazil receives as wide circulation as possible.

Very truly yours,

John T. Smithies

John T. Smithies

JTS:clb
encl.

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Microfilmed by RMJR

732.00/3-2762

FILED
APR 27 1962

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April 10, 1962

Dear Mr. Smithies:

Thank you for your letter of March 27, 1962 regarding a full page advertisement which appeared in Brazilian newspapers in January and which attacked disorder, irresponsibility, and demagogy in Brazil.

The American Embassy at Rio de Janeiro took note of the announcement when it appeared and indicated, as you did, that it was a sign of the resurgence of the middle road in Brazilian politics.

I appreciate your interest and thoughtfulness in bringing this to our attention.

Sincerely yours,

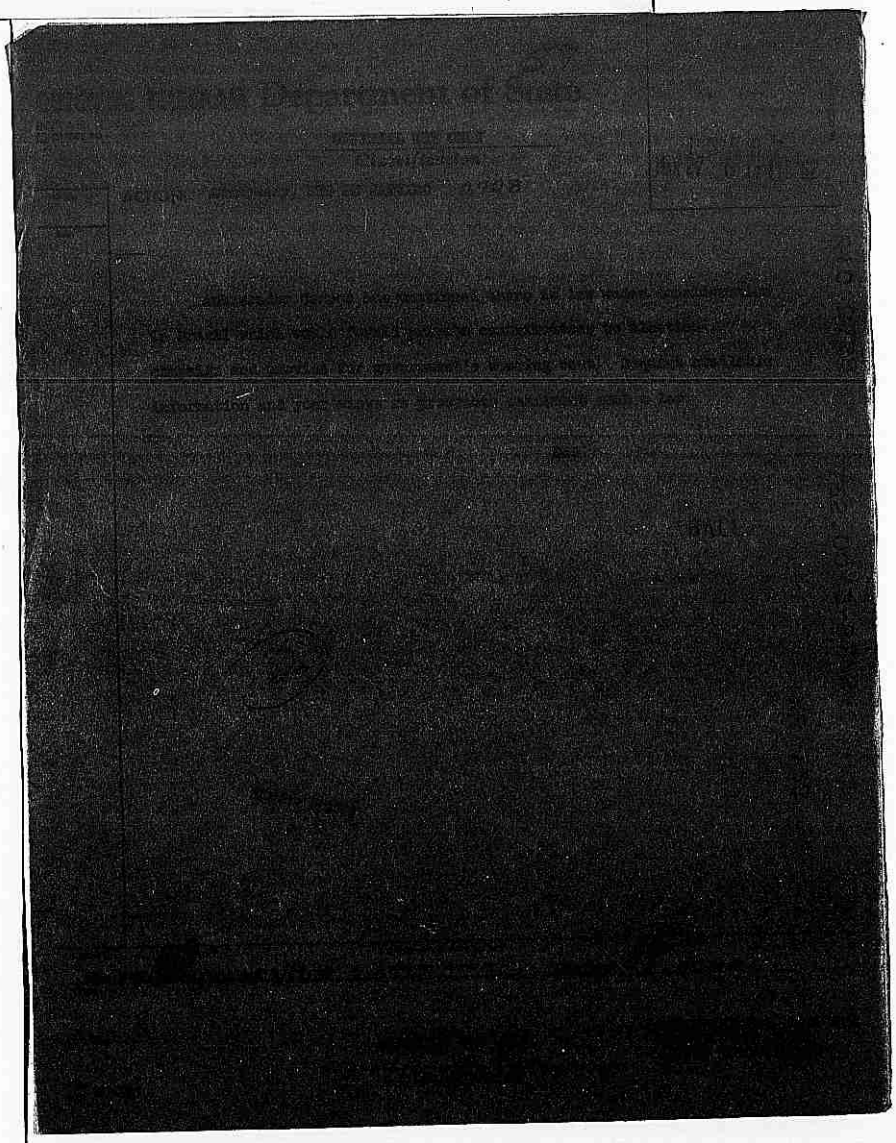
Richard N. Goodwin
Deputy Assistant Secretary
for Inter-American Affairs

Mr. John T. Smithies,
Latin American Development Committee,
Post Office Box 348,
New York 5, New York.

AR:ASST/B:[illegible]:zec 4/6/62

FW 732.00/3-2762

0940



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CONFIDENTIAL

-3- 11, March 27, 3 p.m. (SECTION TWO OF TWO) from Brasilia

relatively well off at moment with future prospects not too dim, because (A) better climate for Communist in government today; (B) probability deteriorating economic conditions; (C) possibility taking advantage confusion anticipated by Quadros revolutionary call for change.

(10) Outlook for Brazil thus in many ways far more optimistic than Embassy had reason to anticipate several months ago. Goulart has proven himself clever politician able and willing win over long-term opposition on basis moderate, responsible-sounding objectives while still claiming loyalty to his popular political base as he did successfully in speech to American business leaders March 23.

I continue have reservations on Communist influence on certain sectors, notably in labor. Also am troubled by administrative weaknesses in major operating programs particularly planning for alliance for progress. However, for better or worse Goulart is proving to be only leader on scene today around whom effective coalition of centrist political forces can form. Present administration has created necessary political stability for solution most pressing basic problems, e.g., economic stabilization, but much of the confidence upon which stability is based would disappear immediately if assistance expected by all Brazilains (not only government) under alliance does not materialize. Such development would almost certainly bring fall of regime with disastrous consequences, least objectionable likely to be military dictatorship.

GORDON

Note: Passed POLAD CINCARIB 3/28/62

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0938

Carvalho Pinto) which held politicos spellbound awaiting his first words on Brazilian soil was broken in a flood of criticism following Quadros' radio-TV March 15 speech. While Quadros assumed a reasonably moderate tone by his and Brazil's standards he apparently convinced great numbers of previous supporters that he had no justifiable reason for resigning and is either temperamentally unsuited for office or was in fact seeking install dictatorship. The problems cited by Quadros in his speech are the same problems the present administration (and previous administrations) has been facing and coping with daily. Quadros has announced candidacy for governorship of Sao Paulo running head on into the plans of highly respected Carvalho Pinto who has now openly broken with him and apparently plans also to carry his message for a revolutionary new (political, judicial, economic) Brazil to the people with immediate objective of electing legislators who would support him in whatever ultimate objectives he may have probably an authoritarian government under a new constitution.

(8) The Quadros opposition (which the administration believes is unlikely to become serious until or if Quadros is in gubernatorial seat in Sao Paulo (now appears will include the leftist, opportunistic, reckless Brazzola and the more cautious but farther leftist and probably more able Miguel Arraes. The effort here will be to take over and revitalize the nationalist liberation front.

(9) Administration continues have support labor (through Goulart's control) and Communist (at least dominant element in presently rather badly split party) still playing low-key cautious role of "reasonable posture". PCB apparently unwilling create problem for regime at present time probably because of fear rightist reaction as well as view that they

0937

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37-M

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Control: 19135
Rec'd: March 28, 1962
1:45 pm

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FROM: Brasilia

TO: Secretary of State

NO: 11, March 27, 3 p.m. (SECTION TWO OF TWO)

PRIORITY

DEPARTMENT PASS POLAD CINCARIB

(6) Virtually all political observers in the country agree that any serious legislation to be passed before October of this year will have to come out of Congress within two months. Such legislation as does come out is likely to be result of heavy pressures from organs of public opinion. Indications are that Congress is aware of low state its standing with public and is prepared to make some serious efforts to legislate. On other hand it would be unrealistic to expect implementation full range administrative proposals because most congressmen concentrating on their fight for political survival and party leadership in Congress weak because (A) dearth effective personalities and (B) diffusion executive power.

(7) It is very near actual state of affairs in Brazil that only serious opposition to administration on horizon is ex-President Janio Quadros. Of national political leaders only Governor of Minas Gerias Magalhaes Pinto (actively opposed to regime) continues unqualified support for Quadros and apparently ex-Navy Minister Heck is prepared to hitch his wagon to Janio's. With exception of far left political leaders noted following, virtually all important political leaders in Brazil either openly or by silence have expressed disappointment in and opposition to the ex-President. The paralyzing fear of Quadros indicated by all but a handful who dared indicate opposition to Quadros before his return (e.g., Juracy Magalhaes,

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0936

CONFIDENTIAL

-3- 11, March 27, 3 p.m. (SECTION ONE OF TWO) from Brasilia

(4) While Prime Minister and cabinet's powers still remain insufficiently defined by failure pass clarifying legislation it is also true that Brazilian genius for adjustment to sometimes apparently unworkable situations shows signs of meeting some of countrys more urgent problems on strictly ad hoc basis. Major offensive from majority PSD to upset cabinet for political purposes petered out leaving both cabinet and President stronger than before. The President almost certainly desires some changes in cabinet in order to gird his own party for forthcoming elections, but any changes likely to come about will be purely political in nature and are not likely as some months ago to bring with them danger in breakdown of regime.

(5) Collateral to foregoing is question of parliamentarian form of government which seems to be making some progress toward consolidation. Congress with its power increased has become tenaciously and strongly parliamentarian and cabinet appears to have similar tastes. Despite continued noises from the most vociferous presidentialists, Juscrlino Kubitschek et al, and President Goulart's inference in his state of nation message to congress that plebiscite on system of government should be held in near future, there is some indication that Goulart may be finding present system more to his liking that anticipated. At least acting Foreign Minister states President no longer as anxious as before to assume full powers since he finds rather appealing present situation of having cabinet and congress bear brunt of criticism for failure action by the administration while his own prestige and support increases.

GORDON

RGD

Note: Passed POLAD CINCARIB 3-28-62.

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0935

CONFIDENTIAL

-2- 11, March 27, 3 p.m. (SECTION ONE OF TWO) from Brasilia

unprecedented succession of expressions of confidence and support obviously sought by administration, seems have had two-pronged objective: (a) preparation for Goulart's visit to US and (b) closing of ranks before Quadros return to Brazil March 7. Support in last six weeks has come from the military (apparently more stable and united than has been the case in many months), industrial associations, at least two directors US Chamber who short time ago were among his severest critics, some church hierarchy, most of press including long anti-Goulart O GLOBO and ESTADO DE SAO PAULO. Even Guanabara Governor Carlos Lacerda's public stance has shifted notably toward more tolerant acceptance of President. Labor, of course, continues even more loyal to President.

(3) As has been reported in considerable detail administration has announced and launched its stabilization program. It is notable that political preparations were carefully made behind scenes and at public meetings of principal party leaders attended by President and Prime Minister at which support pledged for program, important parts of which now presented in generally applauded special message personally delivered, by Prime Minister to Congress. While this is no guarantee that entirety of program will be put into effect in this election year it no question but that the President, Prime Minister, cabinet, Congressional and party leaders are all aware of importance and urgency of problem and fact that administrations survival may well depend on ability to halt rising living costs. Prime Minister himself acknowledges difficulty in getting legislation through Congress but says has good grounds for hoping alternatively for special powers carry out this part of program.

(4) While

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ACTION: ESB

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RM/R FILES file

ara/est/B

Jun 4-11-62

BRASILIA 11

FROM: Brasilia

TO: Secretary of State

NO: 11, March 27, 3 p.m. (SECTION ONE OF TWO)

PRIORITY

DEPARTMENT PASS POLAD CINCARIB

(1) My purpose this message is to call attention prior to arrival of President Goulart in the US, to substantially improved political situation in Brazil since my telegram 1441 December 16, 1961.

(2) From low mark reached near end of last year when political tension was so high as to appear intolerable as result of crisis of confidence which spread through all areas of government and country, present regime has succeeded in establishing status of relative confidence which seemed almost impossible few months ago. President Goulart has assumed political leadership of country leaving economic and administrative control largely to Prime Minister and cabinet. His incursions into the economic field have been confined largely to situations where political element is of great importance. He has succeeded gradually in convincing Brazilians that he seeks moderate though slightly left of center government and based thereon has slowly won support of center groups beginning with his meeting with officers of the Commercial Association of Rio last January. This previously antagonistic association led a veritable parade of business and other sectors of Brazilian elite who claim accept Goulart's protestations of moderacy strengthened by cabinet's generally continued conservative orientation. Rutal associations have also expressed confidence after several Goulart speeches calling for moderate equitable agrarian reform. This almost unprecedented

732.00/3-2762

XR 832.00

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9:40 PM

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FROM: SAO PAULO

TO: Secretary of State

NO: 558, MARCH 26, 4 PM

ara/est/6
Jun 3-30-62

ACTION DEPARTMENT 558, INFORMATION RIO-DE-JANEIRO 143, BRASILIA 4.

QUADROS DID NOT MAKE SCHEDULED MARCH 22 DECLARATION POLITICAL PLANS. JOINT PRESS RELEASE ISSUED 25TH AFTER POLITICAL MEETING WITH SAO PAULO GOVERNOR CARVALHO PINTO STATED: QUADROS "DID NOT SEE HOW TO EXCUSE HIMSELF FROM CONVOCATION OF HIS NAME TO SAO PAULO SUCCESSION (GUBERNATORIAL RACE) BY POLITICAL AND POPULAR CURRENTS." CARVALHO PINTO, HOWEVER, REPEATED SUPPORT FOR ADMINISTRATION CANDIDATE JOSE BONIFACIO COUTINHO NOGUEIRA.

LATER SAME DAY QUADROS TRIED UNSUCCESSFUL MANEUVER DISSUADE CHRISTIAN DEMOCRATIC PARTY FROM NOMINATING NOGUEIRA. QUADROS APPARENTLY PLANS GO AHEAD WITH PLANS ENTER RACE, THOUGH COULD STILL CHANGE MIND. GUBERNATORIAL CANDIDACY WOULD BE MOST DIFFICULT OF ALTERNATIVES OPEN; EFFECTS ON QUADROS PRESTIGE DECISIVE.

BRADDOCK

DMJ

Sao Paulo 558

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(Classification)

Due to illness, Governor Brizola excused himself from attending the Congress. At the inauguration ceremony there was a display of Latin American flags, with the exception of the Cuban flag which for some reason, at the last moment, was not hoisted.

Hyman Bloom
American Consul

cc.: Amembassy RIO
Counselor for Consular Affairs-Rio
Counselor for Political Affairs-Brasilia

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0931

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FOREIGN SERVICE DESPATCH

FROM : Amconsulate PÔRTO ALEGRE — 70 NO.

TO : THE DEPARTMENT OF STATE, WASHINGTON. — March 23, 1962 DATE

REF :

AID-11

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SUBJECT: First Brazilian Congress for the Connection of Ibicui and Jacui River Basins in Rio Grande do Sul.

The First Brazilian Congress for the Connection of the Ibicui and Jacui River Basins was inaugurated on March 17, 1962, at Itaqui, Rio Grande do Sul. The inauguration ceremony was attended by President Goulart, the Minister of Transportation and Public Works, Virgilio Tavora, and the President of the Federal Economic Development Bank, Leocádio Antunes.

The Congress was sponsored by the Itaqui Rotary Club, its main purpose being to call the attention of State and Federal authorities to the contemplated project.

In President Goulart's speech, he promised that the Federal Government would take steps to start this project moving. The Minister of Transportation and Public Works stated that his department had already begun to invite bids from Brazilian and foreign firms in order to study the financial impact of the project.

Should such a project, involving huge expenditures, ever be completed, it would result in an "economic-social revolution" in the area, affecting transportation, agriculture, commerce and resettlement of peoples.

Comment: The project is an old dream. It is known that, in the 17th century, Jesuits in RGS made an unsuccessful attempt to connect the basins of the River Ibicui and Jacui in the central part of the State.

As no federal funds appear to be available for the construction of this ambitious project, it would seem that either foreign firms, or the "Alliance for Progress" would have to be invited to finance the work.

HBloom/AJKirchhof/zms — UNCLASSIFIED
REPORTER

FORM 6-61 FS-439

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FOREIGN SERVICE DESPATCH

FROM : Amconsulate PÔRTO ALEGRE — 67 NO. — March 22, 1962 DATE

TO : THE DEPARTMENT OF STATE, WASHINGTON.

REF : 1-2 S/S-3 AID-11

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	REC'D 3/29		AIR	ARMY	CIA	NAVY	OSD	OCB	USIA	NSA					
			3	5	10	3	3		8	3					

SUBJECT: Quick Visit of President Goulart to Rio Grande do Sul.

On March 17, 1962, President Goulart attended the inauguration of the "First Brazilian Congress for the Connection of the Ibicui and Jacui River Basins" held at Itaqui, in Rio Grande do Sul. After the ceremony, President Goulart, in company of the Minister of Transportation and Public Works, and the Minister of Aeronautics, visited his farm at São Borja. On the evening of March 18, President Goulart returned to Porto Alegre to embark in his official plane for Rio de Janeiro.

The President spent about two hours in Pôrto Alegre and met with Governor Brizola. He made no statements to the press at the airport concerning [illegible]. He did mention, however, that he would like to [illegible] reports indicating his interest in the election of [illegible] as leader of the PTB group of Deputies in the [illegible] Congress. He said that this is a problem for his party to solve. President Goulart refused to make any statements concerning ex-President Quadros' recent radio speech in which he gave the reasons for his leaving the Presidency.

It is interesting to note that during his brief stay at Itaqui, President Goulart stated in a press interview on March 17, that on his coming visit with President Kennedy he would seize the opportunity to discuss the IT&T telephone expropriation problem. The President added that a sore point in Brazil-United States relations is the U.S. economic groups who operate public utility companies in Brazil. President Goulart referred to President Kennedy as "a young and capable man whom I trust". He also stated that he will always keep in mind Rio Grande do Sul's interests in the expropriation problem.

Hyman Bloom
American Consul

cc.: Amembassy RIO

AJKirchhof/HBloom/zms
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Control: 15623

Rec'd: March 23, 1962
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FROM: Rio de Janeiro

TO: Secretary of State

NO: 2185, March 22, 7 p.m.

ACTION DEPARTMENT 2185, INFORMATION BUENOS AIRES 129

Reference: Department telegram 2608 to Rio de Janeiro, Buenos Aires 1177

No information here re Florit visit Quadros. Cannot envisage possibility Florit's influencing Quadros course action.

GORDON

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Page 6 of
Encl. No.
Desp. No. 165
From RECIFE

Diario de Pernambuco on March 17 declared: "There seems to be seated in our country, especially in the Northeast, a regime of anarchy." The editorial then bitterly attacked the ouster of the Dean of the Law School and the Rector of the Rural University, both of whom were kicked out by the Federal Government in accordance with the wishes of rabble-rousing students. The Municipal Government's action in deposing the respected Director of the City Transit Company at the behest of extremist labor agitators was also deplored. Diario wondered if "it will not soon be common to hear the expression 'I won the shouting', because soon he who shouts loudest will win any argument." (UNCLASSIFIED)

It was reported this week that two additions to the Recife press are in the offing. One paper reportedly will be President Goulart's mouthpiece in Recife. Using the title Ultima Hora, it will be printed on presses once used by a now defunct Communist newspaper. Under the aegis of the Archbishop of Recife and Olinda a revamped version of the daily A Tribuna is scheduled to come out shortly. It is reported that German catholics are providing a new press for the paper. (OFFICIAL USE ONLY)

Eugene Delgado-Arias
Principal Officer

Contributors:

L. C. Kilday
W. S. Smith

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GPO 802667

0927

3. Federal Loan to Pernambuco Approved.

The Federal Government's controversial Cr$ 1 billion loan to Pernambuco may have cleared its last obstacle. The State Legislature has now approved assuming a loan of up to Cr$ 4 billion and the Governor has endorsed the Legislature's action. The full Cr$ 1 billion is expected to be made available to the state in the near future. (UNCLASSIFIED)

Comment: Conversations with State Government officials indicate that up to Cr$ 5 million of the loan may be used to help Portela Company extract itself from its legal and financial difficulties. (OFFICIAL USE ONLY)

4. Governor Reports on State's Economic Situation.

The bulk of Governor Cid Sampaio's address at the opening of the State Legislative Assembly on March 15 was dedicated to describing his administration's progress toward economic development. He declared that his industrialization program had destroyed "underdevelopment's vicious circle of misery." Turning to finance, he presented an estimated 1962 budget of Cr$ 10.2 billion for Pernambuco, an increase of 258% over the 1959 budget of Cr$ 2.8 billion. (UNCLASSIFIED)

Comment: Sampaio's boasted gains in economic development will ring hollow to many Pernambucanos. The state is little better off economically today than when Sampaio assumed office in 1959. As for his development programs, such as the still to be constructed synthetic rubber plant, most have never gotten off the ground. (CONFIDENTIAL)

PSYCHOLOGICAL

There was little editorial reaction in the Recife press to Janio Quadros' March 15 attempt to justify last summer's resignation. A Diario de Pernambuco front page story on March 17 reported that general reaction to Quadros' remarks was unfavorable, and during the next few days other figures, such as Sociologist Gilberto Freyre, various state deputies, and other prominent political figures were quoted in all three dailies as expressing the same opinion: that Quadros' blood and thunder had fizzled miserably. (UNCLASSIFIED)

All three Recife papers manifested sharp concern over the crisis resulting from the skyrocketing cost of living and the scarcity of food. Jornal do Commercio's lead editorial on March 14 called for "Action Instead of Words" and declared that "the people want flour, beans, and meat, and they will not be content with more promises and plans." On the previous day the Jornal had warned that: "any delay in meeting the problem will result in a dangerous threat to social stability." Luis Cisneiros, writing in Diario da Noite on March 13 declared: "we are now at the 38th parallel of an internal convulsion, inspired by hunger and prompted by desperation." And columnist Elieser Figueiroa, writing in Diario de Pernambuco on March 11 asserted that "the only thing left the poor is to starve." (UNCLASSIFIED)

ECONOMIC

1. Food Shortages and Rising Prices.

The past week has seen a growing wave of alarm in the Northeast prompted by food shortages and rising prices. Various newspaper editorials have warned that "all will be lost" when soaring prices and shortages place staple foods beyond the common man's reach. The Governors of Rio Grande do Norte, Paraíba and Alagoas informed the Deliberative Council of SUDENE on March 15 that the situation in their states was extremely critical, with food shortages and run-away prices driving the populace to desperation, and the Commercial Association of Pernambuco and the local Trade Union Council (CONSINTRA) have called for immediate relief measures and effective controls. SUDENE is understood to be initiating a program aimed at controlling prices by buying food stuffs directly from the farmer and selling them at low prices, thus undercutting the speculators. Meanwhile, however, prices of some foods are increasing at rates of up to 200% a month. (UNCLASSIFIED)

Comment: One SUDENE official confided that during the Council meeting Governor Alves showed signs of near panic over the deteriorating situation in his state. The same official expressed the belief that Alves' recent criticism of the Bohan report was evoked by his growing despair and his failure to perceive anything in the plan of immediate benefit to his state.

The critical situation brought about by food shortages and rising prices is complex. Acute shortages exist, but profiteering has further complicated the situation. Reports from Rio Grande do Norte, confirmed by a consular officer traveling there, describe a situation so badly deteriorated that only the beginning of seasonal rains last week warded off a violent upheaval. The basic ill stems from the failure of the Northeast's agricultural structure to produce enough food for the area's 22 million inhabitants. (OFFICIAL USE ONLY)

2. National Confederation of Stevedores Meets in Recife: Threatened Nation-Wide Strike.

Some 190 delegates representing 60 locals of the National Confederation of Stevedores held a four day meeting in Recife beginning March 15. The most significant outcome of the meeting was the decision to call a nation-wide strike in 30 days unless the Merchant Marine Commission's cancellation of Bulletin 320 is lifted, the complaint being that its recent cancellation decreased stevedores' earnings by 40%. Representatives of the Dock Workers who attended the meeting as observers asserted that their union would walk off the job also if the stevedore's threatened strike materialized. (UNCLASSIFIED)

Comment: The stevedores would seem to be aiming for the best of two worlds by giving the Federal Government 30 days to back down on its cancellation of Bulletin 320. An immediate strike might have resulted in some lost wages. As it is, the stevedores will have time to increase tensions and build up pressure against the Government. There is reason to believe that the Federal Government will not stand up to them. ([redacted] CONFIDENTIAL)

0425

3. Violence in Paraíba.

Paraíba, the Northeastern state most penetrated by the Ligas Camponesas, was the scene of a violent outbreak between peasants and landowners this week. Although exact details of the incident are not available, incomplete press reports indicate that members of the Ligas Camponesas on the sugar plantation Miriri, near the town of Mamanguape, clashed with gunmen hired for protection by the plantation owner Pedro Ramos Coutinho. One man on each side of the dispute was killed and several were wounded. The clash seemed to be an inevitable result of a long-developing dispute between the plantation owner and the workers over wages and property rights. Paraíba police are now investigating the incident. (UNCLASSIFIED)

4. Campaign Developments.

The week's developments in the Pernambuco gubernatorial contest were few and of little help in clarifying the political picture. The single major event was the issuance of the Catholic bishops' declaration. (See Item No.1) Rumors and speculation regarding possible gubernatorial candidates and party deals continued. Maneuvering and jockeying for position was unabated. By the end of the week, Governor Cid Sampaio had declared that he would campaign actively for UDN candidate João Cleofas, thus removing doubts that he would support Cleofas' nomination. Minister of Health Estacio Souto Maior indicated that he too would support Cleofas. Recife Mayor Miguel Arraes continued to act like a candidate by visiting cities in the interior, attempting to drum up support for himself and apparently enjoying limited success in the endeavor. The PSD nomination remained the major question. PSD leader Etelvino Lins apparently still clung to hopes that Barbosa Lima Sobrinho (PSB) would be selected as the candidate of a unified opposition, but rumor prevailed that Lins had started to confer with other parties on other possible opposition candidates. (OFFICIAL USE ONLY)

5. Peace Returns to Rural University.

Order was restored at Recife's Rural University this week when Rector Manuel Rodrigues was dismissed, and striking students returned to classes. Rodrigues made a last minute attempt to disarm the "occult forces" that worked for his removal by placing student leader and chief agitator Hunio Ney Teixeira in "administrative prison" on charges of embezzlement of funds belonging to the university's Central Directorate of Students. Two days later Rodrigues was ousted and Ney Teixeira was free to carry on his activities. Presumably, the charges against him will be reviewed by a court at some later date. (UNCLASSIFIED)

Comment: One more instance of the Federal Government's eagerness to curry favor with the students, most of whom are voters. This latest effort at "appeasement" of the student organizations will be bought at a price, still unannounced. (OFFICIAL USE ONLY)

0924

unhappy situation of the rural zones, the disequilibrium of the social structure" together with a long series of other negative factors combined to make the Northeast an explosive and dangerous area, vulnerableto exploitation and agitation by many factions and by ideologies "incompatible with our conception of man." They cautioned voters to examine thoroughly each candidate's record and ideological orientation and to vote for the most capable candidate, who could guarantee the maintenance of order while beginning the process of economic and social development. This, it was made clear, would rule out Communists and those whose election would further the cause of the Communists, but would also rule out candidates identified as representatives of only the privileged upper class. Finally, stating that the Church's need for priests was too great to allow priests to devote themselves to extra-clerical activities, the bishops prohibited local priests from running for elective office. Exception from this prohibition was allowed for those priests now holding office, who were given license to run only for the offices they now occupy. (UNCLASSIFIED)

Comment: This declaration was aimed at Recife Mayor Miguel Arraes and Padre Wanderley Simoes, now a member of the state legislature, who was to have been Arraes' running mate as candidate for Vice Governor. This was intended to make Arraes more attractive to Catholic voters. Simões has defied the bishops' declaration by announcing that he will support Arraes' candidacy, but his mere support is not considered to be especially valuable. The declaration also serves to introduce Communism as an issue of the campaign, an issue on which Arraes is especially vulnerable. (OFFICIAL USE ONLY)

2. Municipal Council Nullifies Law Naming Janio Quadros "Citizen of Recife."

When Janio Quadros renounced the Presidency last August, Recife Mayor Miguel Arraes pushed through the Municpal Council a bill naming Quadros "Citizen of Recife." This week, outspokenly anti-Communist Councilman Wandenkolk Wanderly led the Council to cancel the title-granting law by a vote of 11 to 7. The following day, Mayor Arraes vetoed the cancellation, thus leaving Quadros free to come to Recife to receive the title of "citizen." (UNCLASSIFIED)

Comment: The Council's action was somewhat embarrassing to gubernatorial candidate Joao Cleofas, who is also bidding for Janio's support. Wanderly, though a member of the PSD, is sometimes identified as the spokesman for local conservative forces. To separate himself from the Council's move, Cleofas told the local press that "the deliberation of the illustrious Council of Recife cannot merit my applause."

While the nullification may have been embarrassing to Cleofas, its veto was probably the cause of some regret to Mayor Arraes, also an aspirant to the governorship. Arraes vetoed the nullification on the 15th of May, the day Quadros was to speak. As the speech was so poorly received in all quarters it was rumored locally that Arraes regretted having again identified himself publicly with the ex-President. (OFFICIAL USE ONLY)

0923

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FROM AmConGen RECIFE

165 NO.

TO : THE DEPARTMENT OF STATE, WASHINGTON.

March 21, 1962 DATE

REF :

20 For Dept. Use Only	ACTION	INFO	DEPT	RM/R	REP	AF	ARA	EUR	FE	NEA	CU	INR	E	P	IO	Aid
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SUBJECT: Weeka No. 5

DEPARTMENT OF STATE
BUREAU OF
INTER-AMERICAN AFFAIRS
MAR 26 1962
file ara/est/b
3-30-62 JWW

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PSYCHOLOGICAL

POLITICAL

1. Local Bishops Issue Electoral Declaration.

Catholic bishops of Pernambuco this week issued a declaration defining their position vis a vis the coming election, spelling out the duties of Catholic voters in the election, and prohibiting members of the clergy from seeking new elective office. The bishops pointed out that the "misery, the

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See last page/rps

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FROM: RIO DE JANEIRO

TO: Secretary of State

NO: 2171, MARCH 21, 6 PM

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HAD TWO HOUR TALK WITH PRESIDENT GOULART MORNING MARCH 20 REVIEWING VARIOUS ASPECTS HIS FORTHCOMING TRIP. LABOR PROBLEM, ON WHICH FISHBURN JOINED DISCUSSION, SEPARATELY REPORTED EMBASSY TELEGRAM 2163. GOULART IN CONFIDENT MOOD, GREATLY REASSURED BY POOR IMPACT QUADROS SPEECH LAST WEEK. SAID THAT AT SOUTHERN PARANA MEETING SATURDAY, 24 PREFECTS WERE PRESENT WHO HAD BEEN STRONG QUADROS SUPPORTERS; NOW ONLY TWO STILL JANISTA. GOVERNOR NEY BRAGA LIKEWISE INDICATED DESIRE JOIN FORCES WITH GOULART, INCLUDING COMBINED PDC, PTB LISTS FOR COMING ELECTIONS.

RMR

GOULART EXPRESSED GRAVEST CONCERN PERONIST VICTORY AND MILITARY-FRONDIZI REACTION IN ARGENTINA STATING THAT THIS REINFORCED HIS CONVICTION THAT STABILIZATION EFFORT MUST NOT IMPINGE UNFAIRLY ON WORKING CLASS AND THAT ALLIANCE FOR PROGRESS MUST INCLUDE IMPACT PROJECTS OF VERY BROAD SOCIAL APPEAL.

IN ADDITION TO WATER, PAVING AND POPULAR HOUSING, HE SINGLED OUT FOR SPECIAL EMPHASIS IDEA OF FIXED OR MOBILE MEDICAL AND DENTAL CENTERS FOR SMALL TOWNS AND RURAL COMMUNITIES NOW LACKING SUCH FACILITIES. THIS IDEA ORIGINALLY SUGGESTED TO HIM BY SAN TIAGO DANTAS WHO MENTIONED IT IN CONVERSATION WITH HERBERT MAY AND ME FEBRUARY 17. IDEA RAISES DIFFICULT PROBLEMS, ADMINISTRATIVE ORGANIZATION, ASSURANCE ADEQUATE STAFFING AND LOCAL SUPPORT FOR MAINTENANCE AND OPERATION. ON OTHER HAND, HAS ATTRACTIVE ASPECTS, INCLUDING GOULART'S OWN PROPOSAL FOR LARGE SCALE ADVERTISING OF US - BRAZILIAN COOPERATION UNDER ALLIANCE, AS WELL AS MEETING VERY SERIOUS DEFICIENCIES PRESENT SYSTEM MEDICAL SERVICE. SACCIO IS UNDERTAKING PRELIMINARY

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adding that President Kennedy has "...introduced revolutionary methods into the economic relations of the Americas, and in twelve months it has become clear that a new horizon has opened up for the development of Latin American nations."

Fidel Castro's confession of essential shortages in Cuba roused O Estado to reckon "...the sad price the island is paying for the privilege of becoming a Communist country." Folha hoped Cubans' growing consciousness of their plight would hasten the day when tyranny would be overthrown.

Daniel M. Braddock
Minister Consul General

Contributors:
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Comment: Sodré's second re-election, when the logical wish of other important parties to have "their turn" is taken into account, distinctly renews his political prestige. It may be regarded as a vote of thanks from his colleagues for saving as much as possible of the Assembly's honor during the episode of the parliamentary amendment, which was unpopular with almost everyone except the State Deputies who stood to be strengthened. The PDC -- which has the strongest representation in the Assembly -- could very likely have obtained the Presidency had it been able to unify in support of a strong candidate. All serious candidates were members of the administration coalition. The Governor, early realizing Sodré's strength, apparently decided not to meddle. He would probably have preferred someone without Sodré's position on parliamentarianism and suspected Janista leanings, but events seem to show that he was wise: Sodré is now reported to have come out with anti-Quadros statements (see item 1). (LIMITED OFFICIAL USE)

PSYCHOLOGICAL

1. Local Press Reaction

Leading subject for editorialists this week was, quite naturally, former President Janio Quadros' speech (on radio/TV network at a reported cost of 14 million cruzeiros) anent the reasons for his resignation last year. The almost universal press reaction was that his renunciation was not justified by the causes he put forth. To O Estado de São Paulo his statement was "profoundly disappointing." Folha de São Paulo said Janio's words proved his resignation had been caused not by "...flying discs, generals, North-Americans or Martians..." but by "a temperamental crisis." Correio Paulistano titled its editorial "Feeble Reasons for Resignation," and Diário de São Paulo called Janio's explanations "inconsistent and empty." Even Ultima Hora affirmed that "Neither the United States nor its economic groups compelled Janio's resignation, for in spite of everything they gave his government unique support." Quadros' denunciation by name of Messrs. Dillon, Cabot and Berle was dismissed by several papers and ignored by most.

The Geneva Disarmament Conference received editorial attention; general attitude: pessimistic. Said O Estado, voicing a common feeling, "Khruschev obviously has decided that the conference, in which he never believed, should fail." Folha and Correio Paulistano shared gloom about the meeting's results; A Hora and Diário Comércio e Indústria sounded still hopeful notes.

The Alliance for Progress anniversary and President Kennedy's statements generated comment. Several papers contrasted Castro's crumbling Red economy with the situation developing under the Alliance in the rest of Latin America. Folha called the Alliance's birthday "an anniversary of a new Pan-Americanism,"

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help him in his later victories and to elect Carvalho Pinto Governor. A large part of the Movement now adheres to Carvalho Pinto: last week one hundred and sixty-eight mayors of interior cities, all March Twenty-two-ers, signed a manifesto in favor of the current Governor's conception of "administrative continuity." Other members of the Movement asked the courts to prosecute for supposed irregularities in the Quadros municipal government, recently brought back to light in a campaign by Cruzeiro magazine. On the other hand, Janistas circulated a poll of gubernatorial preferences supposedly taken in three interior cities, in which Quadros led potential candidate Adhemar de BARROS, and (by a wide margin) candidates José Bonifacio Coutinho NOGUEIRA and Auro MOURA ANDRADE. (OFFICIAL USE ONLY)

Comment: Inconsistencies in the poll allow a strong suspicion, but not the certainty, that it is bogus. At best, it ran two famous names -- Quadros and Barros -- against that of the relatively unknown Nogueira. The heavyweight campaigner would be Carvalho Pinto, not Nogueira. The Carvalho Pinto/Janio Quadros battle which may be in the offing still looks like a big one. (LIMITED OFFICIAL USE)

4. Moura Andrade Candidacy Advanced

Declared Social Democratic (Partido Social Democrático -- PSD) gubernatorial candidate Auro Moura Andrade's chances were strengthened this week by his unanimous re-election to the Senate Presidency. (UNCLASSIFIED)

Comment: Moura Andrade's pacifying action during the August-September crisis, which presumably helped his candidacy for the Senate post, will certainly be a big talking point of his gubernatorial campaign. His candidacy still seems weak. If intimations of support from the Social Progressive Party (Partido Social Progressista -- PSP) should materialize, however, the picture will need to be re-examined. (LIMITED OFFICIAL USE)

5. Sodré Re-elected President Legislative Assembly

Roberto Costa de Abreu Sodré was elected on March 12 to a third term as President of the São Paulo Legislative Assembly. The election had been actively contested by Republican Party (Partido Republicano -- PR) and by at least two Christian Democrats (Partido Democrata Cristão -- PDC). Sodré won easily in spite of the fact that his National Democratic Union (União Democrática Nacional -- UDN) is in fifth place in number of State Deputies. It will be recalled that Sodré was heavily criticized in December for pushing an amendment to introduce in São Paulo a parliamentary system similar to that in effect at the federal level (see Despatch 172 of December 20 and previous). (UNCLASSIFIED)

GPO 802887

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Quadros made no mention of his immediate political plans (see Weekly Summary 11), promising another talk on March 22. (LIMITED OFFICIAL USE)

2. Carvalho Pinto Looking at Prime Ministry?

Ever since São Paulo Governor Carvalho Pinto reportedly declined the Presidency of the Council of Ministers (Prime Ministry) in the August-September crisis, there has been speculation that the offer would be renewed -- and accepted -- when his gubernatorial term expires in January 1963. This hypothesis was last week reinforced by two events.

(A) On March 12, with tension building up in anticipation of Janio Quadros' intentions, five Brazilian Army Generals lunched with Carvalho Pinto. Four were the top São Paulo military officials; the other was Osvino Ferreira ALVES, commander of the First Army. The First and locally-centered Second are the two biggest units of the Brazilian Army. The topics discussed at the luncheon were kept rigorously secret. Not even members of the Governor's Civil and Military Households were admitted. It is difficult to escape the inference that the military leaders were worried about Quadros and wished to fortify the São Paulo Governor to stand up against him at the State level -- and perhaps at the national in the future.

(B) The Governor opened a new session of the State Legislative Assembly with a speech considered by Paulistas to be quite as important as two which would follow it in the same week: Mr. Quadros' (item 1) and President Goulart's to Congress. Most significant aspect of Carvalho Pinto's lengthy presentation was its conviction that the time had come to use São Paulo's example to benefit the nation (few would quarrel). The speech was clearly intended for national consumption. (OFFICIAL USE ONLY)

Comment: Paradoxically, the Quadros specter -- abated by his speech (item 1) -- might be necessary to get Carvalho Pinto the Prime Ministry. Short of a major threat, President Goulart could be expected to prefer a weaker figure. Carvalho Pinto's extraordinary gift for conciliation should nevertheless leave him a strong candidate under any conditions. (LIMITED OFFICIAL USE)

3. Administration Gubernatorial Candidate Still Strong

Mr. Quadros has not yet declared himself a São Paulo gubernatorial candidate but may do so in a speech slated for March 22 (see Weekly Summary 11). His probable temptation is counter-balanced by the prospect of a fratricidal electoral battle. The date of the forthcoming speech is highly significant: Quadros was elected to his first important post, the Mayoralty of the city of São Paulo, on March 22, 1953. A multi-party, state-wide "March 22 Movement" grew up to

GPO 802587

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They were disillusioned. The speech seemed to them to burn through a long fuse -- the background for the resignation -- and then ignite a dud when it came to specific reasons. The local audience was in no mood to settle for skillful oratory (which it got); it also wanted names and dramatic details.

There was an initial problem in arranging transmission facilities. Quadros as President had been tough on television, promulgating a decree-law making stations responsible for the content of political programs. It was rumored in São Paulo that the Federal Government would use the ex-President's own decree to insist on censoring his presentation. In fact, however, top national figures were probably the most concerned of all when Mr. Quadros delayed transmission for forty minutes -- and the most relieved when it was all over. Little that could have been said would have been as bothersome as cancellation, accompanied by rumors the government had been afraid to allow the truth to be heard.

It is likely that the speaker's undeniable dramatic talent held the support of an inarticulate block of voters who will not be heard from until elections. The size of the block must, however, have shrunk when its hero's all-or-nothing attempt fizzled. Sophisticated Paulistas were nearly as disgusted as in the aftermath of Quadros' August flight. From politicians and the educated classes to taxi drivers there is little to be heard but disillusionment. The press is strikingly unanimous (see "Psychological"). One of the few new angles in the tirade was the accusation that three American officials (Messrs. Berle, Cabot, Dillon) -- the only villains called by proper name in the entirety -- tried to use financial aid to influence Brazilian foreign policy. The local leftist press can be expected to capitalize on this when occasion arises (though Mr. Quadros also attacked the Communists) but did not pay much attention at first. A columnist in leftist, ultra-nationalist Ultima Hora pointed at Quadros' own admissions of impressive Yankee financial support and said "This, as far as I am concerned, is a new way of being an enemy." There had been speculation as to whether Quadros' new line would cater to right, left or center. The speech used a committee solution, trying to please all and, in São Paulo, succeeding with none.

Governor CARVALHO PINTO, in a typically successful attempt to lose no friends and win over a few enemies, hedged his comment. "...more useful than sterile discussion of the psychological and political factors which determined the unforeseen gesture (resignation)...would be a reinvigorated...attack...on the grave problems afflicting the nation."

Abreu SODRE, just re-elected President of the State Legislative Assembly and suspected of Janista inclinations (see item 5), was less polite: "The reasons... do not convince us and aggravate the impression we already had of the harm caused the nation."

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FOREIGN SERVICE DESPATCH

FROM : Amcongen, SÃO PAULO — 223 NO.

TO : THE DEPARTMENT OF STATE, WASHINGTON. — March 21, 1962 DATE

REF :

20 For Dept. Use Only	ACTION	ARA-4	INFO	DEP	RM/R 2	REP	AF	ARA	EUR	FE	IGA 3	CU	INR 5	BUREAU OF INTER-AMERICAN AFFAIRS MAR 26 1962	11
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	REC'D 3-23-62				AIR 3	ARMY 5	CIA 10	NAVY 3	OSD 3	OCB	USIA 8	NSA 3			

SUBJECT: Weekly Summary No. 12

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5. Sodré Reelected President Legislative Assembly

PSYCHOLOGICAL:
1. Local Press Reaction

POLITICAL

1. QUADROS' Explanation Fails to Impress São Paulo

Speaking from São Paulo over a national radio and television network on March 15, Janio Quadros finally gave the firsthand reasons for his controversial resignation from the Presidency last August. (See Embassy reports.) Local reaction furnished a sensitive gauge of his success: São Paulo supported him from the beginning, knew him well, was embittered by his resignation, and was bombarded by "clarifications" of it by his locally-based "general staff." Many Paulistas persistently hoped that some new and acceptable excuse would be forthcoming.

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See last page/lfw

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inarticulate masses, discontented with their lot as a result of inflation and the drought, dissatisfied with the general incompetence and dishonesty of their present government. They maintain that his present lack of this support would be remedied by his campaigning, and one or two have argued that there is a power vacuum in Brazil which only Janio can fill.

In support of this point of view, it must be admitted that many say that the Brazilian Northeast is a powder keg ready to blow, and that the Communists or some charismatic figure like Janio will be swept to power by the explosion. Already Ligas Campenesas have begun to appear in this state, for instance (See Consulate Despatch Number 40, March 11, 1962).

Nonetheless, the facts remain that Bahian politicians have as yet given few signs of climbing on the bandwagon, Bahian newspapers have criticized, not supported, Quadros, and the Northeastern peasant has a remarkably high threshold of frustration. Much of the support evidenced for Janio to date has been on the part of younger, less well-known politicians, perhaps seeking to get out of the shade of their more powerful and more conservative seniors. Without seeking to minimize the threat of Communism and Janism here, the reporting officer does not yet feel that Janio has won any victory, and at present judges that he is weaker here than he was in 1960. Much depends on the campaign.

C. Dirck Keyser
C. Dirck Keyser
American Consul

cc: Brasilia, Political Counselor Raine

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all three groupings have come out against Janio during March. Only the PL is declaredly for Janio, with a minority of its members apparently having reservations about him.

The PL has declared that it will seek to run Janio for the Senate in Bahia, and the MTR (Movimento Trabalhista Renovador), which controls 3.7 per cent of the Bahia delegation to the Chamber of Deputies and is unrepresented in the Assembly, has made a similar declaration. The PTN (Partido Trabalhista Nacional), unrepresented in the Bahia delegation to the Chamber of Deputies but with 5.0 per cent of the Assembly, has been described as Janista in one report, and as following the lead of Janio's opponent Balbino in another.

The old Janista coalition in Bahia has thus been considerably modified -- from a powerful UDN-PR-PL-PTB grouping to a weak PL-MTR one. Nonetheless, there are those(including all three of the Vice-Consuls at this post) who see him as still capable of building a following strong enough to sweep the state, in spite of his poor showing on March 15. These observers point to his strong support within parties that officially oppose him here -- within the UDN, for instance, it is probable that 60 per cent or more of the rank and file support Janio, but is kept in line by Governor Magalhaes. In fact, a sizeable minority of the UDN has ignored the Governor's opinions and has openly declared itself for Janio. The most prominent leaders of this Janista element within the UDN are federal deputy João Batista Alves de Macedo and Governor Magalhaes' own son, state deputy Juracy Magalhães Junior. Probably the largest body of support for Janio in Bahia, outside of the basic PL-MTR coalition, is this dissident element of the UDN.

The reporting officer believes that, if the present strengths of the PL and the MTR (11.1 per cent of the Bahia delegation to the Chamber of Deputies and 5.0 per cent of the Assembly) are increased by the dissident elements of the old Janista coalition, the total organized Janista strength in this state at the present time might total as much as 25 or 30 per cent of the body politic. This is a considerable drop from the 47.7 per cent Quadros once controlled, but still a sizeable bloc, larger than the usual following of the UDN (18.5 per cent of the Chamber delegation and 20.0 per cent of the Assembly) and almost as big as that of the PSD (40.7 per cent of the Chamber delegation and 21.7 per cent of the Assembly). Moreover, since it would include a majority of the UDN, Juracy Magalhães might lose control of the party entirely, thus swinging the remnants of that party into the Janista formation again, and bringing the Janista total up to as much as 31 - 38 per cent of the body politic.

If such a strong Janista coalition could be organized here, those who believe that he can sweep the state argue that he would find the necessary additional strength among the politically inarticulate

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	REC'D 3-27-62			AIR 3	ARMY 5	CIA 10	NAVY 3	OSD 3	OCB	USIA 8	NSA 3		Rio de Janeiro 1			

SUBJECT: Janio Quadros' Strength in Bahia

file
ara/est/B June 4-3-62

Although Janio Quadros carried the state of Bahia in the 1960 presidential election (winning 47.7 per cent of the vote against the 43.4 per cent won by Henrique Teixeira Lott and the 8.9 per cent of Adhemar de Barros), no known Bahia politicians found it politically necessary to go to greet him on his arrival at Santos on March 7. The reaction to his March 15 speech explaining his 1961 resignation from the presidency was neutral.

Bahia's most important politicians, Governor Juracy Magalhaes (UDN) and Consultor Geral da Republica Antonio Balbino (PSD), both oppose Quadros, and his most significant supporter, State Secretary of Finance Josaphat Marinho (PL), has made most guarded comments on his March 15 explanation of his 1961 resignation from the presidency.

Quadros in 1960 won 47.7 per cent of the Bahia vote with the support of the UDN, the PR, the PL, the PTB, and certain dissident PSD supporters of state Secretary of Transportation Tarcilo Vieira de Mello. In 1958 these parties (not including Vieira' de Mello's Social Democrats) won 48.1 per cent of Bahia's delegation to the Chamber of Deputies and 48.4 per cent of the seats in the State's Legislative Assembly. Today these parties appear to be divided. Three of them, the UDN, PR, and PL, with the support of the Vieirista Social Democrats, form the Bahia state government coalition, while the PTB, with 6.7 per cent of the Assembly's seats, is now in the opposition, aligned with the anti-Janista PSD. The three remaining parties of the old Janista coalition are all under the influence of Janio's opponent, Juracy Magalhaes, and while in each of the three parties there is strong Janista sentiment, politicians of all three

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FROM: RIO DE JANEIRO

TO: Secretary of State

NO: 2150, MARCH 20, 5 PM

RIO 2150

732.00/3-2062

LONG-AWAITED QUADROS' SPEECH TO EXPLAIN RESIGNATION DREW VIRTUALLY UNANIMOUS NEGATIVE REACTION, PRINCIPAL CONSEQUENTIAL EXCEPTION MINAS GERAIS STATE GOVERNOR MAGALHAES PINTO ("NO DOUBT EX-PRESIDENT'S WORDS PROFOUNDLY IMPRESSED ALL WHO HEARD HIM").

CONSERVATIVE O GLOBO INTERVIEWED NUMEROUS POLITICIANS; MANY CONTESTED QUADROS ACCUSATIONS, ESPECIALLY CALIM COMMITTEE OF INQUIRY CONSTITUTED EVE RESIGNATION IN ORDER DISCREDIT HIM. MOST COMMENTATORS AND NEWSPAPERS, WITHOUT REBUTTING IN DETAIL, DISMISSED ALLEGATIONS AS FALSE OR INCONSEQUENTIAL BASIS FOR RESIGNATION. EX-RUNNING MATE MILTON CAMPOS COMMENT REP: "PRESSURES AND DIFFICULTIES REFERRED TO COMMON ALL GOVTS AND DO NOT RELIEVE OF OBLIGATION TO FIGHT".

CORREIR DA MANHA CALLED JANIO "COWARD". JORNAL DO COMMERCIO THOUGHT HE REVEALED "EMOTIONAL INSTABILITY" IN TALK AND MENTIONED "UNDISGUISABLE AVERSION TO WESTERN NATIONS SHINING THROUGH RUDE WORDS AGAINST BERLE, DILLON, CABOT AND (GERMAN) AMB DITTMANN". FOR DIARIO CARIOCA "EXPLANATION DID NOT CONVINCE". ULTIMA HORA PREDICTED, "NO ONE WILL TRUST HIM AGAIN". ESTADO DE SAO PAULO SAID SPEECH "CAUSED PROFUND DISAPPOINTMENT". O JORNAL THOUGHT HE DID NOT "TELL REASONS FOR RESIGNATION."

GORDON

Informed by RMR

HMR/RGD

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é reformado pelo voto de dois têrços, no mínimo, dos associados em atividade.

Art. 24º - Nenhum dos componentes da Ação Democrática Parlamentar responderá subsidiàriamente pelos compromissos dela.

Art. 25º - A Ação Democrática Parlamentar extinguir-se-á pelo consenso unânime dos seus membros ou pela redução do número dêstes de modo a que seja inferior ao estabelecido para a composição da Comissão Executiva e do Conselho Orientador.

Parágrafo único - Em caso extinção, o patrimônio que houver será destinado à mais antiga casa de assistência então em funcionamento na Capital da República.

Art. 26º - A primeira Comissão Executiva e o Primeiro Conselho Orientador, eleitos concomitantemente com a aprovação dêste Estatuto, conforme documento em separado, exercerão o seu mandato até o mês de abril de 1962.

Brasília, 27 de setembro de 1961

JOÃO MENDES, Presidente

HAMILTON PRADO, autor do Projeto do Estatuto.

GERALDO FREIRE, Relator para as emendas.

Art. 15º - O Presidente poderá delegar aos Vice-Presidentes e aos Secretários a prática de atos de sua competência.

Art. 16º - Incumbe ao Secretário-Geral superintender todos os serviços pertinentes à sua Secretaria e fiscalizar os assuntos que mereçam a atenção da entidade, ordenando-os em agenda para conhecimento da Comissão Executiva, e cabendo-lhe ainda substituir o Presidente, nos impedimentos ou faltas dos Vice-Presidentes.

Art. 17º - O Primeiro Secretário terá a seu cargo o expediente da A.D.P., cumprindo-lhe oficiar nas reuniões dos órgãos diretores.

Parágrafo único - Substituirá o Secretário-Geral, nos seus impedimentos ou faltas, o Primeiro Secretário que, por sua vez, será substituido pelo Segundo Secretário.

Art. 18º - O Tesoureiro será responsável pela guarda e aplicação dos recursos da entidade.

Art. 19º - Se não comparecerem o Presidente e seus Substitutos estatutários, as reuniões da Comissão Executiva serão presididas pelo membro mais idoso que estiver presente.

Art. 20º - O mandato dos membros da Comissão Executiva é de um ano, podendo haver reeleição.

Art. 21º - O Conselho Orientador será composto também de vinte e cinco membros eleitos na mesma ocasião e pelo mesmo prazo que a Comissão Executiva, e com faculdade de reeleição. Reunir-se-á sempre que convocado pela dita Comissão, cabendo-lhe fixar a orientação da A.D.P. na condução de problemas que sejam submetidos ao seu exame e decisão.

Parágrafo único - Ao Conselho Orientador caberá ainda examinar as contas da Diretoria e opinar sôbre elas, antes da Assembléia em que as mesmas devam ser prestadas. Para êste efeito, as contas serão apresentadas, com antecedência de oito dias, e com a devida documentação, ao Conselho, que se reunirá, sob a Presidência do mais idoso dos componentes que comparecerem, e designará uma subcomissão de três membros, cujo parecer será lido na Assembléia Geral que houver de tomar as contas em questão.

Art. 22º - Por proposta da Comissão Executiva e aprovação da Assembléia Geral, serão admitidos, com voto unitário no seio desta última, representantes de Ações Democráticas Parlamentares criadas nos Estados. Tais representantes terão voto também nas reuniões da Comissão Executiva, em medidas, providências, articulações ou movimentos relacionados com o Estado em que atuem.

Art. 23º - O Estatuto, no que se refere à administração,

todos os movimentos ou reuniões em que seja necessária ou conveniente a atuação esclarecedora, protetora ou reinvidicatória das idéias e dos princípios democráticos. Quando se reunirem pela primeira vez, elegerão um líder e tantos vice-líderes quantos sejam os partidos representados na Comissão. Caber-lhes-á, ainda, o encargo, de estabelecerem programas de atividades que objetivem tanto o fortalecimento da entidade como a realização de estudos, pesquisas e atuação do Congresso, nos meios políticos, culturais e sociais do País, com vistas à preservação e ao aperfeiçoamento das instituições democráticas. Poderão delegar encargos a filiados do próprio movimento.

Art. 10º - Para o efeito da ordenação de seus trabalhos, a diretoria da Comissão Executiva deverá reunir-se pelo menos uma vez por semana, discutindo e deliberando em tôrno da pauta organizada, antes dos trabalhos, pelo Presidente. Não tendo a pauta sido organizada, os assuntos a serem discutidos serão os da escolha dos membros que comparecerem.

Art. 11º - Pelo menos uma vez por mês se reunirá o Plenário da Comissão Executiva.

Art. 12º - Na primeira reunião plenária do seu mandato, a Comissão Executiva elegerá uma diretoria composta de Presidente, Primeiro e Segundo Vice-Presidente, Secretário-Geral, Primeiro e Segundo Secretários e Tesoureiro.

Art. 13º - Ao Presidente compete:

1 - Presidir às Assembléias Gerais e às reuniões da Diretoria ou do Plenário da Comissão Executiva;

2 - Convocar de ofício a Assembléia Geral ordinária e as extraordinárias;

3 - Assinar, juntamente com o Relator e o Revisor, anteprojetos de proposições legislativas;

4 - Assinar, juntamente com o Tesoureiro, os instrumentos competentes e recibos de doações ou recebimentos de recursos pela A.D.P., bem como os cheques necessários para retiradas bancárias e pagamentos;

5 - Representar a A.D.P. ativa e passiva, judicial e extra-judicialmente, e, com especialidade, perante os órgãos dos podêres públicos, as entidades de classe e o Congresso Nacional, inclusive com o objetivo de constituir Bloco Parlamentar, em têrmos regimentais.

Art. 14º - O Presidente será, nos seus impedimentos ou faltas, substituído pelo Primeiro, ou, faltando êste, pelo Segundo Vice-Presidente.

Art. 4º - Será membro ou filiado da Ação Democrática Parlamentar o Congressista que solicite sua admissão e, sendo, aceito pela Comissão Executiva, tenha o nome inscrito no livro próprio.

Parágrafo único - São membros fundadores os Congressistas que assinaram o Manifesto de lançamento.

Art. 5º - A Ação Democrática Parlamentar terá por órgão supremo a Assembléia Geral, constituída pela reunião dos filiados regularmente inscritos e convocada como prevê o parágrafo único dêste artigo. À ela compete, além da eleição da Comissão Executiva e do Conselho Orientador, a decisão definitiva de tôdas as questões sôbre que deva pronunciar-se, quer em função do Estatuto, quer por lhe terem sido submetidas através de um grupo de membros não inferior a trinta.

Parágrafo único - A Assembléia Geral deve ser convocada mediante avisos colocados em vários pontos ostensivos das duas Casas do Congresso e divulgados pela imprensa, com antecipação pelo menos de cinco dias.

Art. 6º - A Assembléia Geral reunir-se-á ordinàriamente em abril e outubro de cada ano, na Capital da República. Na primeira reunião, dar-se-á a tomada de contas da Comissão Executiva cujo mandato se estiver extinguido, a eleição da nova Comissão Executiva e do Conselho Orientador. Na segunda tratar-se-á de assuntos concernentes à administração e aos fins da entidade. A Ordem do Dia dessas assembléias gerais será organizada pela Comissão Executiva, ficando reservado um item para debates e decisão de assuntos levantados por grupos de membros em número não inferior a trinta, até o momento da instalação dos trabalhos.

Parágrafo único - As chapas de candidatos à Comissão Executiva e ao Conselho Orientador deverão conter representantes de todos os Partidos de que haja filiados no Movimento. Na medida do possível, os aludidos cargos serão distribuídos entre congressistas de diferentes unidades da Federação.

Art. 7º - As Assembléias Gerais extraordinárias poderão ser convocadas pela Comissão Executiva ou mediante requerimento de grupos de filiados em número não inferior a trinta. Os temas a serem discutidos deverão ser divulgados com a convocação, na forma do parágrafo único do artigo 5º.

Art. 8º - As decisões das Assembléias Gerais serão tomadas pela maioria dos membros presentes.

Art. 9º - A Comissão Executiva será de vinte e cinco membros, encarregando-se os mesmos de representar a A.D.P. nos debates do Congresso, nas pregações, solenidades, comícios, conferências, enfim em

0907

e) Amplo respeito à livre emprêsa e à iniciativa privada, com subordinação, entretanto, a eficazes processos fiscalizadores, quer nas esferas da administração e da vida pública, quer nos campos das atividades individuais, a fim de coibir as distorções dos direitos e interêsses particulares ou de grupos, que sejam ou possam vir a ser lesivos à ordem, ao bem estar e à harmonia da sociedade;

f) Disseminação da propriedade privada, de modo a que seus benefícios se estendam ao maior número possível de pessôas e de famílias. Para isto, dever-se-á processar intensa campanha de assistência educacional e financeira, que permita, entre outras prerrogativas, o acesso à terra, mediante reforma agrária que consulte a realidade brasileira e incremente o aumento da produção e o bem estar do nosso povo;

III - No esclarecimento da opinião pública sôbre a superioridade da república democrática representativa, de renovação periódica, face a tôdas as outras formas de govêrno de que dá notícia a história, especialmente as que podem, com facilidade maior degenerar em tirania ou oligarquia;

IV - No apoio claro e decidido às nações que, na órbita internacional, lutem pela preservação e extensão da ordem democrática. Neste capítulo, dar-se-á ênfase especial ao fortalecimento dos laços que unem as nações americanas entre si e dos que as prendem aos postulados da civilização ocidental e cristã. Em face da política externa continental, a A.D.P., defenderá, como orientação básica, a declaração aprovada na Conferência de Santiago, em 1959, bem como todos os acôrdos, declarações e princípios subscritos pelo Brasil, dentro daquela mesma linha, nas Conferências Inter-Americanas e de consultas, a fim de que se mantenha a identidade ideológica já aceita, em compromissos solenes, pelas Nações da América;

V - No estímulo recíproco entendimento entre as classes patronal e obreira, de forma a se evitarem as rupturas sociais e com o objetivo de se estabelecer um clima definitivo de compreensão e de ordem que possibilite o harmônico e ininterrupto desenvolvimento da Nação;

VI - No cumprimento dos demais itens consignados no manifesto que, a 21 de março de 1961, instituiu a Ação Democrática Parlamentar.

Art. 3º - A A.D.P. terá a duração por tempo indeterminado, e a sua sede será junto ao Congresso Nacional, na Capital da República, podendo ter Associações filiadas nas capitais dos Estados ou em qualquer outro Município brasileiro.

0906

Enclosure 3
Despatch 728
Brasilia
3-16-60

ARA

AÇÃO DEMOCRÁTICA PARLAMENTAR

ESTATUTO

Art. 1º - A Ação Democrática Parlamentar é a união dos membros do Congresso Nacional empenhados em realizar um programa de vigilância e proteção dos princípios democráticos, desenvolvendo esforços no sentido de aprimorar cada vez mais as instituições republicanas no Brasil.

Artº 2º - Esta união será, em consequência, uma entidade atuante, cujos esforços se desdobrarão:

I - Na defesa permanente das condições essenciais à sobrevivência de uma república democrática, tais como:

a) Govêrno representativo, de renovação periódica;

b) Divisão dos podêres do Estado, de forma a coibir que qualquer detentor de um dêles, ou de parcela do mesmo, pratique abuso em detrimento de quem detenha responsabilidades semelhantes, ou em detrimento dos direitos fundamentais dos cidadãos;

c) Garantias, as mais perfeitas possíveis, ao livre exercício dos direitos políticos;

d) Condenação formal e combate incessante a tôda e qualquer espécie de ditadura, tanto da esquerda como da direita;

II - Na luta ininterrupta pelo aperfeiçoamento das instituições sócio-políticas do País, pleiteando as reformas da Carta Magna, ou aprovação de leis que assegurem:

a) Mais ampla e melhor distribuição dos frutos da riqueza nacional, da cultura e dos ensinamentos cívico-morais, de forma a atenuar os desníveis das condições sociais e econômicas, atualmente existentes entre as unidades federadas e as várias camadas da população brasileira;

b) Aceleração do processo econômico e social do aumento da renda nacional "per capita", de modo a que cada brasileiro seja menos pobre no menor prazo possível;

c) Ação governamental orientada no sentido de considerar como um de seus objetivos fundamentais o desenvolvimento econômico do Brasil, a fim de que o mesmo acompanhe de perto o nosso espantoso aumento demográfico;

d) Emprêgo, como um dos meios mais eficientes para atingir os objetivos consignados nos itens anteriores, da técnica de planejamento global, subordinado sempre aos ideais de liberdade e de justiça social;

0905

and fixing related responsibility.

They will support foreign capital, whose activities in the country will be regulated by appropriate legislation which protects national interest and stimulate its application in a climate of reciprocal confidence.

Favorable to the agrarian reform needed in Brazil, they will promote or support legislative measures seeking to aid the situation of those who dedicate themselves to rural activities. Such reform will have to begin with the human beings themselves, giving them health, education, means to work, and conditions in which to acquire and work the land.

The national economy depends fundamentally on the agricultural sector, which has been neglected in Brazil.

The deputies who participate in the AqÃo Democratica will give special attention to the measure intended to assist it to increase productivity without prejudice to the industrial sector, equally basic to our economic emancipation.

In defense of the legislative power they will always be conscious of the teaching of the doctrine that Republican Powers are mandatory in a sovereign nation within the limits of the powers which the nation gives to it. The Constitution is the mandate which limits the legitimate perimeter of action of the legislative power.

With regard to foreign policy it will advocate the solidarity of Brazil with the democratic world which does not prevent it as a sovereign nation from maintaining diplomatic or commercial relations with all countries depending on the usefulness and opportuness of these relations.

These, in general lines, are the principles which will guide the conduct of those who form the AqÃo Democratica Parlamentar.

March 21, 1961, Brasilia.

Declaration of Principles

Signing this document are democrats who will be intransigent in the struggle against totalitarian regimes.

They will not accept the smoke screen of adjectives behind which attempts are made to subvert democracy.

This democracy rejects regimes of force but favors a strong regime which can, should and must defend itself from the menace and aggressions of those who take advantage of the weakness of static liberalism to attempt to destroy it.

In the struggle between Democracy and Communism there is no room for the indecisive, the opportunist, the "pacifist", or "neutralist", useful innocents or crypto-Communists. The time calls for courage and decisive attitudes.

The democratic regime consecrated in the Brazilian constitution which was decreed and promulgated "under the protection of God" cannot co-exist with totalitarian government nor, even less, deal with monstrosities of tyrants.

The Magna Carta of Brazil contains provisions openly permitting social transformations, concepts permitting the ordinary legislator to accept the aspirations of the times in a process of readjustment of constitutional norms to the real problems of life.

Brazilian democrats offer no resistance to progress. They are conservative, it is true, but only of the immutable principles of the regime.

In the drafting of laws they will keep in mind man and his fundamental rights; liberty of initiative and the value of human labor. They will be in favor of measures which will surpress any and all forms of abuse of economic power at the same time that it will defend the property rights guaranteed by the terms of Article 141, Paragraph 16 of the Constitution.

Advocating individual liberty, they combat all regimes which place under the absolute control of the state all areas of human activity.

Hostile to all types of demogogery, they hold that in order to wipe out the contrast between misery and wealth the solution is not in exterminating wealth but in preventing misery.

They will work for harmony between capital and labor in the common interest of the development of the country assuring rights

0903

Deputy Mendes emphasized the fact that his organization is now an operating entity with objectives and approved statutes copies of which he gave me. He emphasized that the organization is far from reactionary (except insofar as it would react to Communist provocation) e.g., it favors intelligent agrarian reform.

October Elections and Janio Quadros

I brought up the subject of elections asking him if he thought that the Communists might make gains. Mendes said that the Communist issue is unimportant in the elections. They have no strength of their own, he repeated, and whatever advances they might make would be on the coat-tails of candidates who sought their support. On the other hand, he considers Janio Quadros the real danger. He characterized him as the worst demagogue in Brazil if not in the entire world, a dictator by inclination and nature who if he gained sufficient power would wreck the country as he almost had in his brief term as President. He said that he was committed to work closely with Governor Juracy Magalhães to prevent Quadros from gaining a sizable bloc in the Chamber. He realizes that this may be difficult but he and most of the people in his bloc will do everything they can to keep Quadros from strengthening his still weak position.

President Goulart

Deputy Mendes said that President Goulart had called him some weeks before (before the return of Janio Quadros) to enlist his support and that of the bloc behind his Administration. He said that they had talked on the phone for forty minutes and that while he did not pledge support to the Administration he said that he was sure that Goulart is not, as many believe, a Far Leftist, adding that no landowner or man interested in the land can ever be. He was quite aware, he said, that Goulart is to some extent a prisoner of the Vargas tradition and the popular base on which he rose to power and on which he must depend ultimately for support. Bearing these facts in mind and understanding that the President will feel called on from time to time to make somewhat radical statements, he nonetheless had no doubts personally that Goulart is in fact a Centerist by nature and predilection. In any event, he believed that nothing should be done which would weaken the President's position thereby creating an opening for Quadros to rush in.

0902

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MEMORANDUM OF CONVERSATION

March 9, 1962

PARTICIPANTS: Deputy João Mendes (UDN-Bahia)
President of AcçÃo Democratica Parlamentar

Philip Raine

PLACE: At Deputy Mendes' Residence

SUBJECT: AcçÃo Democratica Parlamentar; Janio Quadros and President Goulart

---

I called on Deputy Mendes to learn whether it would be possible for him to accept an invitation to visit the United States. He told me that he regretted the fact that he would not be able to go because he would be very occupied between now and the elections. He said the same applied to the minority leader, Pedro Aleixo. They would both be interested in visiting the United States after the elections.

AcçÃo Democratica Parlamentar

Deputy Mendes took the occasion to give me facts about the AcçÃo Democratica which he said is an organization established to combat the leftist activities of the Frente Parlamentar Nacionalista. He said that while the Nationalist Front today claims some 80 members, in fact, it is run by a hard core of some 30. His own organization, which began with 8 members now has 157, approaching a majority (the Chamber has 327 members). The AcçÃo's principal objectives are to combat Communism or, as he put it, the time has come to establish a watershed clearly to distinguish between the pro-Communists and the pro-Democrats. He added that he does not consider the Communist Party itself much of a danger (Luis Carlos Prestes, whom he knows, is not very intelligent or effective) but the real danger comes from crypto-Communists and pro-Communists who spread divisive ideas among intellectuals, students and so forth. Times were far too serious in Brazil and in the world, Deputy Mendes said, to play the Commie game as some do for electoral purposes.

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FORM FS-439 a
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Encl. No.
Desp. No. 728
From Brasilia

2. That the Communist Party itself presents little danger in Brazil (he has known for many years and has no respect for Luis Carlos Prestes' intelligence or capacity); the real danger comes from crypto-Communists and pro-Communists who disseminate divisive ideas under other than Communist garb;

3. That the Communists are not the principal problem or danger in the coming elections, but rather Janio Quadros' expected attempt to get a large pro-Quadros bloc elected to the Chamber with the ultimate objective of establishing a dictatorship, is the real danger to be combatted;

4. That President Goulart recently requested the support of the Ação for the present regime and that while Deputy Mendes considers the President basically a centrist, his connections with the labor movement and other popular movements make it impossible for the Ação at present at least, openly to support him.

As of possible interest also are inclosed a translation of the Ação statement of principles and a copy of its statutes.

For the Ambassador:

Philip Raine

Philip Raine
Counselor of Embassy
for Political Affairs

Enclosures: att. m.m.

1. Memo of Conversation between Deputy João Mendes and the reporting officer.

2. Translation of the Ação statement of principles.

3. Copy of the statutes of the Ação Democratica Parlamentar.

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

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0900

AIR POUCH — CONFIDENTIAL

HANDLING INDICATOR

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FROM : Amembassy BRASILIA Office — 728 NO.

TO : THE DEPARTMENT OF STATE, WASHINGTON. — March 16, 1962 DATE

REF :

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DEPARTMENT OF STATE BUREAU OF INTER-AMERICAN AFFAIRS MAR 21 1962

SUBJECT: Ação Democratica Parlamentar

Enclosed is a memorandum of conversation between the reporting officer and Deputy João Mendes (UDN-Bahia), President of the anti-Communist bloc in the Chamber of Deputies known as the Ação Democratica Parlamentar. The Department will find some of Deputy Mendes' views of interest since he leads (albeit loosely) a group of 157 deputies (of a total of 327 in the Chamber) dedicated to combating leftist influences in the Chamber. The organization's principal target is the active and noisy Frente Parlamentar Nacionalista whose some 80 remaining members (from a high of near a hundred) are pretty much controlled by a hard-core group of 30 Communists, leftists, ultra-nationalists and dedicated opportunists.

Deputy Mendes has been criticized by some of his colleagues (themselves moderates) as having limited effectiveness because he is personally wealthy and has often had a reactionary label hung on him. The Embassy while largely accepting this judgment nevertheless notes that the Ação has slowly built up strength (14 PTB members are in the organization) while the Nationalist Front has lost membership in recent months. The organization's influence is unquestionably good and Mendes himself, as will be observed in the enclosures, is making every effort to shake off the reactionary label.

Of particular interest in the conversation were Deputy Mendes' statements:

1. That the time has come to establish a watershed clearly to distinguish between the pro-Communists and the pro-democrats since the times are far too serious to play the Commie game for electoral purposes.

PRaine:jw/jhm — CONFIDENTIAL

REPORTER

FORM 6-61 FS-439 GPO 912595

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7:16 AM

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FROM: Sao Paulo

TO: Secretary of State

NO: 516, March 16, 4 p.m.

EST/B jww 6-1-62

SAO PAULO 516

ACTION DEPARTMENT 516, BRASILIA 3, RIO DE JANEIRO 141

Local press gives complete but not prominent coverage Quadros' explanation of resignation, pointing out he said little new. Some papers had recently left door open to reconciliation but treatment of speech suggests renewed opposition. Radio station controlled by O ESTADO criticizing Quadros.

Fragmentary samplings local public reaction indicate better educated groups generally not impressed by explanation. Evidence tendency masses conflicting; some reports indicate initial favorable reaction. Of special interest, however, is disappointment one pro-Quadros labor leader.

BRADDOCK

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732.00/3-1662

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confirms prognosis made privately to Ambassador by Prime Minister Neves day before speech that Quadros not likely cause concern over stability of regime unless able capture Sao Paulo governorship in October. It also significant that Quadros confirmed Neves prediction that he would take "moderate" stance vis-a-vis present government, Quadros only reference being patronizing assertion that parliamentary system as good an answer present problems as restoration monarchy. That Quadros has not abandoned ultimate goal regain supreme personal power however made clear by announcement imminent "crusade" view adjusting "politics, administration, and society to new Brazil which is already here".

GORDON

LSA

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Control: 11580
Rec'd: March 17, 1962
2:46 a.m.

732

FROM: Brasilia

TO: Secretary of State

NO: 10, March 16, 6 P.M.

PRIORITY

Ex-President Quadros last night presented hour-long TV-radio apologia his short-lived presidential term and "reasons" August 1961 resignation. Attempting equate his resignation with 1954 suicide of Vargas, Quadros implied both driven out of office by same "forces" (obviously recalling though not specifically Vargas testementary letter) attempting protect own vested interests, many of whom had previously supported him in belief he did not intend keep campaign promises of new domestic and foreign policies. Expounding these policies at length, Quadros laid about equal stress on his program economic reforms and foreign policy of breaking away from "yoke of political or economic imperialisms." Quadros specifically accused Ambassadors Berle and Cabot in addition Secretary Dillon of attempting interfere unduly Brazilian foreign policy, former two with view "joint action against Cuba" and latter by linking economic aid to political committments, addition decrying German Ambassador's representations re problems Berlin and recognition East Germany. Denouncing alliance "Communists and corrupt economic power" for growing opposition his foreign and domestic policies latter days his regime, Quadros specifically cited as cause his decision resign "invasion seat of presidency" by congress represented by creation congressional committee investigate Lacerda charges that he (Quadros) plotting military dictatorship.

Initial sparse reaction this performance indicates general belief it has added nothing to previous "explanations" Quadros resignation thereby probably smudging still more his already tarnished public image, with more responsible elements, though doubtful that it lost him any mass support. This reaction /confirms

BRASILIA 10

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Control: 12115
Rec'd: March 18, 1962
10 a.m.

FROM: Recife

TO: Secretary of State

NO: 263, March 16, 5 P. M.

PRIORITY.

ACTION RIO DE JANEIRO PRIORITY 249, DEPARTMENT 263.

Lhdepe (repeat Sudene*) official reports Governor Aluysio Alves at deliberative council meeting March 15 did not attack Alliance for Progress as expected in view prior press statement. Instead showed signs near panic over "extremely critical situation his state". Same official opines Alves criticism Bohan report prompted by fact Alves perceived no immediate benefit to his state government. Alves stated only immediate financial assistance and shipments food could now help situation. Press reports Alves and Governors Paraiba and Alagoas informed deliberative council situation their states most critical. Food shortages and skyrocketing prices driving populace desperation, which Consulate Officers traveling Natal last week confirm. Seasonal rains last week generally regarded having warded off violent upheaval. Increasing clamor public and press for measures halt dangerous inflationary spiral. New shootings reported Paraiba near Saranguape March 15 when Ligas attempted preempt private property. Governor reported food stocks Rio Grande do Norte virtually exhausted. I believe massive food for peace aid would be timely and effective evidence alliance for progress.

DELGADO ARIAS

mbk

* As received. Will be serviced upon request.

Note: Delayed in transmission.

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Control: 11961
Rec'd: MAR 18, 1962
4:40 PM

FROM: BRASILIA

TO: Secretary of State

NO: 9, MARCH 16, 4 PM

FOLLOWING FROM BRASILIA

REFERENCE: BRASILIA TELEGRAM 7.

MINISTER OF WAR ISSUED FOLLOWING DIRECTIVE YESTERDAY "GENERAL PERI CONSTANT BEVILAQUA, FOR HAVING WRITTEN A LETTER NOT OF CONFIDENTIAL CHARACTER, WHICH WAS PUBLISHED IN VARIOUS NEWSPAPERS, CONTAINING COMMENTS BEARING ON INTERNATIONAL POLITICS AND INDELICATE REFERENCES TO SECRETARY STATE AND GOVERNMENT OF FRIENDLY NATION, IS IMPRISONED FOR 48 HOURS, AT HIS HOME IN PORTO ALEGRE IN ACCORDANCE WITH ARTICLE 24 OF ARMY DISCIPLINARY REGULATIONS."

THIS TYPE HOUSE ARREST CUSTOMARY PUNISHMENT DURING PAST YEAR FOR LEADING MILITARY FIGURES WHO VENTURED INTO POLITICS BUT WAS NEVERTHELESS NOT EASY DECISION FOR GOVERNMENT BECAUSE OF NOISINESS GENERAL'S NATIONALIST SUPPORTERS. HE REPORTEDLY APPEALING DECISION CLAIMING HIS LETTER NOT MEANT AS PUBLIC STATEMENT.

GORDON

HLN

2

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BRASILIA 9

832.05111/3-1662

XR 732.00

• This copy must be returned to RM/R central files with no [illegible]

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

0894

INCOMING TELEGRAM *Department of State* ACTION COPY PERMANENT RECORD COPY

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CONFIDENTIAL

Control: 10557
Rec'd: March 16, 1962
1:07 a.m.

FROM: Brazilia

TO: Secretary of State

NO: 7, March 15, 2 P.M.

ACTION DEPARTMENT 7, INFORMATION RIO DE JANEIRO 25

Responding my question re General Feri Bevilaqua (whose letter of support to Brizzola for ITT expropriation been published in press), Prime Minister last night told me he "known for his exotic ideas, fancies himself a philosopher, but is not badly motivated." Prime Minister said Bevilaqua's letter was intended for Brizzola's eyes only but Brizzola seized opportunity for publicity and leaked to press. Bevilaqua to be interrogated by War Ministry in Rio today; with prospects according Prime Minister for disciplinary action. Although personally popular among nationalist groups army, he does not pose threat stability regime. Text his letter follows by Airgram. (see Weeka 10).

GORDON

KHM

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832.05111/3-1562

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The financial and political situation of Governor Magalhães Pinto's Administration is little short of desperate. How critical the situation is can be gathered from the meagerness of results listed in official publications of achievements during the first year of his Administration. Unable to get any support from a State Legislative Assembly with the opposition parties in the great majority and from a Federal Government whose Prime Minister he defeated in the 1960 elections, the Governor has evidently come to the conclusion that the only way out is a renewal of the Quadros alliance. It is public knowledge that the Governor was deeply embittered by the drastic cuts at the Federal level of the projects he had submitted under the aegis of the Alliance for Progress. His wooing of Quadros is said to have already brought emissaries from the Federal Government for the purpose of persuading him to sever his ties with the Quadros forces.

The reporting officer has also heard from several knowledgeable quarters that many people around the Governor, including some cabinet Secretaries and National Democratic Union (UDN) high-ranking members, are very dissatisfied with the ostensive way of his political maneuvers in the Quadros direction, fearing that the Governor may be burning his bridges behind him. The consensus is that the Governor is taking great risks and that the fact that a person as moderate as he ordinarily is adopts such tactics denotes the desperateness of his situation. The impression the reporting officer has gained from talking to upper and middle class people is that as of now these people are deeply suspicious of Quadros and will require a great deal of fresh evidence to trust him again. It is more difficult to gauge the climate of opinion at the popular level, although undoubtedly Quadros finds more favor among the lower classes than among the upper classes.

Edmund A. da Silveira

Edmund A. da Silveira,
American Consul

0892

the Republic was a lot easier than to renounce it. Regardless of where the chips might fall, he implied, he would tell the people on March 15 the causes of his renunciation. "I am here with you again, however," he stressed, "so that we may join forces and resume our march to seek better days... Whatever may be in my power to do -- and I speak without any selfish motivation: I have already completed my historical role -- shall be done."

It was in that context that he announced the preparation by a group of "democrats" of a far-reaching program to promote the basic reform of the country's political, juridical, and socio-economic institutions. This program, which may be ready by the end of this month, will be disseminated throughout the country so that the people will have an opportunity to read, study, and discuss it. The cause of the present political crisis, he asserted, was the Government's lack of the necessary authority to launch the national reforms demanded by the times.

According to newspaper reports, this brief declaration was given in a tone of solemnity, with two-and three-minute pauses between sentences. "After a long period of meditation," says one apt report, "giving rise to a feeling of suspense among those present, the former President turns to the newspaper reporters and says, as if he were coming out of a deep slumber: "And that's all, gentlemen."

In the accumulating evidence that Governor Magalhães Pinto has decided to tie his political future to that of Quadros, two recent events connected with Quadros' former private secretary, José Aparecido de OLIVEIRA, stand out. Aparecido de Oliveira, a journalist by profession, has been since the 1960 elections, in which both Governor Magalhães Pinto and Quadros were elected, a strong link between the two men. He was also Magalhães Pinto's private secretary when the Governor was still the president of the National Bank of Minas Gerais, prior to the 1960 elections. The Consulate has learned that Aparecido de Oliveira was the agent of a group of Quadros' supporters in negotiations that led to the purchase of the monthly magazine Alterosa, one of the oldest magazines published in Belo Horizonte. Although most of these Quadros supporters are reported to be from São Paulo, it is widely believed that the Governor's Bank put up part of the money for the purchase of the magazine. Alterosa is an innocuous family magazine which was in a moribund state prior to the recent deal, but it can be transformed, when and if necessary, into a publicity vehicle for the Janio Quadros-Magalhães Pinto forces.

The second event involving Aparecido de Oliveira was his interim appointment on March 13, while Quadros was still here, as Secretary of Agriculture in the absence of the permanent Secretary, Paulo Salvo, now visiting the United States. Newspapers have listed Paulo Salvo as a future candidate for Federal deputy in the coming elections, and the consensus is that Aparecido de Oliveira's appointment is permanent. What lends special significance to the appointment is the fact that he is recalled to public office during Quadros' visit and accompanies the former President on the return trip to São Paulo. It should be noted, too, that custom dictates that temporary absences from Cabinet positions are filled by other Secretaries.

GPO 902667

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AIR PRIORITY
HANDLING INDICATOR

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For Department Use Only
732.00/3-1562

FOREIGN SERVICE DESPATCH

FROM : AMCONSUL, Belo Horizonte, Brazil

18
NO.

TO : THE DEPARTMENT OF STATE, WASHINGTON.

March 15, 1962
DATE

REF : -

20 For Dept. Use Only	ACTION	ARA-4	INFO	DEPT	RM/R	REP	AF	ARA	EUR	FE	NEA	CU	INR
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DEPARTMENT OF STATE
BUREAU OF
AMERICAN AFFAIRS
MAR 30 1962

SUBJECT: AN ASSESSMENT OF JANIO QUADROS' VISIT TO BELO HORIZONTE

(1)

In a nostalgic return to days of yore, former President Jânio Quadros visited Belo Horizonte during March 12-14 as a guest of Governor Magalhães PINTO to reestablish with the Governor the partnership of the 1960 electoral campaign. The renewal of that partnership included the appearance of the well-known broom with pictures of both men on. The visit represented also a demonstration of gratitude for the Governor's continued allegiance to and recent assiduous courtship of Quadros. The fact that Magalhães Pinto was the only Governor present at Quadros' debarkation in Santos and Quadros inability to go to Araxá-- a resort city in western Minas Gerais -- to confer with the Governor, were undoubtedly strong factors in urging an early visit.

Taking into consideration the stature of the visitor, the crowds awaiting him could not be described as either significantly large or enthusiastic. It is reasonable to assume that many of the people who stood along the streets to see him were impelled more by curiosity than by any other feeling. The many banners that have been put up in the streets and on buildings by Quadros' adherents have elicited little or no popular response. Of the many Governors whose arrival to meet Quadros was announced, only that of the Governor of Mato Grosso materialized.

Superb showman that he is, Quadros' overt activities in Belo Horizonte consisted of little more than enigmatic expressions and gestures, seemingly pregnant with cosmic but hidden meaning. The one thing made clear was his return to the political scene. Typical of his attitude was the vagueness of his attempts to vest his renunciation of the Presidency with an aura of patriotic duty. His main theme was that to gain the Presidency of

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EAdaSilveira:kfk
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FORM 6-61 FS-439 GPO 912596

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

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OUTGOING TELEGRAM Department of State

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☐ CHARGE TO

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09563

MAR 19 7 13 PM '62

BUENOS AIRES 1677

ACTION: Amembassy, BUENOS AIRES 1677

INFO: Amembassy, RIO DE JANEIRO 2608

Reference Buenos Aires 1638 repeated Rio 138.

Whether Frondizi's unsolicited action in sending Florit secretly to Brazil to counsel Quadros to follow course of moderation would be helpful to US interests depends on many factors, including ~~[illegible]~~ nature approach, Quadros' response and Quadros' future career and position in Brazil. In view these uncertainties and based on our appraisal Brazilian situation we doubt we should consider it a favor to us, and if approach made prior Quadros' March 15 speech, it was apparently not effective. Would also appreciate views Embassy Rio.

End.

BALL

732.00/3-1562

XR 611.32

INCLUDING IN PAGE

ARA:EST:[illegible]:ed 3/19/62

ARA - [illegible]

ARA - Mr. [illegible]

EST/A [illegible]

EST/D [illegible]

SECRET
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Control: 11156
Rec'd: March 16 1962
5:15 pm

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BUENOS AIRES 1638

FROM: BUENOS AIRES

TO: Secretary of State

NO: 1638, MARCH 15, 6 PM

ACTION DEPARTMENT 1638, INFORMATION RIO DE JANEIRO 138, SAO PAULO 25

MORALES, WHO CAME IN THIS AFTERNOON ON A NUMBER OF CHORES FOR PRESIDENT FRONDIZI, TOLD ME LATTER DESIRED ME TO KNOW HE HAD SENT FLORIT (A FRIGERIO MAN WHO AT ONE TIME WAS ARGENTINA'S YOUNGEST FOREIGN MINISTER) TO BRAZIL SECRETLY TO MEET WITH QUADROS AND TO COUNSEL HIM ON A COURSE OF MODERATION. MORALES ADDED THIS WAS DONE BECAUSE OF FRONDIZI'S DESIRE TO BE HELPFUL TO THE US. HE SAID HE WOULD REPORT TO ME RESULTS OF FLORIT'S PERSONAL MISSION.

MCCLINTOCK

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732.00/3-1562

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MAY 3 - 1962

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NAME OF OFFICER & OFFICE SYMBOL EST/A-[illegible]	DATE OF ACTION 3/19/62	DIRECTIONS TO RM/R file

0888

any event, Embassy considers First Vice Presidency much more vital legislative post and its loss as real blow to Chamber's leftist extremists.

GORDON

HAQuinn:jw
3/15/62

PRaine

DISTRIBUTION RIO: Service Attachés, USIS, Econ (2), Labor, Pol II, Pol Rio, Pol Brasilia (5).

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ORIGIN/ACTION: ARA-4

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OSD 16	USIA 8	NSA 3

DEPARTMENT OF STATE

AIRGRAM

(Departmental and Foreign Service)

732.00/3-1562
XR 732.12

XXXXX A-392 NO. CONFIDENTIAL

TO : Secstate WASHINGTON

1962 MAR 16 AM 10 21

RPTD INFO: Belem A-4, Belo Horizonte RM/S FILES, Curitiba A-3, Porto Alegre A-3, Recife A-4, Salvador A-4, Santos A-3

ANALYSIS & DISTRIBUTION BRANCH

FROM : Amembassy BRASILIA Office DATE: March 15, 1962

SUBJECT : Ultra-Nationalists Suffer Defeat in Chamber Elections

REF :

ara/ost/6 June 3-23-62

Defeat late yesterday of ultra-nationalist PTB Federal Deputy Sergio Magalhães for re-election post First Vice President Chamber Deputies generally seen here as striking blow at Chamber ultra-nationalists since it robs them of key post (i.e., presiding officer in absence Chamber President) which in past has proved effective in promoting xenophobic anti-U.S. legislation as proven by Magalhães when master minded Chamber passage profits-remittance bill. Magalhães soundly defeated by Oswaldo Lima Filho also member PTB whom Embassy believes be long-time leftist of increasingly pro-U.S. inclinations (since visit to U.S. last year on leader grant) as demonstrated by recent speeches and expressions praise for President Kennedy and Alliance Progress made to Embassy officers Brasilia.

PSD Chamber Leader Pinheiro Chagas informed Embassy Magalhães defeat due his generally unreliable and extreme leftist stance which frequently necessitated presence Chamber President Mazzilli even when latter ill order permit orderly transaction legislative business. Validity this hypothesis substantiated by fact Lima Filho carried to victory by votes conservative UDN-PSD coalition thus overwhelming heavy PTB support for Magalhães. Same coalition also replaced Socialist deputy Breno Silveira as Third Secretary with member conservative Liberator Party Geraldo Guedes.

Imminent ouster rabidly ultra-nationalist Almino Afonso from PTB Chamber leadership by more conservatively inclined Eloi Dutra continues be widely rumored here though Embassy's congressional informants rate this contest as toss up. At

CONFIDENTIAL

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FORM DS-323 11-61

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Drafted by: HAQuinn

Contents and Classification Approved by:

Clearances: PRaine

contains elements of hopeful thinking as well as reflections of the administration's effort to cut Quadros to size--an effort which, as the Embassy reported at the time of Quadros' arrival, has met with not a little success in recent weeks.

For the Ambassador:

Harry A. Quinn
Second Secretary of Embassy

APPROVED:

Philip Raine
Counselor of Embassy
for Political Affairs

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

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For the Future

It is, of course, impossible to tell whether Quadros will make of his much-ballyhooed March 15 "explanation" a denunciation of U.S. "imperialism," a denunciation of the present form of Brazilian government coupled with a call for radical reform of the country's present institutional structure, or both--or neither. Quadros being the master of political suspense and surprise that he is, it is even within the realm of possibility that he will not speak at all on the scheduled date. Nonetheless, the general outlines of Janio's forthcoming campaign have begun to emerge. The August resignation will be explained away as an act of abnegation, "proving" that Quadros is without personal ambition and therefore can be trusted with the necessary extra-ordinary powers which will enable him to "save" Brazil. The exact form of this salvation is, of course, still unclear, but it is readily apparent from the statements cited above that it will be leftist (thus offering "authentic popular representation"), anti-American (inasmuch as references to "emancipation" have always, in the Quadros lexicon, carried an explicit connotation of anti-Americanism), and will have as its goal the "reform" of Brazil's political structure to conform with "reality" as seen through Quadros' eyes. And, as clearly demonstrated last August, that reality will in the end prove to be equivalent to personal dictatorship.

An Administration Viewpoint

It is significant, however, that the present administration is, for the present at least, assuming that Quadros will pursue what, for him, is a "moderate" policy and is therefore not really to be considered as an object of general concern (although it sees serious consequences should he gain the key position of São Paulo governor in October).[3] It is, of course, questionable whether the Brazilian government's idea of a "moderate" stance would not be viewed as considerably more radical by U.S. eyes and equally dubious that the Neves-Goulart regime, in fact, really feels that Quadros can, for the present, be largely ignored as a factor in the Brazilian political equation. It would appear to be much more likely that this facade

3 As outlined to the Ambassador by Prime Minister Neves in Brasilia on March 14.

0884

tion of his August 1960 resignation over a nation-wide radio-TV hook-up on March 15 "if I am given the means" to do so[1]; (3) termed his resignation "a personal sacrifice" which he had made "in order politically to educate the people", and (4) asserted that he would soon "go to the country" with a "message of national reconstruction."

A New Republic?

Perhaps even more significant than these widely-quoted remarks, however, were Quadros' declarations to the press later the same day. Expanding upon the theme of "national reconstruction", Quadros informed the members of the Fourth Estate that he had in preparation a program for complete "reform" of the "political, juridical and socio-economic organization" of Brazil and that he intended to take this program "to the people" by means of "tireless preaching". Quadros concluded with the declaration that the "battle" to "adjust the public power to reality" would succeed in making Brazil a "really emancipated country."

Naming Names

These statements by Quadros have been accompanied by a rash of obviously-inspired rumors from sources close to Quadros asserting that Quadros will, in fact, make a full statement of the reasons for his August 1960 resignation when he speaks on March 15, including giving names to the "occult forces"[2] whom he has previously alleged forced him out of presidential office. Indeed, the latest of these stories is a report appearing in the political notes column of the usually-reliable O Estado de São Paulo which states that Quadros will specifically name Ambassadors Cabot and Berle as two who attempted to force him to "sell out" during his term in office.

---

1 It was significant in this regard that many newspapers ran this statement in close juxtaposition with a Rio-datelined item declaring that Quadros' recent round-the-world voyage had cost him an estimated $50,000.00---a subtle journalistic device intended to (accurately) demonstrate that Quadros can easily buy the necessary radio-TV coverage of his political pronouncements and is therefore merely indulging in typical demogogery when he makes such remarks.

2 Brazilian political wags are currently saying, with reference to Quadros' notorious proclivities for alcoholic beverages, that the "occult forces" which drove Quadros from office were, in fact, the foreign and domestic "scotch" trusts; i.e., "Johnny Walker", "Haig and Haig", and "White Horse".

AIR POUCH — CONFIDENTIAL

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FOREIGN SERVICE DESPATCH

FROM : Amembassy BRASILIA Office — 724 NO.

TO : THE DEPARTMENT OF STATE, WASHINGTON. — March 15, 1962 DATE

REF : Embtels (From Brasilia) 04 and 03)

55 For Dept. Use Only	ACTION	INFO	DEPT	RM/R	REP	AF	ARA	EUR	FE	NEA	CU	INR	E	P	IO	ICA
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	REC'D 3/20			AIR 3	ARMY 5	CIA 10	NAVY 3	OSD 3	OCB	USIA 8	NSA 3					

SUBJECT: JANIO JOURNEYS TO BELO

File - no action
ARA/EST
3/20/62 am

The Reception

As reported in reference communications, ex-President Janio Quadros flew to Belo Horizonte on March 12 for the ostensible purpose of "paying his respects" to Minas Gerais Governor Magalhães Pinto, who had previously gone to Santos to receive the ex-President upon his return to Brazil.

Reportedly, Quadros' reception by the public was considerably warmer upon this occasion than it was when he landed in Santos the previous week. Both events, of course, bore the earmarks of considerable advance preparation, but Governor Pinto (possibly because of the power and perquisites of his position) was, apparently, considerably more fortunate in his efforts to create an aura of popular acclaim.

Thus warmed by the huzzahs of a crowd variously estimated at 30 to 100 thousand (many of whom carried banners with such slogans as "Janio and Magalhães will save Brazil" or "Give 'em Hell, Janio!"), Quadros was considerably more forthcoming with regard to his future political plans than he has been previously--issuing one prepared statement over the local radio station and speaking informally to groups of correspondents and supporters.

"A Personal Sacrifice"

Most widely quoted of these pronouncements was that Quadros made over the air (apparently from a prepared text) in which he: (1) asserted that his purpose in coming to Minas was to repay the "courageous gesture" of Governor Pinto in coming to greet him in Santos; (2) confirmed his intention to give the nation an explana-

HAQuinn:jw — CONFIDENTIAL

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FORM 6-61 FS-439 GPO 912596

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1:06 a.m.

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AIR

RMR

FROM: Brasilia

TO: Secretary of State

NO: 4, March 14, 10 AM

Journeying Belo Horizonte March 12 return "courtesy" Governor's presence his Santos arrival ex-President Quadros reportedly given most warm reception by crowds estimated 30 to 100,000. Successfully staged-managed by Governor Magalhaes Pinto, who met Quadros together with State Secretariat and considerable number state and national pro-Quadros politicos, Belo visit apparently intended as first stop Quadros comeback trail. Tenor this event reportedly indicated by numberous banners bearing slogan "Janio and Magalhaes will save Brazil" plus Quadros announcement that he would offer nation "authentic and unanswerable" explanation of his resignation from Presidency of March 15 "if the means to do so are granted me." Elaborating this theme Quadros termed August run out "personal sacrifice" in service "cause of genuine popular representation" and promised that "when I go out in the country ... to bring Brazilians a message of national reconstruction, the multitudes will listen to me and to those who are with me".

BRASILIA 4 732.00/3-1462

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DEPARTMENT OF STATE

RM/R

Memorandum of Conversation

OFFICIAL USE ONLY

DATE: March 14, 1962

SUBJECT: Conversation with Congressman Selden

PARTICIPANTS:

Congressman Armistead I. Selden, Jr., Representative from Alabama
Mr. Arthur Wexler, Congressional Relations, Dept. of State
Mr. Edwin M. Martin, ARA, Dept. of State

COPIES TO:

ARA - Mr. Goodwin
WST - Mr. Thompson
CMA - Mr. Crimmins
H - Mr. Wexler
EST - Mr. Wellman

033.1100-SE/3-1462

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732.00

During the course of a call in which I paid my respects to him as Chairman of the Latin American Subcommittee of the House Foreign Affairs Committee, Mr. Selden made the following comments:

1. He indicated that the trip he was trying to organize for his Subcommittee to the Guantanamo base had been suggested by the Navy as preferable to having the Admiral come here and less likely to stir up comment. I said I was sure he knew the importance of playing down the trip public relations-wise in view of the number of people around who tried to make lots out of little in connection with Cuban affairs. He said he was aware of it. He said he would have a State Department officer along and would be delighted to have me accompany his group. I declined on the grounds of being too busy getting acquainted with my job. I asked him to let me know what conclusions he reached on his return.

2. He confirmed that he would be electioneering in his state most of the time between now and June. He thought his number two would also be there and I would have to deal primarily with Mr. Burleson.

3. He expressed great unhappiness that immediately after Punta del Este we had to make an agreement giving a lot of money to the Chileans, whom he described as the most uncooperative delegation there. He felt they were not only wrong and uncooperative but that Ambassador Muller had been arrogant and rude in discussions with them. He felt this more keenly because of all we had done

Microfilmed by Hoyn

ARA: E.M. Martin

CONFIDENTIAL

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

RG: 059 TAB #: 7

ENTRY: CDF60-63 1 / 7 / C /

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Folder Title: 732.00/3-1462

Document Date: 14/03/62

Document Ser.#:

DESP 219 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 01577 00007

0879

5. Israeli Ambassador to Sign Assistance Agreement.

The State Government announced this week that Ambassador Yosef Tekoah, Israel's diplomatic representative to the Brazilian Government, is scheduled to arrive in Recife March 12, accompanied by Foreign Minister San Thiago Dantas. The Ambassador will be received by various state and federal officials, including Governor Cid Sampaio, and will climax his short visit here by signing an agreement under which his country will give economic and technical assistance to the Northeast. San Thiago Dantas will sign for Brazil. (UNCLASSIFIED)

PSYCHOLOGICAL

The area's press took a three day holiday this week to celebrate Carnival. During the remaining four days, newspapers concentrated on stories of Carnival celebration but also found time to report and comment on the following:

Heaviest press coverage this week was given to the return of Janio Quadros and the political maneuvering which followed. The subject of Janio and his political future, however, was avoided completely by editorialists on two of Recife's three daily papers. Diario da Noite political columnists Luis Cisneiros and Socrates Times de Carvalho both reiterated their belief that Janio could become the strongest electoral force in the nation. A Diario da Noite editorial agreed with this view but felt that Janio could make a constructive contribution only if he shed his charismatic and messianic personality traits. (UNCLASSIFIED)

"The house is made of straw and the fire is encircling it" said the Diario de Pernambuco in an editorial on the current political situation in Pernambuco. Decrying the divisive tactics of the rival moderate-conservative parties, the PSD and the UDN, the Diario warned that the coming gubernatorial election could be won by communists if responsible citizens and parties did not subordinate their own selfish interests to the common good. (UNCLASSIFIED)

Local headlines this week gave almost an audible sigh of relief in announcing that President Kennedy would not cut aid to Brazil in retaliation for Governor Brizola's recent expropriation of the Rio Grande do Sul telephone company. The Correio Do Ceará somewhat belatedly picked up the line followed by other regional papers and blasted the expropriation as a demagogic device designed to attract attention away from the obvious incompetence of Brizola's administration. An editorial on the university student's page of João Pessoa's A Uniao took an opposite view. Vigorously supporting Brizola, the editorial labeled this and past expropriations together with the proposed remittance-of-profits law as "three positive points emerging from an infinity of negative acts." (UNCLASSIFIED)

Eugene Delgado-Arias
Principal Officer

Contributors: L.C. Kilday
W.S. Smith
D Elleby

GPO 802667

ECONOMIC

1. General Viriato de Medeiros Ousted From CTU.

Under the aegis of Mayor Miguel Arraes, a general stockholders meeting of the City Transit Company (Companhia de Transporte Urbano--CTU) was held on March 10, and, as expected, General Viriato de Medeiros was ousted as CTU Director. The principal charge hurled against him during the meeting revolved around allegations that he had attempted to "pit himself against the authority of Miguel Arraes." Viriato was replaced by Lauro de Figueiredo, an engineer who helped to organize the CTU. Tulio Pavanello Junior, the Technical Director of the company, was also removed, being replaced by Arnaldo Barbalho. (UNCLASSIFIED)

Comment: Though unconfirmed reports allege that Arnaldo Barbalho is an adherent of the extreme left, the Consulate General as yet has no reliable information concerning the political affiliations or proclivities of the two new CTU officers. (CONFIDENTIAL)

2. Bulgarian Technicians Arrive in Northeast.

On March 9/the Recife press reported the arrival in Recife of three Bulgarian technicians. At a press conference organized for them in Recife, the Bulgarians explained the purpose of their mission as being to obtain first hand impressions of the potentiality of the onion industry in this area and to investigate the possibility of using a dehydration process already successfully used not only in the Socialist countries but also in Egypt. They were also quoted as stating that Bulgaria would be willing to assist the Brazilian Government set up a dehydrating plant. During their stay here the Bulgarians will visit the São Francisco Valley, and will establish contact with officials of SUDENE, the Banco do Nordeste, and various other agencies involved in the development of the Northeast. (UNCLASSIFIED)

3. State Government of Paraíba to Purchase Yugoslav Tractors.

In an open letter to the President of the Paraíba State Legislature published this week, the Governor of Paraíba explained why the State Government planned to purchase tractors from Yugoslavia rather than from Western countries which had submitted bids. First, he said, the price of the Yugoslav units was considerably cheaper and the rate of exchange more favorable. Secondly, the Governor went on, he had received a telegram from the President of the Republic expressly recommending that the order be placed in Socialist Europe, preferably in Bulgaria or Yugoslavia. (UNCLASSIFIED)

4. Stevedores Again Threaten Strike.

As part of a nationwide slow-down, the Stevedores Union of Pernambuco, backed by dock workers, this week initiated a daily two hour work stoppage which they declared would be continued until Merchant Marine Commission Bulletin No. 320, recently cancelled by the Council of Ministers, is again placed in force. By the end of the week stevedores and dock workers in Recife were threatening a complete work stoppage unless their demands were met. (UNCLASSIFIED)

GPO 802867

0877

4. Medical Students Suspend Classes.

Demonstrating how completely students in Recife control the universities, University of Recife medical students suspended classes this week because of a burned-out oven. Complaining that the burned-out oven caused the closing of the school's restaurant, which, in turn, forced the students to eat lunch in town, the students threatened to strike if the oven were not repaired. Before the week's end, the Rector of the University had promised to have the oven repaired immediately. Thus, the students were appeased and a new crisis averted. (UNCLASSIFIED)

5. Arms Cache Discovery Denied.

A March 10 press report out of Rio de Janeiro claiming that the Army had uncovered great quantities of arms in Pernambuco and Ceará was immediately discredited by General Soares Dutra, Fourth Army Chief of Staff. Soares Dutra admitted that a few revolvers and other hand weapons had been picked up recently but denied the apprehension of any sizeable arms cache. (UNCLASSIFIED)

Comment: So far as the Consulate General is able to determine, the last sizeable stockpile of arms uncovered in the Northeast was at Sapé, Paraíba in November, 1961. (OFFICIAL USE ONLY)

6. Carnival Party in Fortaleza Ends in Shooting.

Carnival at Fortaleza's plush Country Club ended on an unhappy note as Fortaleza police fired into the ballroom to disperse the crowd and end the final evening's fun. Juvenile Court Judge Cândido Couto, appalled at the number of youths inhaling ether fumes at the party, reportedly ordered the police (who fired the shots) to break up the party. Judge Couto's actions are now being reviewed by a superior court in Fortaleza.

Carnival elsewhere in the Northeast apparently passed without unusual incident. A few persons died from execessive inhalation of ether fumes, and some were injured in brawls. The highest number of casualties probably occurred in the form of ether and alcohol-inspired hangovers among the upper classes. If one local columnist looked upon this Carnival period as "the last days of Pompei" his views were not widely shared. To most citizens it was only another Carnival. (UNCLASSIFIED)

7. Governor Cid Sampaio's Mother Dies.

Sofia Feijó Sampaio, mother of Governor Cid Sampaio, Secretary of Public Works Lael Sampaio, and Federal Deputy Alde Sampaio, died at Rio de Janeiro on Tuesday, March 6. Governor Sampaio journeyed to Rio on March 8 to attend the burial ceremony and returned to Recife on Saturday, March 10. A seventh-day mass, conducted by Dom Carlos Coehlo, Archbishop of Recife and Olinda, was to be celebrated on Monday, March 12. (UNCLASSIFIED)

GPO 902667

completely removed from Northeastern reality" according to Rio Grande do Norte Governor Aluysio Alves as quoted in a Natal news item this week. The item stated that Governor Alves' reading of the final report of the Bohan Mission led him to decry the "insignificance" of the funds provided, the great financial participation demanded of Brazil, the anticipated delay in the execution of the programs, and the "disdain" shown for the Brazilians in assigning project supervisory responsibilities. The Governor was reported to be contemplating a recommendation that SUDENE not accept aid proffered by the United States under the Alliance for Progress. (UNCLASSIFIED)

Comment: This report, if based in fact, would represent a reversal of position for Governor Alves. Until now, Governor Alves has looked upon the Alliance for Progress as an effective instrument for the reconstruction of the Northeast. His criticism now probably derives from disappointment over not being able to administer Alliance projects and funds himself, thus not gaining the political prestige that will go along with whatever projects are undertaken in his state. It appears unlikely that Governor Alves' complaints will obtain much support. (OFFICIAL USE ONLY)

2. Minister of Labor Boosts Paulo Maciel for Governor.

Minister of Labor Franco Montoro arrived in Recife this week to boost the chances of possible gubernatorial candidate Paulo Maciel, Secretary of the Treasury. Conceding that the selection of candidates was really a matter to be decided within the states, Montoro nevertheless told a TV audience that if the selection of a candidate were left up to him, he would choose Maciel, whose fame "has crossed the boundaries of Pernambuco." Montoro's backing of Maciel was generally taken to mean that the local Partido Democrata Cristao would now solicit support for a possible launching of Maciel's candidacy. (UNCLASSIFIED)

Comment: Paulo Maciel, known to be favored by Governor Cid Sampaio as his successor, is regarded by the UDN leadership as too politically inexperienced and too unknown a political fugure to be a successful candidate. Unless Governor Sampaio is able to convert the UDN to his way of thinking, any PDC move to nominate Maciel would likely abort at an early stage. (OFFICIAL USE ONLY)

3. Rural University Rector to be Ousted.

Rural University Rector Manuel Rodriguez apparently has lost the fight for survival which he has been waging against university students since June, 1961; a weekend news report out of Rio de Janeiro stated that Minister of Agriculture Armando Monteiro Filho had informed Rodriguez that he would be removed from his position within a few days. The news raised few eyebrows in Recife since it had been assumed that Rodriguez would suffer the same fate as recently-ousted Law School Director Soriano Neto. (UNCLASSIFIED)

Comment: Rodriguez probably hastened his demise when he retaliated against striking students by suspending several student leaders and threatening to suspend other student agitators. Such a firm attitude could hardly have been expected to sit well with Monteiro Filho and Minister of Education Oliveira Brito, both of whom have leaned backward to avoid offending the students' sensibilities. (OFFICIAL USE ONLY)

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FOREIGN SERVICE DESPATCH

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MAR 16 1962

FROM : AmConGen RECIFE

163
NO.

TO : THE DEPARTMENT OF STATE, WASHINGTON.

March 14, 1962
DATE

REF :

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For Dept. Use Only	ACTION	INFO	DEP	RM/R	REP	AF	ARA	EUR	FE	NEA	CU	INR	E	P	IO	ICA
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Belo Horizonte 14-3-62
curitiba-1
porto alegre-1

SUBJECT: Weeka No. 4

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ECONOMIC

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PSYCHOLOGICAL

POLITICAL

1. Governor Aluysio Alves Disappointed with Alliance for Progress.

The Alliance for Progress is "ingenuous, insignificant, and demanding completely"

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See last page/rps
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FORM FS-439 GPO 912596

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CONFIDENTIAL

-2- 2071, March 13, 5 p.m., from: Rio de Janeiro

predictions political plans less specific. A NOITE feared he would not lack supporters: "number of Masochists much larger than is believed". Conservative O GLOBO demanded Quadros state whether "he returns to arena in service democracy...or for discredited Jacobin conspiracies of Brizzola, Juliao, etc". In first of editorials ESTADO DE SAO PAULO strongly condemned Quadros, subsequently appealed: "may he put himself at service Paulista cause at side of governor Carvalho Pinto (whose hand-picked candidate to succeed him Janio reported in trying oppose personally)". Only DIARIO DE NOTICIAS held out possibility support, though Pansr criticized Quadros for failure explain resignation: "DN could support again tomorrow within framework current situation...though not for purposes agitation, confusion".

GORDON

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RIO 2071

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Control: 8563
Rec'd: March 13, 1962
11:30 p.m.

FROM: Rio de Janeiro

TO: Secretary of State

NO: 2071, March 13, 5 p.m.

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ACTION: ESTB
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EST/B JWW
6-1-62

Reference: Brasilia 21.

Press gave Quadros return extensive coverage though surprising number papers carried story inside pages. Follow-up editorials unanimously condemned Quadros failure give public explanation resignation last August. With only one exception press hostile and found particularly appropriate Quadros return on day social significance, Ash Wednesday. Papers varied widely in speculation Quadros future.

Three papers predicted no Quadros future. Far-left ULTIMA HORA said, "only madman could conceive idea country might trust him second time". (Papers claimed that, despite worried noises from Department of State, Janio "now as always candidate of US for any political position". (JORNAL DO COMMERCIO pointed to poor public and official attendance reception Santos, concluding, "missing piece arrived without changing picture much. For democrats news not bad". CORREIO DA MANHA said Janio "prepared one Ash Wednesday for Brazilian people August last year. There will not be another".

Majority papers expected successful resumption political career. FOLHA DE SAO PAULO said he would "again enchant and seduce voters", adding, "his past says he will be candidate for governor". JORNAL DO BRASIL indicated expectation congressional candidacy: "belonging no party, he has all at his mercy...he will put own candidates on party tickets and end by having multi-party bloc". Other

732.00/3-1362

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0872

Guimarães has been said by CAS to be the leader of the Ligas in Bahia, and is a former member of the Salvador Municipal Committee of the PCB.

On December 16, 1961, the conservative Salvador daily A Tarde reported that a group of peasants coming from the Northeast, fleeing the drought, had invaded a farm in Candeias, near Salvador, belonging to Petrobras. The group appears to have been led by a man named Filipão, and is quoted as having declared "If the petroleum is ours, why not the land?" The newspaper article indicated that Petrobras lawyers had succeeded in obtaining the withdrawal of these peasants.

On January 23, 1962, the centrist Salvador daily Estado da Bahia quoted PSD state assemblyman Raimundo Reis as declaring that before long he would organize a parade of 4,000 peasants in Salvador. On April 18, 1961, Reis offered on the floor of the Assembly to go fight personally to defend Cuba against "US invasion". Recently Reis has boasted that he has formed some 14 Ligas in Bahia, has sought police protection for the formation of one in the southern Bahia municipio of Vitoria da Conquista (where political differences have fairly recently been settled by murder), and has declared that the financial support for his Ligas comes from an industrialist named Paulo Lauder. Reis has also echoed a phrase of Julião's, praising the "politicization of our Brasilian peasants" through the instrumentality of the Ligas as a step toward solution of agrarian problems.

On February 3, Guimarães, the president of FALTAB, asked the Leste Brasiliero railroad to turn over to peasants six farms owned by the railroad. It is currently reported that groups of peasants are being organized for the occupation of one of these farms, between Candeias and Catú in the Recôncavo, on March 20.

On February 5, approximately 100 peasants occupied a part of the Vitoria do Paraguaçu fazenda owned by the Instituto do Açucar e do Alcool (IAA -- a Brazilian federal agency) located in the municipio of Cachoeira, Bahia. The occupation was led by workers connected with the Associação Camponesa de Terra Vermelha e Vale do Iguape; their leader has been reported by the press to be Tertuliano de Souza, or Tertuliano Teixeira (probably Tertuliano Teixeira de Souza).

The Associacao Camponesa de Terra Vermelha e Vale do Iguape may be the Cachoeira Liga reported by CAS to have participated in the November 5 formation of FALTAB. FALTAB and its president, Francisco Guimarães, were mentioned in the first report of the February 5th invasion carried by the generally pro-Communist Jornal da Bahia, which had the fullest press account of the event; Guimarães was quoted as saying that the occupation had been pacific, that the peasants would remain on the farm since they had nowhere else to go, and that they had sent telegrams, immediately after the occupation

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FOREIGN SERVICE DESPATCH

FROM: Amconsul, Salvador, Bahia, Brazil — NO. 40

TO: THE DEPARTMENT OF STATE, WASHINGTON. — DATE: March 11, 1962

REF: Department's Airgram A-5, February 19, 1962 — ARA

(55) For Dept. Use Only	ACTION	ARA-4	DEPT	RM/R 2	REP 1	AF	ARA	EUR	FE	NEA	CU	INR 5	E	P 1	IO	ICA
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		REC'D 3/23	OTHER	AIR 3	ARMY 5	CIA 10	NAVY 3	OSD 3	OCB	USIA 8	JSA 3	NSC 2	Rio de Janeiro -2			

SUBJECT: Ligas Camponesas in the State of Bahia and the Occupation of the Instituto do Açucar e do Alcool Estate

According to an April 28, 1961, report in the Brazilian magazine Visão, the Ligas Camponesas (Peasants' Leagues) led by self-declared Communist Francisco Julião were spreading throughout the Northeast of Brazil. During a brief visit to Salvador from October 27 to October 30, 1961, the reporting officer was told that at least two Ligas Camponesas were rumored to exist in the central Bahia area near Fiera de Santana and in the south near Ilheus.

By November 4, 1961, according to a November 8 CAS report, nine Ligas Camponesas had been organized in Bahia. These were reported to be located in the municipios of Caravelas and Belmonte in the south of Bahia; Cachoeira, Cruz das Almas, Muritiba and Santo Amaro in the central Recôncavo zone around the Baía de Todos os Santos; Alagoinhas in the north; Campo Formoso in the northern part of the Chapada Diamantina range; and in a locality known as São Tomé de Paripe, which the Consulate has not been able to locate. According to CAS, representatives of these nine Ligas were among the delegates at a November 4-5 meeting which elected as chairmen three Communists: Ivan Bastos, a student representative; Washington Jose de Souza, a union man; and Walter de Matte, president of the Meat Workers Union. About 100 were present at this meeting. The assembly concluded by forming the Federação das Associações de Lavradores e Trabalhadores Agrícolas da Bahia (FALTAB), and with a manifesto calling for the government to distribute to the peasants all untenanted lands belonging to the state. They urged that the distribution be made through already existing rural associations (presumably the Ligas), and called for the creation of a social welfare and assistance institute for rural workers. It has been recently reported in the press that Francisco Araújo Guimarães is the president of FALTAB;

Guimarães

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Page 2 of
Encl. No.
Desp. No. 58
From PORTO ALEGRE

placing paid notices in the press appealing to large land owners to cooperate in the land redistribution program. As a large land-holder himself, the Governor apparently now feels the time has come to "put up or shut up" and has elected to become the first big "volunteer" in his own program of land redistribution.

Hyman Bloom
Hyman Bloom
American Consul

cc.: Amembassy RIO
Counselor for Political Affairs-Brasília
Counselor for Consular Affairs-Rio

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FROM : Amconsulate PÔRTO ALEGRE — 58 NO.

TO : THE DEPARTMENT OF STATE, WASHINGTON. — March 12, 1962 DATE

REF :

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SUBJECT: Governor Brizola Announces Plan to "Distribute" Part of His Farm Property.

As reported in the local press on March 11, 1962, Governor and Mrs. Brizola plan to sell 1,000 hectares, or 40 percent of the total area comprising their estate, "Fazenda Pangaré", at Palmares, near the coast, some 50 Km east of Pôrto Alegre. The land is to be sold in lots to landless farmers (agricultores sem terra), and will be repayable over a period of 15 years, without interest.

Governor Brizola stated that if anybody calls this a demagogic action, then it will be a very expensive one, for the estate is a legacy for Mrs. Brizola and their children, and the value of the 1,000 hectares is presently estimated at Cr$15 million 1/. The Governor stated that he will personally see that the distribution of the land, is in accordance with the State's agrarian reform program.

Governor and Mrs. Brizola have authorized a local agronomist, Mr. Luiz Albano Coelho de Souza, President of the local Executive Group for Agrarian Reform, to make a study for dividing the land up in lots, adequate for growing rice and raising dairy cattle.

Comment: As is well known, Governor Brizola is pushing hard for his program of agrarian reform in Rio Grande do Sul and has been criticized for his heavy-handed actions in expropriating farm property and encouraging "agricultores sem terra" to occupy private lands. The State Department of Agriculture has recently been

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1/ Current banks' selling rate is Cr$318 to US$1.00.

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-2- 3, MARCH 9, 4 PM FROM BRASILIA

EFFORT ON PART PRESENT GOVERNMENT TO CUT QUADROS TO SIZE, AIDED BY RELATIVE POLITICAL STABILITY AS WELL AS CONTINUED RESENTMENT OVER QUADROS RUNOUT AND ITS DELETERIOUS EFFECT ON BRAZIL, CLEARLY DEMONSTRATED LAST WEEK BY GENERAL CONCENSUS EDITORIAL OPINION WHICH ON ONE HAND SHARPLY ATTACKED QUADROS PRETENSIONS POLITICAL LEGITIMACY AND ON OTHER PRAISED SUCCESS OF PRESENT GOVERNMENT'S EFFORTS TO CREATE STABILITY OUT OF LAST AUGUST'S CHAOS. TTYACEDQOTEG* EDITORIAL BARRAGE SPEARHEADED BY CONSERVATIVE AND INFLUENTIAL CHATEAUBRIAND CHAIN (WHICH THIS PAST WEEK LED OFF ITS INCREASINGLY - FREQUENT QUADROS DENUNCIATIONS WITH THREE HARD-HITTING ANTI-QUADROS ARTICLES APPEARING IN WIDE-CIRCULATION WEEKLY O CRUZEIRO) ITS EFFECTIVENESS IMMENSELY BOOSTED BY MARCH 2 ADHESION OF WIDELY-READ AND EXTREMELY INFLUENTIAL JORNAL BRASIL, WHICH HAD PREVIOUSLY FOLLOWED UNDEVIATING PRO-QUADROS LINE. THOUGH JORNAL BRASIL DID NOT JOIN IN MORE LUSTY CHATEAUBRIAND-TYPE ROCK THROWING IT COUPLED INVITATION TO QUADROS TO PARTICIPATE FREELY IN FORTHCOMING CONGRESSIONAL ELECTIONS TO THILY-VEILED WARNING AGAINST ADVENTURES WHICH MIGHT UPSET DEMOCRATIC PROCESS, FOLLOWING THIS EDITORIAL MIXTURE THE FOLLOWING DAY WITH SIMILAR BLEND OF QUALIFIED PRAISE FOR THE PRESENT REGIME AND LOW-KEYED THREAT THAT THE EX-PRESIDENT COULD NOT IMPROVE HIS "DOMINATION" SHOULD HE ATTEMPT DO SO.

DESPITE GENERAL ATMOSPHERE DISAPPROVAL AND SUSPICION WHICH APPEARS DELINEATE RESPONSIBLE REACTION QUADROS RETURN, IT APPARENT THAT UNDERLYING ECONOMIC WEAKNESS PRESENT GOVERNMENT PLUS FACTORS POLITICAL INSTABILITY BOUND BE GENERATED BY ELECTION CAMPAIGN COULD QUISE* CONCEIVABLY COMBINE (PARTICLARLY SHOULD THE BASIC BRAZILIAN EQUATION BE ALERTED BY, FOR EXAMPLE, RAPID DETERIORATION OF US-BRAZIL RELATIONS) TO CREATE MORE FAVORABLE FIELD FOR GALLOP TO DICTATORIAL POWER WHICH MOST OBSERVERS NOW SEE AS QUADROS UNDERLYING GOAL.

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FROM: BRASILIA - CORRECTED COPY

TO: Secretary of State

NO: 3, MARCH 9, 4 PM

INFO: RMJR FILES file

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JWW 6-1-62

PRIORITY

ACTION DEPARTMENT 3, INFORMATION RIO DE JANEIRO 21.

EX-PRESIDENT QUADROS DEBARKED SANTOS MARCH 7, AS SCHEDULED IN PRESENCE VARIOUSLY REPORTED 6 TO 18,000 ADMIRERS, MANY OF WHOM ARRIVED FROM STATE CAPITAL IN ONLY PARTIALLY FILLED BUSSES HIRED BY QUADROS LIEUTENANTS, AND SUBSEQUENTLY RELEASED LENGTHY AND MAUDLIN STATEMENT DECLARING "EMOTION" AT BEING AGAIN IN BRAZIL, PROFESSING LOVE FOR "HUMBLE FOLK" WHO GREETED HIM AND BRUSHING ASIDE QUESTION HIS AUGUST RESIGNATION WITH DECLARATION "THOSE WILL UNDERSTAND WHO WISH TO UNDERSTAND"

SIGNIFICANTLY, ONLY FIGURE NATIONAL IMPORTANCE PRESENT WAS MINAS GERAIS GOVERNOR MAGALHAES PINTO, WHO LAST MONTH KICKED OFF CAMPAIGN INTENDED GIVE LEGITIMATE POL COVER TO QUADROS RETURN BRAZILIAN POLITICAL LIFE. CONTRARY PREVIOUS ANNOUNCEMENT, PRESIDENT GOULART DID NOT SENT REPRESENTATIVES AND MILITARY MINISTERS WHO SERVED UNDER QUADROS (HECK, MOSS, DENYS) FAILED TO APPEAR, THOUGH MOST CIVILIAN MINISTERS QUADROS CABINET, WITH NOTABLE EXCEPTION INDEPENDENT MINDED FINANCE MINISTER MARIANI, WERE PRESENT. THUS ARRIVAL CONFIRMS EARLIER INDICATIONS FAILURE EFFORT OF SO-CALLED JANISTA "GENERAL STAFF" TO CLOAK ARRIVAL IN AURA GENERAL APPROVAL. FAILURE FORE-SHADOWED BOTH BY REPEATED STEARN WARNINGS FROM BRAZILIAN MILITARY AGAINST POLITICAL "ADVENTURES" ON PART QUADROS (EFFECTIVELY SECONDED BY BAHIA GOVERNOR JURACY MAGALHAES AND OTHER PROMINENT POLITICIANS RETAINING COURAGE THEIR CONVICTIONS) PLUS APPARENT SUCCESS RECENT WEEKS OF PRESIDENT GOULART'S STRENUOUS EFFORTS WOO MIDDLE CLASS AND CONSERVATIVE SUPPORT. SUCCESS THIS TWO PRONGED

732.00/3-962

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Page 1 of
Encl. No. 1
Desp. No. 39
From Salvador, Bahia, Brazil

MEMORANDUM OF CONVERSATION

DATE: March 8, 1962

SUBJECT: Return of Janio QUADROS

PLACE: Lunch in Hotel Plaza, Salvador

PARTICIPANTS: Rogério da Silva Rêgo, Secretary to Governor Juracy Magalhães,

C. Dirck Keyser, American Consul

Mr. Rêgo spoke of the return of Janio Quadros with misgivings. He repeated a tale told by the Governor in which a German Jew described Quadros as being just like Hitler, and expressed the opinion that Quadros wishes to be a dictator. He expressed some optimism that Quadros was too much of a coward to try to seize power by force, but his general tone was pessimistic. He noted that UDN Governors Magalhães Pinto of Minas Gerais and Lacerda of Guanabara were apparently negotiating with Quadros. Lacerda, he said, was deemed by Governor Juracy Magalhães to be a man of little solidity, apt to be one's friend one day, one's enemy the next day, and one's friend again the day afterward. Magalhães Pinto he characterized as a "gambler".

Mr. Rêgo said that the Governor's office had been unable to determine who had put up, several weeks ago, banners linking the names of Janio and Heck. The cloth and the lettering used suggested that the banners had come from Rio de Janiero, and it was possible that the MAC (Movimento Anti-Communista) was responsible (CAS holds that the MAC here is not responsible, and is poorly organized and poorly financed; CAS, like the Governor's office, is unable to determine the origin of the banners).

Mr. Rêgo said that in his estimation, Quadros' political future would depend to a considerable extent on how he explains his resignation from the presidency.

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FROM : Amconsul, Salvador, Bahia, Brazil — 39 Bis NO.

TO : THE DEPARTMENT OF STATE, WASHINGTON. — March 9, 1962 DATE

REF :

20 For Dept. Use Only	ACTION	INFO	DEPT	RM/R	REP	AF	ARA	EUR	FE	NEA	CU	INR	E	P	IO	ICA
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SUBJECT: Bahia and Janio Quadros

DEPARTMENT OF STATE
BUREAU OF
INTER-AMERICAN AFFAIRS
MAR 26 1962
file
and psd/b JWW 3-27-62

(1)

There is enclosed a memorandum of conversation between the secretary to Governor Juracy Magalhães and the Consul on the subject of Janio Quadros. The secretary indicated that the Governor believes that Quadros is seeking to become a dictator, and also mistrusts his fellow UDN governors Lacerda of Guanabara and Magalhães Pinto of Minas Gerais.

It is reported in the newspapers here that State transportation Secretary Tarcilo Vieira de Melo (dissident PSD) had planned to go to Santos to welcome Quadros, but after consulting with Governor Magalhães, had decided not to. Apparently no Bahiano politician of significance went to Santos.

C. Dirck Keyser
C. Dirck Keyser
American Consul

cc: Brasilia, Mr. Raine
Political Section, Embassy, Rio.

Enclosed:
Memorandum of Conversation.

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MAR 27 4 31 PM '62

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REPORTER

FORM 6-61 FS-439 GPO 912596

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Rec'd: March 9, 1962 4:50 p.m.

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FROM: SAO PAULO -- CORRECTED COPY

TO: Secretary of State

NO: 489, MARCH 8,2 PM

ACTION DEPARTMENT 489, INFORMATION RIO 134, BELEM, BELOHORIZONTE, CURITIBA, PALEGRE, RECIFE, SALVADOR, SANTOS UNNUMBERED

JANIO QUADROS ARRIVED SANTOS MARCH 7 WITH NO SIGNIFICANT POLITICAL STATEMENT. ACCORDING REPORT FROM ONE RELIABLE PAPER, PROMISED EVENTUALLY EXPLAIN REASONS FOR RESIGNING PRESIDENCY IN TERMS IMPLYING THREAT TO UPPER CLASSES. SHOWED DEFINITE INTENT RE-ENTER POLITICS, PROMISING CLARIFY PLANS WITHIN DAYS. IN SPITE OF STATMENTS LOCAL SUPPORTERS, QUADROS PLANS NOT YET BELIEVED PREDICTABLE.

WELCOME GIVEN QUADROS CONSIDERED NOT VERY IMPRESSIVE. SIGNIFICANT NATIONAL FIGURES PRESENT WERE (1) MINAS GERAIS GOVERNOR MAGALHAES PINTO AND (2)SENATOR LINO DE MATOS, WHOSE PTN (PARTIDO TRABALZISTA NATIONAL) TRYING BACK QUADROS. PRESIDENT GOULART NOT REPRESENTED. SAO PAULO GOVERNOR REPRESENTED BY GUBERNATORIAL CANDIDATE COUTINHO NOGUEIRA; GOVERNOR PROBABLY WISHES NOT TAKE PERSONAL POSITION UNTIL KNOWS WHETHER QUADROS INTENDS RUN AGAINST NOGUEIRA. GOVERNORS RIO GRANDE DO SUL AND PARANA REPRESENTED.

BRADDOCK

BA/JTC

Sao Paulo 489

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RMR

Control: 6318
Rec'd: March 9, 1962
4:50 p.m.

EST/B

file EST/6JWW
6-1-62

FROM: SAO PAULO

TO: Secretary of State

NO: 489, MARCH 8,2 PM

ACTION DEPARTMENT 489, INFORMATION RIO 134, BELEM, BELOHORIZONTE, CURITIBA, PALEGRE, RECIFE, SALVADOR, SANTOS UNNUMBERED

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WELCOME GIVEN QUADROS CONSIDERED NOT VERY IMPRESSIVE. SIGNIFICANT NATIONAL FIGURES PRESENT WERE (1) MINAS GERAIS GOVERNOR MAGALHAES PINTO AND (2)SENATOR LINO DE MATOS, WHOSE (#)PARTY TRYING BACK QUADROS. PRESIDENT GOULART NOT REPRESENTED - SAO PAULO GOVERNOR REPRESENTED BY GUBERNATORIAL CANDIDATE COUTINHO NOGUEIRA; GOVERNOR PROBABLY WISHES NOT TAKE PERSONAL POSITION UNTIL KNOWS WHETHER QUADROS INTENDS RUN AGAINST NOGUEIRA. GOVERNORS RIO GRANDE DO SUL AND PARANA REPRESENTED.

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OMISSION, CORRECTION TO FOLLOW.

SAO PAULO 489

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Control: 6722
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2:24 AM

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Info

FROM: Santos

TO: Secretary of State

NO: 8, March 8, 11 p.m.

ACTION: EST/B
INFO:
RM/R FILES: file

EST/B JWW
6-1-62

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PRIORITY

ACTION DEPARTMENT 8, INFORMATION BRASILIA PRIORITY 2, RIO DE JANEIRO PRIORITY 6, BELO HORIZONTE, SAO PAULO UNNUMBERED.

Presence thousand Paulista visitors in Santos for carnaval, arrival on day after carnival when practically all business establishments Santos closed, plus intensive efforts Janistas to bring followers from Sao Paulo and adjoining states to greet Janio March 7 resulted in spectacular reception, even allowing for apparent poor direction and organization. Presence 14,000 to 18,000 people would seem indicate political following has increased over last year's low point subsequent renunciation but popularity far from zenith reached prior election. Santos businessmen who contributed presidential campaign have almost unanimously refused further financial aid. Situation could change if Janio's political star continues ascendency.

Padingodinho, UDN Sao Paulo State Deputy, privately stated reporter March 7 that Janio expected run for governor Sao Paulo, that Janio would hold conferences state politicos at farm retreat Sao Paulo, that he would later proceed Araza Minas Gerais additional contacts.

PYLE

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SANTOS 8

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-2- 7, MARCH 7, FROM SANTOS

MAYOR SENT REPRESENTATIVE. PRESIDENT JOAO GOULART DID NOT.

JANIO DELIVERED NO FORMAL ADDRESS. EXPRESSED APPRECIATION FOR RECEPTION (SINGLING OUT DOCKWORKERS, STEVEDORES, CLERKS AND MOTHERS) ACCORDED HE AND HIS FAMILY. STATE WOULD PARTICIPATE IN "NATIONAL MOVEMENTS AS A COMMON CITIZEN EXERCISING MY RIGHTS AS A VOTER". PRACTICALLY ALL MORE PROMINENT PEOPLE LISTED ABOVE ATTENDED DINNER HOSTED BY GIUSFREDO SANTINE, PUBLISHER SANTOS A TRIBUNA BEFORE DEPARTURE AT 8:30 PM FOR JANIO'S FATHER-IN-LAWS RESIDENCE IN SAO PAULO FOR A SHORT STAY PRIOR TO TAKING UP TEMPORARY RESIDENCE AT FARM SYLVIO MALZONE, PROMINENT LOCAL COFFEE CIRCLES, LOCATED IN INTERIOR SAO PAULO. TRIP TO SAO PAULO MADE IN CAR QUINTANILHA RIBBIRO.

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INCOMING TELEGRAM · Department of State

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Control: 6125
Rec'd: March 9, 1962
10:40 a.m.

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FROM: SANTOS

TO: Secretary of State

NO: 7, MARCH 7.

ACTION:
INFO:
RM/R FILES

SANTOS 7

PRIORITY

ACTION DEPARTMENT 7, INFORMATION BRASILIA PRIORITY 1, RIO DE JANEIRO PRIORITY 5, SAO PAULO PRIORITY 1.

JANIO QUADROS MADE HISTRIONIC APPEARANCE UPON ARRIVAL SS RUYS SANTOS 5:10 PM MARCH 7 BY DONNING STREET CAR CAP HANDED UP GANGPLANK BY ONE OF 14 TO 18,000 PERSONS AWAITING IN DOCK AREA. CARRIED ON SHOULDERS ADMIRERS TO TRUCK WHICH TOOK HIM OUT CROWDED DOCK AREA. JANISTAS PRESENT FROM RIO GRANDE DO SUL, CURITIBA, RIO, MINAS GERAIS, AND VARIOUS PLACES STATE AND CITY SAO PAULO, JOSE BONIFACIO COUTINHO NOGUEIRA, SAO PAULO GUBERNATORIAL HOPEFUL AND QUEIROS FILHO, SECRETARY JUSTICE AND PDC LEADER REPRESENTED SAO PAULO GOVERNOR CARVALHO PINTO. MINAS GERAIS GOVERNOR MAGALHAES PINTO AND TENORIO CAVALCANTE, GUANABARA AND FEDERAL DEPUTY, CONSPICUOUSLY CLOSE JANIO HAVING BOARDED SHIP EARLIER. FORMER MINISTERS UMXER JANIO WHO WERE PRESENT INCLUDED PEDROSO HORTW, JUSTICE, CASTRO NEVES, LABOR, AFONSO ARINOS, FOREIGN AFFAIRS, JOAO AGRIPINO, MINES AND POWER, BRIGIDO TINOCO EDUCATION, CATETE PINMEIRO, HEALTH, ARTUR BERNARDES, INDUSTRY AND COMMERCE, OTHER PROMINENT PERSONAGES INCLUDED QUINTANILHW RIBEIRO, FORMER CHIEF CIVIL HOUSEHOLD, BRIGADIER FARIA LIMA, FORMER PRESIDENT NATIONAL BANK ECONOMIC DEVELOPMENT, SAO PAULO STATE DEPUTIES PADRE GODINHO, ABREU SODRE, BOTH UDN, GUSTAVO MARTINI, FRABULINI JUNIOR FROM PTN, MENDONCA FALCAO, PR, ATHIE JORGE COURY, ARRUDA CASTANMO, BOTH PDC, LINE DE MATOS, EMILIO CARLOS, PTN SAO PAULO SENATOR AND FEDERAL DEPUTY RESPECTIVELY. NUMBER LESSER LIGHTS CLOSE JANIO ALSO PRESENT. PROMINENT LABOR PEOPLE INCLUDED DOMINGOS ALVARES AND JOSE CHEDIAK, PRESIDENTS SAO PAULO FEDERATIONS METAL WORKERS AND GLASS WORKERS RESPECTIVELY. LEADERS AND REPRESENTATIVES FIVE SANTOS UNIONS PRESENT. SANTOS

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terms offered by Westinghouse were such as to preclude requesting bids from other firms. It was the vote of the local government representative which decided the case in favor of Westinghouse.

In reply to the comments about the possible loan from the Banco Portugues do Brasil the governor and the Secretary of Finance gave press and radio statements. They said that the shortage of money in this state coupled with the long terms and small interest rate offered made it imperative to accept.

About this same time a number of the members of governor's cabinet resigned with the exception of the Secretary of Education and Culture and the Secretary of Public Safety (Chief of Police). Most of the resignations were in preparation for the October elections for federal and state positions.

The new secretaries in the governor's cabinet are:

Dr. Irineu Bentes Lobato, State Secretary;
Dr. Firmo Dutra, Secretary of Finance;
Dr. Pedro Valinoto, Secretary of Health;
Dr. Raimundo Martins Viana, Secretary of Interior and Justice;
Dr. Antonio Viana, Secretary of Lands, Transportation and Public Works;
Dr. Benedito Celso de Padua, Chief of Cabinet.

All of these are members of the PSD and it is generally felt that this is a stronger group than his previous cabinet.

Edward J. Holway, Jr.
American Consul

c.c.: American Embassy, Rio de Janeiro.

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HANDLING INDICATOR

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FOREIGN SERVICE DESPATCH

FROM : Amconsul, BELÉM, PARÁ, BRAZIL — 77 NO.

TO : THE DEPARTMENT OF STATE, WASHINGTON. — March 7, 1962 DATE

REF :

20 For Dept. Use Only	ACTION	INFO	DEPT	RM/R	REP	AF	ARA	EUR	FE	NEA	CU	INR	E	P	IO	Ard
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	REC'D 3-14-62			AIR	ARMY	CIA	NAVY	OSD	OCB	USIA	NSA					
				3	5	10	3	3		8	3					

SUBJECT: POLITICAL RUMBLES IN THE STATE OF PARÁ, BRAZIL

Various rumors were spread throughout the state of Pará during the early part of February hinting that the governor Aurelio do CARMO was going to resign. It was indicated that he was being pushed to this position by a few member of his party, the PSD (Partido Social Democratico) who were against the recent appointment of Firmo DUTRA to the position of Secretary of Finance for the state. Other parties which are in opposition to the PSD took this opportunity to attempt to widen the break between the governor and his party. Students and labor groups were urged to demonstrate against the appointment of Dutra. Statements were also made to the effect that the governor was reneging on campaign promises.

The governor during his campaign in 1960 followed a favored Brazilian political line, that of a strong nationalist; he stated that if elected all his policies would be directed in this direction. Local informants say this was done to get the support of the PTB (Partido Trabalhista Brasileiro) which in this area includes several "pink-nationalist" members and also to placate members of his own party who follow the nationalist line.

The reason for all the furor over the nomination of Firmo Dutra was that he formerly was the president of Força e Luz do Pará S. A., a private electric company of which the state is the major stockholder. The opposition claims that Dutra was instrumental in obtain the contract for Westinghouse (USA) to finance and install two turbines. Westinghouse, a short time ago, completed the installation of a complete new electrical system. Complaints were also made about the recent loan agreement being considered between the state of Pará and the Banco Portugues do Brasil. It was stated that both these actions were taken arbitrarily without other international electric companies or financial sources being requested to submit bids or offers.

A general meeting of the Força e Luz do Pará S. A. was called to discuss the Westinghouse contract. At this meeting it was decided that the terms offered/

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preventing its docking at the wharf equipped with suction tubes. Rationing has been eased somewhat, bakeries and restaurants now receiving 50% of their normal needs rather than 20%. Flour is still scarce, however, and unless new shipments arrive within the next month, rationing will have to be stepped up again. (UNCLASSIFIED)

5. Ex-King Leopold Suggests Belgian Technical Assistance for Northeast.

Ex-King Leopold, of Belgium, arrived in Recife on March 3 to attend the Carnival celebrations. He conferred with Governor Cid Sampaio, with sociologist Gilberto Freyre and with SUDENE officials. The Recife press quoted him as suggesting to SUDENE that Belgium was willing to furnish technical assistance in the Northeast. He was also reported to have inquired into the possibilities of settling Belgian immigrants in the Northeast. The Consulate General understands that some consideration is being given to resettling in the Northeast Belgian refugees from the Congo, a proposal being urged by Gilberto Freyre. (UNCLASSIFIED)

PSYCHOLOGICAL

"This climate of injustice is alarming and we cannot contemplate it without fear" editorialized the "Jornal do Commercio" on the blatant squandering of money by the wealthy on gaudy carnival costumes. Referring to the "almost nude, sick, abandoned, rejected and yet resigned brothers" columnist Nilo Pereira bitterly criticized this ostentation. "Diario da Noite" columnist Luis Cisneiros carried the criticism further by pointing out the incongruity of Pernambuco requesting financial assistance with one hand while spending lavishly with the other.

A recent "New York Times" editorial commenting on the political, social, and economic instability in Brazil was prominently featured by "Jornal do Commercio." This was contrasted with the exuberantly friendly remarks of Alexei Adzhubei, Director of Izvestia, following his recent trip to Brazil. "Diario de Pernambuco," though giving prime space to a "Washington Daily News" editorial critical of Brazil, editorialized that "Brazil should accept the pronouncements of Senator Mansfield and the "New York Times" as indications of [friendly] interest." In the same vein, former President Juscelino Kubitschek was quoted in a front page article of the "Gazeta de Alagoas" as having said that the natural alliance between the U.S. and Brazil was in danger if the latter's social and economic problems were not solved in the near future.

On the confiscation of the Rio Grande do Sul Telephone Company, "Jornal do Commercio" commented that "what occurred could not really support the thesis of 'nationalization' as the only indicated and inescapable remedy in this case." The "Jornal" pointed out that Governor Brizola's earlier seizure of the electric company in Rio Grande do Sul had increased the consumer's expenses by five times while resulting in poorer service. Making clear that it had no sympathy for "foreign concessionaires" the "Jornal" nevertheless condemned nationalization only for the purpose of fulfilling demagogic plans.

Eugene Delgado-Arias
Principal Officer

Contributors: L. D. Kilday
W. S. Smith
D. Elleby

GPO 802687

a report is submitted.

For his part, Viriato issued a public denial of the accusations and declared that the move to oust him was being engineered by the Communists. He obtained a court order asserting that Arraes did not have authority to dismiss him, such authority being vested only in the CTU stockholders (of which, however, the Municipal Government constitutes the majority). As things now stand Viriato continues to direct the CTU. The committee is scheduled to announce its findings next week and is almost certain to recommend his ouster. Viriato's continued presence in the CTU has prompted the workers to threaten to strike immediately, without waiting for the committee's findings. (OFFICIAL USE ONLY)

Comment: The move to oust Viriato was initiated by Communist elements in the CTU, but, according to sources close to General Viriato, was inspired by Miguel Arraes himself. The General has done an excellent job at the CTU and is generally respected for his competence and honesty. The Communists (and Arraes), however, have been gunning for him for some time, primarily because of his opposition to the purchase of some 130 electric trolley-buses from Czechoslovakia and his efforts to curb Communist penetration in the CTU. If, as now seems likely, he is removed, it will be interesting to see: 1) whether the Municipal Government reverses its award of the contract to a Brazilian company and gives it instead to Czechoslovakia; and 2) whether Miguel Arraes replaces General Viriato with a pro-Communist. (CONFIDENTIAL)

3. Czech Commercial Activities in the Northeast.

Czechoslovakia is expanding its activities in the Northeast (see item No. 3 under Political). SKODA has been attempting to sell 130 new electric trolley-buses to the Municipal Government of Recife, and various automobile dealers in the area report that SKODA is increasing its sales of passenger autos here. Several Northeastern textile mills, including the large plant at Paulista just north of Recife, have recently made substantial purchases of Czech machinery. According to statements reportedly made by Czech technicians in the area they have received so many orders for machinery of various types that they may fall back on the Soviet Union to help them meet the demand. In addition, the March 2 edition of "Diario de Pernambuco" quoted Ferdinand Hadek, described as the "Czech Commercial Attaché in Recife," as saying that Czechoslovakia wanted to help the Northeast with technical assistance, investments, credits and machinery. Czechoslovakia plans to set up industrial plants in all the states of the Northeast, supplying Czech machinery, technical assistance and financing in the form of long term credits. According to Hadek, who reportedly has just returned from a trip through Pará, Maranhão and Bahia, several states have already expressed interest in the proposal. Czech technicians are presently constructing flour mills in Natal, Fortaleza and João Pessoa. Hadek was also reported arranging for grants and scholarships for Brazilian students and technicians from the Northeast to study in Czechoslovakia. (OFFICIAL USE ONLY)

4. Wheat Shortage Eased.

The "S.S. Tritanic", with a cargo of 13,350 tons of PL 480 wheat, docked in Recife on February 28. Indicative of the general disrepair of the port, the cargo had to be unloaded with concrete scoops, the "Tritanic's" draft of more than 25 feet

GPO 902667

Comment:

As reported in Consulate General Despatch No. 149, the seeds of this dispute were planted last spring at the time of the Law School students strike. Since then, Rural University student leaders have followed the path of student leaders at the Law School. If Minister of Agriculture Armando Monteiro Filho and Minister of Education Oliveira Brito refuse to challenge the student leaders on this issue, an attempt by the Federal Government to dismiss Rector Rodriguez may be expected. (OFFICIAL USE ONLY)

7. Recife Communists Arrested: Propaganda Material Seized.

Eleven local communists were arrested this week by Pernambuco police. Included in the group were ten employees of the local communist weekly newspaper, "A Hora," and David Capistrano, acknowledged leader of the Pernambuco section of the Communist Party of Brazil. At the time of the arrest, police reportedly seized a sizeable quantity of communist propaganda and a large supply of copies of the statutes of the illegal Communist Party. By week's end, only Capistrano and one other remained under arrest, and it was expected that they too would be released soon. (UNCLASSIFIED)

Comment: The Consulate General has been apprised that it is likely these arrests were generated by pressures brought to bear on the State Police by the Fourth Army Commander General Costa e Silva. (OFFICIAL USE ONLY)

ECONOMIC

1. Satisfaction With Reports of Negotiations for American Assistance to the Northeast.

Reports this week concerning American economic assistance to the Northeast now being negotiated in Rio with the Government of Brazil prompted expressions of satisfaction from the local press and soothed irritations building up against the Federal Government, which many Northeasterners were beginning to suspect of trying to divert financial assistance to the South. SUDENE officials with whom the Consulate General has been in contact this week have also commented enthusiastically on the prospect of American economic assistance. One SUDENE official remarked that assurance of American backing had raised morale at SUDENE appreciably and that for the first time he himself was beginning to feel more optimistic concerning the general prospects for curing the economic ills of the Northeast. (UNCLASSIFIED)

2. Workers Demand Dismissal of CTU Director.

Early in the week a group of workers at the City Transit Company (Companhia de Transporte Urbano -- CTU) published an open letter in which they accused the CTU Director, General Viriato de Medeiros, of negelecting the plight of the workers, and of refusing to meet wage demands. They insisted that Viriato be dismissed and that workers be given a 40% wage increase under threat of strike. Several officers of the CTU staff joined in the criticism. Recife's Mayor, Miguel Arraes, responded to the workers' demands by calling a meeting of the CTU stockholders and appointing a committee to investigate the charges and suspending Viriato until

GPO 902667

awareness that such a consulate would carry on subversive activities. (CONFIDENTIAL)

4. Carnival Display of Wealth Protested.

Touched off by the news that the winning gown at the Baile Municipal had cost Cr$ 2.5 million, progressive elements in Recife virtually exploded this week over the "vulgar" display of wealth at pre-carnival balls. At least five different editorialists condemned, in the strongest of terms, this "affront to the penury of the unprotected classes." The Archbishop of Recife and Olinda Dom Carlos Coelho issued a statement appealing to all social classes to avoid such "ostentation, which is offensive to the great number of people confronted by a situation of misery." Both the state Legislative Assembly and the Recife Municipal Council discussed the matter extensively and the Council passed a vote of support of the Bishop's statement. (UNCLASSIFIED)

Comment: It is an indictment against the upper classes in Pernambuco that one girl can spend Cr$ 2.5 million on one dress to be used a few times while thousands of people eke out an existence on less than 100 cruzeiros a day. This incident clearly demonstrates that the potentially explosive situation in Recife, caused by problems of economic and social imbalance, is compounded by the uncomprehending, unfeeling, feudal mentality of the landed gentry. One is forced to agree with the "Jornal do Commercio's" observation that "Something is Rotten" in Recife. (OFFICIAL USE ONLY)

5. Minister of War Ducks Request for Protection.

In João Pessoa, during a three day visit to Pernambuco and Paraiba, Minister of War Segadas Viana deflected a local landowner's request for army troops to protect property from Ligas Camponesas invasions by asserting that such protection was a police matter and not a military mission. In the same context, Segadas Viana prodded the landowners to accept agrarian reform for the beneficial effect it would have. (UNCLASSIFIED)

Comment: Landowners in Paraiba, the state of greatest Ligas penetration, are not likely to yield to demands for reform so long as they are assured of adequate military support and protection. By leaving the landowners uncertain of the extent to which the Army will use troops to protect their property rights, Segadas Viana is helping to force them to adopt a less adamant position. (OFFICIAL USE ONLY)

6. Rural University Students on Strike in Attempt to Oust Rector.

Apparently inspired by the success of the University of Recife Law School students, Rural University students this week renewed their attempts to oust Rector Manuel Rodriguez. The tactics used were those followed earlier by the law students in ousting Director Soriano Neto. Telegrams were dispatched to all authorities in the federal hierarchy denouncing Rodriguez as "incompetent to hold his position for lack of moral conditions." Later, as classes were scheduled to open, huge firecrackers were used to prevent Rodriguez from entering his office, and student leaders called a strike which would last until Rodriguez' dismissal. (UNCLASSIFIED)

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reform, and for SUDENE and its development plans. Technicians of the Ministry of Agriculture and officials of various Northeastern states and municipalities met with the bishops to discuss regional problems and their proposed solutions. Auxiliary Archbishop of Rio de Janeiro Dom Helder Camara, invited as a guest speaker, probably best expressed the sense of the conference when he stated that the Catholic Church supported a prompt and effective reform of the agricultural structure in the face of communist and reactionary opposition. Dom Helder also placed the Catholic Church fully in accord with SUDENE and its objectives. Earlier, Dom Jose TÃvora, Archbishop of Aracaju, Sergipe, while proclaiming support of SUDENE, cautioned that SUDENE must avoid penetration by partisan politicians and Marxists lest its development mission be subverted. Most speakers expressed hope that agrarian reform and development projects be initiated quickly before the time remaining for peaceful change expires. (UNCLASSIFIED)

Comment: This conference is the strongest expression to date of the developing attitude of the Catholic Church in the Northeast in response to the papal encyclical Mater et Magistra. The Church's support will offer much comfort and assistance to SUDENE during the coming months and years, as SUDENE is attacked by both extremes of the political spectrum. (OFFICIAL USE ONLY)

2. Partido Social Trabalhista to Nominate Arraes for Governor.

The Regional Directorate of the Partido Social Trabalhista this week announced its intention to nominate Miguel Arraes as the party's candidate for Governor. The nomination will be made at the party convention which is to be held within the next few weeks. In his most definite statement yet regarding his gubernatorial ambitions, Arraes expressed hope that the "PST would consult other parties regarding its choice" and stated that he would "await the definite pronouncement to be given during the coming convention." (UNCLASSIFIED)

Comment: The PST is a minor party in Pernambuco. Its nomination of Arraes is most significant as an indication that Arraes has decided to make an open bid to be selected as the opposition candidate for Governor. The PST, incidentally, was the first party to nominate Arraes when he ran for Mayor of Recife. (OFFICIAL USE ONLY)

3. Czechoslovakia to Open Consulate in Recife.

A press report this week of an interview with Czechoslovakian Government representative Ferdinand Hadek raises the possibility that the Czechs may be planning to open a consulate in Recife. Hadek, described as Commercial Attaché of the Czech Embassy, was said to be in charge of his government's affairs in Recife until a consulate is organized. Previously, Hadek had been known to the Consulate General as a representative of SKODA, the Czech industrial complex, ostensibly in Recife to try to sell SKODA buses to the City of Recife. (See Item 3, Economic) (UNCLASSIFIED)

Comment: A former Czech citizen who serves occasionally as interpreter for Czech representatives in Recife has also reported that Czechoslovakia intends to open a consulate in Recife. Increasing Czech exports to Northeast Brazil may persuade the Brazilian Government that a consulate is needed here in spite of an

HANDLING INDICATOR CONFIDENTIAL

FOREIGN SERVICE DESPATCH

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732.00/3-662
MAR 7 1962

FROM : AmConGen RECIFE

162
NO.

TO : THE DEPARTMENT OF STATE, WASHINGTON.

March 6, 1962
DATE

REF :

22 For Dept. Use Only	ACTION	INR-10	INFO	DEP	RM/R 2	REP 1	AF	ARA 5	EUR 3	FE	NEA	CU 5	INR	E	P	IO	AID 11
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SUBJECT: Weeka No. 5

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ECONOMIC

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PSYCHOLOGICAL

POLITICAL

1. Northeast Bishops Support Reforms.

Meeting at Natal, Rio Grande do Norte this week, Catholic bishops of Northeast Brazil voiced unqualified support for social reforms, for agrarian

Department pass: Amconsulates Belem, Belo Horizonte, Curitiba, Porto Alegre.
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See last page/rps

REPORTER CONFIDENTIAL

CLASSIFIED FILE

FORM 6-61 FS-439 GPO 812595

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R. Hopkins Rowen INR/C-3		NAR	3/15/62	Fwd.

0851

A question mark in this campaign is the newly created, leftist, nationalist FLN (National Liberation Front), the most prominent member of which is Governor Brizola. Quadros' closest aides have been conducting talks with FLN leaders up until December, apparently bidding for the group's support, when they were broken off pending Quadros' return. At this point they are as likely to oppose him as to support him, depending upon the policies which Quadros will enunciate after his return.

In these congressional contests it remains to be seen how well Quadros can transfer his own charismatic image to candidates of his choice. He has had varying success at doing this on previous occasions. In his favor is the fact that Quadros still maintains a vast reservoir of personal support among the Brazilian electorate regardless of formal political affiliation. At the same time he lost a great deal of his former support when he resigned the Presidency. He must now attempt to regain and expand his support. The success of this effort will depend to a great extent upon how well he can explain the reasons for his resignation but also upon how successfully the present administration can build a favorable image before the elections. Should the choice be only between Quadros and chaos the electorate might well be tempted, as is Carlos Lacerda, to opt for Jânio again.

ARA:EST/R:GHamilton:zec 3/6/62

might be the most difficult office of all to win. He would have to run against Jose Bonifacio Coutinho Nogueira, the handpicked candidate of the popular outgoing Governor of Sao Paulo, as well as face the considerable anti-Quadros sentiment that has been sharpened by his imminent return. Although almost all parties have their Janista wing, most appear to be leaning toward Nogueira if they have not already pledged him their support. Both the Partido Republicano (a minor conservative party) and the UDN have already committed themselves to support Nogueira, while the probable nomination of Quadros by the PTN could cause a major split in the ranks of that party. The most influential Sao Paulo newspapers, which have supported Quadros throughout his career, now oppose him for the governorship. Recent Sao Paulo polls show that his popularity has declined substantially since his resignation. In Quadros' favor is a tentative endorsement by an influential group of representatives of the city's business interest indicating that he still retains the confidence of part of this sector. But the most important single factor in his favor is his own personal popularity in Sao Paulo which cuts across party lines. There are many who feel that Quadros could win any office in Sao Paulo hands down with no party support.

In order to obtain his objective of national leadership Quadros would have to campaign vigorously throughout Brazil for pro-Janista candidates in the congressional election of October. His chances of seeing a favorable congress~~ional~~ return in October would be considerably improved if he takes the logical step of running for federal deputy from a populous state like Sao Paulo. He would face little opposition in such a race and he would probably attain a sizeable majority of the vote, which under Brazil's electoral law, would allow a large bloc of candidates supporting him to ride in on his coattails. His chances of electing favorable candidates outside the state in which he runs are problematical.

As is the case locally in Sao Paulo, Quadros' return has evoked opposition over a wide range of political sentiments on a national level. Both the armed forces and the communist party have indicated their opposition to him, and it is doubtful whether he will get the national endorsement of any of the major parties. Potentially the most important opposition to Quadros is that of President Goulart. Goulart, who has the most to lose should Quadros regain power, has been conducting a campaign of "quiet" opposition. He has followed a moderate policy since his investiture, aimed at obtaining the support of the center while retaining his personal fief as head of the left-wing PTB. He has clearly made headway in gaining the confidence of the moderate elements in Brazil, and it is possible that should the Quadros threat appear too likely to succeed in October, he could be instrumental in forming various anti-Quadros coalitions to protect his position.

A question

0849

OPTIONAL FORM NO. 10
5010-104

UNITED STATES GOVERNMENT

Memorandum CONFIDENTIAL

Mr. Goodwin 3/14/62

KW.

EST - Mr Wellman

TO : ARA - Mr. Woodward

DATE March 6, 1962

FROM : EST - Mr. Wellman

SUBJECT: Jânio Vem Ahí Outra Vez: The Political Prospects of Quadros Upon His Return.

In view of the scheduled return of Janio Quadros to Brazil tomorrow (March 7) you may be interested in the following assessment of his probable course of action and political prospects upon arrival there.

Any estimate of what Janio Quadros will do when he returns to Brazil would have to presuppose that his ultimate objective is the resumption of national leadership as soon as possible. Since the presidential election is not until 1965 (and since Quadros would be ineligible to run for the presidency at that time under the Constitution) it is highly likely that he will attempt to gain the prime ministership, which is potentially a more powerful office under the present semi-parliamentary system. In order to accomplish this Quadros would have to see the return of a pro-Janio legislature in the October congressional election. At the same time he would have to secure an elective office for himself, both to hedge his bet in case of losing out for the premiership and as a base of power from which to attain national leadership.

Quadros will probably be nominated for the governorship of Sao Paulo by the PTN (National Labor Party - a small party but an important one in Sao Paulo). He has already been nominated for Senator from Paraiba by dissident elements of the UDN (National Democratic Union - a moderately conservative party and the major party supporting him for the Presidency in 1960) and the PSD (Social Democrats - the moderately conservative party of ex-President Kubitshek), and for federal deputy from Pernambuco by the PTB (Brazilian Labor Party - the party of President Goulart). There are also indications that he might also be nominated for federal deputy from Sao Paulo and from Rio Grande do Sul. Under the electoral law he would be allowed to run for various offices in a single state (but could not run in more than one state). The Embassy believes that he might do this in Sao Paulo (for governor and federal deputy) surrendering the governorship to a handpicked vice-gubernatorial candidate and entering the Congress, should he be successful in both contests.

Up to the present time, the only nomination in which Quadros appears to have indicated direct interest in the governorship of Sao Paulo, which

might

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INCOMING TELEGRAM *Department of State* PERMANENT RECORD COPY

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Control: 1916
Rec'd: March 3, 1962
6:20 p.m.

FROM: Rio de Janeiro

TO: Secretary of State

NO: 1995, March 2.

Following is Brasilia's No. 12, February 28, 4 p.m. to Rio de Janeiro:

Fifteen ultra-nationalist Federal deputies yesterday sent Governor Brizoli telegram of "applause" for expropriation ITT as act "defense of our economic emancipation". Expressing surprise that some Brazilians "are presenting it as (act of) hostility to American Government and people" telegram concludes with statement hope that American Government and people not permit "admirable program alliance for progress be converted into instrument of economic pressure in defense of private interests" forgetting fact its purpose to combat under development Latin America. Embassy believes telegram doubtless inspired by large-scale publicity given to signs both official and unofficial US displeasure at Brizola action coupled with alleged threats of imminent severance alliance for progress plus headline treatment virtually all Brazilian press yesterday of McClellan report allegedly calling for stoppage alliance should pending profits-remittance legislation become law which most papers reported in same story with editorial from BARRON'S WEEKLY calling for "brutally frank discussions between debtor and creditor" upon occasion forth-coming official visit President Goulart. Weakness this initial ultra-nationalist sally (i.e., only 15 signers) probably due general pre-occupation pre-lenten carnaval activities, but Brazil's professional super patriots can hardly be expected not take increasing advantage of opportunity offered them by such reports for denouncing alleged US "economic imperialism". As previously reported (WEEKA 8), conservative Brazilian observers also upset by apparent US reaction to ITT seizure, as indicated

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UNCLASSIFIED
(Classification)

Page 2 of
Encl. No. —
Desp. No. 50
From PORTO ALEGRE

Comment: Local Catholic circles have been concerned for some time over increasing leftist tendencies throughout the State of Rio Grande do Sul. The activities of Governor Brizola, "agricultores sem terra", and the broad question of agrarian reform have all tended to spur the creation of a united front, namely the "Frente Agrária Gaúcha".

The Consulate will keep the Department and Embassy informed of any new developments.

Hyman Bloom
American Consul

cc.: Amembassy RIO
Counselor for Consular Affairs, RIO
Counselor for Political Affairs, BRASÍLIA

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Sir Bouch
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UNCLASSIFIED

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FOREIGN SERVICE DESPATCH

FROM Amconsulate PÔRTO ALEGRE 50 NO.

TO : THE DEPARTMENT OF STATE, WASHINGTON. March 2, 1962 DATE

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SUBJECT: Establishment of Local Agrarian Front

The "Frente Agrária Gaúcha" (Gaúcha Agrarian Front), founded by a group of leading Catholics in the State of Rio Grande do Sul and headed by Archbishop Vicente Scherer and Dom Luiz de Nadal, Bishop of Uruguaiana, has been receiving good coverage in the local press. In an interview given to "Diário de Notícias" on February 18, Dom Luiz de Nadal said that the aim of the FAG is to enroll 150 thousand members.

Founded in Plano Alto, district of Uruguaiana, on the western border of the State, the Front has been attempting to spread its influence in the State. In a closing speech at the 21 Congress of Catholic Farmers, held in an interior town February 15-18, Dom Vicente Scherer stated that FAG had been founded through the initiative of the Gaúcho Bishops to assist the rural world to meet and answer the demands created by a new era confronting a large number of its members. FAG hopes to promote the interests of the farm workers by giving them a large and active voice in the high councils of Government with the assurance that they will be heard when vital questions concerning their interests are being discussed. FAG plans to encourage individual farmers to participate more fully in public and economic life.

The Frente Agrária Gaúcha has its headquarters in Pôrto Alegre and a meeting was recently held here on February 27, attended by the regional "presidents" of the Front. The various aspects and problems facing the organization in its efforts to expand were discussed and it was decided to hold a regional convention in Pôrto Alegre sometime in July. The Front is hoping that more than a thousand "presidents" will then be in existence and will attend the convention.

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work hand-in-hand with US.

I am convinced he is honestly seeking assist fair settlement in ITT case, working against extreme profits remittance bill and backing Moreira Salles stabilization effott. Without some indications sympathetic understanding by US it will be difficult maintain and extend this line of action. And while I believe some criticism certain aspects present Brazilian situation in US press and from semi-official sources has salutary effect here, intensity present adverse reporting likely produce undesirable effects.

Campos and Gouthier strongly to? urge, and I support as? for reasons detailed above, some effort of moderate climate is indication that situation also contains favorable elements, including substantial efforts come to grips with basic Brazilian problems as indicated by passage and implementation Sudene bill, recently proposed tax-reform bill, reported administration intention to present agrarian reform bill to Congress in near future, new education bill, generally improved political position present government stemming both from visible signs effective military support and from President multiple and largely successful efforts to reach modus vivendi with conservative center forces in Brazilian society. I would suggest, for example, statements by an official Department spokesman and a senator (e.g., Mansfield, Humphrey, Morge, McGee) noting above favorable factors, commending efforts Brazilian Government regarding ITT expropriation negotiations (if as appears possible this juncture some satisfactory agreement is reached) and expressing in a general way our hopes that forthcoming visit of President Goulart will lead to further strengthening of our traditional ties of friendship with our sister republic. Senator (perhaps McClellan himself would be willing) in commenting on McClellan report could note facts that since time Sub-Committee visit much public reaction has developed against bill in form passed by Chamber by Brazilian business and economic elements and that mixed committee deputies and senators working on bill with view eliminating extreme provisions thereof and passing moderate bill.

GORDON

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INCOMING TELEGRAM

Department of State

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Control: 813
Rec'd: March 2, 1962
1:12 AM

FROM: Brasilia

TO: Secretary of State

NO: 2, March 1, 5 p.m.

INFO:

RM/R FILES

ACTION DEPARTMENT 2, INFORMATION RIO DE JANEIRO 17.

I have had talks with Foreign Minister, Consultor-General Antonio Balbino (close political adviser to President), other Cabinet ministers and finally Ambassador Campos and Gouthier (Brazilian Ambassador Rome) who had just returned from discussion with Goulart on forthcoming visit to US.

Very evident general nervousness on part administration as result what they suspect may be concerted campaign to vilify Brazil in general and Goulart regime in particular. They cite Barron's weekly article, NEW YORK TIMES edit, and McClellan report (see recent telegrams this subject).

Goulart questioned to Ambassador Campos and Gouthier whether he should make visit in face obviously hostile climate generated by elements opposed to constructive and friendly relations with US.

Although I still want more evidence in deeds before making considered judgment, I am impressed by fact that in recent weeks numerous influential (some very close to him) Brazilians of indisputable pro-American and anti-Communist stamp have expressed conviction that Goulart is resolved to pursue domestic policy moderate progressive lines and increasingly pro-American foreign policy. Appearance concerted anti-Brazilian press campaign constitutes serious obstacle to moving this way.

In this connection Goulart told Gouthier that it was easy and even popular when he had no responsibilities to be anti-American but as President he now knows it essential to country's future to work

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The Alliance for Progress is the "only positive result" of Cuba's submission to Soviet imperialism, according to a "Jornal do Commercio" editorial. Fidel Castro, the Jornal commented has "opened the eyes of Washington" and thus, indirectly, helped to create the Alliance which is the cause of "optimistic anticipation" throughout the Hemisphere.

The "new mentality" of understanding of the problems of the Northeast of the Banco do Brazil was acclaimed by "Jornal do Commercio." It welcomed the visit to Recife of Banco do Brazil President Ney Galvão as reflecting a new determination to solve the area's long standing problems.

The pro-Communist slant of the new editorial policy of "Estudantes", published this week, is clearly revealed in the magazine's table of contents. Sample titles: "Trip to Cuba: Education," and "Africa Shall be Free," "'Free' Press: Vulgar Prostitute," and "Puerto Rico Wants Liberty." The editorial board of the annual law school student publication apologized for the "subservience and reactionism," of earlier editions, and announced that a new student newspaper will be published this year under the revealing name of "Paredão."

Eugene Delgado-Arias
Principal Officer

Contributors:
E. Delgado-Arias
L. C. Kilday
W. S. Smith
D. Eileby

Distribution: Amembassy Rio 2, Amembassy Brasilia, Amcongen São Paulo, ARA/Brazilian Desk.

0841

3. Pernambuco Tramways Becoming an Issue.

The furor caused by Governor Brizola's seizure of the telephone company in Porto Alegre emphasizes the potential explosiveness of the dispute now evolving between the State Government of Pernambuco and the Pernambuco Tramways, a wholly owned subsidiary of the American and Foreign Power Company of New York. Tramways' contract expires in July and rather than being renewed will be picked up by the State Government. The dispute arises over the matter of compensation for equipment to be turned over to the State, Tramways having initiated legal proceedings against the State and Federal Government to demand indemnity and the State Government denying that there is any question of indemnity. This week the State issued a public announcement asserting that not only did it not owe Pernambuco Tramways any indemnity, but was itself owed by the company some Cr$ 250 million in excess profits. The case is still pending before the courts and so far neither side has given evidence of a willingness to compromise. (OFFICIAL USE ONLY)

4. Fosforita Olinda Gets Loans.

Fosforita Olinda, an important entity in Pernambuco's economy, reportedly is to receive a loan of Cr$ 130 million from the Bank of Brazil. In addition, press reports this week indicated that the phosphate plant will also receive a Cr$ 200 million loan from the Bank of the Northeast. (UNCLASSIFIED)

5. Portela-Bates Development.

The St. Regis Paper Company's lengthy reply, in the form of a legal brief filed with the courts in São Paulo, to charges made against it by Cia. Industria Brasileira Portela appeared in both Recife's major newspapers on February 20. In essence, the brief reasserted most of St. Regis and Bates' original accusations against Portela. (UNCLASSIFIED)

Comment: A member of Governor Cid Sampaio's staff has indicated that the Governor expressed particular interest in the last part of the statement, in which St. Regis declares that it will not be intimidated by attempts to distort the facts or play upon nationalist sentiments.

In the Recife area, little attention or interest have been focused upon the Portela-Bates dispute during the past month. This may be explained in part by the fact that the scene has now shifted to São Paulo, where each party has initiated legal proceedings against the other. It seems strange, however, that the Communists and ultra-nationalists have allowed the issue to rest. (OFFICIAL USE ONLY)

PSYCHOLOGICAL

Banner headlines in the local press hailed John Glenn's successful orbital flight. Abundant coverage was given to the flight by all three Recife newspapers, and editorial comment was unanimously complimentary. The Consulate General continues to receive numerous congratulatory calls and telegrams, and the Pernambuco State Assembly has passed a resolution congratulating the United States on this outstanding scientific achievement.

GPO 902887

ECONOMIC

1. President of Bank of Brazil Visits Recife.

Sr. Ney Galvão, the President of the Bank of Brazil, arrived in Recife on February 21, explaining the purpose of his 3 day visit was to observe conditions in the Northeast at first hand and determine how the Bank might best be able to assist. At his first press conference in Recife, Ney Galvão declared that "the Northeast will be the priority zone of action for the Bank of Brazil." This was not his decision alone, he said, but the express wish of President Goulart (see item No. 2). He went on to promise expanded credit facilities for agriculture and industry, mentioning specifically loans to small landowners. Representatives of the sugar interests pressed him for long term loan commitments with which to re-equip grinding mills and institute more modern methods. Galvão replied that although credit was limited and he could not promise that the sugar industry would be given first priority, he could assure them that increased attention would be given the investment and credit problems of the industry.

During his stay here the Bank of Brazil's President conferred with the Governor and other government officials and with various business and commercial circles. On the second day of his stay he visited the Fosforita Olinda plant, to which the Bank of Brazil has reportedly pledged a loan of Cr$ 130 million (see item No. 4). (UNCLASSIFIED)

2. President Goulart Pledges Priority Attention to Northeast.

Accounts appearing in the Recife press this week of "Diario da Noite" editorialist Luiz Cisneros' interview with President Goulart quote the latter as declaring that "the problems of the Northeast are being given top priority by the Federal Government, in accordance with their great importance." Speaking of development problems, the President was quoted as saying that "with the execution phase of its development plan, SUDENE will open stimulating prospects to the economy of the Northeast...." (UNCLASSIFIED)

Comment: The President's assurance that the Northeast will be accorded priority attention, and similar assurances voiced by the President of the Bank of Brazil (see above) have counterbalanced very slightly, if at all, concern prompted by the appearance of a list of Brazilian proposed Alliance for Progress emergency projects which in large part ignored the Northeast. Northeasterners, by long and painful experience, are highly skeptical of promises voiced by politicians in the national capital (or anywhere else). In spite of the urgency of the situation, the Federal Government still has not transferred from the Bank of Brazil to the Bank of the Northeast more than a small percentage of the funds which under Law No. 3995 of December 14, 1961 were to be placed at SUDENE'S disposal. In spite of promises of greatly expanded credit facilities to small farmers and industrialists, money is tighter now than it was three months ago. Nor have promises to expedite import privileges for needed machinery been fulfilled. In short, it is beginning to appear to many Northeasterners that they are hearing more of the customary empty promises. (CONFIDENTIAL)

ago, a local student group and the local labor council, both leftist-dominated, announced that they would co-operate with the Popular Culture Movement in an intense literacy campaign prior to the October elections. All of these programs, of course, have as a primary aim the election of Miguel Arraes as Governor. By initiating their own education program now, the Church and the Sampaio Administration may help to hold on their side a substantial number of those who will become literate enough to vote in October's elections. Under the circumstances, it would not be surprising if the new Church programs also included elementary instruction in civics.

6. Moral Rearmament Chooses Recife as Brazilian Headquarters.

Jose Sironi de Vasconcelos, local director of the Moral Rearmament Movement, announced last week that Recife had been selected as the Brazilian headquarters for MRM. Recife was selected, according to Vasconcelos, principally because of the popular acceptance of the "new ideology", especially among the dockworkers. At the same time, Vasconcelos announced that MRM would soon launch an unprecedented campaign here to diffuse its ideology. (UNCLASSIFIED)

Comment: Moral Rearmament, after scoring a notable success last summer with its presentation of "The Tiger" and "Homens do Brazil", has been rather inactive among the general public in Pernambuco. It claims, however, to have made wide penetrations into the ranks of the dockworkers. Vasconcelos has announced that dockworking members of MRM will demonstrate their moral superiority and exert moral force by boycotting future union elections. It is not clear how this is expected to further the objectives of the movement. (OFFICIAL USE ONLY)

7. University of Recife Professor Released by Portuguese Government.

Manuel Augusto Zaluar Nunes, Professor at the University of Recife School of Engineering, returned to Recife on Saturday, February 24, following a 16 day sojourn as a prisoner of the Government of Portugal. Zaluar Nunes had been arrested at the airport in Lisbon and charged with subversive activities, among them the signing of a manifesto directed against the Salazar regime.

Zaluar's arrest provoked a rash of protests from members of the University of Recife faculty, from student organizations, and from the anti-Salazar Portuguese community in Recife. Since Zaluar, though born in Portugal, had become a naturalized Brazilian citizen, the support of the Brazilian Foreign Ministry was enlisted. After 16 days under arrest, Zaluar released a statement in which he denied having allied himself with anti-Salazar elements in Brazil and repudiated the use of his name in an anti-Salazar manifesto by the "Committee of Portuguese Writers and Intellectuals Pro-Liberty of Expression." Apparently only after making these declarations was Zaluar set free and allowed to return to Recife. (OFFICIAL USE ONLY)

Comment: Conservative opinion in Recife labels Zaluar a Communist sympathizer, which could explain the furor raised over his arrest among the leftist-oriented student groups. The Consulate General lacks information that would either confirm or discredit this description of Zaluar.

Comment: A first-hand observer informed the Consulate General that the driver of the Army tank which crushed the student "tank" was so heedless of the crowds about him that the observer could only conclude that the driver intended to kill. Though it is fortunate that no lives were taken, it is believed that a few more similar demonstrations of the Army's resolve to control the spread of disorder might have a settling effect upon the troubled situation at the University of Recife. However, any serious personal injury, or even worse, the death of a student, could supply the communists with a very useful martyr.

3. Recife Mayor Miguel Arraes Hopes Parties will Select the People's Choice.

In a rare public statement on the question of gubernatorial succession in Pernambuco, Recife Mayor Miguel Arraes told the local press last week that the problem of succession lay in the hands of the party leaders. Arraes admitted to an interest in the question and stated that together with "the people" he hoped that the decision taken by the party leaders would coincide with the people's aspirations. (UNCLASSIFIED)

Comment: It was characteristic of Arraes at this point not to mention that the people's hopes rest with him. Arraes is apparently working hard to get the PSD nomination for Governor. PSD leader Etelvino Lins, however, has to date insisted that the one candidate capable of unifying the opposition to Governor Cid Sampaio would be PSB Deputy Barbosa Lima Sobrinho. (OFFICIAL USE ONLY)

4. Federal Deputy Barbosa Lima Sobrinho to Visit Czechoslovakia.

A press report out of Brasilia last week indicated that Federal Deputy Barbosa Lima Sobrinho (PSB), possible Pernambuco gubernatorial candidate, will visit Czechoslovakia in the near future. The report stated that if Lima Sobrinho is nominated to run for Governor of Pernambuco, he will travel to Czechoslovakia before initiating his campaign. The trip will be made in the company of Deputy Aderbal Jurema (PSD). (UNCLASSIFIED)

5. State of Pernambuco and Catholic Church to Launch Radio Education Program.

The State of Pernambuco signed a contract last week with the National Conference of Bishops of Brazil to initiate a basic radio education program. The contract is to run for four years and binds the state government to make available its primary school system and to furnish pedagogic orientation to the program's producer. Presumably, the programs will be fashioned after the many other successful radio education programs in Latin America, i.e., local monitors will use visual aids and other teaching materials to supplement the radio lessons and, along with literacy, personal hygiene, home economics, and basic agriculture will be taught. (UNCLASSIFIED)

Comment: It is heartening to see the moderate-conservative forces arise from their haunches and attempt to do something to counter the growing strength and influence of the extreme Left. Recife Mayor Miguel Arraes, through his Popular Culture Movement, began long ago to teach literacy to Recife's illiterate. Later he expanded his literacy programs into the interior of the state. About a month

GPO 802867

POLITICAL

1. Law School Director Dismissed.

Law School Director (Dean) Soriano Neto was finally dismissed last week through a decree prepared by Minister of Education Oliveira Brito and signed by President Joao Goulart. The dismissal represented a victory for the law students who had been agitating for Soriano Neto's dismissal since May, 1961, when Soriano Neto prohibited Mrs. Celia Guevara (mother of Chê) from addressing a student meeting at the Law School, thus touching off a student strike with widespread repercussions. The student victory may be short-lived; Soriano Neto will now ask a superior court to nullify the dismissal. If successful in this attempt, Soriano Neto will invite the Fourth Army to use troops to enforce the court decision. (OFFICIAL USE ONLY)

Comment:

Meanwhile, it was reported in the local press that General Costa e Silva, Commander of the Fourth Army, had submitted his own report on the troubled situation at the Law School to the Minister of War, Segadas Viana. While details of the report were not published, it is believed that Costa e Silva warned that the students were being led by communist agitators, and may have requested limited authority to use troops in the event of the emergence of a new crisis at the school. (OFFICIAL USE ONLY)

2. Army Tanks Dampen Student Celebrations.

In another incident at the University last week, local army commanders took offense at what they felt were insults leveled at them by engineering students engaged in the annual pre-carnival "trote", (hazing of new students). Traditionally, part of the "trote" is a parade of students carrying signs and other objects which ridicule local and national political figures, institutions, foreign governments, etc. This year a wooden "tank" rode in the parade carrying these signs: "This is a tractor. Any resemblance (to a tank) is purely coincidental"; "Elementos Para a Paz" (Elements for Peace, a satiric distortion of the Portuguese translation of Foods for Peace), and "World Disarmament". This and other signs in the parade offended the sensibilities of the Fourth Army and Seventh Military Region Commanders. The military reaction was quick and forceful. Two tanks, a combat car and a truck-load of troops were dispatched to the scene. The wooden "tank" was crushed under the wheels of a real tank and the other offensive signs were smashed. The driver of a loudspeaker truck, who had tagged along with the parade blaring anti-military and anti-U.S. slogans, was placed under immediate arrest.

Speaking to the press the following day, General Soares Dutra, Chief of Staff of the Fourth Army, expressed no regret for the military action against the students. Soares Dutra explained that the students had been warned that the Army would tolerate no ridicule of itself or other branches of the military. On this occasion, the Army had first warned and then shown its firm intention to deal forcefully with such exhibitions. The students, of course, denied that they had ridiculed the military and deplored the Army's "barbarous" actions. (UNCLASSIFIED)

GPO 802667

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~~732.00(W)/2-2862~~
MAR 7 1962
732.00/2-2862

FOREIGN SERVICE DESPATCH

FROM : Amcongen RECIFE

161 NO.

TO : THE DEPARTMENT OF STATE, WASHINGTON.

February 28, 1962 DATE

REF :

AID-11

For Dept. Use Only	ACTION	INFO	DEPT	RM/R	REP	AF	ARA	EUR	FE	NEA	CU	INR	E	P	IO	ICA
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				15	30	16	20	2		11	3					

SUBJECT: Weeka No. 2 Belem-1 Belo Horizonte-1 Curitiba-1 Porto Alegre-1

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PSYCHOLOGICAL

Department pass: Amconsulates Belem, Belo Horizonte, Curitiba, Porto Alegre.

See last page/rps

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 3/15/62	DIRECTIONS TO RM/R File

CLASSIFIED FILE

0835

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

RG: 059

ENTRY: CDF60-63

TAB #: 6

1 / 4 / C /
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ACCESS RESTRICTED

The item identified below has been withdrawn from this file:

Folder Title: 732.00/2-2762

Document Date: 27/02/62

Document Ser.#:

DESP 212 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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0834

rich not accepting active social responsibility for progress, productivity and just distribution of income. He is not, however, a revolutionary, prefers to achieve these goals through a democratic process and a form of "New Deal" using for the purpose a stronger governmental authority described above. He will move to the Left only if the Center treats him like a plague which must be shunned at all costs.

On foreign policy, Quintanilha said that Quadros would maintain the concept of "independence", but would take a clear anti-Cuban stand because of the overt Communist position now assumed by the Cuban regime.

I asked Leite Barbosa how far he agreed with these predictions and evaluations. He replied that the only two men who are really in Janio's confidence are Quintanilha Ribeiro and Helio Muniz and that he believes in the authenticity of Quintanilha's statements. He said that Quadros' previous pro-Cuban policy had been the result of a false image of Cuba which Janio had received originally from Ambassador Vasco Leitão de Cunha and from his own visit to Cuba, and that he had been unwilling to listen to evidence of Cuban communization.

Leite Barbosa also conceded that Quadros is a psychopathic personality with many erratic qualities. He emphasized, however, that he is the most potent political figure in the country and that neither Kubitschek, Goulart, nor Lacerda can compare with him in political appeal.

Lincoln Gordon

Lincoln Gordon
American Ambassador

cc: Brasilia Office
Consulate General, São Paulo

LGordon:mlr

CONFIDENTIAL

AIR PRIORITY
PRIORITY

CONFIDENTIAL
(Security Classification)

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FOREIGN SERVICE DESPATCH

FROM : Amembassy RIO DE JANEIRO

682
DESP. NO.

TO : THE DEPARTMENT OF STATE, WASHINGTON.

February 27, 1962
DATE

REF : Embassy despatch No. 647, February 15, 1962

20 For Dept. Use Only	ACTION	DEPT.
	APR-4	INFO RM/R-2 INR-5
	REC'D 3-2-62	OTHER CIA-10 USIA-8 NSA-3 OSD-3 ARMY-5 NAVY-3 AIR-3

SUBJECT: Conversation February 23, 1962 with João Alberto Leite Barbosa

file ARA/EST/B
JWW 3-13-62

During a luncheon conversation Friday, February 23, with João Alberto LEITE BARBOSA, a prominent and well informed journalist who is most friendly to the United States, he described a conversation on Tuesday, February 20, with Francisco de Paula QUINTANILHA RIBEIRO, former Chief of the Civil Household under President Quadros and one of the most prominent Janista leaders. Quintanilha foresees that Quadros will say nothing of substance to the public for 10 days after his return, and will then make a major declaration of policy in a combined TV, radio, and press statement. Following that statement he will go into retreat for a full month, watching developments before throwing himself actively into the political campaign.

The basic theme of the public statement will be the need for "authority and austerity". The program will be to combat inflation through sacrifices on the part of all concerned, including business (through higher taxes, refraining from price increases, and perhaps compensatory or voluntary loans through the government), labor (through foregoing wage increases, accepting railway fare increases, etc.), land owners (through agrarian reform), etc. It will include provision for control of foreign investment to ensure that it makes a positive contribution to the country's development. It will also refer to basic reforms in the antitrust field, taxation, etc., and to the need for a concerted attack on social and economic underdevelopment.

Quadros will blame his resignation entirely on the errors and omissions of the Congress. He will not make further allegations against "mysterious foreign forces". He will propose a revised constitution, provide stronger executive authority, with delegations of special powers on the model of President de Gaulle, but in such a way that they might be exercised by a prime minister if no ready method appears of displacing Goulart from the presidency.

Quintanilha said that Quadros was not really a man who could be classified as being either of the Left or the Right. He does have one strong fixed conviction, arising from his personal experience as a talented young man who rose from poverty through hard circumstances, and this conviction is that Brazil remains far too much a country of rich and poor, with the

LGordon:mls
REPORTER

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Department of State

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ARMY
NAVY
AIR
RMR

FROM: Recife

TO: Secretary of State

NO: 250, February 24, 4 p.m.

PRIORITY

ACTION DEPARTMENT 250, RIO 238.

DEPTEL 348 sent Rio 2321

Dantas appearance pro-Cuba rally regarded as attempt make political capital leftist appreciation Brazil position Punta del Este. In his remarks Dantas was careful not praise Cuba or Fidel Castro but did nothing disabuse leftist organized crowd its feeling that Brazil position Punta del Este based on sympathy and support Cuban revolution.

Dantas may have been maneuvered into appearance by pro-Castro PTB deputy Josoe Decastro who escorted Dantas to rally. Decastro probably helped organize rally which held just outside entrance PTB convention hall and timed coincide with opening final session PTB convention.

No information available here pertinent significance Dantas remarks regarding disarmement conference other than apparent desire justify Brazil position as based on invariable principles of legality.

DELGADO

TRT

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0831

immediate than the possibility that either the Communists or the Armed Forces will seize power.

Relations with Brizzola - Despite ideological differences, personal relations are the "best possible." COMMENT: Although often rumored, this first public acknowledgment rift in FLN leadership.

Francisco Julião - Borges favors Julião-led Meeting of Rural Workers to be held in Goias this Spring. (The Federal District is surrounded by the state of Goias.) However he opposes Julião's plan for a march on Congress by the workers to demand agrarian reform legislation. He favors a delegation of workers making the appeal.

Janio Quadros - He will have to explain his resignation to the people. "To achieve political success, he will have to come over to our (FLN) side." Even if he does not, he will be a beneficial political force by virtue of the positions he will naturally assume. COMMENT: The changes are much better that the FLN would be swallowed by Janio than vice versa, and the prognosis still stands that it continues no more than a potential threat which could become real danger only if captured by Quadros or, if economic and political situation deteriorates seriously, by the Communists. In this respect it is interesting to note that an Economic officer Czech Embassy Rio on visit to Brasilia February 21 told an Embassy political officer that he is "disappointed" with FLN's evident failure to win substantial support in the Rio area.

GORDON

HWeiner:jw
2-23-62

PRaine

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OSD	USIA	
16	8	
NSA-3		

DEPARTMENT OF STATE

AIRGRAM

(Departmental and Foreign Service)

732.00/2-2462

A-367 NO.

CONFIDENTIAL

TO : Secstate WASHINGTON

Feb 24, 1962

1962 FEB 28 AM 11 16

ACTION: ~~EAB~~

INFO:

RM/R FILES Like ARA/EST/~~EAB~~

FROM : Amembassy BRASILIA Office

DATE: Jun 3-16-62

SUBJECT : National Liberation Front

REF :

732.00/12-2461 ARA

Goias State Governor Mauro BORGES Teixeira in an exclusive interview in Rio daily Jornal do Brasil on February 14 spoke on a number of subjects of interest largely because of his position as a leader of the non-Communist (presumably) radical Left and one of the founders of the National Liberation Front (FLN) whose most prominent national leader is Governor Leonel BRIZZOLA of Rio Grande do Sul. Of special interest, is the way that Borges denied that the FLN has curtailed its activities. The denial indicates that the FLN has not gotten off ground and is at present floundering if not failing, which confirms the Embassy's assessment made in its Despatch No. 473 of December 12, 1961. Borges described FLN activities to date as mostly marking time ("compasso de espera"). "We don't have large sums of money at our disposal as do other groups. From March on, with the funds we are now trying to raise, we will be able to give continuity to our work." He said the main difficulty lay in not owning a newspaper, radio or TV station to publicize the FLN.

There follows, paraphrased or quoted, Borges' statements on other subjects:

Mater et Magister - "We are not of the left, nor of the right. We are in the vanguard." Mater et Magister contains our ideology.

Current Situation - Either the country's leaders promote the necessary social reforms or the people will rebel and do it themselves. This threat of social convulsion is more

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Drafted by: HWeiner

Contents and Classification Approved by: PRaine

Clearances:

0829

This would help him tremendously in his stand against the present Governor and it would be at the same time an excellent propaganda for the good will of the United States.

As far as point 1) is concerned, this would have to be done very secretly because of the prejudice against the Yankee Dollar.

Other information about the situation in Porto Alegre could be acquired by the former U.S.Consul in Porto Alegre, whose first name is Percy, who knows Dr. Fonseca very well and who could vouch for his integrity.

Two years ago I made a trip through South America and it did not take long to notice the explosive situation in most of this countries. When I returned, I wrote a letter to the U.S. Department of Commerce in which I mentioned some aspects of the South American trade, dangerous to the good name of the United States.

It may be only accidental, that I came to know something about the situation in Porto Alegre, one of the danger points of Brazil, and I thought it to be my duty, to report this to the State Department either as only a news item or as a welcome contribution to open a door for us and make it swing our way.

As I could read in todays New York Times, it seems that our Government is very much fed up with the "do nothing" attitudes of the Brasilian Government and Congress, but that our Government still will consider loans, which help the immediate and visible improvements for the people of Brazil.

Such a deserved project which would fall in this category is the loan for the water works project of the City of Porto Alegre.

For further information or discussion I will be available for you, Mr. Secretary, or for one of your representatives at any time.

Respectfully!

Dr. Alfred Lachs

Dr. Alfred Lachs

Reg. 457888

ACTION
is assigned to
~~ARA~~

DR. ALFRED LACHS
CHEMIST
508 EAST 164th STREET
NEW YORK 56, N. Y.
Phone: MElrose 5-3013

Member
AMERICAN CHEMICAL SOCIETY

February 23rd, 1962

INFO:
RM/R FILES FILES

Reply drafted 3/12/62
ARA:EST/B:GMSutton:zec

Honorable
Secretary Of State
Mr. Dean Rusk
Washington D.C.

Dear Mr. Secretary:

I received today a letter from Dr. Fernando Gay Da Fonseca, Praca Mal Deodoro 170, Porto Alegre, Brazil, in which he writes about the seriousness of the political Situation in the State of Rio Grande Do Sul, of which Porto Alegre is the capital.

Dr. Fonseca, a close friend of mine and the United States is Vice President and the main leader of the Union of Christian Democrates, or Christian Democratic Party in the State of Rio Grande Do Sul and a strong opponent to the present leftist Governor.

Since I know how vital this spot is for the general political situation in Brazil, I write this letter to you, Mr, Secretary, because I feel that my following suggestions could be of service to my country, the United States.

Dr. Fonseca was a representative of Brazil at the United Nations until the middle of December 1961, a post to which he was appointed by the former President of Brazil Janio Quadros, who is his personal friend.

In the same Month of December Dr. Fonsecas friend, the Mayor of the City of Porto Alegre, Dr. Loreiro Da Silva visited the United States to secure a loan from the Bank of International Development, I believe, to built new water works for the City of Porto Alegre.

Both Dr. Fonseca and Dr. Loreiro are opposed to the Governor of Rio Grande Do Sul and want to beat him in the next October elections. Dr. Fonseca and his party succeeded two years ago to have Dr. Loreiro elected Mayor of Porto Alegre, and now they like to team up again to have Dr. Loreiro elected Governor.

I imagine that the United States would be interested to see the Goularts and their clique defeated in the State of Rio Grande Do Sul, which would eliminate one of the danger spots in South America.

This are my suggestions about the help the United States can give in this case:

1) Support with money the party of Dr. Fonseca, the union of Christiam Democrates. 50 to 100.000 Dollars may be necessary.

2) to see to it, that Dr. Loreiro gets his loan as soon as possible, that he can start his water works project for the City of Porto Alegre to improve the Unemployment situation before the election.

3/5/62
(2)

480203

signed Dr. Alfred Lachs

732.00/2-2362

Lachs, Alfred (Dr.)

FILED
MAR 27 1962

0827

① ~~GM~~
~~Tickler for~~
~~March 14~~

② GS
Please suggest a
reply expressing
approx his interest
& suggestions &
some comment on
the Water works
at P.A (Ask RC)
J WW

0826

RM/R files

March 15, 1962

Dear Dr. Lachs:

I am writing in reply to your letter to the Secretary of State dated February 23, 1962, concerning the political situation in the Brazilian State of Rio Grande do Sul.

We appreciate your interest and the thoughtful concern you have expressed. However, you will understand, I am sure that the political situation in the State of Rio Grande do Sul is an internal Brazilian affair in which a foreign government cannot properly intervene.

With reference to your suggestion concerning the water works project in Pôrto Alegre, you will be interested to know that a loan of $6.46 million has been requested from the Inter-American Development Bank for this project and that it was also included among the projects recently submitted by the Brazilian Government for assistance under the Alliance for Progress program. These applications are now being given active consideration.

Sincerely yours,

J. W. Wilson
Officer in Charge
Brazilian Affairs

Dr. Alfred Lachs,
508 East 164th Street,
New York 56, New York.

Clearance: AID - Mr. Mapes (by phone)

ARA:EST/B:GHSutton:JWWilson:zec 3/12-13/62

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0825

Quadros in Bahia, I was informed that he had also worked for Goulart during that same campaign. Dr. Faria indicated that the PTB candidate for the governorship of Pernambuco, Senator Barros Carvalho, is strongly influenced by church authorities.

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for their own advantage. Their big effort, he said, was at the time of the death of Vargas when they had gone all out to create chaos and if possible to seize power. All they had been able to do was to break a few windows in the American Embassy in Rio and somewhat more damage in Pernambuco and Porto Alegre.

Economic and Financial Situation:

In discussing the possible effects of Janio Quadros' return to Brazil, Dr. Faria admitted that they could be serious should Quadros attempt to arouse the masses. As he sees it, Goulart and Quadros vie for the same part of the electorate and he, Faria, finds it impossible to estimate how much of a following each has. I pointed out that the political situation would, of course, be considerably more tranquil were it possible to hold down the rise in the cost of living mentioning that it had gone up much less during the time that Quadros was in office than since. Faria said that that might be true but very few people were aware how much damage Quzdros had done in this respect while in office the results of which would have caught up with him had he not resigned when he did. He said that he has in his possession a four-page manuscript written personally by ex-Finance Minister Clemente Mariani (but not signed) at a time when Mariani still hoped to be named Finance Minister in the new Goulart government, in which he details many of these unauthorized and harmful actions. He gave as an example the fact that during Quadros' seven months in office CR$47 billion had been expended without proper authorization to meet the railroad and merchant marine deficit which action had not been criticized because the fact was more or less hidden whereas the present regime was under attack for having since September paid out legally CR$13 (?) billion openly.

I.T.& T. Expropriation

To answer a query from Embassy Rio, I inquired whether the Federal Government had approved Brizzola's action to expropriate the I.T.& T. subsidiary in Porto Alegre, as it had in the case of the light and power company. Dr. Faria disclaimed any knowledge of Brizzola's action (which had not yet been published) adding that he was under the impression that federal approval is required only for power expropriation and not for telephones.

Gubernatorial Races

Dr. Faria said that the PTB will probably support Manuel Novais (PR-Bahia) for the governorship of Bahia (this is Deputy Albuquerque's party and state). When I inquired why the PTB would support a man who had worked so hard and effectively for

authority to call or break strikes and the Communists are not among them. Deputy Albuquerque interpolated that he, Faria, was one of those who could control labor action which Faria did not deny. Referring to the threatened general strike for the thirteen-month bonus in São Paulo early in December, Dr. Faria said that on the President's orders he had routed the Justice Minister out of bed at 7:00 a.m. over the Minister's family's protest to instruct him to take all steps to break the threatened strike. (It will be recalled that the strike threatened at a time when divisive forces in Brazil appeared to have the upper hand and that the country was on the verge of chaos. Firm handling by the Federal Government, the military in São Paulo, and Governor Carvalho Pinto put an end to the threatened strike which made a very important contribution to reestablishing confidence in the regime.)

When I asked Dr. Faria what part the Minister of Labor had played in the strike since the press had said he bore a responsibility and he himself denied that he had encouraged the strike, Dr. Faria laughed and said that the workers paid no attention to anything Montoro said in this respect. He said the Minister is a figurehead in the job so far as labor relations are concerned. Dr. Faria then went on to discuss in more or less philosophical terms questions of truth, the whole truth and only part of the truth, using as an example his own part in the threatened nation-wide railroad strike earlier this month. The railroad workers had ideas about calling a nation-wide strike, he said, but the Communist's rôle was relatively minor even though they were encouraging such action. Dr. Faria said that it was he who had leaked the story to O Globo that the Communists were pushing for a strike to paralyze the nation's transportation system urged on by the two representatives from Fidel Castro's Cuba who had attended the National Railroad Workers Meeting in Salvador. As a matter of fact, he said, one of the Cubans had spent practically all of his time drunk in his hotel room while the other had been an inept propagandist. In this particular case Faria said he had employed a tactic of "innoculation" whereby by accusing the Communists of sponsoring a strike he forced the union leaders to deny that there had been any intention to declare one. Thus, Dr. Faria went on, he had employed a certain amount of truth--though not necessarily the whole truth--to bring about an important desired objective.

On the general subject of Communism in and out of the labor movement, he says that they have no real strength but admitted, in response to a suggestion on my part, that they could and occasionally have taken advantage of certain situations

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immediately in good temper to restore his position. He has of late, however, been short of temper to the extent that even some of his closest and long time collaborators such as private secretary Caillar and he himself have been ordered discharged in momentary fits of temper and that many people in the presidential household have become afraid of the President's temper and avoid him. The President's ultimate weapon and threat, Faria said, is resignation, not the kind of resignation that Janio had indulged in but a real one. In any event, Faria felt this was not today a probability since the situation had improved considerably and the President felt more sure of his ability to control the situation.

The President, Dr. Faria says, likes industrialists since he considers that they contribute to the development of the country and that they risk capital in their ventures and should expect reward therefor. He has very little respect, however, for commercial people as a group since he considers them more or less parasites who lead an easy life, work relatively little, risk little capital and make big profits.

Labor

Dr. Faria talked at some length on the general labor picture in the country which he considers potentially dangerous. (His section of the presidential household concerns itself with matters of finance, foreign affairs and labor.) He said that he had just a few days before spoken to representatives of the Maritime Workers Union and had pointed out to them that it would be folly to begin a strike the effects of which could only strengthen the Right and force it to react. He said that while union leaders had reluctantly accepted the validity of his reasoning they have made clear that maritime workers as well as some of the other larger and more militant labor groups are reaching the end of their patience and are prepared, he said, to go to extreme lengths to improve their position. He was told by the maritime leaders that the workers are not afraid of facing up to and if need be die in front of "armed repression" since they "know" that no more than a hundred or so would in such an encounter be killed and that they would sweep any opposition before them thereafter. He said he did not accept this statement at its face value but is convinced that it indicated a trend which could not be ignored.

On the subject of strikes in general and the influence of the Communist Party in labor, he said that anti-Communism has to some extent become an "industry" in Brazil. He said that in fact only a handful of old line government-labor people had the

0821

MEMORANDUM OF CONVERSATION

February 16, 1962

PARTICIPANTS: Dr. Hugo de Faria
1st Sub-Chefe of President's Civil Household

Deputy Teodulo de Albuquerque
(PR-Bahia)

Philip Raine

(The conversation took place at a dinner party given by Deputy Albuquerque and consisted principally of an exchange between the two Brazilians, although Faria did most of the talking. The following is extracted from the conversation as of particular pertinence to the political-labor scene in Brazil today and the psychology and motivations of President Goulart.)

President Goulart

In discussing the complexities of the present political situation Dr. Faria noted that the President's position has improved as he has managed to convince responsible elements in the country (even labor groups) that moderation is necessary to prevent a social and political explosion. Goulart, however, is insisting on certain quid pro quo from the PSD including such things as electoral reform which would permit wider suffrage expected to favor the PTB before he will agree to certain moves desired by the PSD. Among other things the PSD is very anxious to have passed complementary legislation to consolidate the parliamentary system of government and also legal means to permit cabinet ministers to remain in office while campaigning for elective office.

Faria then went on to say that one of the reasons Goulart had been willing to accept reduced powers during the August-September crisis was because he then believed that he was not yet sufficiently mature to perform the presidential functions adequately. He has since that time gradually come to feel more secure in office and now would be happy enough to see the presidential system reinstated. The President personally, Dr. Faria said, has changed considerably. He was before always a very patient, understanding man even at times of greatest crisis (e.g., when forced out of the Ministry of Labor by the military) he accepted the inevitable philosophically and began working

knowledge that the Communists in fact had little to do with it.

5. Labor Minister Montoro has little or no prestige with labor leaders in Brazil.

6. The government has in its possession a four-page report prepared by ex-Finance Minister Mariani (Quadros Government) detailing financial damage done by Quadros during his seven months in office, most of it unknown to the public.

7. The federal government had no prior knowledge of the expropriation of the I.T.& T. subsidiary in Porto Alegre.

Hugo de Faria is a long-time collaborator of the President, an unusually intelligent, clear-minded individual who was Goulart's Chief of Cabinet at the time the President was Minister of Labor and succeeded him when Goulart was forced out of the position by the military. He has had a fairly prominent behind-the-scenes rôle in Bahian politics and before taking on his present position was treasurer of the National Confederation of Industries (he is also a manufacturer) and has particularly important connections in labor and among the military.

Faria was, of course, attempting to put the best face on matters for the benefit of a representative of the American Embassy, but he has in the past given the reporting officer other interesting and usually accurate information.

For the Ambassador:

Philip Raine
Counselor of Embassy
for Political Affairs

Enclosure: Att 1

Memorandum of Conversation

Distribution: Amconsulates: São Paulo, Recife, Salvador; AMB, DCM, Army, Navy, Air Attachés; POL I, POL II, Labor, Econ Counselor, Brasilia Office (5).

AIR POUCH — CONFIDENTIAL
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732.00/2-2362

FOREIGN SERVICE DESPATCH

FROM : Amembassy, Brazilia Office — 673 NO. — February 23, 1962 DATE

TO : THE DEPARTMENT OF STATE, WASHINGTON.

REF :

FEB 24 1962

55 For Dept. Use Only	ACTION ARA-4	INFO DEPT	RM/R 2	REP 1	AF	ARA	EUR	FE	NEA	GO	INR 5	E	P	IO	ICA
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	REC'D 2/27		AIR 3	ARMY 3	CIA 10	NAVY 3	OSD 3	OCB	USIA 8	NSA 3					

SUBJECT: Brazilian Official's Statements on President Goulart, Brazilian Labor, etc.

Enclosed is a memorandum of conversation with Dr. Hugo de Faria, the first assistant chief of the President's Civil Household (charged inter alia with matters concerning finance, labor and foreign affairs) and a federal deputy, which it is believed the department will find of interest. In addition to certain aspects of the character and motivation of President Goulart, certain disturbing elements in the labor picture as well as some more promising ones were discussed. Some of the more important facts (as stated by Dr. Faria) which came out of the conversation are summarized below:

1. On taking office Goulart believed that he was not yet sufficiently mature to assume the presidency with full powers; he has since gained assurance and would be happy to see the presidential system reinstated.

2. Most labor is being held to moderate demands by arguments from the Administration that agitation would provoke Rightist action; however, leaders of some of the more powerful groups claim that they would not be afraid to face "hot lead" and apparently expect to do so in the not too distant future.

3. The Communists have very little influence in labor which is controlled largely by a small number of government labor professionals (unnamed) to whom the workers listen.

4. The government ordered the threatened general strike in São Paulo in December broken; it leaked a story to conservative O Globo that the Communists were master-minding a threatened nation-wide railroad strike in February in a successful effort to prevent the strike from breaking in the

PRaine/jhm — REPORTER — CONFIDENTIAL

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FORM 6-61 FS-439

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

*U.S. GOVERNMENT PRINTING OFFICE: 1961 O - 632219(17)

SAMUEL L. DEVINE
12TH DISTRICT, OHIO

REPUBLIC
COLUMBUS, OHIO

Congress of the United States
House of Representatives
Washington, D. C.

MEMBER OF COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE

SUBCOMMITTEE ON TRANSPORTATION AND AERONAUTICS

(62)

ACTION
is assigned to
ARA

February 22, 1962

Mr. Robert E. Lee
Congressional Liaison
Department of State
Washington, D.C.

Dear Mr. Lee:

I have received a letter from Mr. Irvin F. Young in which he enclosed a clipping of Dorothy Kilgallen's column of a recent date, stating that 500 Czech machine guns were smuggled into Brazil in a Communist plot to overthrow that Government.

Would you please advise me if this report is true, and if so, what steps are being taken to assure that Brazil will not go in the same manner as Cuba.

Sincerely,

Samuel L. Devine

Samuel L. Devine, M.C.

SLD:jg

432.498/2-2262
Irvin F. Young

XR 732.00
732.001

Letter and enclosures, if any, microfilmed by SNIP

(5) 2/23/62

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0817

CONFIDENTIAL

Re foreign policy, stressed OPA as policy hemispheric unity, suggested it might have been accepted by US had Kennedy been President that time, expressed satisfaction OPA had borne fruit in Alliance for Progress but regret Alliance exhibited some mutations. Re "class struggle" and intensification in Brazil of struggle extremists of right and left, said such conflicts capable being abated by nationalism and economic development. Observed that throughout world, "socialism" evolving toward liberty while maintaining development, whereas rest world (particularly nondeveloped countries) evolving toward development, retaining liberty.

Stressed necessity and desirability foreign capital for development. Such capital should be encouraged, on selective basis.

In closing, spoke with enthusiasm and pride of his forthcoming trip to meet and address intellectual and other leaders at fourteen US universities.

Kubitschek's basic philosophy appears to have undergone no change and is unlikely to be much of a political asset in the current Brazilian environment, with its sense of urgency re a direct attack on social ills.

GORDON

What sense of urgency? Whom does he mean? Tancredo? Moreira Salles? Goulart?

POL:RWShields:rpc
2/19/62

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ACTION COPY

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INCOMING AIRGRAM *Department of State*

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Classification

PAGE 1 OF 2 PAGES

Date Sent: Feb. 22, 1962

Rec'd:

FROM: Amembassy RIO DE JANEIRO

TO: Secstate WASHINGTON

NO: A-365

File
no action
3/26/62
ARA/EST/B JW.Wiley

Ex-President Kubitschek made a major political pronouncement over Rio TV February 15, representing his bid to fill gap of leadership center forces opposing Janio Quadros. Said present Brazilian parliamentary regime incapable meeting nation's problems because tripartite division executive powers; nation cannot afford wait until nine months before end presidential term for plebiscite on parliamentary, presidential regime; plebiscite must be held soonest. He favors presidentialism, but if people vote for parliamentarism, true parliamentary system must be established, i.e., prime minister must be given real authority. Re reports he in line for premiership, said would never accept position with its present weak powers. Implication is he would consider position if powers increased.

Kubitschek defended his policy "developmentism", deplored "halt" in nation's progress under his successors, urged resumption dynamic policies industrialization and interior development. Struck vigorously at SUMOC instruction 204 as major cause nation's present difficulties, including increased inflation with heavy impact on less favored elements population. Recalled several times his defiance International Monetary Fund. Re agrarian reform, said this had not been problem under his administration, that it had come to fore later as result his administration's program of industrialization, roadbuilding and other communications improvements, that basic solution was further development interior and intensified industrialization.

Ex-President strongly critical Quadros (not mentioned by name) whom he derided for resignation. Asked whether had any knowledge "occult forces" which Quadros said opposed him, Kubitschek said his own experience limited to "evident" forces such as IMF and domestic military and political opponents.

• This copy must be returned to RM/R central files with notation of action taken •

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Classification

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0815

Comment: Governor Sampaio obviously had hoped to raise his political stock with the projects to be financed by the loan. As a result of the clamor raised in his own State Legislature and the Federal Government's hesitation in making the funds available, however, he appears to have lost rather than gained ground. (CONFIDENTIAL)

PSYCHOLOGICAL

1. Janio Quadros and the Other Elections.

Editorial comment in the Recife press during the past week concentrated on a variety of subjects, few of which are pertinent to United States interests. The one salient subject of interest was the influence Janio Quadros might have in the forthcoming elections.

Socrates Times de Carvalho, writing in Recife's "Diario da Noite", pointed to Janio Quadros' "dizzying recuperation of popular prestige" and predicted that Quadros would roll up a spectacular vote in any electoral race he might decide to enter. Times de Carvalho found that the dominant impression in Pernambuco and elsewhere is that the support of the ex-President will be the decisive factor in the October elections.

Luis Cisneiros, also a political columnist for the "Diario da Noite", agreed that Quadros' influence in the October elections will be of capital importance if it is not decisive. He commented that the ex-President, though unable to explain his resignation of last August, could still influence the electoral opinion of Brazil, possibly to the point of electing a Janista parliamentary majority in October. (UNCLASSIFIED)

Eugene Delgado-Arias
Principal Officer

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Distribution: Amembassy Rio 2, Amembassy Brasilia 1, ARA/Brazilian Desk 1.

Department pass: Amcongen São Paulo, Amconsulates Belem, Belo Horizonte, Curitiba, Porto Alegre.

0814

normal needs. With no shipments scheduled to arrive in the near future, the whole industry is faced with the bleak prospect of closing its doors. (UNCLASSIFIED)

Comment: The wheat shortage is potentially dangerous not because of the shortage itself, but because of the labor agitation thereby spawned and because of the involvement of PL 480 wheat shipments. Communists and pro-Communist elements already are seeking to discredit the "Food for Peace" Program and other assistance projects. Recife left without bread due to failure in the flow of PL 480 wheat would provide them with more ammunition. (OFFICIAL USE ONLY)

3. Possible Nationalization of Japanese Fishing Boats.

In 1956 a Japanese company, Nipon Reizzo, signed an agreement with the Brazilian Government under which it established a fishing complex in the Northeast and began exploiting the rich fishing grounds here. During the past few months Brazilian authorities -- supported by public sentiment -- have focused much attention on the fact that the Japanese have not lived up to the terms of their contract, principally, that they have not nationalized their boats after two years in Brazilian waters as agreed. The Brazilian Government has now set a deadline and is threatening to nationalize Japanese boats within the next few days. For their part, the Japanese have complained that they cannot afford a sudden nationalization of their boats, though they have expressed a willingness to nationalize four boats in the near future. Persistent rumors -- which the Japanese have so far denied -- insist that the Japanese may withdraw altogether from Brazilian waters rather than nationalize. (UNCLASSIFIED)

Comment: The dispute is significant because: 1) as the Japanese have the only organized modern fishing fleet in the Northeast, their withdrawl would mean a drastic decline in the supply of fish; and 2) the furor over nationalization of the Japanese boats and sentiments to "keep Brazilian fisheries for Brazilians" are hardly calculated to encourage foreign investment, or, for that matter, large scale domestic investment -- both of which are badly needed if the fishing industry in the Northeast is to be developed. (OFFICIAL USE ONLY)

4. Latest Development in Federal Loan to Pernambuco.

Several weeks ago Governor Cid Sampaio announced that he had floated a Cr$ 1 billion loan from the Federal Government to be used in various development projects. The political opposition in the State Legislature immediately let out an outraged cry that the loan was illegal because the Governor had not obtained legislative approval before contracting it. Soon after, the Federal Government informed the State that the first Cr$ 500 million -- which supposedly had already been deposited to the account of the state -- was frozen until all legal obstacles were worked out. And on February 18 the Recife press reported that at the last meeting of the Council of Ministers it had been decided to withhold the entire loan until the Pernambuco State Government had the approval of its own legislature. (OFFICIAL USE ONLY)

0813

the permanent headquarters of the local organization of the Ligas. The newsman noted with some surprise that it was Governor Brizola's picture which graced the wall behind the speakers stand and not that of Francisco Julião or Fidel Castro. A professor from the University of Recife addressed the gathering, devoting himself largely to attacking the evils of the existing economic system under which the peasants are exploited by the big landowners. He also listed some of the basic demands of the Ligas, such as better pay, land for the peasant, medical treatment, more and better food, etc. One of his listeners asked why the peasants did not arm themselves, kill the landowners and take the land for themselves as had been done in Cuba. The professor replied that while Cuba had been suffering under a dictatorship, thus forcing Castro to resort to arms, Brazil was a democracy in which ills and abuses might be worked out through legal and pacific means. The Ligas intended to exhaust such means, he said, before resorting to more violent methods. Later on, however, the speaker reportedly contradicted this moderate posture by reporting that organizational and membership drives were proceeding well and that at such time as the Ligas had 2,000 members in each state, an armed uprising could be launched successfully. (OFFICIAL USE ONLY)

ECONOMIC

1. Public Opinion Apprehensive over Exclusion from "Alliance for Progress" Emergency Projects.

Reports appearing in the Recife press to the effect that the Brazilian Co-ordinating Committee has approved emergency projects for Alliance for Progress financing are causing concern here. Some press reports have been slanted to give the impression that once the Co-ordinating Committee approves the projects, financing from U.S. sources is automatic. Thus, many Northeasterners have been left with the impression that the list of projects appearing in the press accurately describe the manner in which Alliance for Progress funds are to be expended on emergency projects in Brazil. Indignation, therefore, is being expressed over the fact that the projects reportedly approved by the Government of Brazil Co-ordinating Committee give short shrift to the Northeast, and complaints of new neglect at the hands of the Federal Government are thus aroused. SUDENE officials, moreover, are fearful that Alliance for Progress emergency funds may be diverted to the industrial South rather than being used to help finance SUDENE development projects in the Northeast. (OFFICIAL USE ONLY)

Comment: If the Co-ordinating Committee has indeed approved a list of projects which largely overlooks the Northeast, bitter protests can be expected in this area. And if the idea that Alliance for Progress assistance may ignore the Northeast is allowed to take root, the position of the United States in this area will be proportionately adversely affected. (OFFICIAL USE ONLY)

2. Wheat Shortage in Recife.

The Moinho Recife began warning over a month ago that unless new shipments of wheat were received soon, supplies on hand would be exhausted within a matter of weeks. Both the Moinho Recife and COAP (the state price control agency) have now announced that Recife will be without wheat by February 24. Rationing has been in effect for more than a month and many bakeries have been reduced to 20% of their

GPO 802567

4. Foreign Minister San Thiago Dantas Visits Recife.

Foreign Minister San Thiago Dantas arrived in Recife on Wednesday, February 14, to address the state PTB convention and to explain to whomever would listen Brazil's position at Punta del Este. Speaking to the press shortly after his arrival, Dantas was reported to have described Brazil's actions at Punta del Este as a demonstration that Brazil today has "its own position toward political problems, not only of the Hemisphere, but of the world." Brazil had "defended its belief in the principles of self-determination and non-intervention" even while recognizing that Cuba has a communist government which poses a threat to its neighbor states. Brazil, he said, condemned the communist regime of Cuba. Speaking at a pro-Cuba rally the following evening, Dantas boasted that at Punta del Este Brazil had embarked upon a course of "indigenous independence" from which there could be no turning back. Brazil's independent foreign policy, he promised, would be reaffirmed at the disarmament conference in Geneva. (OFFICIAL USE ONLY)

5. Move to Suspend Mandate of Francisco Julião Cancelled.

Possibly at the insistence of Governor Cid Sampaio, a move in the State Assembly to suspend Francisco Julião's mandate as a state deputy was recently stopped short. The sponsor of the resolution to lift Julião's mandate (on the grounds that he had violated the state constitution by leaving the country without permission of the assembly), Constancio Maranhão, had felt that the action would serve as propaganda material for the anti-Julião forces in Pernambuco and elsewhere. Wiser heads finally prevailed, explaining that the move would probably serve to make Julião a martyr and would strengthen his rumored candidacy for the federal Chamber of Deputies. It is reported that the resolution will be allowed to die in committee. (OFFICIAL USE ONLY)

6. SUDENE and Celso Furtado Attacked Again.

On Saturday, February 10, speaking at a dinner offered in honor of Sugar and Alcohol Institute Director Barbosa de Silva by the cane and sugar producers, State Deputy Francisco Falcão blasted SUDENE for its refusal to help the dying sugar industry. Falcão claimed that SUDENE was intent on destroying the sugar industry, not realizing that the first stretch of the road to economic and social development was financial and other assistance to the vital sugar industry. The industry in turn would then be able to pay higher wages and offer improved working conditions to sugar workers. There was no doubt in the minds of those present that the object of Falcão's remarks was Celso Furtado, who was seated in the audience. (OFFICIAL USE ONLY)

Comment: In the political infighting prior to the elections, SUDENE and Furtado can expect to be buffeted by political winds from all quarters. (OFFICIAL USE ONLY)

7. American Newsman Attends Meeting of Ligas Camponesas.

On February 11 an American newsman visiting this area attended a meeting of the Ligas Camponesas held on a large sugar fazenda about thirty miles west of Recife. Between 80 and 100 people gathered for the meeting, which appeared to be held in

to occupy the building until the dismissal of Law School Director (Dean) Soriano Neto. Soriano Neto, in a telegram to Neves, denounced the occupation as communist-inspired and requested federal support to restore order at the school. Earlier in the week, press reports from Brazilia indicated that Minister Olivera Brito had already decided to dismiss Soriano Neto on the grounds that he has been unable to maintain order. (UNCLASSIFIED) Soriano Neto, several of his colleagues confide, will seek a federal court order nullifying his dismissal. If the court decides in his favor, Soriano Neto will ask Fourth Army Commander Costa e Silva to enforce the court order by evicting the students from the occupied building and stationing troops at the Law School to maintain order. (General Costa e Silva, it is believed would respond promptly to such a request. (OFFICIAL USE ONLY)

Comment: If Soriano Neto is successful in thwarting Olivera Brito's reported desire to dismiss him, there would seem to be no possibility of resolving the dispute. At this point, it is clear, the students are as unwilling as Soriano Neto to accept any compromise. Army troops, of course, are capable of maintaining order at the Law School, but their infringement of the students' concept of university autonomy could result in a university-wide student strike when classes are resumed in early March. (OFFICIAL USE ONLY)

2. Cid Sampaio Publicly Supports João Cleofas for Governor.

The moment most faithful UDN members had long awaited finally arrived on Monday, February 12, when Governor Cid Sampaio declared himself in support of gubernatorial candidate João Cleofas. Addressing the Regional Directorate of the UDN, who had come to inform Cid of the decision to nominate Cleofas formally at the state convention next April, Cid, according to the press, praised Cleofas and announced that he expected to turn over his office to Cleofas in 1963. Subsequently it was reported that Cid had asked Secretary of Treasury, Paulo Maciel, to take the position of Vice Governor on the UDN slate of candidates. Most observers accepted Cid's declaration at its face value, but a few maintained that Cid, while ostensibly supporting Cleofas to avoid a split in party ranks, would continue to push Maciel as the UDN gubernatorial candidate. (UNCLASSIFIED)

3. PTB Nominates Barros Carvalho.

The Pernambuco Section of the Partido Trabalhista Brasileiro (PTB) convened on Wednesday, February 14, to name its candidates for the October elections. Nominated for Governor was Senator Barros Carvalho, and for the two senate slots at stake, publisher of "Jornal de Commercio" and "Diario da Noite" Francisco Pessoa de Queiroz and Jose Ermirio de Morais. (UNCLASSIFIED)

Comment: Barros Carvalho is now the second declared candidate for Governor of Pernambuco. However, politicking for the gubernatorial election has just started and is not expected to reach high pitch until mid-April. Only at that time will there be a reasonably clear picture of the various parties' final preferences for Governor. (OFFICIAL USE ONLY)

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FOREIGN SERVICE DESPATCH

FROM : Amcongen RECIFE 159 NO.

TO : THE DEPARTMENT OF STATE, WASHINGTON. February 21, 1962 DATE

REF :

file ARA/EST/B JWW 3/12/62 Ard

20 For Dept. Use Only	ACTION	ARA-4	INFO	DEPT	RM/R 2	REP	AF	ARA	EUR	FE	NEA	CU	INR 5	E	U/FW 1	ID	11
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SUBJECT: Weeks No. 1

PORTO ALEGRE-1
BELO HORIZONTE-1

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5. Move to Suspend Mandate of Francisco Julião Cancelled
6. SUDENE and Celso Furtado Attacked Again
7. American Newsman Attends Meeting of Ligas Camponesas

ECONOMIC
1. Public Opinion Apprehensive over Exclusion from Alliance for Progress Emergency Projects
2. Wheat Shortage in Recife
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4. Latest Developments in Federal Loan to Pernambuco

PSYCHOLOGICAL
1. Janio Quadros and the October Elections

POLITICAL

1. New Student Crisis at Law School.

The nine month old dispute at the University of Recife Law School approached a critical stage last week when approximately twenty law students occupied the Law School building, denying passage to faculty examiners and prospective examinees. The students wired President Goulart, Prime Minister Neves, and Minister of Education Olivera Brito, announcing their intention

MAR 12 3 FILE

See last page/rps CONFIDENTIAL

REPORTER

FORM 6-61 FS-439 GPO 912896

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0809

In both his formal exposition and his replies to questions the Foreign Minister invoked arguments long-since become familiar. Brazil did not suffer a defeat at the conference, he said, but obtained a victory; the delegation was faithful to the principles formulated and announced prior to the conference, supporting respect for the principles of democracy and hemispheric solidarity. Cuba is still not lost to the American community, he said, but would be if she were isolated and forced to integrate with the Communist bloc. Brazil did vote against Communism, and for the removal of Cuba from the Inter-American Defense Board; in her stand on expulsion, Brazil was in agreement with the governments of the majority of the population and area of Latin America.

The Foreign Minister made the point, which he had made before, that Brazil's foreign policy was the same "independent" foreign policy established by Quadros, except that it did not include Quadros' predilection for neutralist leaders.

Dantas left the platform before his critics had finished with him, tired and impatient toward the end, refusing to entertain more questions. Guanabara Deputy Euripide Cardoso de Menezes and Deputy Rafael reportedly intended to recall the Foreign Minister for another report to the Chamber.

By his failure to convince critical members of the Chamber Dantas appears to have lost some prestige. On the other hand, by blowing off steam during Dantas' appearance his critics in the legislature may have lost some momentum. Moreover, the session revealed that Dantas' harsher critics are a small minority. Thus, barring new developments, a move in the legislature to unseat him seems unlikely to prosper.

For the Ambassador:

Frank Micelotta
Second Secretary of Embassy

APPROVED:

Niles W. Bond
Deputy Chief of Mission

DISTRIBUTION: All Consulates in Brazil; Service Attaches, USIS, Econ (2), Pol Brasilia (5), Pol Rio (5), Pol II, Labor, CF (3).

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371.04/2-2062
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FOREIGN SERVICE DESPATCH

FROM: Amembassy RIO DE JANEIRO — DESP. NO. 664

TO: THE DEPARTMENT OF STATE, WASHINGTON. — DATE: February 20, 1962

FEB 22 1961

REF: 795.3

	ACTION	DEPT.
55 For Dept. Use Only	AAA-4	Rmk-2 INR-5 P-1 IO-2 G-7 SR-1 S/P-1
	RECD 7:23	OTHER CIA-10 USIA-8 OSD-3 Army-3 Navy-3 Air-3 NSA-3

SUBJECT: Foreign Minister Defends Policy Before Chamber of Deputies

On Wednesday, February 7, Foreign Minister San Tiago Dantas kept his promise, made before he left Punta del Este, to report to the Chamber of Deputies on the activities of the delegation he headed to the Meeting of Foreign Ministers. If, as one newspaper columnist claimed, he hoped thus to placate certain elements of the Chamber unhappy about Brazil's stand at the conference, he was undoubtedly disappointed.

Dantas, who came prepared to make a formal presentation of his case, was barely able to get through it, so harassed was he by interruptions, requests to yield, and questions. His scheduled appearance had awakened considerable anticipation and he drew the largest number of deputies--171--to have gathered since the current special session began. The most vocal and best organized of them were hostile to him and his policies and they gave him a rough two-and-a-half hours.

The weightiest criticism of Dantas came from UDN leader Herbert Levy. The deputy from São Paulo argued, opposing Dantas' "juridical" thesis, that proper interpretation of the Charter of Bogotá provided ample scope for the dismissal of Cuba from the OAS. Other arguments and criticism presented were more or less trivial or highly charged with emotion. Deputy Abel Rafael (PRP-Minas Gerais) asked why Dantas had reported to the public (on a television broadcast two days earlier) before his appearance at the Chamber. Dantas' reply that he had intended to counter "intrigues...backed by powerful forces situated in Rio de Janeiro" provoked an immediate uproar, with priest-deputy Padre Vidigal (PSD-Minas Gerais) joining Rafael in insisting, in vain, that Dantas name names. (Some newspapers quoted Dantas' words as "occult forces" whose resemblance to Quadros' words on resigning was immediately noted. Dantas denied he had used those words; Embassy officers who were present report he said "powerful groups".) Vidigal also asserted, in another interruption, that "the Brazilian people felt themselves betrayed at the conference of Punta del Este".

POL:FMicelotta:RHShields:rpc — REPORTER — CONFIDENTIAL

ACTION COPY — DEPARTMENT OF STATE

CLASSIFIED FILE

0807

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

RG: 059 TAB #: 5

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NND: 949515 WITHDRAWN: 02/24/95 by: JAS

FOIA RETRIEVAL #: 949515 01577 00005

February 19, 1962

OK - as amended - see letter

Dear Senator Mansfield:

I have just read your report to the Senate Foreign Relations Committee, "Brazil and United States Policies", and I certainly agree that Brazil is "an enormous factor" in inter-American relations. I have passed your report to those officers dealing in Brazilian affairs for their consideration.

There seems to be an increase of activity in Brazil on the part of the supporters of Jânio Quadros. As you may know, Jânio is presently on a Dutch steamer due to arrive in Rio de Janeiro on March 8, and in Santos on March 10. Recently a number of events relating to the return have occurred: Castilho Cabral announced that the "Jânio Quadros Popular Movement" - of which he is national president - would revive its activities; there were continued - and contradictory - announcements of Quadros' imminent nomination to run either for the office of Senator or Federal Deputy from any one of several states, including Guanabara and Rio de Janeiro; and on January 29, Carlos Lacerda, Governor of Guanabara publicly stated that, despite strong reservations, he would, if it came to a choice, prefer Jânio to chaos. You may be sure that we are following the situation closely.

I must say again that I think your analysis of the Brazilian situation is quite sound and your concluding comments worthy of serious thought.

Sincerely yours,

Richard N. Goodwin
Deputy Assistant Secretary
for Inter-American Affairs

The Honorable
Mike Mansfield,
United States Senate.

ARA:JRHolway
2/13/62

Clearances: EST

cc: H

0805

February 19, 1962

Dear Senator Mansfield:

I have just read your report to the Senate Foreign Relations Committee, "Brazil and United States Policies", and I certainly agree that Brazil is "an enormous factor" in inter-American relations. I have passed your report to those officers dealing in Brazilian affairs for their consideration.

There seems to be an increase of activity in Brazil on the part of the supporters of Jânio Quadros. As you may know, Jânio is presently on a Dutch steamer due to arrive in Rio de Janeiro on March 8, and in Santos on March 10. Recently a number of events relating to the return have occurred: Castilho Cabral announced that the "Jânio Quadros Popular Movement" - of which he is national president - would revive its activities; there were continued - and contradictory - announcements of Quadros' imminent nomination to run either for the office of Senator or Federal Deputy from any one of several states, including Guanabara and Rio de Janeiro; and on January 29, Carlos Lacerda, Governor of Guanabara publicly stated that, despite strong reservations, he would, if it came to a choice, prefer Jânio to chaos. You may be sure that we are following the situation closely.

Let me say again that I found your analysis of the Brazilian situation to be most illuminating and we are giving your concluding comments serious thought and consideration.

Sincerely yours,

Microfilmed by RM/S

Richard N. Goodwin
Deputy Assistant Secretary
for Inter-American Affairs

The Honorable
Mike Mansfield,
United States Senate.

ARA:CRHelway Retyped 2/16 (See attached blue)

732.00/2-1962

FR 6/11/32

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0804

INCOMING TELEGRAM — Department of State — ACTION COPY — PERMANENT RECORD COPY

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Action

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Control: 12678
Rec'd: February 21, 1962
1:20 a.m.

FROM: Recife

TO: Secretary of State

NO: 244, February 18, 11 AM

ACTION RIO DE JANEIRO 228, DEPARTMENT 244.

In further move against law school director Soriano Neto, 20 students occupied law school February 16 denying access faculty members. Students telegraphed Prime Minister vowing continue occupation until Soriano Neto dismissed.

Neto requesting support Council Ministers but expects support will be denied and he dismissed following next Council meeting. In that event plans seek court order nullifying dismissal. Neto law faculty supporters claim Fourth Army commander has assured them he will use troops oust students and maintain order if federal court decides in favor Neto.

DELGADO-ARIAS

GDW

RECIFE 244

832.432/2-1862

XR 732.00

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0803

FORM DS-19
4-1-55

DEPARTMENT OF STATE

REFERENCE SLIP

DATE: 2-22-62

TO:	NAME OR TITLE	ORGAN. SYMBOL	ROOM NO.	BLDG.	INITIALS	DATE
1.	[redacted]	ESM			[illegible]	2/23
2.	[redacted]	ARA				
3.	[redacted]	EA/B				
4.						
5.						

	APPROVAL		NOTE AND FORWARD
	AS REQUESTED		NOTE AND RETURN
	COMMENT		PER CONVERSATION
X	FOR YOUR INFORMATION		PREPARE REPLY
	INITIAL FOR CLEARANCE		SEE ME
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SPO 674554

FROM (NAME AND ORGANIZATION)	ROOM NO. AND BLDG.
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0802

interprets not only as UDN willingness seek some sort modus vivendi with Janio Quadros but also a definite indication that UDN intends play both ends against middle in coming electoral campaign by enjoying patronage fruits of two powerful cabinet positions (Public Works and Mines and Energy--which controls Petrobras and soon to be created Electrobras) it occupies while at same time lambasting present regime for its inefficacy and venality. Thus, a move within PSD ranks to overthrow present cabinet with view to either ousting UDN entirely or at least taking over posts considered vital to victory next October has continued gain adherents as indicated by reports acrimonious intraparty bickering during past two weeks at previous weekly conclaves. PSD national chief Amaral Peixoto has reportedly attempted keep this discontent within bounds by behind scenes maneuvers while simultaneously issuing public disavowals of its existence. Under circumstances, his failure to appear at yesterday's meeting may be tacit admission defeat his campaign contain malcontents, or, more probably, his agreement with threatened action but unwillingness to be publicly associated therewith.

View yesterday's events, press here now predicting imminent fall Neves Cabinet which reports partially confirmed by highly-placed PSD congressional leader who informed CAS that Cabinet likely to be replaced in March.

Embassy believes press speculation that Cabinet fall would precipitate crisis parliamentary regime is exaggerated since issues involved here are neither ideological nor do they involve questions of national security of direct interest to military. Failing in recent months to scratch up any issues likely to pay electoral dividends in the forthcoming campaign and therefore faced with probable continued electoral decline, the PSD sees the methods of venal political patronage as its only hope to stave off eventual political extinction or impotence. The issue involved is therefore one of political life or death and the politicos involved are probably willing to go to considerable lengths to improve their electoral prospects. The fall of the Cabinet is in any event no longer necessarily linked with the fall of the regime because relative political stability has descended over the country during the past month or two. For a consideration the PTB, with the President's approval, would doubtless not be unhappy to see the UDN's position in the government weakened.

Nevertheless, maneuvers leading to formation of new Cabinet, are certain to precipitate bitter political squabbling between parties composing present Cabinet, particularly UDN and PSD, and could conceivably hasten UDN exodus from Cabinet.

GORDON

HAQuinn:PRaine:jw;rpc
approved in draft RAS

PRaine
approved by PR in draft RAS

ORIGIN/ACTION: ARA-4

RM/R	REP	AF
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OSD 16	USIA 8	

DEPARTMENT OF STATE

AIRGRAM

(Departmental and Foreign Service)

732.00/2-1762

A-362 NO.

CONFIDENTIAL

TO : Secretary of State

1962 FEB 19 PM 3 15

RM/AN ANALYSIS & DISTRIBUTION BRANCH

INFO: RM/R FILES

DATE: February 15, 1962

FROM : Amembassy BRASILIA Office

SUBJECT : PSD Deputies Move to Overthrow Cabinet

REF :

ARA/EST/6 Jann 3-16-62

Growing agitation within PSD congressional ranks reached new heights yesterday at weekly Brasilia meeting PSD members of Congress when Deputy Nelson Carneiro presented draft resolution requesting Prime Minister Neves and other PSD members of cabinet resign "now" in order "reinforce" party's ranks in coming electoral battle. As justification for its demand, resolution cites Neves' recent public statement his intention resign July 7 in order run for elective office next October in accordance with present Constitutional requirement (Weeks 6) and asserts that "parliamentary system runs risk of grave commotion" if formation of new Cabinet left until July. Reinforcing this argument, resolution also states flatly that congressional elimination of Constitutional provision requiring resignation (which many politicos have suggested as easiest and most sensible solution to this problem) is "difficult, if not impossible" because time element and campaign already getting under way. Reportedly, a majority of the seventy deputies and senators present strongly supported Carneiro's call for immediate resignation PSD members of Neves' Cabinet, though it was agreed to postpone formal vote one week to permit consultations with cabinet Ministers and other parties.

Political observers here generally agree PSD agitation based on desire to gain control of Ministry of Public Works, a traditional and major source electoral pork-barrel funds always previously in PSD hands but now controlled by UDN. PSD distrust of UDN has grown rapidly since January 22 manifesto of Minas Governor Magalhães Pinto and subsequent conclave top UDN leaders (Airgram A-338) which PSD (probably correctly)

FORM DS-323 11-61

CONFIDENTIAL

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Drafted by:

Contents and Classification Approved by:

Clearances:

CLASSIFIED FILE

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AIR
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Control: 11119
Rec'd: FEB 18, 1962
7:09 PM

FROM: Quito

TO: Secretary of State

NO: 412, February 17, 6 p.m.

DEPTEL 418.

Although adjustment status Ruiz may provide some opportunity especially Leftist press accuse US supporting "anti-Castro enemies" present regime this would be insignificant and would be minimized by publicity emphasizing action not granting of asylum. Preferable however no publicity be given affair. No one has taken Ruiz seriously and his action considered joke here.

BERNBAUM

mcm-1

Quito 412 732.00/2-1762

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INCOMING TELEGRAM

Department of State

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Control: 11193

Rec'd: FEB 18, 1962 7:10 PM

Action ARA

Info

FROM: Recife

TO: Secretary of State

NO: Unnumbered, February 16, 5 p.m.

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RMR

ACTION RIO DE JANEIRO PRIORITY 226, DEPARTMENT UNNUMBERED.

Addressing pro-Cuba rally last night prior final meeting State PTB Convention, Foreign Minister Santiago Dantas boasted Brazil followed course "indigenous independence" at Punta del Este and promised "reaffirmation of Brazil independence within few days at disarmament conference".

DELGADO-ARIAS

mcm-1

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(6)

OUTGOING TELEGRAM Department of State

INDICATE: ☐ COLLECT ☐ CHARGE TO

10266

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FEB 21 7 06 PM '62

Origin

Info:

ACTION: Amembassy RIO DE JANEIRO 2321

INFO: Amconsulate RECIFE 348

732.00 XR 737.00 2-1662

Recife UNN Feb 16 sent Rio 226.

Request further details and your comments significance Dantas [redacted] remarks and appearance on such an occasion.

Rusk

Re: pro-Cuba rally

RUSK

Rio de Janeiro 2321

732.00/2-1662

XR 737.00

(3)

Identified by [illegible]

Drafted by: ARA:EST/B:JWWilson:am 2/21/62

Telephonic transmission and classification approved by: ARA:EST - Mr. Wellman

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FORM DS-322

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The conversation turned to more general topics. Faria Lima made the point that the United States should remember it was impossible to help countries that were unable to do anything for themselves. As for Brazil, it would seem a waste of money to try to help a state like Ceará or Piauí, since they had nothing, there was no base on which to work. It would be much more important to help states like Guanabara, São Paulo (here the help would be in loans for infrastructure--not for agriculture, education, in which São Paulo was quite capable of doing its own job), Minas Gerais, etc.

When we parted Sr. Faria Lima said he would be in town next week and that if the Ambassador had any questions, he would be delighted to come and talk to him.

0796

As to the future program, Jânio would seek support from the people for his programs against poverty and illiteracy and the program for national development. Jânio would bring such a Constitution with him when he arrives. (Faria Lima used the term "constitution"; it turned out what he meant was a charter of action--something more than a party platform because, as he said, it would be in very specific detail and not rely on general statements.)

In response to a question in which I indicated that perhaps some change in the form of government was contemplated, he said very quickly and authoritatively that the program would be conducted according to democratic process without any changes, and that it would not be under the heading of any specific party since Jânio expected to receive support from candidates of various parties. He went on to explain that the base of action would be the State of São Paulo, both in an economic sense as well as a political sense. São Paulo had many resources and know-how and could be the base of a vast national development program; e.g., agricultural research, industrial expansion. He described the program as having pretty much the same objectives and content as the Alliance for Progress and cited President Kennedy's book "Strategy of Peace" as being the source of many of the basic ideas. He noted further that President Kennedy's book had many passages which might be considered "communistic" by some, citing the U. S. program for the training of engineers and scientists.

I made two attempts to get Faria Lima to place the program within the context of political parties and international politics. Each time he avoided identifying it in terms of pro- or anti-communism, although he seemed to know what I was trying to get at. In the early part of our discussion he had characterized the program as necessary to prevent communism in Brazil, but here he seemed to be extremely careful. He then described the program as slightly left of center and went on to state that the Communists will probably oppose Jânio in the forthcoming campaign. They had made several approaches in recent months and each time they had been turned away by Sr. Quadros. Faria Lima recalled that in 1958-59, Quadros had been accused of being in the pay of ESSO and the industrialists, but that now he is being accused of being in the pay of the Communists. "Perhaps he will make some statement against communism."

I asked him whether Quadros would run for office as a deputado. He stated that there were several "hypotheses." He had not seen Quadros for five months.

0795

shares, making income from this source subject to graduated formula), the conservatives turned against him, using the issue of international communism as their excuse.

He stated that the break came when Father Calazans of São Paulo made his speech in the Congress. Shortly thereafter Governor Lacerda delivered his speech at the Law Faculty in São Paulo. Then came the famous television performance of Governor Lacerda. He stated that it was extremely curious that Lacerda's speech on television ended at 11:00 p.m. and on that same night at 11:30 the Congress met in Brasilia and constituted itself as a permanent investigating committee, and without observing the usual rules, insisted that Attorney General Horta come before the Congress the next day at 4:00 p.m. (He cited the usual requirement of two weeks' notice, the Minister being called having the privilege of setting the exact date and hour.) He said this sequence of events could not be circumstantial; they must have been a planned program backed by the conservatives of the UDN to remove Jânio.

That night Jânio did not sleep. He got up at 4:00 o'clock in the morning and from 6:00 to 8:00 o'clock that same morning had a long discussion with Horta and Quintanilha Ribeiro. Horta tried to dissuade him from resigning and offered his own head as a sacrifice. Jânio's response was to the effect that they not only wanted Horta's head, but his head as well, and more than that, authority. Apparently there was speculation that Jânio might take action in suspending the Congress, but this was dropped as being illegal even though it was felt that the "povo" would back Jânio in his action. In addition, Jânio was concerned about the position of the Armed Forces. Faria Lima stated at this point that he was quite sure that Jânio would have had the support of the Armed Forces.

Faria Lima pointed out that Jânio had had in mind waiting for the 1962 elections, that the current Congress was not of sufficient stature to rise to the problems of the hour. He also pointed out that in 1962 Jânio was faced with an impossible situation to carry out the basic program of electrification, schools, and other reforms because of the substantial advances made to Petrobras (Cr$1 billion) and the failure in obtaining adequate tax legislation.

I asked Sr. Faria Lima why Quadros had not faced the legislature with his program and made a campaign for it by possibly appealing to the people. He avoided responding except in terms of his previous statement that the Congress was not up to the problems of the day.

0794

CONFIDENTIAL

MEMORANDUM OF CONVERSATION

DATE: February 7, 1962

PLACE: Hotel Gloria, Rio de Janeiro

SUBJECT: Quadros' Forthcoming Campaign

PARTICIPANTS: Brig. José Vicente de Faria Lima, formerly Chairman of the Banco Nacional de Desenvolvimento Econômico under the Quadros Administration, Rio de Janeiro
Minister Leonard J. Saccio, AmEmbassy, Rio de Janeiro

Copies to: Ambassador Gordon
Minister Bond
ARA (lcc) by Pouch
INR (lcc) by Pouch
Central Files

Sr. Faria Lima had sought for the past two weeks an opportunity to speak to the Ambassador. Since the Ambassador was leaving for Washington, he suggested that I be his guest at luncheon today. Sr. Faria Lima referred to the Ambassador's trip to São Paulo and recommended that perhaps the Ambassador should make it a point in his future visits to meet with "o povo." The Ambassador's identification with the manufacturers and groups of that kind (he addressed a luncheon of the Conselho das Classes Produtores), though understandable, was bound to be misinterpreted by other groups to mean that he was associated with the conservatives and not interested in those of more liberal persuasion. He suggested that on the next visit he spend time with the newspaper union, the law faculty, and scientific and educational groups. This would be in accord with the Ambassador's real beliefs since he too is identified as a professor and a man of liberal thought.

The rest of the conversation was an open bid for our understanding of the nature of Jânio's forthcoming campaign. Faria Lima started with the direct statement that when Jânio returns on March 9, he will join him in his campaign. He proceeded to offer an explanation for the actions of Jânio through the period of his administration, and the events that led to the renunciation, sometimes throwing in a phrase or two to the effect that maybe Jânio had been mistaken in some of his actions, but his motive was good, that is, to effect the development of Brazil with campaigns against poverty, illiteracy, etc. The gist of his statement was that Jânio had been forced out by the "classes produtores" because they feared the reform measures that Jânio was pressing. It was all well and good when Jânio was holding down wages, but once he turned to increasing income taxes (he cited in particular the reform of the tax on bearer

0793

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FOREIGN SERVICE DESPATCH

FROM : Amembassy RIO DE JANEIRO — 647 DESP. NO.

TO : THE DEPARTMENT OF STATE, WASHINGTON. — February 15, 1962 DATE

REF : Enclosure/6 June 3 1963

FEB 22 1962

55 For Dept. Use Only	ACTION	DEPT.
	ARA 4	RMR-2 INR-5 G-1 SR-1 S/P-1 S/S-3
	REC'D 2/23	OTHER CIA-10 USIA-6 050-3 army-3 navy-3 air-3

SUBJECT: Transmitting Memorandum of Conversation with Pro-Quadros Political Leader on Quadros' Record and his Current Plans NSA-3

Enclosed is a Memorandum of Conversation between Brig. José Vicente de Faria Lima, Chairman of the National Economic Development Bank during the Quadros Administration, and Minister Leonard J. Saccio, principally on the motives for Quadros' resignation and on his comeback campaign. The Embassy discounts Faria Lima's version that a concerted conservative plot forced Quadros' resignation, but the account of Quadros' current plans is of importance, since it comes from one of Quadros' most prominent and closest supporters. A more detailed account of these plans was given by the same source to the Ambassador on February 14, as reported in the Embassy's telegram 1871 of February 15, 1962.

Additional points of interest made by Brig. Faria Lima to the Ambassador were the following:

1) President Quadros' award of Brazil's highest decoration to "Che" Guevara was an "impulsive" act on the part of the President prompted by Guevara's promise to arrange exit documents for Cuban political asylees lodged in the Brazilian Embassy in Habana.

2) The "anti-American" line followed by President Quadros was based on his conviction that the only way to get substantial American aid was to abuse the United States and be nice to the Soviet Bloc.

For the Ambassador

Robert H. Shields

Robert H. Shields
Second Secretary of Embassy

Enclosure:
As stated.

APPROVED:

Niles W. Bond
Deputy Chief of Mission

DISTRIBUTION: USIS, Econ (2), Pol II, Pol Brasilia (5), Labor, Pol Rio (5), Consulates, Attaches, CF (3), Min. Saccio's files (3).

RHShields;rpc
REPORTER

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-2-1871, FEBRUARY 15, 7 PM , FROM RIO DE JANEIRO

PURPOSE IN RUNNING FOR FEDERAL DEPUTY WOULD PRESUMABLY BE TO STRENGTHEN TICKET AND BRING AS MANY FELLOW-CANDIDATES AS POSSIBLE INTO OFFICE ON HIS COAT-TAILS. UNDERSTAND QUADROS COULD NOT ASSUME CONGRESSIONAL SEAT AND GOVERNORSHIP AT SAME TIME.

PROBABLE PARTY BACKING FOR QUADROS IN SUCH SITUATION STILL UNCLEAR, WITH ONLY PTN APPARENTLY COMMITTED. UDN CONVENTION NEXT WEEK WILL PRESUMABLY CONSIDER PARTY'S ATTITUDE TOWARD QUADROS BUT PARTY OBVIOUSLY DIVIDED ON ISSUE AT PRESENT. QUADROS OWN POSTURE WILL APPARENTLY BE THAT HE IS ABOVE PARTIES AND WITHOUT PARTY COMMITMENTS.

WHILE FOREGOING UNDOUBTEDLY MOST AUTHORITATIVE ACCOUNT YET RECEIVED ON JANISTA POLITICAL PLANS, UNCERTAINTY RE EXTENT QUADROS OWN COMMITMENT THERETO PLUS HIS NOTORIOUS UNPREDICTABILITY COUNSEL CAUTION IN ACCEPTING IT AS DEFINITIVE. IS OF INTEREST HOWEVER THAT TODAY'S PRESS REPORTS FROM SAO PAULO THAT JANISTA LEADERS YESTERDAY DECIDED COMMUNICATE TO QUADROS THEIR DECISION LAUNCH HIS CANDIDACY FOR GOVERNOR, AND SIMILARLY TO INFORM PRESENT GOVERNOR CARVALHO PINTO WHO ALREADY SUPPORTING HIS OWN CANDIDATE FOR POSITION.

GORDON

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NUMBERED
Control: 9713
Rec'd: Feb. 16, 1962
12:47 AM

FROM: RIO DE JANEIRO

TO: Secretary of State

INFO:
RM/R FILES

NO: 1871, FEBRUARY 15, 7 PM

ARA/EST/B
JWW 2/12/62

RIO 1871

ACTION DEPARTMENT 1871, INFORMATION SAO PAULO UNNUMBERED

SOURCE CLOSE TO JANIO QUADROS, WHO ALSO ONE OF LEADERS JANISTA HIGH COMMAND SAO PAULO, GAVE ME FOLLOWING SUMMARY YESTERDAY OF QUADROS POLITICAL PLANS, AT LEAST AS ENVISAGED BY HIS PRINCIPAL SUPPORTERS (IT NOT CLEAR TO WHAT EXTENT QUADROS HIMSELF HAS APPROVED THESE PLANS ALTHOUGH AGREEMENT AT LEAST IN PRINCIPLE WAS INFERRED):

QUADROS WILL PLAY ACTIVE PART IN FORTHCOMING ELECTORAL CAMPAIGN IN AT LEAST THREE ROLES: 1) AS CANDIDATE FOR GOVERNOR OF SAO PAULO; 2) AS CANDIDATE FOR FEDERAL DEPUTY FROM SAME STATE; 3) AS CAMPAIGNER ON BEHALF OTHER CONGRESSIONAL CANDIDATE SYMPATHETIC TO HIM. WHILE FIRST TWO ROLES WOULD INVOLVE STATE OF SAO PAULO ONLY, QUADROS WOULD GAMPAIGN IN THIRD ROLE ON NATION-WIDE BASIS, "FROM AMAZONAS TO URUGUAIANA". AS GUBERNATORIAL CANDIDATE QUADROS WOULD HAND-PICK RUNNING-MATE (VICE GOVERNOR) FROM AMONG HIS CLOSE FOLLOWERS (E.G. FARIA LIMA, QUINTANILLA RIBEIRO).

IF ELECTED GOVERNOR, AND IF SUCCESSFUL IN OBTAINING ELECTION TO CONGRESS OF SIGNIFICANT NUMBER HIS SUPPORTERS, QUADROS WOULD THEN MAKE BID FOR PRIME MINISTERSHIP, TURNING OVER SAO PAULO TO VICE GOVERNOR. THUS QUADROS WOULD PRESUMABLY BE IN POSITION TO RUN COUNTRY AS PRIME MINISTER AND AT SAME TIME TO RUN SAO PAULO THROUGH HAND-PICKED GOVERNOR. SOURCE EMPHASIZED QUADROS, UNLIKE PRESENT INCUMBENT, WOULD TAKE FULL ADVANTAGE ELEMENTS OF STRENGTH IN PRIME MINISTER'S POSITION AS DEFINED BY PARLIAMENTARY AMENDMENT.

/ PURPOSE

732.00/2-1562

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FORM DS-747
2-4-54

2/12/62

DEPARTMENT OF STATE

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1. TOP SECRET CONTROL NUMBER

4. BRIEF DESCRIPTION OF ATTACHED DOCUMENT(S) *(Origin, subject, reference no. or other pertinent data)*
Memo from RNGoodwin to Mr. Hilsman, ~~XKX~~ INR, 2/12/62 re Brazil.

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The Secretary	S				
	S/S	[signature]	2/12/62		

Filed Title
E.O. 7324
February 1962

☆ U. S. Government Printing Office: 1961-584597

0788

3 - The Secretary

(2)

TOP SECRET - EYES ONLY MR. HILSMAN

INR - Mr. Hilsman

February 12, 1962

ARA - Richard N. Goodwin

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by S/S-I date 9-5-23

Brazil

Can you begin some of your people on an assessment of our election prospects in Brazil? This would include a State-by-State listing of election contests both for congress and governor; a list of the now known candidates for each position and a very brief - one or two sentences - characterization of these known candidates from the point of view of our interests.

I believe such a master sheet is an essential preliminary step to our overall project and, of course, it should be kept up-to-date as the situation develops.

Please let me know if you think there is anything wrong with this idea.

7 32.00 / 1262

cc: The Secretary

ARA:RNG:j

TOP SECRET

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OUTGOING TELEGRAM Department of State

INDICATE: ☐ COLLECT
☐ CHARGE TO

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Classification

2215 FEB 13 6 02 PM '62

Origin

Info:

ACTION: AmEmbassy, RIO DE JANEIRO

EMBTEL 1824 — 732.00
832.06
398.06-140
2-462

Rio de Janeiro 2215 732.00/2-962
XR 832.06
XR 398.06-140

Romualdi informed substance reftel and raised subject in conversation with Labor Minister today. Montoro stressed what seems legalistic nicety that challenge was of Ministry ruling rather than of Parmegiani election. However, said Ministry brief defending ruling has been drafted and is confident will be sustained by Court.

Romualdi's reactions to interview generally favorable and appears impressed Minister's good intentions and competence.

RUSK (pref) RUSK

[redacted]

(3)

Drafted by: ARA:RPA:HSHammond:erb 2/13/62

Authorized classification and abbreviation approved by: RPA - John M. Cates

Clearance: EST/B - Mr [illegible]

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Form 05-322

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Control: 6016
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3:35 a.m.

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RMR

FROM: Rio de Janeiro

TO: Secretary of State

INFO:

RM/R FILES

NO: 1824, February 9, 5 P.M.

Romualdi will see Labor Minister during latter's visit Washington. Embassy suggest Romualdi mention Government's lack formal decision on challenge to Parmegiani victory CNTC. (Minister has informed Embassy case will not be decided against Parmegiani, but for political reasons, may be left pigeonholed.) Romualdi could usefully suggest following: In view clear legal victory Parmegiani, lack of decision on challenge weakens his position. Further, if anything should happen Minister, latters successor might, for political reasons, decide otherwise. Therefore, if Minister could decide issue formally soon would be great aid Parmegiani, will strengthen position Brazilian Government with free labor in ILO where Parmegiani substitute member governing body, will encourage democratic elements Brazilian labor and strengthen contacts between latter and Minister.

BOND

KHM

Telecommunications by RM/R

FILED
APR 16 1962

Rio de Janeiro 1824
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XR 398.06-110

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NAME OF OFFICER • OFFICE SYMBOL H.E. Hammond	DATE OF ACTION 2/13/62	DIRECTIONS TO RM/R File	

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OUTGOING TELEGRAM Department of State

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Origin

Info

ACTION: AmConGeneral, RECIFE 331

RPT INFO: Amembassy, RIO DE JANEIRO 2183

~~[illegible]~~
ROGER CHANNEL

In line with increased emphasis upon countering communist strategy, Department is concerned over implications of possible election of Miguel Arraes or some other communist or confirmed procommunist as Governor of Pernambuco next October. ~~[illegible]~~ A refined assessment of election prospects and contingencies is required. Consulate General is requested to prepare on urgent basis report covering, but not necessarily limited to following points: 1) What is likelihood for election of Arraes or a similar candidate? 2) How close is race apt to be and upon what issues or developments will election turn? 3) What are prospects that moderate and conservative forces will be able to get behind a single strong candidate? 4) In light of 1958 gubernatorial election and 1960 presidential balloting as well as registration figures and variations in voter turnout, what is relative balance between Recife and "upstate" electorate?

Consulate General is also requested to give its views on how ~~much~~ United States has at stake in this election and extent to which its outcome might jeopardize the future of US programs in the area.

Consulate General should submit its report to Department with copy to Embassy Rio.

732.00/2-962

Drafted by: INT:RAR:EMSchneider:dbk 2/9/62

Telegraphic transmission and classification approved by: INR - Joseph W. Scott

Concurrence:

EST - Mr. Wellman

ARA - Richard N. Goodwin

EST - Mr. Wilson

~~[illegible]~~

SECRET
Classification

FORM 05-322

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OUTGOING TELEGRAM Department of State

INDICATE: ☐ COLLECT ☐ CHARGE TO

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FEB 16 4 02 PM '62

QUI TO 4 18

Origin

Info:

ACTION: Amembassy, QUITO

418

REF: Embdes 394

722.00/2-962
602224

Ruiz has formally requested adjustment visa status to permanent resident. He apparently qualifies such change. In view publicity given in Ecuador Ruiz "request for asylum", would appreciate Embassy's views possible adverse political impact Ecuador should adjustment status be granted. If such action taken, Dept plans assure publicity would emphasize action not repeat not question asylum but routine change visa status.

RUSK

(TGB)

D

RUSK

732.00/2-962

Drafted by: 2/16/62
ARA:WST:E:[illegible]:jj

Clearance: Clearance: YO - Miss Duncan

Telephone Information and Identification approved by: WST - Mr. [illegible]

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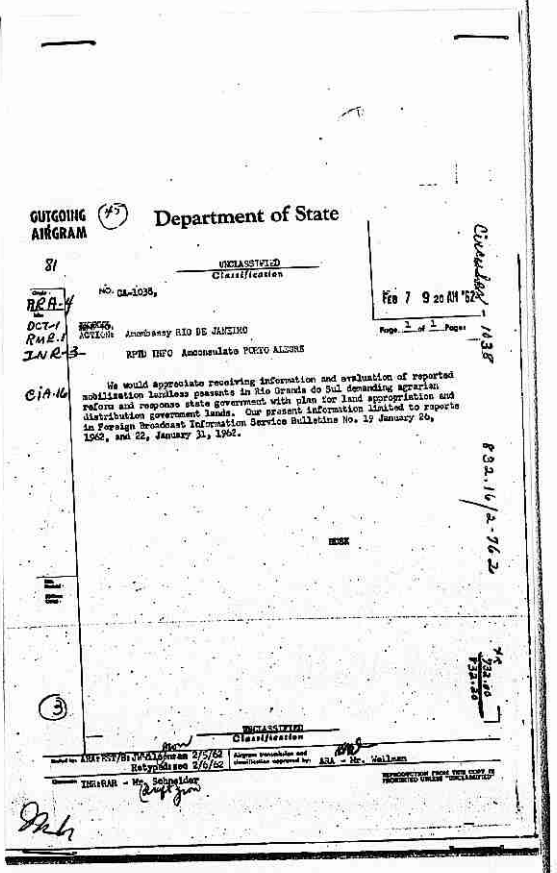
Classification

FORM DS-322

0783



GUTGOING AIRGRAM (45)

Department of State

81

UNCLASSIFIED
Classification

Circular - 1038

Feb 7 9 20 AM '62

Page 1 of 1 Pages

Origin: ARA-4
Info: DCT-1
RMR.1
INR-3
CIA-16

NO. CA-1038,

~~SECRET~~
ACTION: Amembassy RIO DE JANEIRO

RPTD INFO Amconsulate PORTO ALEGRE

We would appreciate receiving information and evaluation of reported mobilization landless peasants in Rio Grande do Sul demanding agrarian reform and response state government with plan for land appropriation and distribution government lands. Our present information limited to reports in Foreign Broadcast Information Service Bulletins No. 19 January 26, 1962, and 22, January 31, 1962.

832.16/2-762

BOSK

(3)

UNCLASSIFIED
Classification

Drafted by: ARA:RST/B:JWWilliams 2/5/62
Retypedsec 2/6/62

Airgram transmission and classification approved by: ARA - Mr. Wellman

Clearance: INR:RAR - Mr. Schneider

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2. Paraná Senator for Ambassador in Warsaw

Paraná senator Gaspar VELOSO (PSD) has been nominated as Brazilian Ambassador to Warsaw. Veloso apparently has not as yet decided whether to accept. He is up for reelection in October and seems to be pondering his chances for victory. (Biographical information about him will be submitted in the near future).

Sources: "Diário do Paraná" - Dec.24,1961
"Gazeta do Povo" - Dec.28, 1961
"Tribuna do Paraná" - Dec.23,1961

3. INNOCENTS ABROAD:

Curitiba student leaders Julio Cesar GIOVANETTI, Cesar MUNIZ, Paulo dos SANTOS and Amazonas BRASIL, in addition to bank employees leader Erico SZPOGANICZ, flew off to Havana at the invitation of Fidel Castro. None of the aforementioned are predisposed to find anything wanting in the Castro regime.

Source: "Diário do Paraná" - Dec.27,28,1961

George M. Scanlan

George M. Scanlan
American Vice Consul

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subservient to "those of the Department of State". In pursuing the "independent" line Brazil has the ludicrous idea that it will thereby assume the leadership in South America. Such hopes are without foundation because the other countries of this hemisphere are intelligent enough to see no future in a policy which alienates the United States.

Sources: "Diário do Paraná" - Dec.30,Jan.11,1962
"A Noticia" - Jan.1o,1962
"Gazeta do Povo" - Dec.3o,1961

2. Other Comments:

Ambassador GORDON's address to the São Paulo Council of Economic Groups (Dec.2o,1961) was well reported here and President Kennedy's December visit to Venezuela was still receiving favorable comment. Preparations for the Punta del Este conference and speculation about the Brazilian position occupied the headlines for the greater part of the month.

GOA received surprisingly little space in the local press, the only editorial on the subject stating that the whole affair is just one more indication that colonialism is on the way out.

Sources: "Diário do Paraná" - Dec.17,21,3o,1961
"Estado do Paraná" - Dec.21,1961

V CULTURAL NOTES:

The selection of several members of the local police force for travel grants under the recently concluded "Point IV" - Paraná police agreements was publicized in the local press. A police physician here has already received his visa and will depart soon for several months travel in the U.S.

A seminar for English teachers was held in January at the Curitiba Bi-National Center. Some 40 teachers attended. Michigan University examinations were given to more than 25 candidates in the Curitiba area during the seminar.

Students at four local high schools became members of the People - to - People Club and will begin corresponding with American children studying in New York, New Jersey, Pennsylvania and California.

Sources: All newspapers and personal observations

VI MISCELLANEOUS:

1. GALHARDO Leaves:

General Benjamin GALHARDO, commandant of the Fifth Military Region, has been appointed commander of the Southern Defense Zone Nucleus. His successor has not been announced, but General Joaquim Vicente RONDON is serving in the interim. General Galhardo was on the side of "legality" during the political crisis, but was somewhat less outspoken in this regard than his commander in Porto Alegre.

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III PSYCHOLOGICAL - Reaction on National Developments

1. Anti-Communist Movement:

The series of bomb incidents in the rest of Brazil provoked a search for "rightist" elements in Curitiba. It was quickly "discovered" that the leader of the local anti-Communist movement is Manoel Linhares de Lacerda, a sort of right-wing nationalist with anti-American inclinations. Lacerda has a reputation as a fascist, appears to have had a brief flirtation with communism and has now bounced over the right again. Lacerda says he is not the leader of the movement, despite the fact that he has taken ads in the newspapers offering his home, automobile and land as collateral on a loan to "fight communism". The newspapers, student and labor organizations and the Paraná legislative assembly issued statements condemning the anti-communist campaign. As expected, these groups were quite a bit more vehement in denouncing the anti-communists than they are in denouncing the communists.

Sources: "Diário do Paraná" - Jan.13,1962
"Estado do Paraná" - Jan.10,1962
"Gazeta do Povo" - Dec.22,1962

2. Profit Remittance Bills:

The Profit Remittance bill continued to draw the fire of editorialists. The only favorable comment came from the Paraná Nationalist Front which scheduled a series of speeches by local leftists and laborites.

Sources: "Diário do Paraná", Curitiba- Dec.16,17,19,27,1961
"A Noticia", Joinville, Dec.16,17,1961

IV PSYCHOLOGICAL - REACTION ON INTERNATIONAL DEVELOPMENTS:

1. Brazilian Foreign Policy

PSD Federal Deputy Manuel de Oliveira FRANCO, assistant counsellor to the Brazilian UN delegation, returned to Curitiba in late December and made his presence felt by issuing a number of statements on the Brazilian position in the UN and at the Punta del Este conference. He said Brazil should vote either for or against sanctions, but avoid abstaining at all costs. He supports the "independent" line, is sympathetic towards the "neutralist" bloc and sees the world as dominated by the U.S.-U.S.S.R. conflict, Brazil and other weak nations having at best a subsidiary importance in the present scheme of things.

An article expressing very different opinions was prominently displayed in both "Diário do Paraná" and "A Noticia". The article (unsigned) says that Brazil's foreign policy is still based on the false assumptions" of Janio Quadros who was always "well known for his provincialism and lack of perception in foreign affairs". Quadros' primary assumption was that Brazil's policies were

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3. Paraná's Economic Plans:

Governor Braga is planning to present to the Itamarati, for submission to the Inter-American Development Bank, an elaborate ($20 million) public works program. The plan calls for road construction, electrification, reforestation and agricultural diversification.

Meanwhile, the Governor's "Paraná Ecpnomic Development Fund", which would spend nineteen billion cruzeiros for the same ends, has reached the discussion stages in the State Assembly. This measure has the support of the state's commercial and industrial leaders and apparently will get a favorable hearing in the Assembly.

Sources: "Diário do Paraná" - Dec.16,17,1962, Jan4,1962
"Estado do Paraná" - Dec.16,17; Jan.5,1962
"Gazeta do Povo" - Dec.16,1961

4. Goulart and Kubitschek in Curitiba:

President Goulart spent two hours in Curitiba on December 21. He attended graduation ceremonies for airforce officers and left for Porto Alegre int the company of Governor Ney Braga. The two were said to have discussed the PTB-PDC alliance and the possibility of nominating Nelson Maculan as President of the Brazilian Coffee Institute.

Former President Kubitschek made a whirlwind visit here on the 19th and 20th of December. He gave a number of press, radio and television interviews during which he condemned the profit remittances bill and the parliamentary form of government. Contacts with local PSD politicians were at a minimum.

Sources: "Gazeta do Povo" - Dec.21,23,28,29,1961
"Tribuna do Paraná" - Dec.20,22,27,1961
"Estado do Paraná" - Dec.22,1961

II MUNICIPAL POLITICS:

Curitiba Mayoralty Race:

Curitiba Alderman Carlos Alberto MORO may be the next mayor of this city. A member of the PTB, Moro is viewed with favor by the PDC as well. His family has been active in local politics for years and Moro has ingratiated himself to the public by frequent appearances on television and radio and unfailing appearance at all social functions. If he is not a candidate, he certainly seems to be one.

So far the other parties have not shown their hands on mayoralty nominations.

Source: "Ultima Hora" and conversations.

0778

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FOREIGN SERVICE DESPATCH

FROM : AmConsulate, CURITIBA — 46 (NO.)

TO : THE DEPARTMENT OF STATE, WASHINGTON. — February 7, 1962 (DATE)

REF :

FEB 9 1962

AID-11

	ACTION	INFO	DEPT	RM/R	REP	AF	ARA	EUR	FE	NEA	CU	INR	E	P	IO	ICA
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			OTHER	AGR	COM 10	FRB	INT	LAB	TAR	TR 2	XMB					
	REC'D 2/15			AIR 3	ARMY 3	CIA 10	NAVY 3	OSD 3	OCB	USIA 8	NSA 3					

SUBJECT: NEWS SUMMARY (NON-ECONOMIC) FOR PERIOD DEC.15,1961-JAN.15,1962

file ARA/ES/B
JWW 2/21/62 Subj. → RG 2 MS

I STATE POLITICS:

1. Paraná Senatorial Campaign:

Former Paraná Governor Adolpho de Oliveira Franco will run for senator on a PDC-PL-UDN-PTB coalition thereby leaving UDN regional party chairman Newton Carneiro in the lurch. Franco, a well-known banker, is fairly acceptable to all groups except the far-left wing of the PTB which regards him as somewhat suspicious in view of his elevated social position, ~~stature~~. Nomination on the coalition slate is tantamount to election.

Sources: Diário do Paraná - Jan.5,10,1962
Estado do Paraná - Jan.5,14,1962
Gazeta do Povo - Jan.5,14 1962
Tribuna do Paraná - Jan.5,1962

2. Levy in Curitiba

Herbert Levy, the UDN's national party chairman, visited Curitiba and Santa Catarina in early January in an attempt to breathe some life into the moribund local organization. Since the Parana state administration joined its forces with those of the PTB, the UDN has been lost in the shuffle. In Santa Catarina Levy is said to have attempted to ally the UDN with the PSD, thereby capitalizing on the crumbling PSD-PTB alliance. Press reports indicate that he accomplished little in the two states.

Sources: "Diário do Paraná" - Jan.3,6,7,1962
"Gazeta do Povo" - Jan.5,10,12,1962
"Ultima Hora" - Jan.9,1962

FILED
FEB 23 1962

cc: AmEmbassy, Rio de Janeiro (2)

GMScanlan:bb (REPORTER) — OFFICIAL USE ONLY

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

0777

At the invitation of the Minas Gerais Society of Engineers, the new Brasilian Ambassador to the Soviet Union, Vasco Leitão da CUNHA, came to Belo Horizonte and gave a talk on January 11 on the reestablishment of diplomatic relations with the USSR. He advanced two main reasons for the renewal of relations: 1) the ranking position of the Soviet Union as a world power; and 2) the need for Brasil to expand its markets abroad. He foresaw in particular the possibility of Brasil increasing its exports of coffee to the Soviet Union, saying that as a consequence of the rising living standards in the USSR that country was now able to increase its consumption of luxury goods, including coffee.

Moreover, he added, the Soviet Union would have an inducement to increase its imports of coffee since as a result of such an increase Brasil would be enabled to import more from the USSR. The Ambassador stated that he was giving special attention to taking with him as part of his staff a number of able economists. As an auspicious indication of the future of his mission, he gave an account of the rising volume of trade between the two countries in 1961 as compared with 1960. He touched on the question of the ideological threat of Communism to Brasil only to say that the best means for circumventing the danger was indeed to reestablish and strengthen relations with the Soviets.

Comment: The talk was well received by the audience which consisted primarily of members of the liberal professions, industrialists, businessmen, and government people. Some members of the Consular Corps, including the reporting officer, were present. The stress on the economic aspects of the relations between Brasil and the USSR was undoubtedly due to the nature of the audience and sponsorship. As if to give special recognition to this fact, the Ambassador stated at one point that his hope and main business was to sell lots of coffee to the Soviet Union. The comments made by the audience and the questions asked indicated a sympathetic response and an almost exclusively business-directed interest.

When the reporting officer was introduced to the Ambassador by the president of the Society of Engineers, the Ambassador was very cordial and took the opportunity to say that he was an old friend of the United States. He spoke to the writer in fluent English.

Edmund A. da Silveira

Edmund A. da Silveira,
American Consul

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With respect to senatorial nominations, a proposal sponsored by the national head of the Party, Artur BERNARDES Filho, stated that the PR would nominate its own candidates for senators independent of any agreement with another party. The proposal then added, however, that if another party wished to reach an understanding with the PR to work out a joint ticket, that party would have to take the initiative.

Comment: The two senators from Minas Gerais whose terms will expire in January 1963 are Benedito VALADARES who is the president of the State section of the Social Democratic Party (PSD), and Camilo NOGUEIRA DA GAMA of the Labor Party (PTB). Appearances to the contrary, it is generally known that the PR wants to join forces with another party for the coming electoral campaign to make mutually profitable arrangements for the support of candidates. In this case, since it would be virtually impossible for the PR to elect its own candidates for mayor and the two senatorial seats, the PR would back another party's senatorial candidates in exchange for support of the PR candidate for mayor of Belo Horizonte. Indications are that the PR has approached the PSD with such a proposal but that it was received with some coolness, because the PSD wants the mayoralty for itself and believes that it does not have to make concessions to get Senator Benedito Valadares reelected. The PSD feels, moreover, that to attempt to elect two senators would seriously jeopardize its chances of retaining even the one senatorial seat the PSD now has.

3. Reaction to the Punta del Este Conference

Reaction to the outcome of the Conference at Punta del Este has in general been favorable. Some criticism, however, has been voiced in the press against Brazil's abstention from the voting on the side of the majority position. Reflecting this point of view, the largest circulation newspaper in Belo Horizonte, O Estado de Minas, thought that Brazil's stand was divisive and served neither the interests of the Organization of American States nor of Brazil itself. With particular reference to the position of the United States, most of the views coming to the Consulate's knowledge have been decidedly pro-United States.

Comment: The nature of the local reaction to the results of the Conference is not surprising. Despite the existence of a small vocal minority that favors FIDEL CASTRO, the predominant influence that Roman Catholicism has in shaping the outlook of the population in this State has long since turned most people against the Castro regime. The recent excommunication of Fidel Castro by the Church has by and large been accepted as the final word on the undesirability of having the Castro Government in the American family of nations. Concerted action by the American States against his regime was, therefore, much desired, and any vacillation away from that direction was generally resented.

4. Talk on the Reestablishment of Diplomatic Relations with the USSR

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The question arises then why he has chosen this moment to make the implied break, a break that is apparently not in accord even with the national policies of his own political party, the National Democratic Union(UDN). The fact that he is by all accounts a shrewd politician, would indicate that he feels that the wave of the future lies with the Quadros reformists as opposed to the present return to past ways. Incidentally, signs and banners reading "Jânio Is Our Hope" have suddenly sprouted in the downtown area of Belo Horizonte. If the Governor is gauging accurately the extent to which the people hanker for basic reforms, then the strong possibility of a renewal of the legislatures in the October 1962 elections, in keeping with that spirit, cannot be discounted. A renewal of the State Legislative Assembly along those lines could not but enhance the Governor's position.

Another if less positive motivating factor for the Governor's attitude is found on the reverse side of the medal. A continuation of the present state of things effectively prevents the Governor from enacting those measures he thinks necessary for the social and economic development of the State. His defeated opponent for the governorship now holds the reins of power as Prime Minister. Opposition political parties represented in the State Legislative Assembly are in an overwhelming majority, standing in stark contrast to the small minority position of the Governor's Party. Also, if the parliamentary system takes hold and extends into the States, Governor Magalhães Pinto's hopes for effective rule are done for.

Much of the local reaction to the Governor's "pronouncement" has followed a partisan line. On balance, however, criticism has been aimed more at the absence of constructive suggestions than at the pessimism underlying his analysis of the national crisis. At least one editorial and several people pointed to a flaw in the Governor's reasoning. While they agreed as to the correctness of the analysis, they felt that the Governor should have mentioned the fact that Jânio Quadros himself had evaded the problems listed by turning his back on them.

2. The Republican Party State Convention

The Republican Party (PR) held its State Convention during January 24-25 at which new officers and committees were appointed. The other important item of business was the nomination of candidates for the coming October elections for two senatorial seats, Federal and State deputies, and Mayor of Belo Horizonte.

The task of nominating candidates for deputies was assigned to the executive committee for a later date. For the mayoralty of Belo Horizonte the gathering announced the candidacy of Jorge CARONE Filho, an unimpressive figure who is at present a deputy in the State Legislative Assembly. His was, in fact, the only specific nomination actually accomplished at the Convention.

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result of this failure, he added, the impact of Jânio QUADROS' renunciation of the Presidency is decreasing as his popularity gains.

The Governor had harsh words to say about the role of the political party system since the August crisis. He stated that some remnant institutions of popular representation, now without roots, had played a significant role in their obstruction of constructive programs and mentioned by way of illustration his own frustrating experiences with majority opposition parties in the State Legislative Assembly. These parties were accused of obstinate resistance to the reforms that the governments elected in 1960 wanted to implement. As a consequence, he said, the people are growing increasingly skeptical of their government and will end up by not believing in their own institutions. This trend becomes the more pronounced, he added, as evidence accumulates that the political parties have not fulfilled the task for which they were created.

The Governor had even harsher words for the general political crisis which he saw growing space through inefficiency, disorder, and abuses in the national Government, disrespect for authority, and the increased frequency of acts of political terrorism. In this way, he reasoned, a climate for extremist solutions is created. "On the one hand, the Communist conspiracy insinuates itself insidiously as the exponent of popular discontent. On the other hand, one sees contradictory reactions inspired by alarm and fear." This situation, he believed, was clear evidence of the accelerated rate of political and social retrogression in Brazil.

Insofar as foreign policy was concerned, the Governor gave the impression of feeling somewhat awkward at the comparison of the policies of the Quadros' Administration with those of the present Government. Although the execution of foreign policy in the Quadros' Administration was at times given to excesses, he explained, it never negated the country's commitments to the West and the American sister nations. By way of contrast, he said that the present Government, under the pretext of following previously established courses, caters more to the passing whims of domestic groups than to the imperative needs of Brazil that stem from the country's position in the world.

The "pronouncement" ended with an affirmation of faith in democracy and of trust in the Armed Forces to continue their traditional role of maintaining order founded in "liberty, work, and social peace." It was for the sake of preserving order, the Governor said in the way of a parting shot, that the country had accepted a parliamentary regime.

Comment: Both in tone and content the Governor's "pronouncement" departed markedly from his usually moderate ways of expression. Although the consensus has been that the starkness of the picture he painted of the national situation accords with the reality, he must have wanted very much to dissociate himself ffom the present Federal Government to have used the strong language he did.

0773

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FOREIGN SERVICE DESPATCH

FROM AMCONSUL, Belo Horizonte

NO. 15

TO THE DEPARTMENT OF STATE, WASHINGTON.

DATE February 5, 1962

REF

For Dept. Use Only	ACTION	INFO	DEPT	RM/R	REP	AF	ARA	EUR	FE	NEA	CU	INR	E	P	IO	ICA
20	ARA-4			2								5				
			OTHER	AGR	COM	FRB	INT	LAB	TAR	TR	XMB					
	REC'D 2-10-62			AIR 3	ARMY 6	CIA 10	NAVY 3	OSD 3	OCB	USIA 8	NSA 3					

SUBJECT: POLITICAL SUMMARY FOR JANUARY 1962 - STATE OF MINAS GERAIS

(file) ARA/EST/B JWW 3-13-62

Table of Contents

1. The Governor's Pronouncement
2. The Republican Party State Convention
3. Reaction to the Punta del Este Conference
4. Talk on the Reestablishment of Diplomatic Relations with the USSR

1. The Governor's Pronouncement

On January 22, Governor MAGALHÃES PINTO made his long-awaited "pronouncement," a declaration highly critical of the present Federal Government's domestic and foreign policies and in which he voiced his preoccupation with the seriousness of the national situation. Declaring that the message conveyed at the polls in the October 1960 elections was that methods and processes in public administration had to be changed, he went on to say that the message had been negated or vitiated by a "return to methods and customs that the moral and political spirit of the Brazilian people had repudiated."

He charged the present Federal Government with aimlessness, inaction, and failure to take into account the realities of Brazilian life. As a

FILED MAR 1 ... 55 PM '62

Copies to:
Pol. Section/Embassy
Couns.for Cons.Affrs.

EAdaSilveira:kfk

REPORTER

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DEPARTMENT OF STATE BUREAU OF INTER-AMERICAN AFFAIRS FEB 19 1961

FORM 6-61 FS-439 GPO 912696

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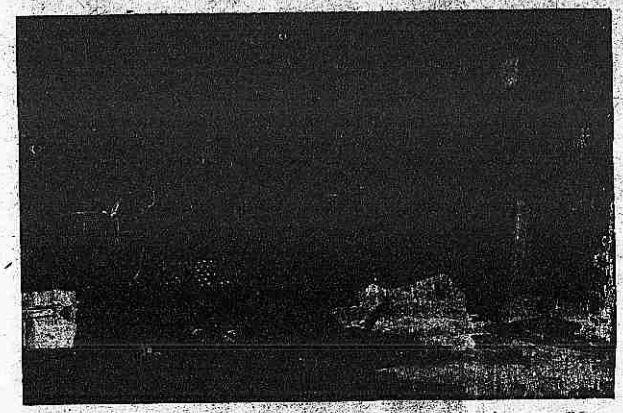
ACTION ASSIGNED TO	ACTION TAKEN	
NAME OF OFFICER & OFFICE SYMBOL	DATE OF ACTION	DIREC[redacted] TO RM/R

0772

Envl #1 Disp# 75
Belém 2-5-62 ARA

O EMPASTELAMENTO DE "O TRABALHISTA"



Linotipo quebrado. Impressora com peças destruídas. Só os Linotipos projetos sobem a um milhão de cruzeiros. O prejuízo da impressora sobe a muito mais

Como se deu — Autêntico comando militar depredatório — Elementos da Polícia Civil e Polícia Militar no quebra-quebra — Nomes dos principais responsáveis — O dedo do Governador — Cumprida a ameaça do Chefe do Executivo

"O Trabalhista" silenciou, mas o povo gritou: Plínio será o Prefeito

Ainda repercute dolorosamente no seio da opinião pública o estrangulamento de que foi vítima O TRABALHISTA, levado às conseqüências lamentáveis com a destruição dos móveis da redação e de todos os serviços de rádio-falantes da Aliança de Libertação do Amazonas.

COMO SE DEU A OCORRÊNCIA

Entre às 21,45 e 22 horas, um caminhão lotado de homens armados, precedido de um jeep, parou em frente à sede de O TRABALHISTA. Segundos após, ouviu-se um apito e imediatamente sem uma palavra, a carga do caminhão se projetou ao chão, para dividindo-se, em dois grupos, um penetrar pela porta principal do edifício e o outro passar pelo espaço, invadindo a área do sub-solo.

Os grupos invasores portavam armas de fogo, (revolveres usados pela Polícia Militar) e pedaços de cano de ferro. Entrados no edifício, após destruírem tudo quanto encontraram, inclusive máquinas, móveis, etc., puseram fogo no primeiro andar, sendo impedido imediatamente da planta do prédio, sem deixar escapar, inclusive o material radiofônico guardado em quarto separado, que foi arrombado. Sete minutos após um novo apito se ouviu e, em desabalada carreira, os atacantes saltaram sobre o caminhão que disparou em alta velocidade, perdendo-se no rumo das nossas noites.

AUTÊNTICO COMANDO MILITAR

Foi, não há como contestar, uma operação de comando militar, só conhecida nos livros de ficção ou nos próprios textos de guerra, ou na luta dos "maquis" e "partisãs", senão nos ataques da Máfia. O trabalho foi bem ordenado e só um dos assaltantes falou, gritando pelo nome do coronel Augusto Paes Barreto, sendo imediatamente admoestado em um "cala-boca"! imperativo. O mais, ficou em silêncio, ouvindo-se ùnicamente as pancadas dos canos de ferro sôbre os objetos e, ao fim, dois tiros dados para o ar.

NOMES DOS PRINCIPAIS RESPONSÁVEIS

E não é de admirar que isso tenha ocorrido, fazendo-se presente o espírito militar. E' que o grosso dos atacantes está integrado de militares. O comando foi exercido pelo coronel reformado do Exército Augusto Paes Barreto, 1º tenente Edson B. Paula, sub-tenente Manoel Corrêa da Silva Feitosa Ferreira e Jurandir, Cabos Aníbal, Gomes, Passos e Luiz Maquita, soldados Jonas, Fabrício, Valadares, Wagner, Ferreira e Pau Preto. Da Polícia Civil, tomaram parte os delegados do Serviço Médico, Rodrigues e Pinto e Inspetor de Polícia Mello. Era cerca, segundo versão pública, duas horas da manhã, Governo Antonio Dedi-sto, 6, avisado de Lodi dos Amores.

O DEDO DO GÔVERNADOR

Bastam os nomes acima indicados para que se conheça o dedo do Govêrnador. Todos estão às ordens do Chefe do Executivo. Todos integram uma das "gangs" do seu Govêrno. Os soldados e oficiais receberam armas na Polícia Militar. Vestiram à paisana no antigo Picadeiro de Cavalaria e dali passaram pelo Boulevard

(Continúa na 3a. pág.)

DIRETOR RESPONSÁVEL: STÊNIO NEVES — DIRETOR COMERCIAL: JÚLIO SEIXAS

O Trabalhista

ANO XV ★ MANAUS — Sábado, 6 de Janeiro de 1962 ★ N.º 338

MANIFESTO AO POVO AMAZONENSE

Concidadãos e Concidadãs, Trabalhistas e Irmãs de Luta e de Ideal:

Em face novas condições políticas e da nova conjuntura econômico-financeira que clamam para o Amazonas no trabalho árduo de 1955 a 1959, bem diferentes das dos prélios passados e na comprovação de que penso com GETÚLIO VARGAS na assertiva o Inocril Líder da qué só o amor consegue para a eternidade, estendi a mão, como candidato oposicionista ao Govêrno do Estado, a todos os Partidos e políticos, acima das contingências partidárias e no desejo sincero de arregimentar sob uma só bandeira e um programa, tôdas as fôrças vivas da Oposição.

Nêsse sentido, falei em praça pública convidando a todos os idealistas de tôdas as correntes de opinião, para logo a seguir, entender-me com o Presidente do Diretório Regional da União Democrática Nacional, enquanto amigos meus estabeleciam conversações com eminentes setores do Partido Social Democrático, objetivando, à base de um perfeito entrosamento, apoiar um candidato udeno-pessedista à Prefeitura de Manaus, em troca do futuro apoio, exigido, dêsses Partidos, à nossa candidatura ao Govêrno estadual, pois êsses distintos têm, e não podem olvidar de ter, compromissos sagrados para com a nossa terra e a nossa gente.

Colocaram os problemas do povo em têrmos pessoais e de barganhas eleitorais, e em cuja competição eu não poderia entrar já porque não posso pratos de lentilhas, enseguida dificuldades que obstaculizaram a concretização das negociações políticas. Não tenho eu, já agora, em face disso, fôrças para resistir ao estupendo e inexplicável movimento popular que reclamava e reclama, imperativamente, à minha presença nas pallanças de Janeiro, como candidato do Trabalhismo, da Democracia Cristã, da Liberdade, da Igualdade e da Fraternidade, à Prefeitura de Manaus.

Reafirmo mais uma vez, perante DEUS, a minha consciência que não desejava e não desejo, por mera ambição ou carreirismo político, êste Pôsto de sacrifício, sabendo, como sabemos todos, a situação de falência moral, econômica, financeira e administrativa em que se encontra a comuna manauara não sendo surpresa, portanto, o irrigatório desgaste do Prefeito eleito, cuja eleição poderá, por transformar-se em marco inicial de derrota definitiva para o político ciente e consciente de suas responsabilidades e que não deseja encerrar sua vida pública.

A política é, não há negar, um sacerdócio. Por isto escrevi-

(Continúa na 2a. pág.)

Sete serviços radiofônicos danificados completamente. Os vândalos tiveram de arrombar as portas a cano de ferro (por soldados da Polícia Militar) de aço especial em que estavam guardados.

O EMPASTELAMENTO DE "O TRABALHISTA"

(Continuação da 1a. pág.)

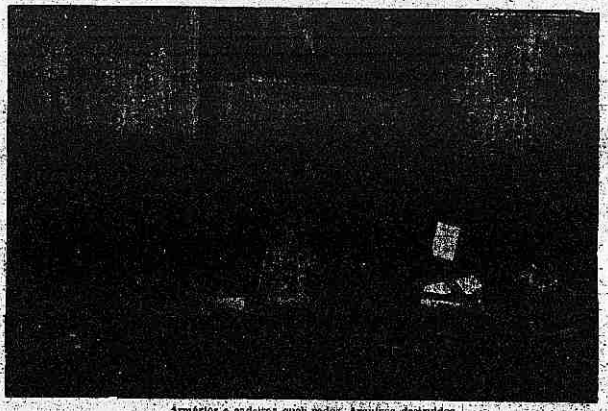
Amazonas, alcançando a Joaquim Nabuco e, a seguir, a Getúlio Vargas. Os civis portavam armas de fogo, retiradas do Departamento de Águas do Estado.

CUMPRIDA A AMEAÇA DO CHEFE DO EXECUTIVO

Conforme a população é sabedora, dias antes do atentado, o próprio Gov. do Estado, em pessoa, acompanhado do impagável Gregório Dias (triste alma dos Gregórios), ameaçou o deputado Sídnio Neves, diretor responsável de "O TRABALHISTA", de mandar arrasar o nosso diretor da sede do nosso jornal e destruir o mesmo jornal a fim de que a nossa voz silenciasse e, assim, a Democracia perdesse o seu pulmão, livrando-se o Govêrno da Promotoria pública dos representantes na defesa da sociedade, das nossas tradições, da nossa honra, da moral administrativa. A ameaça foi cumprida. O TRABALHISTA foi lesado. Está, porém, ressurgindo, como Fênix, de suas próprias cinzas.

O sacrifício não terá sido inútil. O nosso prejuízo foi compensado pela rebeldia popular. O TRABALHISTA caiu mas, em seu lugar, uma população está, de pé, gritando mais alto ainda do que O TRABALHISTA contra os desmandos governamentais e na afirmativa peremptória de que o crime não ficará impune e a Democracia será defendida, raiando o sol da Liberdade, quando, a 7 de Janeiro, PLÍNIO será eleito Prefeito de Manaus.

Máquina de escrever, carteira, tabique, alto-falante, tudo quebrado ou danificado, pela fúria dos vândalos



Armários e cadeiras quebradas. Arquivos destruídos

Serviço de alto-falante arrebentado e pedaços de cano de ferro usados nas mãos criminosas

A Trincheira da Oposição

(Continuação da 4a. pág.)

xemplo, sete Partidos políticos em tôrno do Govêrno do sr. Gilberto Mestrinho para o pleito municipal. Os tradicionais líderes políticos também lá é o que se vê em Manaus. De cada grupo de 10 pessoas, em inquéritos feitos ao acaso, pelo menos 6 votarão na Oposição, a onda oposicionista cresce dia a dia, e Plínio Coêlho tem recebido verdadeiras consagrações públicas nestes últimos dias que antecedem o pleito.

Isto é uma prova de que o povo escolhe livremente o seu rumo e que ninguém é dono de ninguém nesta terra.

DJALMA PASSOS

VOCÊ SABIA?

QUE o povo a 7 de janeiro vai elegar o dr. PLINIO prefeito de Manaus, para salvar nossa capital de um prefeito que seria apenas da CIDADE DO RÁDIO, o sabujo e gatuno SUJO-R?

* * *

QUE o professor GILBERTO MESTRINHO não teve coragem de revelar ao povo a origem da fabulosa fortuna que ganhou como Governador, pois sabe que se o fizesse sairia do Palácio Rio Negro para ser pendurado a um poste de rua?

* * *

QUE à semelhança da campanha de Lott, o Govêrno de safados e ladrões que aí está, o mais infame da tôda a história do Amazonas, já desbaratou com distribuição, pelo menos de 200 milhões da dispensa do povo, numa autêntica demonstração da sua criminosa negação de responsabilidade pública?

* * *

QUE Paulo Nery, sobrinho da dinastia da Ladrões, e inoperante que sabe esta terra há mais de 30 anos e que o pr. Álvaro Maia ajudou a banir dos nossos pagos, recebeu, para festejar seu aniversário, das mãos do nauseabundo gatuno SUJO-R, cinco milhões de cruzeiros, que perfazem com os dez que recebeu na madrugada, 15 milhões, preço em dinheiro de sua consciência apodrecida, que não miseravelmente seus amigos e honestos companheiros de luta?

* * *

QUE PAULO NERY, sobrinho da terra popular como BOI MANTEIGA, disse ao Gabriel Maciel e êste declarou numa roda de café não haver, que política se faz roubando, é que da outra vez, se êle não fosse cassado, matando no bôlo o dinheiro arrecadado pelo CROMINO, para a sua campanha de 58, teria findado em vão?

* * *

QUE o "Coleguinha Pinheiro de "A Crítica", um dos mais humildes e inteligentes do jornalismo no Amazonas, não sabendo absolutamente quanto é 5 no ritmo repelente, teve coragem de declarar em Plínio que ninguém sabendo que Mestrinho foi quem mandou jogar a bomba no seu jornal, e acompanha porcão êste rico, esperto e fala a linguagem que o patrão entende e gosta?

* * *

QUE o "Novo Amazonas", mistio de cuíca africana e Chicago do tempo de Al Capone, está se desmanchando como um corpo apodrecido e com seus dias contados?

* * *

QUE os corruptos e corruptores covardemente já fogem e deixam o seu navio que naufraga o SUJO-R e 7 de janeiro, quando o [illegible]

Ao Povo De Manaus!

O DEPARTAMENTO ESTUDANTIL DA ALIANÇA DE LIBERTAÇÃO DO AMAZONAS, organização de moços independentes, face aos constantes embaraços que a sociedade amazonense vem sofrendo no seu crescimento de sua liberdade, por parte do Governo Estadual, momentâneamente representado por Gilberto Mestrinho, líder de um grupo econômico misterioso, vem perante o eleitorado e o povo de Manaus esclarecer o seguinte:

1 — Ludibriando o eleitorado amazonense e escudado no prestígio de um dos líderes populares mais festejados, o sr. Gilberto Mestrinho alcançou a Governança do Estado, numa das fases mais atribuladas de sua vida política, ao mesmo passo, que orquestrava estrategicamente o grupo econômico que hoje ameaça com suas garras apontadas diretamente todos os setores da atividade do Estado. Grupo aparecido misteriosamente, da noite para o dia, apresenta-se no cenário econômico nacional, maior interesse que o grupo Satisl, com anos de atividade na região amazônica. Acobertado por proteção política que lhe dá o sr. Gilberto Mestrinho, atual governante do Estado, o seu grupo alarga-se nos setores mais diversos, ultrapassando os limites territoriais de nosso torrão, para fixar-se no Estado do Pará, no Ceará, na Guanabara, em Minas Gerais, dentre outros Estados da Federação Brasileira.

2 — Intitulando-se de nacionalista, o sr. Gilberto Mestrinho há granjeado a simpatia de alguns estudantes, até os de recepção consciente, através de subôrno e do empreguismo. Enquanto desvia a atenção da juventude para problemas nacionais impede a liberdade de pensamento da mesma juventude e através de leis outorgadas pela Assembléia Legislativa, alcança favores que concedem a venda de idéias as madeiras do Estado, sem quaisquer obrigações de reflorestamento, a empresas norte-americanas a preços irrisórios. E' de sua cobertura, outrossim, a venda das terras situadas às margens das rodovias estaduais abertas, a organização fictícias, compostas de elementos governistas, para poderem vender o registro no cartório competente a favor de empresas estrangeiras, desprezando-se os pedidos de nacionais que pretendam fixar-se naquelas localidades.

3 — A liberdade de pensamento foi sido tolhida pela força pública ou pelos favores governamentais, e estes concedidos aos órgãos da imprensa de nosso terra, através dos cofres públicos estaduais e municipais. Assim tem sido comprovando-se tal pela grande quantidade de publicações não existentes [illegible] Governo, direta ou Amazonas do cofres, através [illegible] vada vantagem para ninguém a transformem-o nessa máquina admirável que aí está, quando os cofres da Fazenda em borbotões, indefinidamente, malbaratados pela política de origas do governador MESTRINHO!

REAGEM! Mestre que não se vendes, que não has de votar num ingano apodrecido como o SUJO-E e consagra a 8 de janeiro o grande líder cabôclo que é o Dr. PLINIO RAMOS COELHO!

A Onça dos Ladrões
ELEITOR

Esse memorável 7 de janeiro se aproxima.

Teu voto vai decidir do rotte - administrativa do Amazonas.

Irás afirmar, pela vez das urnas, com teu voto soberano, se queres que o Amazonas se reintegre na esteira iluminada do progresso sem ladroeira dos dinheiros públicos, sem o espezinhamento das liberdades dos cidadãos, sem a presença [illegible] de ditadura e ra- [illegible] ou [illegible] [illegible] [illegible]

"BICANGA"

CHEFE DO QUEBRA-QUEBRA OFICIAL

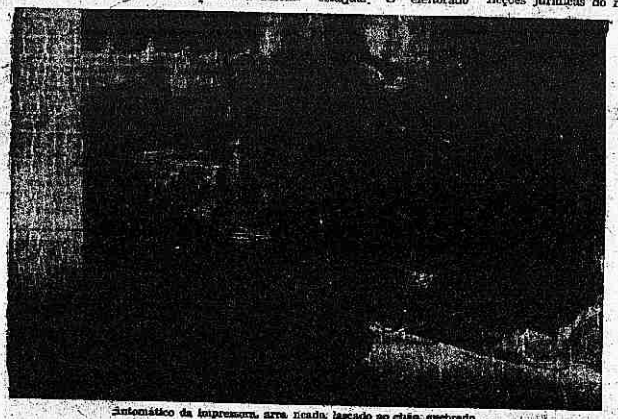
O conhecidíssimo cachacinha "Bicanga", um dos crápulas humanos mais conhecidos no ról dos traidores, depois que o povo amazonense lhe fechou as portas da Assembléia Legislativa, onde entrara, em determinada legislatura, por erro de pessôa, é o técnico dirigente dos quebra-quebra programados pelo Dr. Coca. Esse infeliz tem um passado negro e um presente ainda pior.

Em 1935, incubido de seduzir a guarda do Quartel General, no Rio de Janeiro, para facilitar, na hora exata, a invasão da gente do Agildo e do Prestes, no Ministério da Guerra, infiltrou-se no Centro dos Oficiais, a quem estava confiada a segurança do Q. G. do nosso Exército. Êstes, porém, logo se aperceberam dos intuitos miseráveis do traidor. Mas fingiram, para melhor agarrá-lo, simpatia à baderna manejada para 27 de novembro. Assim foi que, pela madrugada daquêle dia, "Bicanga", já prelibando o gosto da vitória, aparecia no Corpo da Guarda, certo de aprisionar soldados e oficiais. Mas foi seguro pela gola e levado à presença do marechal Dutra, ministro da Guerra que, na presença de todos os oficiais, arrancou-lhe as platinas, mandando-o recolher à célula em que são metidos os infames.

"Bicanga" foi recolhido à prisão civil, depois de expulso do seio da classe que envergonhou e traiu. Mas aí passou a desempenhar papel ainda mais sujo: "ouvia as conversas de seus companheiros de prisão e altas horas, enquanto os mesmos dormiam, esgueirava-se até o gabinete do delegado da OPS, para delatar tudo que ouvira". Afinal, o duplamente infame "Bicanga" foi identificado e descoberto.

Usou porém de mil truques e não lhe faltaram recursos para lograr sua volta à classe nobre que o repelia. Ninguém o quis, porém. E um dia deu com o nariz e a corcunda em Manáus, onde se insinuava de "valente", investindo contra os pobres caboclos exibindo como farol a fardo que tantas vêzes vilipendiára. E de capanga passou a deputado estadual. O eleitorado repudiou-o. E "Bicanga" deu o fóra, para não aparnar. Mas agora voltou como "rebutalho útil", cujos serviços o govêrno mestrínico precisava utilizar. E utilizou.

"Bicanga" é agora técnico em quebra-quebra e foi identificado já em vários dêsses covardes atentados que o govêrnador Gilberto está cometendo contra os seus opositores políticos. No assalto e empastelamento das oficinas do O TRABALHISTA, "Bicanga" foi identificado por todos, dando ordens aos insultadores sob seu comando. Êsse infeliz precisava de não ficar muito tempo sem dar provas de sua covardia e de seus pendores de capanga valetudinário. Mas um dia terá êle a "promoção" merecida.



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NA TRINCHEIRA DA OPOSIÇÃO

Ninguém é do Ninguém em Manaus

Ninguém em sã consciência pode negar nos dias atuais da política regional e nacional que os Partidos políticos perdem, dia a dia, contacto com as massas populares. Os Partidos deixaram de ser órgãos políticos representativos de correntes de opinião para se tornarem simples ficções jurídicas do nosso direito eleitoral, indispensáveis para o registro de candidaturas a cargos eletivos.

Não dispondo de conteúdo ideológico nem tendo como razão de luta princípios programáticos, os Partidos políticos se esfacelam e se fragmentam à proporção que seus dirigentes sofrem derrotas eleitorais ou se abrem no seu seio as dissidências. Não há, pois, na atual conjuntura brasileira, o eleitor típico dêste ou daquêle Partido político, principalmente nas capitais. Quando muito, no âmbito rural, os Partidos se valem da influência dos chefes políticos, cujo eleitorado adota o rumo que êles indicam. Mesmo nêsse chamado eleitorado de cabresto já se verifica a diluição do prestígio eleitoral dos chefes políticos que outrôra decidiam o resultado de eleições.

No eleitorado das capitais a rebeldia então é total. Com a exceção da restrita área familiar, dos auxiliares mais ligados a uma administração pública ou privada, ninguém é dono de ninguem e consequentemente quase nula é a sua reconsideração em favor dêste ou daquele candidato.

O eleitor de hoje segue causa e não Partidos políticos. Ele se integra nas fôrças em luta, adotando a posição que julga mais acertada e mais justa. Ou fica com o Govêrno defendendo suas conveniências, a administração de que participa direta ou indiretamente, de onde lhe provêm vantagens, ou mesmo julga correta e realizadora, ou então se enfileira nas hostes da Oposição. Só há de fato êsses dois caminhos para o eleitor independentemente das convenções partidárias, das reuniões de cúpulas ou dos acertos de gabinete.

Um líder sozinho, no comando de uma bôa causa, pode empolgar a opinião pública e levar de vencida descanas de legendas partidárias que não dispõem de nenhuma mensagem capaz de galvanizar o eleitorado.

E' que, quase sempre, os dirigentes partidários adotam o rumo de sua conveniência pessoal sem verificar se êsse rumo é conveniente à maioria da coletividade. Vão assim de encontro à maré.

Estamos vendo, por e-

(Continua na 3a. pág.)

OBSERVADORES ponderados e experientes da vida dêste Estado, dêsses que têm assistido, nos últimos trinta anos, os acontecimentos marcantes da sua vida, no plano político como no administrativo, bem assim a ascensão e o declínio dos seus homens públicos de mais destaque social e político e prestígio no seio do nosso povo, não escondem o seu desapontamento e a sua tristeza face à situação que presentemente atravessa o Amazonas, com a sua gente hoje mais "cansada de sofrer", para usar uma expressão do tempo da Interventoria Alvaro Maia e por êste mesmo empregada, do que nos governos anteriores. Acham êsses observadores que, não obstante a conjuntura econômica que vem atravessando o país, navegando nas ondas da inflação e pressionando a população brasileira com um custo de vida escorchante, em todos os quadrantes do seu amplo território; apesar dêsse fenômeno de ordem geral, o Amazonas não era para ter chegado à situação difícil e verdadeiramente anormal da sua vida em que se encontra. Compreendem que estejamos partilhando as dificuldades de ordem geral, que hoje são comuns a outras unidades da Federação, nunca, jamais, as que estão fazendo do amazonense e de todos os que aqui vivem, notadamente, os que pertencem às camadas mais extensas do povo, os vanguardeiros do sofrimento, numa luta diuturna e sem descanso pelo pão de cada dia. E aqui, a expressão, não no sentido tradicional de conquista, mas sim de dinheiro em grandes proporções. O dos meios de subsistência, representados pela moeda padrão, o dinheiro. O que valia dizer, quem tivesse ganho, pão assegurado, uma renda ou um emprego certo, estaria com sua manutenção garantida. Não. A coisa agora é diferente. A luta pelo pão de cada dia envolve, numa mesma preocupação, o trabalho para conseguir o dinheiro e o esfôrço ingente para atingir e comprar as utilidades diversas, sobretudo os gêneros de primeira necessidade. Para os que têm exaltação de ânimo, e com isenção, podem analisar a curva de evolução dêste Estado, nas múltiplas plagas da sua vida social, econômica e administrativa, é um absurdo o que vem acontecendo no Amazonas. E' incrível que o seu povo não viva hoje, melhor e com mais conforto do que há 30 anos atrás. E' incrível, mas é a dolorosa verdade. Basta que se cite alguns fatos, à guisa de premissa daquela assertiva, para chegar-se à conclusão de uma evidência que raia pela lógica do mais gritante absurdo. Lembra-se, de fato, que outrora como hoje, mesmo dentro do relativismo do tempo, correu tanto dinheiro nesta terra, oriundo não só das suas atividades econômicas, como de proveniência federal, através de repartições públicas e serviços existentes. Há um número elevado de autarquias e serviços que funcionam nesta capital, tais como os Institutos, a COAP, o DERA, o Banco da Amazônia, além de inúmeras entidades particulares estipendiadas com verbas federais, tôdas elas dinamizando atividades e espa-

Valorização da Amazônia, por outro lado, nestes seus 7 anos de existência, tem carreado verbas enormes para esta unidade amazônica. Finalmente, havendo encontrado, em 55, o Estado em verdadeira bancarrota, o dr. Plínio Coêlho, estadista iluminado e de pulso forte, com medidas de inspiração genial, conseguiu reabilitar suas finanças, entregando-o, ao término do seu período governamental, ao professor Gilberto Mestrinho, em situação invejável, com o funcionalismo e os fornecedores pagos em dia e perspectivas futuras ainda mais animadoras. Como, então, compreender-se que numa fase em que o próprio governante nesga lha à bôca sôfia, as excelentes condições financeiras do Estado, viva, não obstante, a sua população, os seus dias mais dramáticos, mais tristes, mais pensos, como está acontecendo, sendo que a classe dos servidores públicos estaduais e municipais são os verdadeiros campeões do sofrimento? Um paradoxo, um contrasenso, um absurdo e até uma vergonha que depõe clamorosamente contra o atual Govêrno e enche de tristeza e até de pasmo observadores austeros, que ficam penalizados com o trabalho negativo do professor Mestrinho.

Não admira, portanto, que o construtor do Novo Amazonas esteja colhendo, nesta hora de desespêro, de mêdo, de temor da derrota que aguarda o ratificador e inoperante Josué, os frutos da sua desastrada incapacidade administrativa.

E' que o povo ninguém engana. Sobretudo um povo ativo como o amazonense.

oportunosa" or opportunist. In 1954, he was elected governor of Amazonas. During his first year, he appointed Mestrinho as mayor of Manaus. At the end of his term, when the PTB was seeking a candidate for governor, Coelho, at titular head of the party, selected Mestrinho, and with his strong-arm backing, Mestrinho was elected in 1958. Coelho was a member of Mestrinho's cabinet as attorney-general. This did not last for long as Coelho was out within six months. Many say that he lost his position because he wished to be the power behind the throne; this, of course, Mestrinho did not want. From that time on, the two were bitter enemies. Coelho fought hard against Mestrinho and his group to win this present election as, it is said, he wished to use it as a stepping stone toward the possibility of running for governor in the elections next October.

One of the major strong-arm tactics employed by Mestrinho was to gag the press. One incident took place on the night of December 27, 1961, when a gang of armed men smashed into the offices and press room of the Manaus newspaper O Trabalhista, which was pro-Coelho and completely destroyed the establishment. Coelho then communicated with a businessman in Belém, Para, and asked that he make arrangements for the paper to be printed by a local printing company, Grafica Falangola Editora. Late on the evening of January 4, 1962, an armed gang invaded the printing shop and took all copies of O Trabalhista.

On January 5, 1962, a Panair do Brasil plane carried six bundles of the Belém newspaper Folha Vespertina, which included as a supplement copies of O Trabalhista. (The Consulate is not sure if a local newspaper or printing shop printed this copy of the newspaper.) When the plane arrived at Manaus, it was met by members of the civil and military police who, on orders from Mestrinho, confiscated the papers for being subversive. Copies of the supplement are herewith attached.

A pro-Coelho federal deputy intervened with the high authorities, and the bundles were sent to the Regional Electoral Court of the State of Amazonas where they were opened. Instead of copies of Folha Vespertina, they were copies of Ultima Hora, a Rio newspaper, which praised the accomplishments of Mestrinho.

Prior to the elections and immediately following them, armed civil and military police patrolled the streets of Manaus. As could be expected, Mestrinho's man Souza won the election, by 2,886 votes; an estimated 50,000 people voted. The opposition claimed stuffed ballot boxes and packed election committees. Regardless of their shouts and condemnations, the basic fact, and the most important one, is that Jose Claudio de Souza is the mayor of Manaus.

Edward J. Holway, Jr.
American Consul

Enclosures: As stated.
3 copies of O Trabalhista of January 6, 1962

cc: Amembassy, Rio de Janeiro

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DATE

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20 For Dept. Use Only	ACTION	ARA-4	INFO	DEPT	RM/R 2	REP	AF	ARA	HR 1	FE	NEA	CU	INR 5	E	P	IO	ICA
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		REC'D 2-9-62			AIR 3	ARMY 3	CIA 10	NAVY 3	OSD 3	OCB	USIA 8	NSA 3					

SUBJECT: Elections for the Position of Mayor of Manaus, Amazonas

Elections were held on January 7, 1962, in the city of Manaus, Amazonas, to fill the position of mayor. This was the first time that this position had been filled by means of elections. Previously, the mayor was appointed by the governor of the state. Many and varied disturbances preceded and followed the elections. The outcome was not exactly determined by the electors but rather by strong-arm tactics under the direction of the present governor, Gilberto MESTRINHO, who has far from a sterling character. It is a known fact that prior to his election as governor, he was involved in contraband. Some sources state that his contraband activities included shipments of opium from Bolivia to Brazil. His brother has now taken over the business; he was recently arrested for smuggling coffee, but the case never went to court.

Governor Mestrinho is extremely wealthy, having received the majority of his wealth from contraband and other illicit activities. He is a stockholder in a cement company in Pará, and in Amazonas he has interests in a shipping company, banks, and many other economic entities. He also has interests in several other states, such as Ceara and Minas Gerais.

Prior to the election, he stated that if his candidate was not elected, he would resign as governor. He then proceeded to make sure that his man won. His candidate, who was backed by the PTB (Partido Trabalhista Brasileiro) and other local parties including the PC (Communist Party) was José Claudio de SOUZA, former federal deputy and president of the legislative assembly. The opposition candidate, Plinio COELHO, backed by the PL (Partido Libertador) was a former federal deputy and now an archenemy of the governor. He was also governor at one time.

The feud between the governor and Coelho is long-standing. Coelho began his political career in local politics as state deputy. In 1950, he was elected federal deputy; during this time he was nicknamed "ensaccha

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DEPARTMENT OF STATE
BUREAU OF
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FEB 13 1962

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ACTION ASSIGNED TO: Mr Nelson	ACTION TAKEN no action
NAME OF OFFICER & OFFICE SYMBOL: ES/B	DATE OF ACTION: 2/13/62
	DIRECTIONS TO RM/R: file

0766

a recent mass meeting that they would not accept the lists of candidates for the coming national congressional elections drawn up by the MNR Convention. "We will not accept impositions from above; the national representatives must come from the campesino bases," stated the Quillacollo campesino leaders. Gomez' pragmatic if somewhat arbritary answer was: "All the organizations of the party ought to respect the decisions of the MNR National Political Committee (Comité Politico Nacional), and the campesinos as party members must follow the directives from the Party authorities." END UNCLASSIFIED

BEGIN CONFIDENTIAL
COMMENT: The Consulate's best assessment of GOMEZ Velasco places him politically in the extreme Left Sector of the MNR. He is an ambitious opportunist who in the past has employed brutal measures to gain his ends.

For the Consul:

David Rowe

David Rowe
American Vice Consul

cc: AmEmbassy, La Paz

GPO 902667

0765

AIR POUCH
HANDLING INDICATOR

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732.00/2-262

FOREIGN SERVICE DESPATCH

FROM : AmConsulate, Cochabamba

35
NO.

TO : THE DEPARTMENT OF STATE, WASHINGTON.

February 2, 1962
DATE

REF :

22 For Dept. Use Only	ACTION	ARA-4	INFO	DEPT	RM/R 2	REP 1	AF	ARA	EUR	FE	NEA	CU	INR 5	E 3	P	IO	AID 11
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	REC'D 2/3/62				AIR	ARMY	CIA 10	NAVY	OSD	OCB	USIA 8	NSA 3					

SUBJECT: Chief of MNR Command in Cochabamba Speaks Out

UNCLASSIFIED

On two occasions last week backstage operator, Jorge GOMEZ Velasco, Chief of the MNR Departmental Command of Cochabamba, raised his rarely heard voice. Gomez who serves also as the Personnel Director of the Corporacion Boliviana de Fomento (CBF) spoke direly of the Castro regime at the swearing in of the new directorate of the CBF employees union on January 27, 1962. Gomez observed: "If Fidel Castro were to govern Bolivia for even six months, 75% of the labor leaders and union politicians would be put to the wall; because in Bolivia these officials are not fulfilling there professional, political or labor obligations." He urged the new CBF union leaders to discharge their duties conscientiously "in order to save the country at a time when it is floundering in complete economic chaos."

At an interview granted to El Mundo on January 29, 1962 Gomez remarked on Bolivia's stand at the Punta del Este Conference and on U.S. foreign aid. With regard to the former, Gomez commented: "Personally, I believe the position that the Bolivian delegation is adopting with relation to the Cuban problem is just. We cannot permit political intervention of any kind in the affairs of a free and sovereign nation. Just as we do not allow the Soviet Union to impose its policies upon us, we can not permit the U.S. to force us to follow its political dictates."

With reference to American aid, Gomez said, "The underdeveloped peoples of the world no longer retain faith in American aid.....because in a manner similar to the launching of the Yankee cosmonaut, it has been delayed permanently. The policy of U.S. economic aid has been indefinitely postponed. The United States alone must assume responsibility for not having implemented its policy of aiding underdeveloped countries, and as a result for having created an attitude of distrust."

Turning to the local scene, Gomez displayed his political muscle in reply to a protest of the Campesinos of Quillacollo. The latter declared at

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NAME OF OFFICER & OFFICE SYMBOL RWW/ja 22	DATE OF ACTION 3/20/62	DIRECTIONS TO RM/R File

0764

DEPARTMENT OF STATE
AGENCY FOR INTERNATIONAL DEVELOPMENT
Washington 25, D. C.

February 1, 1962

A&k. ARA:WPChase
2/13/62. File

The Honorable Robert F. Woodward
Assistant Secretary
Bureau of Inter-American Affairs
Department of State
Washington 25, D. C.

Dear Bob:

You will recall that before leaving for the Northeast of Brazil we agreed that one of our most important tasks was to assess the political situation in that area.

We had the good fortune of having Consul Edward Walters, formerly with the American Embassy in Rio and lately with the Consulate General in Recife, assigned to this task.

Consul Walters discharged his duties extremely well. He combines an intimate knowledge of the political situation in the Northeast of Brazil (as well as the rest of the country) with a degree of level headed judgment which is rare in so young a man. Beyond that, he contributed materially to one of the critical points of our program, the part which aims to reduce social pressures in the areas of greatest political unrest.

Quite apart from his indefatigable devotion to duty, I found him to possess those qualities which make him "simpatico" to our Latin American friends. His modesty, tact and ability are up to the highest standards of the Service.

Sincerely yours,

Merwin L. Bohan

732.00/2-162

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FEB 16 1962

Dear Marvin:

Thank you for your thoughtful letter of February 1, 1962 praising the performance of Consul Walters while escort officer during your recent swing through northeast Brazil. Yours was an important mission, and I am pleased to learn that a member of our Foreign Service was able to help you in bringing it to a successful conclusion.

I shall arrange for a copy of your letter to be placed in Mr. Walter's personnel file.

Sincerely,

Robert F. Woodward

732.00/2-162

The Honorable
Marvin L. Baban,
Agency for International Development.

ARA:WPChase:lp 2/13/62

Copies to: ARA/EX
Mr. Walters

(1)

0762

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37

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NUMBERED

Control: 1151

Rec'd: February 2, 1962 10:35 a.m.

Rio de Janeiro 1770

732.00/2-162

Action: ARA

Info: SS SR G SP EUR P USIA NSC INR CIA NSA OSD ARMY NAVY AIR RMR

FROM: Rio de Janeiro

TO: Secretary of State 732.00

NO: 1770, February 1

ACTION: INFO: RM/R FILES

file no action
ES/T-b JWW 2/6/62

ACTION DEPARTMENT 1770, INFORMATION POLAD/CINCARIB UNNUMBERED

Afternoon press reports one or two of several bombs placed by unknown persons in garden Soviet Commercial Mission downtown Rio exploded 3 a.m. February 1 causing minor damage but no injuries.

BOND

MLS-3

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(1)

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Too, many party leaders feel electoral advantages to be gained from association with government far outweigh potential electoral gains of all-out opposition, while others continue to oppose any future dealings with Quadros. Thus, decisions these crucial points postponed by party chiefs until February 21 meeting national directorate (when presumably more will be known re Quadros plans).

Most recent reaction Pinto's campaign is lengthy January 29 public statement Carlos Lacerda made at UDN "secret" meeting last week and subsequently published Tribuna da Imprensa asserting that future choice is between "military dictatorship or popular republic" unless responsible political leadership willing fight for "third road" of strong cabinet (either under parliamentary or presidential system) backed by "fighting congressional group" and "indispensable participation armed forces". In typically flambouyant fashion Lacerda seconded Pinto's denunciation present regime and demands that UDN quit government. In contrast to Pinto, however, he denounces Quadros' August "desertion" and makes clear his conviction that Quadros' return to power will only occur under a dictatorship though admitting if it came to choice between chaos and Janio would stay with Janio. At meeting he added "until he's sent to the insane asylum" which phrase, of course, not published.

Lacerda's well-publicized diatribe certain to fan flames of the controversy which has been brought on more by prospect of Quadros return than by Pinto's activities, per se and Embassy has information Lacerda intends do everything he can to create atmosphere leading to desiderata indicated above.

GORDON

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1962 FEB 5 AM 11:03

PAGE 1 OF ___ PAGES

Date Sent: Feb 1, 1962

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Action ARA-4

Info RM/R-2, INR-3, P-1, S/S-25, S/P-1, G-1, SR-1, CIA-16, NSA-3, NAVY-3, USIA-8, OSD-16, ARMY-3, AIR-3

FROM: Amembassy BRASILIA

TO: Secstate WASHINGTON

NO: 1-333

no action
ARA/ES 1/8 JWW 2/16/62

file

January 22 denunciation of Goulart-Neves regime by Minas Gerais Governor Magalhaes Pinto (previously reported Embassy's Weeka 3) now appears definitely to be kick-off of campaign to "return" Janio Quadros to Brazilian politics. Boxed in politically by his long-time foe Tancredo Neves, Pinto apparently sees self once again leading his party (UDN), in pro-Quadros crusade (order salvage ultimate political victory). To this end, he has followed up original "manifesto" with other statements, plus series of conferences with "Janista" and pro-Janio elements in Sao Paulo. Has also attempted, so far without success, to persuade top UDN leadership to go into open opposition to present government.

Pinto's great personal and political prestige, plus its contrast with rather obvious self-interest his motives, has led to series contradictory press and political reactions to his moves. Unregenerately Janista, Jornal Brasil has, after lauding his patriotic motives, applauded his courage in speaking openly of Quadros' return and seconded his call for a return to "the spirit of October 3 /1960/". Correio Manha took similar tack. Conservative Estado Sao Paulo on other hand noted caustically he had not outlined any concrete solution to problems he discussed and stated that "energy and decision" rather than "words" were needed. Predictably, Quadros-hating Diario Carioca blasted Pinto sarcastically for hoping to find salvation via the ex-President's bandwagon and influential (and fairly consistently pro-PSD) Assis Chateaubriand has declared intention to "re-educate" the erring Minas Governor.

Politically, Pinto has stirred up hornet's next in UDN where his denunciation of government corruption taken as personal insult by UDN members Council of Ministers.

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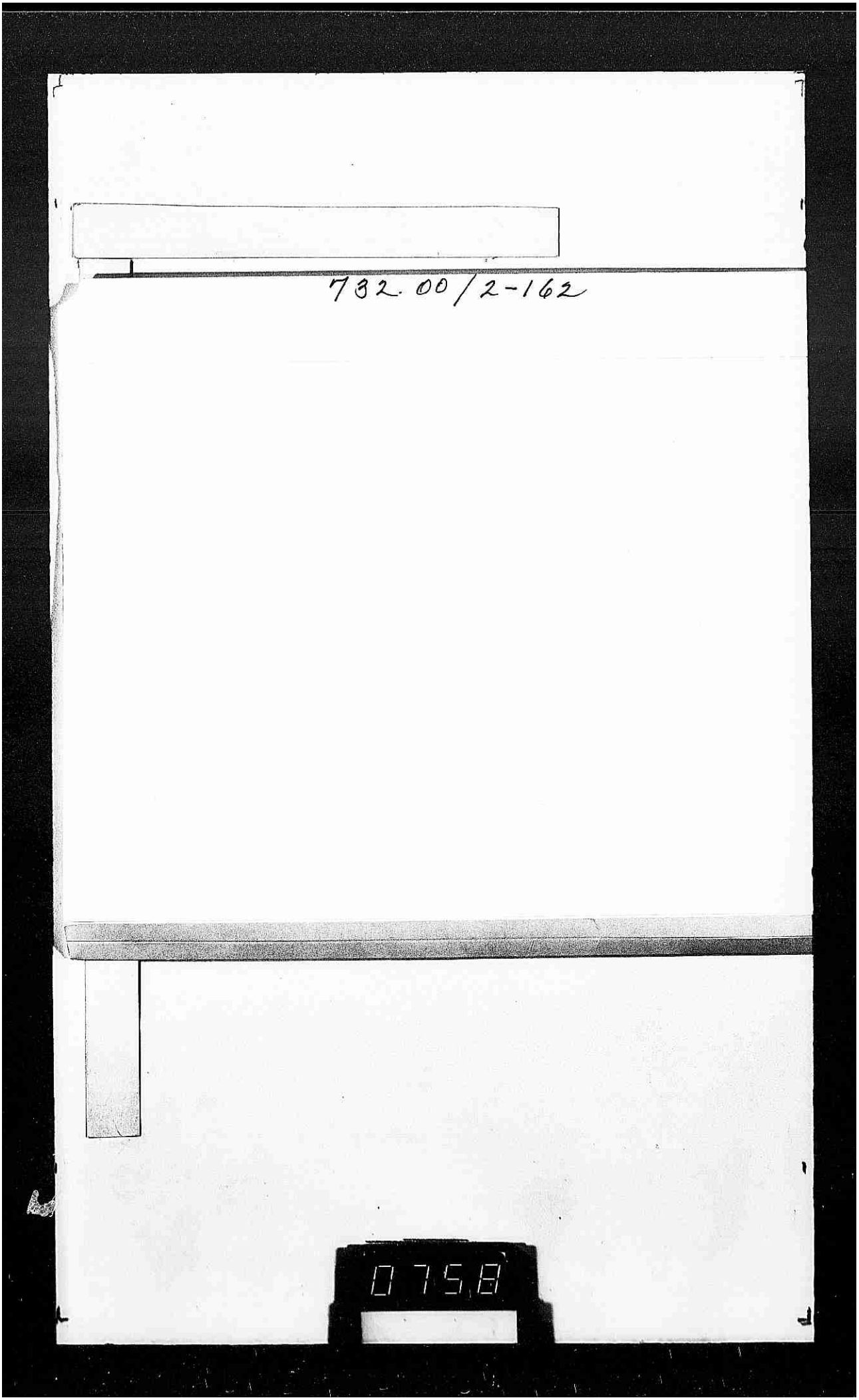
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Q WHAT IS "GREAT DECISIONS"?

A It is an annual citizen review, by Americans in their own communities, of key foreign policy *decisions* now facing the nation and people. At the core of this nationwide study and debate are thousands of informal, self-administering discussion groups meeting once a week for eight weeks. Meetings take place in homes, churches, schools — anywhere that's convenient — in over 1,000 cities, towns and rural communities.

Now in its eighth year, "Great Decisions" was launched in 1955 by the FPA-WAC in partnership with a group of Oregon educational institutions, civic organizations and press and broadcasting media.

Q WHO SPONSORS "GREAT DECISIONS"?

A For the 8th successive year, "Great Decisions" is offered nationally by the Foreign Policy Association — World Affairs Center, a nonpartisan educational organization.

Locally "Great Decisions" is sponsored by civic and church organizations, schools and colleges, farm groups, newspapers and broadcasting stations, libraries, and many other agencies. In some areas "Great Decisions" is a community-wide or state-wide activity, including locally produced radio and television programs and special newspaper features to supplement the discussion materials. Elsewhere "Great Decisions" may be a single discussion group made up of concerned and interested citizens.

Q WHAT IS THE FPA-WAC?

A The Foreign Policy Association-World Affairs Center is a nationwide educational agency. It is a service rather than a membership organization. It is nonpartisan and takes no position on specific issues of U.S. foreign policy.

Purpose of the FPA-WAC is to stimulate wider public interest in current problems of foreign policy, and to help American citizens understand and deal with world challenges facing the nation.

The FPA-WAC provides educational materials and services to a wide range of national, regional and local organizations. Through four regional offices, it works in communities, hand-in-hand with local organizations, in a common effort to improve public understanding and participation in world affairs.

Q WHO SUPPORTS THE FPA-WAC?

A The FPA-WAC's annual budget of slightly over $1 million is supported by private funds given in the public interest. In 1960-61 contributions from 543 corporations and more than 1,000 individuals accounted for 30 percent of FPA-WAC income. Major national foundations provided another 55 percent, and the remaining 15 percent was earned from subscriptions, service fees and the sale of materials.

Q WHAT DOES THE FPA-WAC DO?

A *Prepares* nonpartisan Fact Sheet Kits, reading lists, self-administering aids, how-to-do-it guides and related materials for "Great Decisions."

Develops, in cooperation with other organizations, special program materials and techniques designed specifically to meet the needs of their members for world affairs education.

Publishes the bimonthly HEADLINE SERIES — since 1935 a timely, compact, authoritative and highly readable pamphlet treating a current foreign affairs topic in depth.

Serves as a clearing house for organizations interested in world affairs; through INTERCOM, published seven times a year, provides a short cut to information about world affairs materials, ideas and services from hundreds of official and unofficial sources.

Operates a unique book and pamphlet department specializing wholly in international affairs, and offering selections ranging from popular pamphlets to technical studies.

Organizes a limited number of meetings, conferences, and briefings on world affairs for citizen leaders.

". . . All efforts to increase public understanding of the factors involved in these decisions should be encouraged, and I am particularly impressed with the approach which the Foreign Policy Association has taken toward the problem. In particular I want to compliment the Association for the clear and objective presentation of essential information upon which the discussions in the various communities will be based."

— John F. Kennedy, September 1, 1960

"In its forty year history, the Association has performed noteworthy service in developing public discussion and understanding of the significant problems in foreign relations and the means of action available for their solution. . . . I . . . trust that its important educational objectives will continue to meet with success."

— Dwight D. Eisenhower, October 31, 1957

COMMENTS FROM THE NATION'S PRESS

"['Great Decisions'] is a modern-day counterpart of the old-time town meeting, where conflicting opinions can compete for acceptance. We believe this program to be for the good of the people participating, the community and the nation."
— editorial in Macon (Ga.) *Telegraph*, Jan. 30, 1961

"We know participants will gain much personal gratification from satisfying their intellectual curiosities. But, beyond that, they also can have the satisfaction of knowing they are gaining the tools with which to be better citizens."
— editorial in Detroit (Mich.) *News*, Feb. 5, 1961

"The trick is to find a way for ordinary, hurried, preoccupied Americans to get inside the problems of their country's foreign policy. A good method is offered once again this year by the 'Great Decisions' program."
— editorial in Louisville (Ky.) *Courier Journal*, Jan. 13, 1961

"For those who take seriously the challenges that face America today, we recommend taking a whirl at the 'Great Decisions' program."
— editorial in Omaha (Nebr.) *Benson Sun*, Jan. 26, 1961

"We heartily recommend to every adult that he or she inquire . . . how to organize or join a 'Great Decisions' group. A stimulating, enjoyable and worthwhile experience lies ahead for those who do."
— editorial in Seattle (Wash.) *Times*, Jan. 17, 1961

"We salute the Foreign Policy Association as an agency dedicated to widening the knowledge and increasing the effectiveness of the democratic citizen. Because such necessarily involves intellectual involvement (if you'll excuse the redundancy), we recommend the association's 'Great Decisions Program.' Healthy, free discussion is the hallmark of an enlightened democracy; as this is the inspiration for the Foreign Policy Association, so is it the reason for our support."
— editorial in Pittsburgh (Pa.) *Pittsburgh Catholic*, July 27, 1961

Full texts of excerpted items as well as other comments available on request.

"WHAT IS 'GREAT DECISIONS'?"

"WHO'S BEHIND THE FPA-WAC?"

"WHAT DOES THE FPA-WAC DO?"

"WHAT DO NATIONAL LEADERS SAY ABOUT THE FPA-WAC?"

Q A

"WHO SPONSORS 'GREAT DECISIONS'?"

"WHAT IS THE FOREIGN POLICY ASSOCIATION — WORLD AFFAIRS CENTER?"

"WHO FINANCES THE FPA-WAC?"

0799

Make Your Opinion Count!

Included in this Fact Sheet Kit is a booklet of OPINION BALLOTS. The purpose of these ballots is to help you reach your own conclusions about current policy alternatives and — if you wish — to make your opinion count in Washington.

Each ballot is in duplicate for the convenience of (a) those individuals who wish to keep a record of their opinions and (b) those couples who are sharing a single Fact Sheet Kit between them. **Do not submit more than one ballot per person for tabulation or forwarding to Washington.**

HOW TO USE THE BALLOTS

1. Check your local community schedule for dates of the "Great Decisions" series, and read the appropriate Fact Sheet before each meeting of your discussion group.

2. If you have time, do a little extra reading on the subject. Consult the short bibliography on each Fact Sheet, or consult your local librarian.

3. Attend your discussion group meeting and talk over the issues as you understand them. Don't be afraid to exchange ideas, but be sure to make up your own mind, for your own reasons, on the important questions.

4. At the end of each discussion, pick out the appropriate OPINION BALLOT for that topic and look over the various policy alternatives. (In many discussion groups, the participants spend some time discussing the ballot.) Mark those policy alternatives you are willing to support.

5. When you have marked your ballot, turn it in to your discussion leader. In most communities the ballots are tabulated locally and the results are then forwarded to the Secretary of State and your local Congressman and Senators. If this is not being done in your community, you may wish to write your Congressman and Senators yourself.

Suggested Readings

Goldwater, Barry, **The Conscience of a Conservative.** New York, Hillman, 1960. 127 pp. $.50. See especially ch. 10, "The Soviet Menace," in which Sen. Goldwater explains his views on foreign aid.

Hoover, J. Edgar, **Masters of Deceit.** New York, Pocket Books, 1959. 374 pp. $.50. Comprehensive study of Communist activities in the U. S., with recommendations for combating them by the director of the Federal Bureau of Investigation (FBI).

Kennan, George F., **Russia and the West Under Lenin and Stalin.** Boston, Atlantic-Little, Brown, 1961. 411 pp. $5.75. Important review of Soviet-Western relations from 1917 to World War II, with a keen analysis of the duality which operates in Soviet foreign policy.

Kennedy, John F., **Strategy for Peace.** Allan Nevins, ed. New York, Harper, 1960. 233 pp. $.95. A collection of the President's principal speeches on foreign affairs made while he was still a senator.

Nixon, Richard M., **The Challenges We Face.** Edited and compiled from the speeches and papers of Richard M. Nixon. New York, McGraw-Hill, 1960. 253 pp. $3.95. The former vice president and 1960 Republican Presidential candidate discusses U. S. foreign policy and domestic issues.

Suggested readings and other publications are available in most local libraries and in some World Affairs Councils. Or they may be ordered from FPA-WAC Book and Pamphlet Department, 345 East 46th St., New York 17, N. Y.

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—Article II, paragraph 2, By-Laws of the Association

Staff for the "Great Decisions" materials: Editor, Philip Van Slyck; Associate Editors, Nancy Hoepli, Harvey Fireside; Assistant Editor, Gwen Crowe; Senior Research Assistant, Thelma C. Stevens; Assistants, Ann R. Monjo, Elizabeth A. Bello, Ma-Li Chen. Discussion topics selected by the Committee on Substantive Issues of the FPA-WAC Board of Directors. Art and production by Veit-Martin Associates.

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TWO SPECIAL REMINDERS:

Remember—Constructive discussion is based on factual information, not on "hunch" or prejudgment. Read the main body of the Fact Sheet before arriving at the discussion meeting and before attempting to debate the issues and alternatives.

Remember—"Great Decisions" discussion groups are informal—usually six to ten friends and neighbors, meeting in a private home. Relax and be sociable; avoid a "classroom" atmosphere. Each group organizes and runs itself. The discussion leader is a member of the group (in many groups the job rotates from week to week). Have fun while you discuss and learn!

IF YOU ARE A DISCUSSION LEADER: Here are some things you will NOT have to do:

1. You will NOT have to do all the talking. This is a **group** discussion. Your job is simply to help everyone express his views.

2. You will NOT have to be an expert. Every member of the group has his own ideas, knowledge, and opinions. The Fact Sheets help dispel some of the prejudices and misinformation. The Fact Sheets also provide a basic fund of information that makes constructive discussion possible.

3. Forget about gavels, Roberts' Rules, and speechmaking!

Here are some things you SHOULD do:

1. Help people get acquainted; keep the atmosphere relaxed, friendly and informal. Avoid formal seating arrangements. Don't take center stage; be part of the group.

2. Start discussion at the agreed time. You might begin by asking, "Do you agree with assumption number one in the FOR DISCUSSION section?" Or you might select and read aloud, from some part of the Fact Sheet, a particularly provocative or controversial statement or viewpoint—and then ask for a reaction. Or you might ask, "What should be our primary goal in trying to deal with this problem?"

3. Keep the discussion moving—and alive and interesting. Encourage each person to speak up. Welcome fresh ideas, and be comfortable with controversy. Fight "dead spots" by raising a fresh question. Overcome the "meanderer" by gently interrupting him and inviting someone else to say how he sees the problem.

4. If there is a "Great Decisions" headquarters in your community, collect the individual opinion ballots after each discussion and forward them to the proper local address for tabulating. If there is no local headquarters, collect the individual ballots each week, tabulate them on an extra set of ballots, and forward the summaries — at the end of the eight weeks—to your Senators and/or Congressmen with a letter briefly describing your group.

IF YOU ARE A DISCUSSION PARTICIPANT:

READ THE FACT SHEET before coming to the discussion session. It takes only 40 to 60 minutes, and you will get much more out of the discussion. You will also be able to contribute more to the group.

SAY WHAT YOU THINK—the discussion is yours. Your ideas are just as important as anyone's. Cite your own experience. Quote articles you have read. But avoid making speeches.

GIVE OTHERS THE SAME PRIVILEGE—state your views clearly and briefly, then listen to others. Keep an open mind.

DON'T BE AFRAID TO DISAGREE, but keep it on a friendly basis. It is proper for reasonable people to disagree —and to respect each other's views. Ask for fuller explanations, if you like. If you disagree, say why.

RELAX! Speak up and enjoy yourself; you're among friends!

GREAT DECISIONS 1962

An annual, nationwide review—by American citizens in their own communities—of critical problems of foreign policy facing the United States government and people.

THIS KIT CONTAINS:

FOR READING AND DISCUSSION . . .

- A set of eight Fact Sheets, one on each of the critical issues of 1962. Each Fact Sheet provides a common fund of background information, logically structured for discussion.
- A set of eight Opinion Ballots, one for each Fact Sheet, to help you record your own views on the issues, and to communicate your views to policy makers in Washington. Ballots, in duplicate, are contained in a separate perforated booklet.
- Each Fact Sheet also contains a brief bibliography, pronunciation guide, maps, graphs, charts and information on sources.

FOR SUCCESSFUL GROUP DISCUSSION . . .

- The following tips for discussion leaders and participants.

TIPS FOR SUCCESSFUL GROUP DISCUSSION:

A good informal discussion group does **not** try to reach consensus. The purpose of discussion is to help clarify the opinions of **individuals** in the group. Disagreement is not only inevitable; it's healthy! It's in the finest tradition of American democracy.

"Great Decisions" Fact Sheets are carefully designed to provide a natural framework for lively discussion. You need no special training. You do not need an "expert" or trained discussion leader. Just remember the Fact Sheets serve these four purposes:

1. **STATE THE PROBLEM:** The first few panels state the main problem or set of issues with which each Fact Sheet deals. Following panels develop these issues and describe possible consequences.

2. **PROVIDE FACTS AND ALTERNATIVES:** Throughout each Fact Sheet you are given important background data necessary to an understanding of the issues. You are also given conflicting interpretations, viewpoints and policy recommendations.

3. **STIMULATE DISCUSSION:** The last section of each Fact Sheet (headed FOR DISCUSSION) provides a framework for group discussion. The basic assumptions and policy alternatives raised in the Fact Sheet are set forth in logical, related order. Group discussion grows out of your defense of one particular line of strategy. Other members of the group will, of course, agree and disagree with you—and the background data in the Fact Sheet will provide ammunition for constructive argument.

4. **PROVIDE FOR INDIVIDUAL DECISION:** After you have discussed the issues and compared your views with those of other people in your discussion group, you are ready for the Opinion Ballot. Turn to the booklet of ballots and locate the appropriate ballot for the Fact Sheet you have been discussing. Indicate on the ballot those policy alternatives which you, personally, are willing to support. Then — if you wish — turn in your Opinion Ballot for tabulation along with thousands of other ballots from all parts of the country.

be going efficiently down the wrong road.

In terms of efficiency, the real difference between a democracy and a totalitarian society is that democracy is self-correcting; it distills wisdom and a sense of direction from the participation of its millions of citizens in a continuing dialogue. A totalitarian society, by contrast, is by its very nature capable of monolithic and stupendous mistakes — from Hitler's to Mao Tse-tung's.

TIME TO DISAGREE?

Another kind of person who seems to mistrust freedom is one who says, Yes, but not right now; the conflict is too deadly and the stakes are too high! This is a person who may argue that, because of the Communist challenge (for example) we must **unite** as a nation behind this or that person, policy or program — behind the President or behind the opposition — behind the right or middle or left position in this or that debate — behind peace or behind war — behind expanded foreign aid or no foreign aid . . .

The people who argue for unity with this particular logic usually invoke "the national interest." In the national interest, they say, it is essential to cease our squabbling and get on with the high priority job at hand.

They, too, however, miss the point about democracy. The national interest of the United States is the preservation of freedom. The goal, indeed, is to enlarge — not restrict — freedom. This vision of the national interest must never be confused with the many ways of serving the national interest.

And, finally, any point of view which insists that all other points of view must become subordinate to it has little real elbow room in a democratic society. This view has the right to exist, of course, and to be heard. If such a view were to win out, however, democracy itself would vanish.

There is another piece to the democratic process, and it is an important one. This is the role of leadership — at every level of our society — which initiates, proposes, inspires, challenges, influences, competes, argues, adjusts, diverts, gives and takes and sometimes sanctions or even blocks action in the community or nation.

ROLE OF LEADERSHIP

This is democratic leadership in its natural, creative, competitive form. This is, in fact, the kind of leadership which makes a democratic society most effective.

At its best, a democracy is a continuing dialogue between interested citizens and responsible leaders.

Obviously, leadership is not restricted to elected officials or even political appointees. Leaders — in the American democracy — are the people who deal in the marketplace of real ideas, hopes and interests that affect some or all of the people. Sometimes they are leaders because of the positions they hold or the economic and political power they wield. Sometimes it is because of the power of their convictions or persuasiveness of their logic. They are not genuine leaders — in a democracy — when their influence is based on fear, intimidation or restraint of freedom, although these forces do operate in America.

Leaders in a democracy are the people to whom others go (or to whom they listen) when they want something to happen. Leaders are people who have the sense to see a goal and the power or authority to help make something happen.

In the dialogue of democracy, people expect to be led. The leader is not a substitute for citizen action, but he or she is an essential catalyst for effective democratic action by the people as a whole.

The leaders provide focus, program, goal or agenda in a public competition in which people — as individuals — accept, reject or moderate. Leadership does not violate democracy; it provides democratic action with direction and purpose.

The people expect to be led, but they demand to be consulted. They are always ready to exercise their power to protest, reject or accept. But they expect responsible people among them to lead — to formulate the issues and propose the policies.

LEADERSHIP AND 'GREAT DECISIONS'

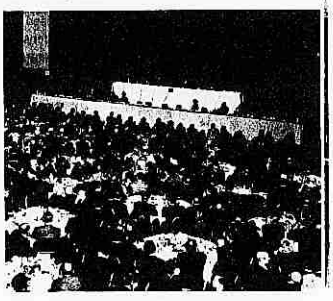
What does all this have to do with "Great Decisions . . . 1962"? The problem of public opinion and public policy is basic to this whole educational effort.

The issues raised here are among the most important and far-reaching problems of current American foreign policy. They are issues on which there is honest division of opinion among the American people on which course will better serve the national interest.

And the people participating in "Great Decisions" are, in their own right, citizen leaders with an important role to play in their own communities and their nation.

This program, in other words, is a contribution to the continuing national debate on American foreign policy. It is not a substitute for citizen action, but is intended as a stimulus to thoughtful, independent citizen action.

The purpose of these materials, and the discussions based on them, is not to end debate but to help stimulate it. The aim is not to encourage all to think the same, but to encourage each to make use of his own insights, values and judgment. The outcome need not be consensus, but should be better informed and more articulate differences of opinion.



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Public Opinion and Policy

Who makes the 'great decisions' for America in these complex and troubled times? When experts disagree, how can a layman presume to know? In times of crisis is there room for public debate?

In looking to the future, many Americans are understandably perplexed. In each area of foreign policy — from trade to disarmament — on each issue that is debatable, there is usually strong disagreement among the people who are supposed to know.

The press and broadcasting media occasionally refer to disagreements inside the Administration, within the Pentagon, among top men of the State Department, between Presidential advisers. Even more frequent are the disagreements between people in and out of power, in different regions or from different economic pursuits, of competing political parties, etc.

Arguments such as these cover the full range of public policy — adequacy or inadequacy of the military budget, effectiveness or wastefulness of foreign aid, whether America can or cannot or should or should not compete in foreign trade. The answers and the proposals often differ as black and white.

Yet, in nearly every case, the appeal is to reason and the argument is based on "facts." The disagreements — even the outright contradictions — are between people who are supposed to be experts.

In such cases, how can the ordinary citizen — only moderately well informed — hope to reach intelligent, sensible opinions about national policy?

EXPERTS AND THE PEOPLE

This, of course, is the whole point of democracy. A political democracy is a system of government which **expects** the experts to disagree and which therefore leaves ultimate sovereignty in the hands of the people. Democracy is a form of government which doesn't trust any single expert — or party of experts — to make the final decisions for the rest of the country.

Besides, regardless of the logic and the array of facts which the expert uses to support his or her case, the decisive ingredient is **judgment** — individual judgment based on values and ethics, goals and ambitions, knowledge and prejudice. In this respect, the expert is no different from the ordinary citizen. Judgment is always an individual factor. Democracy is the one system of government which takes account of this individuality and protects it. In effect, democracy says to the expert, "You may be right, but you will have to persuade a lot of just plain citizens to go along before you can have your way."

This, in the long run, is what the American system means — to think and decide and act as individuals in a society constructed for the protection and encouragement of individual thought, decision-making and action.

DANGERS OF CONTROVERSY?

But aren't there some matters on which there can be no real disagreement? Aren't there some issues on which continued controversy is dangerous and public debate is harmful?

There are people who hold to this particular view. They may say, for example, that it is insane to consider the possibility of surviving — much less, winning — a nuclear war; there is, in other words, no alternative to peace even if this entails retreat or surrender. At another extreme there are those who say it is disloyal even to discuss the question of a change in U. S. policies toward Red China — or that it is treasonous to sit down at a conference table with delegates of the Soviet Union.

Such extreme views, which exclude even the possibility of democratic debate, are of course hostile to the whole philosophy of a political democracy. Where there is no room for honest difference of opinion, there is no room for democracy.

At the same time, democracy falls short of performing effectively when the climate is pure anarchy, when there is no general sense of direction or even a marginal plurality to get something done. When the citizens of a democracy are totally stalemated or totally fragmented, then the nation itself is paralyzed.

DISCIPLINES OF DEMOCRACY

There are, indeed, certain disciplines inherent in the democratic system — certain natural restraints on public liberty and antiliberty.

Survival of any society is, of course, important to the members of that society. Yet in a democratic society the disciplines governing survival assume a particular importance. It is not just the individual who needs to survive, nor even the massed population of the nation. It is also the system, its values, and the whole process of democratic decision-making. This is what we mean when we say we must survive **free.**

This whole concept imposes an obvious discipline on the nation. In simplest terms, the discipline is: if we must destroy our freedoms in order to survive physically, then it isn't worth it; on the contrary, we must learn how to win over totalitarianism without becoming totalitarian ourselves.

There are two kinds of people who seem not to understand this. One is the person who really believes that democracy is "inefficient," that we cannot afford the luxury of debate, delayed decisions, wasted resources, trial and error and lack of long-term planning. This person misses the point, which is that "efficiency" is not the most important goal — it is no help to

GREAT DECISIONS 1962 TOPICS

1

Vietnam — win, lose or draw?

What is the background to the present military and political crisis in South Vietnam? What is the Communist strategy for takeover of Indochina? What stakes does the U. S. have in halting Communist expansion here and in Southeast Asia? What are the problems in defending South Vietnam? Is it our job? or the job of the people of the region?

2

Red China — third greatest power?

What are the sources — and magnitude — of Red China's power? Is this power a direct threat to U. S. interests? What are the weaknesses in the Chinese economy — are they serious, what do they portend? How deep is the "split" between Peking and Moscow? What is the effect likely to be on Communist global strategy? How should the U. S. deal with the problem of Peking?

3

Brazil — which way half a continent?

Both political and economic crises hit Brazil last summer and raised doubts about the future of Latin America's largest nation. What are the facts, forces and trends? How is Brazil like its neighbors and how is it unique? What stakes, if any, does the U. S. have in the orderly progress of Brazilian society under freedom? What, if anything, can we do about it?

4

Nigeria

— democracy in a new climate?

There are 24 newly independent nations in Africa and Nigeria is the most populous. What common trials do these new societies share? In what ways is Nigeria exceptional? What are Nigeria's origins and traditions? What are its goals? What kind of men are its leaders? And how much of a challenge is Nigeria to us?

5

Iran — Middle East pivot?

Poised on the Soviet Union's threshold to the Middle East and Asia, Iran is a major link in the Western alliance system. How stable a partner is Iran? What are its prospects for peaceful development? What are the dangers of violent change? What is the economic and political structure like? What role can or should the U. S. play in Iran's development?

6

Berlin — test of Allied unity?

What's behind the chronic Berlin crisis — the Soviet "ultimatum" and the wall? What conflicts in Allied strategy has the Berlin problem (and the problem of divided Germany) raised? What are long-run Soviet intentions in Central Europe? U. S. and Allied stakes? What is the basic Allied strategy in Europe — and what are its strengths and weaknesses? What next?

7

United Nations

— Independent force?

What have recent Soviet attacks on the UN and the late Secretary-General meant? What do these issues have to do with the UN's purposes and its future? To what extent is the UN an independent body with its own mission and destiny? To what extent is it merely an instrument of modern diplomacy?

8

United States — new directions in foreign policy?

Has the Kennedy Administration launched any new directions in U. S. foreign policy? If so, what are they and what are the principal arguments pro and con? What are U. S. global aims? What directions are we following in trade and aid? What are the prospects for disarmament? Where do the American people go from here?

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What 'Great Decisions'?

Why need America concern itself with frictions, factions and aims of peoples half a world away from our shores? What are the risks, opportunities and responsibilities of the globe's paramount nation?

World War II, it is sometimes said, thrust on an unwilling and unprepared United States the role of world leadership. In 1945, most of Europe, much of Asia and the Middle East and even North Africa were war-devastated. The resources and reserves which for centuries had kept Europe first in economic and political power were greatly depleted. The U. S. alone—even with over 1 million war casualties — emerged from the ordeal measurably stronger and richer than before. Indeed, in terms of its vigor, its wealth and an atomic monopoly, it was for a few years the world's only "superpower."

What did the power imply and how was it used?

In hindsight, judgments differ about the responsibilities and opportunities, the victories and set-backs, of the years following World War II. It is a continuing argument in American partisan politics whether this country capitalized on its unique power or dissipated it, whether America fell short of meeting its responsibilities or acted in the only way consistent with our heritage and our moral sense.

Certain facts, at least, are incontestable. The victorious U. S. did not impose its singular power on the rest of the world, preferring instead to confer as an equal sovereign state with others on the common problem of reconstructing a war-torn world. The rich U. S. did not hoard its wealth, preferring instead to invest in the rebirth of both its former allies and its former enemies and the birth of new societies in the underdeveloped southern two-thirds of the globe. The powerful U. S. did not destroy its emerging new enemy, communism, when it perhaps had the nuclear monopoly to do so, preferring — to war — the difficult and equally uncertain struggle of ideas, politics, diplomacy, economic competition and moral force.

Some contemporary Americans belittle the policies and question the wisdom — or loyalty — of the men who created them. Other Americans doubt that the U. S. went far enough, was generous enough or understood sufficiently the problems and needs of other peoples. Still others (who may regret the consequences of some of these policies) are less concerned with fixing blame in the past than they are with fixing a sound course for the future. It is to these persons in particular that "Great Decisions" may prove useful. The Fact Sheets in this Kit deal with America's current problems and future directions.

The nearly 17 years that have passed since the end of World War II do provide important lessons for the future. One of the most important is the fact of change — rapid and accelerating change in nearly every area of human endeavor and experience.

Politically the world has exploded into a host of independent states — some of them with ancient and stable cultures, many of them virtually unequipped — domestically or in foreign policy — for the responsibilities of modern nationhood. Centuries-old empires have been liquidated and new kinds of imperialism and strident nationalism have erupted.

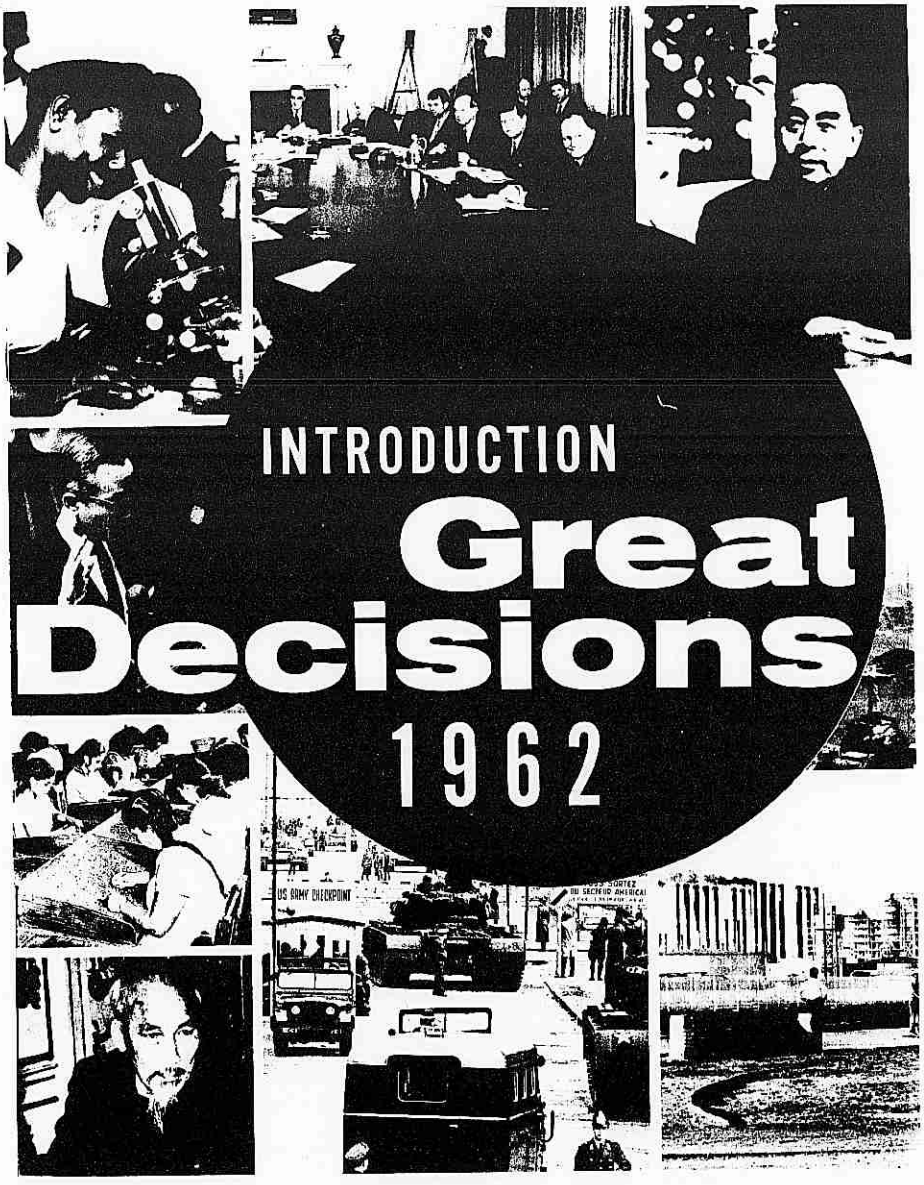
Technologically the world has also exploded. Advances in transport have shrunk the globe to a 24-hour circuit by plane and a half-hour trajectory by rocket or missile. Advances in communications have expanded one man's immediate audience from those thousands who can fill a public square to those millions — and hundreds of millions — who have access to radio, TV and the press.

In agriculture, industry and science, too, a rapidly changing technology has multiplied man's ability to feed, house, clothe, equip, employ and heal his fellow man. The effect has been to raise hopes and expectations in every corner of the world for progress toward decent living standards. For the first time in history, every man alive faces the prospect that he — or at least his children — may one day live better than generations of ancestors.

And all these continuing revolutions meet today on a common battleground — the struggle between two incompatible concepts of man and history, of the individual and the state, of government by consent and government by dictate, of a society of enterprise and initiative versus one centrally directed.

The challenges of a rapidly changing world — and a deeply divided one — are particularly acute for America in 1962 and no doubt will be throughout the 1960's. The U. S., although it no longer has an atomic monopoly, is still the most powerful nation in the world. Although the Soviet Union has, since World War II, gained second rank among the world's industrial powers, the U. S. economy is more than double the size of Russia's. Although Russia, West Europe, Japan and a number of developing economies are growing faster than we, the U. S. lead is still substantial. Finally, in the all-important field of moral and political leadership the U. S. is also world leader. The "continuing experiment" of American democracy is the principal demonstration that men can govern themselves and, in doing so, achieve first rank among the nations of the globe.

Yet it is America's first rank which makes it particularly sensitive to the changes and forces building up around it. What America does — or does not do — has a resounding impact on the rest of the world. The decisions America makes will help determine, not just our own future, but also the future shape of the world we live in.



INTRODUCTION

Great Decisions

1962

Suggested Readings

Economic Policies Toward Less Developed Countries. Prepared for the use of the Joint Economic Committee, Congress of the United States. Washington, D. C., USGPO, 1961. 96 pp. $.30. This report, by two economics professors at the University of Oregon, sharply criticizes present foreign aid programs and calls for a marked revision of our foreign economic policy goals.

Gardner, Richard N., "New Directions in U. S. Foreign Economic Policy," **Headline Series** No. 133. New York, Foreign Policy Association, January-February 1959. 64 pp. $.50. An expert offers a practical guide for charting new directions in foreign economic policy.

Goals for Americans. Report of the President's Commission on National Goals. New York, Prentice-Hall, 1960. 372 pp. $1.00. The Commission recommends a series of domestic and international measures designed to strengthen American influence abroad and the U. S. economy.

Goldwater, Barry, "Goldwater: 'How to Win the Cold War.' " **The New York Times Magazine,** September 17, 1961. A critical analysis of the Administration's foreign policy and a formulation of strategy to win the cold war, by the Republican senator from Arizona.

Henkin, Louis, ed., **Arms Control: Issues for the Public.** New York, Prentice-Hall, 1961. 207 pp. Paperback, $1.95. Background book prepared for 19th American Assembly meeting. Experts explain, in nontechnical language, the role of arms control in our foreign policy and how it relates to our security.

Jacobson, Harold K., ed., **America's Foreign Policy.** New York, Random House, 1960. 756 pp. $6.50. Selected essays by scholars and public leaders on such topics as the democratic process, the nature of foreign policy, communism, and economic development.

Platig, E. Raymond, **The United States and the Soviet Challenge.** Foreign Relations Series. Chicago, Ill., Laidlaw Brothers, 1961. 64 pp. $.80. A discussion of the Cold War and a general comparison of the United States and Russia.

Rostow, W. W., **The Stages of Economic Growth: A Non-Communist Manifesto.** New York, Cambridge University Press, 1960. 179 pp. Paperback, $1.45. This book presents a review of the sweep of modern history in terms of stages of economic growth by an economic historian who is now chairman of the State Department's Policy Planning Council.

The European Common Market: Its Meaning to the United States. New York, Committee for Economic Development, 1959. 152 pp. $2.00. A statement of policy containing informative economic data which gives the CED's reasons for believing that the cause of world trade would be better served by a large free trade area in Europe with greater access to U. S. markets than by the Common Market.

The Politics of Trade. Washington, D. C., League of Women Voters of the United States (1026 17 Street, N. W.) September 1961. 55 pp. $.50. This pamphlet clarifies the major areas of agreement in U. S. trade policy, identifies the significant issues, and includes proposals for future legislation.

The United States Balance of Payments Position. Report of the Committee on Economic Policy 1961. Washington, D. C., Chamber of Commerce of the United States, 1961. 60 pp. $1.00. (Order postpaid from Economic Research Department.) This report contributes to a better grasp of the balance of payments problem and a sounder evaluation of the many proposed solutions.

Suggested readings and other publications are available in most local libraries and in some World Affairs Councils. Or they may be ordered from FPA-WAC Book and Pamphlet Department, 345 East 46th St., New York 17, N. Y.

GREAT DECISIONS... 1962 is an annual program sponsored by the FOREIGN POLICY ASSOCIATION-WORLD AFFAIRS CENTER in cooperation with national, state and community organizations, educational institutions, press and broadcasting media, churches, libraries and public schools.

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— Article II, paragraph 2, By-Laws of the Association

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6

Challenges of Leadership

U. S. leadership of the free world is taken for granted—by ourselves and most of the rest of the globe. But what does this leadership mean? What does it demand? Who leads America?

"We are today in a highly revolutionary world situation. Change is its dominant theme. I suppose that the central question before us is how we can properly relate ourselves to these fundamental and far-reaching changes . . . Older political forms have disintegrated. New international forms are coming into being. We are experiencing enormous pressures to achieve economic and social improvements in all parts of the world, as masses of people . . . are coming to realize that their miseries are not a part of an ordained environment about which nothing can be done.

"We could be passive in relation to these changes and take our chances. I think the view of the new Administration is that, were we to be passive, we could not expect the institutions of freedom to survive.

"We could undertake an active defense of the status quo. My own guess is that, were we to do that, we would be fighting a losing battle.

"We can, on the other hand, attempt to take a certain leadership in change itself; certainly the world is not as we should like to see it, and the world is not as peoples elsewhere find tolerable. Leadership of change is a theme . . . to . . . keep in mind. . . . It may, indeed, prove to be impossible to win the so-called cold war unless we develop our thoughts, in collaboration with our friends abroad, about what kind of world we are reaching for beyond the cold war."[1]

Secretary Rusk, in the above excerpt, is concerned with one aspect of the leadership challenge — the need for this country to set its goals in the world and then to take charge of events in order to get there. It has never been, and never will be, a cut and dried affair. The U. S. — powerful and influential as it is — does not control all the forces loose in the world. Secretary Rusk's point is that we control nothing at all if we lack a sense of direction and purpose.

This leads to another aspect of the leadership challenge — the need for domestic leadership (official and unofficial, political and nonpolitical) to help this country decide what goals in the world it does want to pursue.

In part this is the responsibility of the President and other public officals. It is equally the responsibility of the press, various public and private organizations and associations, and of those hundreds of thousands of citizen-leaders who, out of their own interest and concern, feel a responsibility to "do something."

But, as you have seen in this and previous Fact Sheets, the divisions in American public opinion are sometimes very sharp and deep. And sometimes they are very subtle and complex. Here, at least, are some of the main problems, divisions and apparent stalemates in U. S. public opinion. Each of these issues has an important bearing on the direction and effectiveness of America's future foreign policy.

Each of these issues is a challenge to America's world leadership as well as a challenge to you and others who help provide leadership to America.

for discussion

1. What course should the U. S. follow in negotiations with Russia?

Do you feel negotiations are essential, useful, unavoidable, pointless, or what? Is it important to continue negotiation on issues such as disarmament? If so, why? What is the purpose of negotiations with Russia? to end the cold war? to relax tensions? to clarify our intentions? to gain a concession from them? to work out compromise agreements? to give them concessions? to reduce the danger of accident or miscalculation? other?

We are now spending over $50 billion a year for defense — why? so we will never have to fight? so we will be able to fight and win, if necessary? so we will appear strong at the negotiating table? other?

2. What course should the U. S. take in relation to the idea of a world community?

Is this a practical, impractical, necessary or dangerous kind of goal, or what? What kind of international community do you feel is desirable? less formal than today's international situation? more formal or elaborate? a disarmed world under international inspection and control? a world in which the UN Peace Force were the largest military unit? a world of sovereign states without restraint?

3. What foreign economic policies will best serve U. S. global aims?

Does the U. S. need trade with other nations — markets and raw materials? Can the U. S. afford to compete with other nations in the world markets? To what extent, if any, do you consider U. S. foreign aid to be an investment in America's future security and prosperity? To what extent, if any, is foreign aid a drain or waste of our resources? How are U. S. trade and aid policies related to each other? to broader U. S. global aims?

FOOTNOTE: 1. Dean Rusk, "A Fresh Look at the Formulation of Foreign Policy," February 20, 1961, The Department of State Bulletin, No. 1134, Vol. XLIV, March 20, 1961.

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Prospects for Disarmament

"An ultimate goal of the U.S. is a world which is free from the scourge of war and the dangers and burdens of armaments; in which the use of force has been subordinated to the rule of law..."

Disarmament is by no means a new U. S. goal. However, since the end of World War II, with the development of highly destructive nuclear and thermonuclear arsenals and the spread and spiraling of the arms race, the search for disarmament has become increasingly complex and difficult.

In setting up the new "agency for peace"— the U. S. Arms Control and Disarmament Agency — last September, Congress provided an unusually broad definition of terms:

"The terms 'arms control' and 'disarmament' mean the identification, verification, inspection, limitation, control, reduction or elimination of armed forces and armaments of all kinds under international agreement including the necessary steps taken under such an agreement to establish an effective system of international control, or to create and strengthen international organizations for the maintenance of peace."[2]

This definition suggests the extreme complexity of the subject. Arms control, in other words, may or may not involve some reduction in troops or armaments; it may merely mean keeping present troop levels and arms stockpiles under close observation. According to U. S. views, however, arms control or disarmament **necessarily involves effective international control.** Either an "effective system" or a strengthened "organization" will take on the responsibility — but it will be an **international** instrument which inspects and controls a disarmament program acceptable to the U. S.

It is on this point that the U. S. and its allies have so far been unable to reach any agreement with the Soviet Union. Moscow, in all postwar disarmament (and test ban) talks, has refused to accept Western proposals for an inspection and control system which would be genuinely international and therefore independent of any interference or veto from the Soviet Union.

Indeed, some Americans oppose an internationally controlled and inspected disarmament plan for some of the same reasons—it would diminish U.S. sovereignty by making our national security the international responsibility of a supposedly disinterested, impartial and objective international control organ.

It is because of the complexity of problems such as these that the President called for the establishment of the new U. S. Arms Control and Disarmament Agency.

The purposes of the new agency include continuing research in the arms control field and preparation for and management of U. S. participation in international disarmament talks. In the long run the agency would be expected to serve as the U. S. operating link with any international disarmament agency that may be set up.

GENERAL DISARMAMENT

The U. S. has also taken some fresh initiatives in the area of "general and complete disarmament"— a term suggested by the Russians, which implies the total dismantling of all military forces, establishments and academies, and the destruction of all arms except those necessary for internal police work. Unlike the Russians, however, the Americans continue to insist on effective international inspection and control of any such steps.

Under the U. S. plan for general and complete disarmament, which President Kennedy delivered to the UN on September 25, 1961, the destruction of weapons would be accompanied by the construction of international law and institutions for maintaining the peace. The U. S. proposal contained four principal objectives:

1. Disband all national military forces except those earmarked for a UN Peace Force.
2. Eliminate from all national arsenals all "mass destruction" weapons and delivery systems, except those needed by the UN force or for internal security purposes.
3. Establish an effective International Disarmament Organization within the UN framework to inspect and insure compliance.
4. Set up effective means for enforcing international agreements and for the peaceful settlement of disputes in accordance with the principles of the UN Charter.

The U. S. plan would operate in three successive stages, with levels of disarmament, inspection and international control appropriate to each stage. Ultimately, after a number of confidence-building steps and graduated reductions in forces, the job of keeping the peace would finally be turned over to a UN Peace Force, in the framework of the Charter.

for discussion

Do you feel disarmament is a realistic alternative to the arms race? How practical or safe would disarmament be without extensive inspection and controls by an international body? Is disarmament, regardless of risks, the best method of averting war? Would such a body infringe on U. S. sovereignty? If so, would you object? Do you approve or disapprove of current U. S. aims regarding disarmament? How do they relate to other U. S. global aims?

FOOTNOTES: 1. "Arms Control and Disarmament Act," PL 87-297, 87th Congress, HR 9118, September 26, 1961. 2. Ibid.

4

New Directions in Aid?

The U. S. foreign aid program is perhaps the most controversial aspect of the nation's entire foreign policy. It has been blamed for high taxes, the balance of payments deficit, and the increasing competition which U. S. business now faces from other nations, developed and developing, which have benefited from U. S. assistance.

A witness at a recent Congressional hearing argued that "the deficit in our balance of payments began in 1949, coincident with foreign aid. Every year since, the deficit has continued. It will continue so long as our present foreign aid program is in effect."[1]

This particular witness appeared to be under the impression that the Kennedy Administration had requested $10 billion in foreign aid for the fiscal year ending June 30, 1961. Actually the request was for $4.7 billion — about the same as outgoing President Eisenhower's earlier budget request. By the time Congress completed action on the bill, it had been trimmed to $3.9 billion.

As for the relationship between foreign aid and the balance of payments deficit, Secretary of the Treasury Douglas Dillon claims that U. S. aid programs account "for nearly half of our total export surplus"—that is, loan and grant aid money paid back to the U. S. for goods and services constitutes nearly 50 percent of the favorable trade balance which the U. S. enjoys.

What are the dimensions of U. S. foreign aid? What are its purposes and effects? And what new directions in aid policy has the current Administration proposed or undertaken?

AID BREAKDOWN

The Administration's original request included:

$1.6 billion for direct military aid to allies;

$1.1 billion for long-term development loans;

$296.5 million for development grants to newly independent and other underdeveloped countries as yet unable to qualify for loans;

$425 million in grants for "support assistance" to nations (like South Korea and South Vietnam) which cannot afford the full burden of defense and security costs;

$275 million as a Presidential contingency fund for emergency purposes;

$153.5 million for UN and related agencies and activities; and

$53.5 million for administrative expenses related to aid.

This particular distribution of aid funds represents no new departure.

1. SINGLE AGENCY—A.I.D.

However, the President asked for — and got — authority to combine all planning and authority for U. S. foreign aid in a single Agency for International Development (AID). The purpose is to insure better coordination in the whole aid effort and within each aided country. Aid, the President explained, is more than a "convenient tool for meeting short-run political objectives." Our goal must be "long-range, self-sustained economic growth of less developed nations."[2]

2. 'DECADE OF DEVELOPMENT'

President Kennedy proposed, for the first time in the history of the U. S. aid program, that specific goals within a stated time period be set:

". . . in the southern half of the globe as in the north — economic growth and political democracy can develop hand in hand. . . . Many of these less developed nations are on the threshold of achieving sufficient economic, social and political strength and self-sustained growth to stand permanently on their own feet. The 1960's can be — and must be — the crucial 'decade of development' — the period when many less developed nations make the transition into self-sustained growth — the period in which an enlarged community of free, stable and self-reliant nations can reduce world tensions and insecurity."[3]

3. LONG-TERM PLANNING

A key element in the administration proposal was the provision for long-term planning and commitments on aid programs. It involved granting the President a 5-year "hands-off" period during which he would be authorized to borrow from the Treasury $900 million the first year and $1.6 billion in each of the following years (for a total of $7.3 billion). The purpose was to insure that aided countries would be able to set long-term targets for development projects, and would be assured of the continuity of U. S. aid. The request was denied as a "back door" proposition which would by-pass Congress's right to review — and veto — aid projects and budgets each year.

4. SPREADING THE BURDEN

In two other respects the Kennedy aid proposals continue — and step up — aid practices initiated in the Eisenhower Administration. These are (1) treating foreign economic development aid as a mutual responsibility of the industrialized free world nations, in which our Allies are expected to play a larger over-all role, and (2) making much greater use of U. S. agricultural surpluses as an aid tool.

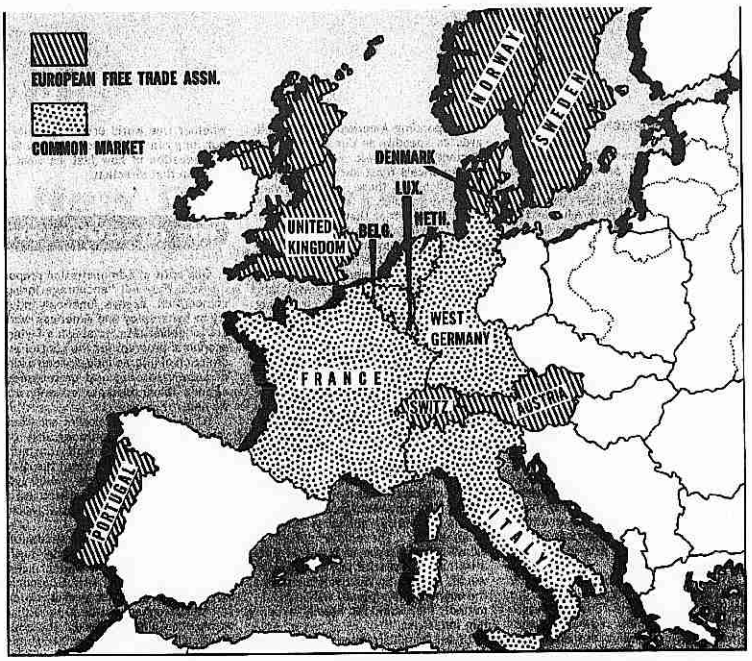
for discussion

What should be the purposes of U. S. foreign aid programs, in your opinion? What risks does the U. S. face when it undertakes these programs? Do the benefits, if any, outweigh the risks?

Is it important for U. S. aid programs in each country to be planned well ahead and the money committed? Why or why not? What are the disadvantages of long-term commitments — in case of waste or bungling? in case of shifts in policy in the aided nation? other?

Would you recommend any changes in scale, emphasis, scope or method in present U. S. aid programs?

FOOTNOTES: 1. Brigadier General Bonner Fellers, U.S.A. (Ret.), U.S. Congress, Hearings on HR 7372, Part II, USGPO, 1961, p. 753. 2. President's letter of transmittal for the 1962 foreign aid bill, May 26, 1961, as reported in The New York Times, May 27, 1961. 3. "New Program for Foreign Aid," President's message to Congress, March 22, 1961, Office of Public Services, Bureau of Public Affairs, Department of State, April 1961.



EUROPEAN COMMON MARKET

The Common Market or European Economic Community (EEC) is a far-ranging plan for the integration into a single economy of the most productive nations of Western Europe. At its current stage, the Common Market involves the systematic, voluntary reduction (and ultimate abolition) of all internal tariffs among six nations: France, Belgium, Netherlands, Luxembourg, West Germany and Italy.

Ultimately this core plan may provide the basis for the complete economic integration—and perhaps even political union—of the industrialized democracies of Western Europe.

The Common Market was created by the Treaty of Rome, signed on March 25, 1957, and went into effect, after ratification by all six members, on January 1, 1958. The treaty provided a 12-15 year period for the elimination of tariffs and quotas within the community. It also provided for the creation of common tariffs between the community and the rest of the world.

In addition, the six members agreed gradually to remove all restrictions against the free movement of capital and labor across national borders, to systematize working conditions and benefits, to prohibit cartels, to coordinate agricultural, monetary and fiscal policies, and to help individuals adjust to the impacts of changing trade and employment conditions as a result of the new set-up.

The treaty also established two investment funds—one to channel capital into the less developed regions of the member countries and another to invest capital in the overseas territories of the six members.

Finally, provisions were made for the admission of any additional European states on terms and conditions agreed to by the six.

The Common Market has an assembly of 142 members chosen by the parliaments of the six member nations. It also has a six-member council of ministers to coordinate economic policies, a nine-member administrative commission and a court of justice. There is some discussion of having the representatives to the assembly elected directly by the people of the six nations (rather than appointed by their governments). This would be a further step toward political union.

Since the Common Market went into operation—and slashed internal tariffs by 30 percent on most commodities—internal trade has increased 45 percent. The impact on other traditional trading partners of the six has been perceptible. Britain has already taken steps toward membership in the Common Market, as have Ireland and Denmark (also members of the European Free Trade Association, a loose trading agreement not comparable to the Common Market). Norway is expected to request membership shortly.

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TRADE AND FOREIGN POLICY

A second concern (in addition to U. S. growth and prosperity) is the matter of free world growth and security. To an important extent the capacity of the free world to develop and to resist Communist expansion is said to depend on U. S. economic and military power and U. S. military and economic assistance. The President explained the argument:

"We spend over $3 billion a year in keeping our bases and our troops abroad. That represents a $3 billion [potential] drain.... The only reason that we've been able to afford that... has been that we've had a balance of trade in our favor of around $5 billion."

The heart of the problem, the President explained, is the U. S. trading position in the world economy. "We want to keep the ratio of exports to imports . . . to what it is today or perhaps even improve it, because if we're not able to export substantially more than we import, we're going to either have to cut off all assistance to countries abroad or begin to withdraw our troops home."[1]

The current balance of payments problem, in fact, illustrates this dilemma. For most of the postwar period the U. S. has been spending and investing more dollars abroad—payments for imports, U.S. private investments overseas, U.S. military expenditures abroad, foreign aid, tourist expenses, etc.—than we have earned abroad from our exports and other sources. To prevent a drain on U. S. gold and a loss of confidence in the dollar, experts agree, it is necessary to reduce this deficit ($6.4 billion in 1959, but expected to be under $3.9 billion for 1961). The Administration's answer is to expand U. S. exports by gaining tariff concessions from, especially, the Common Market. To get these concessions the President would use his requested power to reduce U. S. tariffs reciprocally "across the board."

These, then, are the bases for the Administration trade proposals—the growth, well-being and increasing strength of the U. S. and, with it, the rest of the free world. But what about the short-term effects?

AIM AND IMPACT

"...There is one...objective to which we would all subscribe. This is the aim of increasing American wages and expanding American living standards as speedily as our growing productivity will permit. Fortunately for us, America's most successful export industries are those in which wage rates are highest. It is fortunate, too, that the industries that claim to suffer most from import competition tend, on the whole, to pay low wages.

"...Therefore the problem is to find a way of shifting American manpower, as swiftly and painlessly as possible, out of the industries which cannot stand up to foreign competition into those which have stood the test.

"...If...we should yield to...those who would shelter the low-wage industries in our economy and penalize the most efficient...we would set off a chain reaction of retaliation and counter-retaliation that would do irreparable harm to the whole free world, but would hurt us most of all....We would deny the strength and vitality of the economic system for which we stand. ...The concept...is alien to the spirit of our economy. The genius of a dynamic industrial economy is...its adaptability....The adjustments that would be required even if we were to eliminate industrial tariffs entirely would, in fact, be relatively small for the economy as a whole, although admittedly they would fall heavily on certain industries."[2]

Under Administration proposals, industries hit by the planned trade liberalization would be eligible for loans, grants, technical help and fast tax write-offs in order to obtain more modern equipment, improve efficiency and competitiveness, or shift to another industry. Workers would be eligible for longer jobless benefits, retraining in new skills, and moving allowances to find new jobs.

FURTHER STEPS?

Although the Kennedy Administration has limited itself to proposals for a much more flexible tariff policy and greatly increased tariff-negotiating power for the President, two former government officials urge much closer economic integration of the U. S. and West Europe:

"We believe that the United States must form a trade partnership with the European Common Market and take the leadership in further expanding a free world economic community."[3]

The terms of this recommendation are obviously more far-reaching. (For a map and description of the Common Market, see next page.) The issue is whether free world economic unity is our long-run aim. If so, we then face the question of how fast we want to move in that direction.

for discussion

One critic of Administration proposals says they will "encourage foreign competition, expose American industry to bankruptcy and American workers to joblessness, establish a Federal economic program for the control and direction of injured industry and a kind of super training and employment agency for the displaced men and women."[4]

What is your opinion? How would you weigh the benefits against the hardships that might result from much freer competition between the U. S. and West Europe? How would you weigh the probable long-run versus short-run effects? What do you recommend?

Another critic, Senator Goldwater, says that the "across the board" tariff-cutting authority the President seeks is really a step closer to U. S. association with the Common Market. He opposes the request on the ground that, within the Common Market, there will eventually be free movement of goods, services, capital and labor among member nations. Thus, if the U. S. moves "closer" to the Common Market, according to Goldwater, then "tens of thousands of Europeans would want to come over here to work."

President Kennedy has specifically denied this is a move toward "association"—rather it is, he says, a matter of "negotiation."

What is your opinion? Do you share Senator Goldwater's fears? Why or why not? How do you feel about the Herter-Clayton proposal? Would you favor exploring closer economic integration among the North Atlantic industrialized democracies? U. S. participation in the Common Market? Why or why not? Would you prefer a go-it-alone policy for the U. S., with tariff protection for U. S. industries that find it difficult to compete in U. S. markets with foreign firms? How would you deal with the problem of U. S. export industries that find it difficult to compete in world markets?

FOOTNOTES: 1. President Kennedy's press conference, op. cit. 2. George W. Ball, op. cit. 3. Herter-Clayton report, op. cit. 4. Representative Frank T. Bow (Rep., Ohio), as quoted in The Reporter, December 7, 1961, p. 33.

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New Directions in Trade?

"The time has come for the United States to take a giant step. . . . [to] take the leadership in further expanding a free world economic community. . . . We must face the issues realistically."[1]

The keynote to the Administration's proposed foreign economic policy was set in President Kennedy's first State of the Union message:

"Our role is essential and unavoidable in the construction of a sound and expanding economy for the entire non-Communist world . . ."

Added details have been supplied by Under Secretary of State George W. Ball:

"No one can doubt that the need to keep U. S. goods competitive in world markets is crucial. . . . One of the most effective measures, as the Europeans have already learned, is to repudiate protectionism, to open the doors and windows of our economy to the competition we must face in world markets."[2]

The Kennedy Administration, like the Eisenhower, Truman and Roosevelt Administrations before it, is pressing a policy of trade **liberalization** rather than **protectionism**. That is, the President and his advisers favor (a) expanding U. S. world trade within an expanding world economy, (b) by progressively reducing tariffs and other trade barriers.

On this economic policy the Administration and its critics are deeply divided. The policy is vigorously opposed by some who feel that U. S. farms and factories must enjoy high levels of tariff protection in order to maintain prices, wages and domestic markets in the face of foreign competition. Others — who agree with the President on the value of "reciprocal trade" agreements — say they are "merely asking for a reasonable regulation of imports to stimulate fair competition in this country's market place."[3]

To pursue its aims the Administration is asking Congress for broader and more flexible powers over tariff reductions, including the right to cut tariffs "across the board" in exchange for comparable concessions from our principal trading partners. (At present all agreements for reciprocal tariff reductions must be negotiated item by item.)

"What we are concerned about," the President explained, "is that we have the power to negotiate with the Common Market to protect our export industry. . . . The Common Market . . . represents a tremendous potential for us in the future."[4]

What is the substance of the debate? What do the issues have to do with the growth and prosperity of the U. S.? How does the question of trade affect U. S. aims in the world?

GROWTH AND TRADE

Supporters of Administration trade policies base their arguments on this key premise: the U. S. must maintain (or improve) its competitive position in world trade in order (a) to insure continued healthy expansion of the domestic U. S. economy, and (b) to insure that the free world economy grows more prosperous, stronger and better equipped for the struggle with communism.

Growth of the U. S. economy is a concern of many experts because, in recent years, U. S. production has increased at a slower rate (2.6 percent in 1960) than any other major industrialized nation on earth. (The Common Market nations advanced at a 5.3 percent rate that same year and the Soviet Union at an estimated 6 percent.) Continued high rates of unemployment (6 percent in the fall of 1961) and the persistent problems of underused plant capacity and chronically depressed industries and regions all add to the concern about the future of the largest, richest and most productive economy in the world.

Many of the answers are undoubtedly to be found on the U. S. domestic front — wage, price and investment trends; tax policies; trends in population and education; changes in technology and adjustments within industries and regions; and other forces.

An important danger signal, however, according to many experts, is to be found in U. S. foreign trade, where the U. S. has been steadily losing a share of world markets. Between 1953 and 1959 the U. S. share of the manufactured goods export market fell from 26 percent to 21 percent. The Common Market nations of Western Europe, during this same period, increased their share of the same market from 36 to 43 percent. Meanwhile Europe's share of the U. S. domestic nonfood market rose from 2.2 to 3.7 percent — small, but a trend.[5]

What are the reasons for these trends in U. S. trade? Part of the answer lies in the rapid growth of West European and Japanese industry and the increasing competitiveness of world trade. Another part of the answer lies in the upward trend in U. S. prices for many export goods (such as metals and metal manufactures).

What can be done? The present Administration proposes "to bring about the kind of open trading world in which our most efficient export industries can share the potential of this new market. . . ."[6]

FOOTNOTES: 1. Report prepared by former Secretary of State Christian A. Herter and former Under Secretary of State for Economic Affairs Will Clayton for a subcommittee of the Joint Congressional Economic Committee as reported in **The New York Times**, November 2, 1961. 2. George W. Ball, address to the National Foreign Trade Convention, New York, as reported in **The New York Times**, November 2, 1961. 3. Senator Karl H. Mundt (Rep., S. D.), as quoted in **The Politics of Trade**, p. 35. See suggested readings. 4. President Kennedy's press conference as reported in **The New York Times**, November 30, 1961. 5. Emile Benoit, **Europe at Sixes and Sevens: The Common Market, The Free Trade Association and the United States**, Columbia University Press, New York, 1961, p. 141-3. 6. George W. Ball, **op. cit.**

to the UN, for example, the President recommended earmarking national military units to be on call to the UN. And this is not a program for the defeat or destruction of communism, although it calls for a radical change in present Communist goals. This is a call for a pluralistic world in which force is outlawed.

CONCEPT OF 'COMMUNITY'

There is yet another dimension to the Administration's strategy on behalf of U. S. global aims. This is the intention to build a community of nations with or without the Soviet Union, "beyond" or in spite of the cold war.

Secretary Rusk explained the shape and purpose of this project in a midsummer speech:

"It is essential to get on with the building of the world community designed by the [UN] Charter. This we would do in any event, but it is here that the breadth and depth of the crisis are fully revealed and it is here that those who would not be coerced can act together for a world of peace.

"We speak of uncommitted nations and we usually mean those who are committed to neither of the principal blocs on the present scene. But all nations have commitments arising out of their own interests and out of their own hopes for the future. In the United Nations commitments to the Charter can weave the fabric of common interest which, by reaching beyond the cold war, may determine its outcome.

"No less essential is the strengthening of the solidarity of NATO and of the Western community — possessed of enormous capacity to shape the course of events. . . .

". . . The Western world must recapture the leadership of its own revolution of political freedom. It is a revolution which the West itself has taken into every continent and which continues to stir men to action. The struggle for freedom in the West itself was not painless, nor will it be in other places in our own time. But we dare not yield its leadership to those who would seize it, subvert it and use it to destroy us.

"The President is also asking us, and other economically advanced free nations, to reassert our leadership of the revolution of economic and social progress. The world of coercion is offering tempting bait for those who are determined to shake off their misery and want. We believe that freedom and progress are historic partners and that the alleged choice between rapid progress and free institutions is false. But this we must prove.

"This is the meaning of the President's Alliance for Progress, which is stirring the hopes and the hard thinking of the nations of our own hemisphere. This is the meaning of the rapidly growing effort of the Western community to throw substantial resources behind the economic and social development of less favored nations."[5]

In short, the Administration believes that the industrialized democracies — North America, West Europe and Japan — have the overwhelming power and inescapable responsibility to lead the entire non-Communist world in the construction of a progressive and expanding community of nations. This kind of community is what the UN Charter originally called for.

As the smaller nations have already recognized by their support of the UN, the Charter offers a framework in which all nations may retain their independence, accept the obligations of interdependence, and work for their own national fulfillment without fear of force or coercion. Only the Communist bloc opposes this concept and this machinery because the Communists seek, not a world community of sovereign states, but a unitary world Communist system.

A further implication is that the community can be built without Communist cooperation and in spite of Communist opposition, and that the success of the effort can, in the long run, determine the final outcome of the cold war struggle.

In other words, if two-thirds of the world were cooperating in a strong and effective community of peacefully progressing nation states, communism would have lost both its appeal and its power to expand.

CRITICS OF 'COMMUNITY' CONCEPT

Senator Goldwater has dismissed this Administration aim as "an objective which has no application to the realities of our peril and which will take centuries to bring about."[6] Others have criticized the goal as too costly or too uncertain of success.

As you will see in later sections of this Fact Sheet, the programs to carry out President Kennedy's global strategy are indeed costly — in terms of maintaining our military primacy and flexibility, in terms of increased investment and long-term commitments to world economic and social development, and in terms of the demands on the American people and economy.

President Kennedy

The questions raised are obviously complex. Is the goal realistic? Can we afford it? Would we be better off with more modest — or bolder — aims?

The President's view is that there is no simpler or quicker course. "We cannot escape our dangers — neither must we let them drive us into panic or narrow isolation. . . . Life . . . will not be easy. . . . There will be further setbacks before the tide is turned. But turn it we must. The hopes of all mankind rest upon us . . . every man and nation who shares our hopes for freedom and the future."[7]

for discussion

Are there any circumstances under which you would feel that democracy and communism could live peaceably together? If so, what? If the Communists abandon their aims for world domination? if they liberalize their own domestic regimes, permitting free choice to their citizens? if they agree to inspected and controlled disarmament? any other circumstances? Would the U. S. feel secure in a world in which the Soviet Union and China behaved, say, like Yugoslavia? Why or why not?

What are the alternatives to living peaceably with a number of Communist powers? What are the continuing risks in such a world?

FOOTNOTES: 1. "Building the Frontiers of Freedom," statement before the Senate Foreign Relations Committee, May 31, 1961, The Department of State Bulletin, Vol. XLIV, No. 1147, June 19, 1961. 2. "The State of the Union," op. cit. 3. "Let Us Call a Truce to Terror," President Kennedy's address to the UN General Assembly, September 25, 1961, Department of State Publication No. 7282, Washington, D. C., USGPO. 4. Rusk, "Building the Frontiers of Freedom," op. cit. 5. Address by Dean Rusk to the National Press Club as reported in The New York Times, July 11, 1961. 6. "Goldwater: How to Win the Cold War," op. cit. 7. "The State of the Union," op. cit.

2

What are U.S. Global Aims?

"We want . . . a world of peace and progress under law. . . . the opportunity to achieve essential change without war . . . not a static but a dynamic peace."—Secretary of State Dean Rusk.[1]

As you have already seen, a recurring issue in the current debate over American foreign policy is the question of aims—What does this country want in the world? Is survival our only or our primary aim? Do we seek to "contain" communism or destroy it? Do we want to stalemate the cold war? win it? or end it on some other terms? Do we wish the U. S.—or the UN—to become the world's "policeman"? Do we seek world federation, world government or simply higher forms of law in a peaceful world of sovereign and independent states?

From its onset the Kennedy Administration has been fairly specific about its long-term goals for America in the world.

COMPETITION, NOT COLD WAR

"Our greatest challenge is still the world that lies beyond the 'cold war'—but the first great obstacle is still our relations with the Soviet Union and Communist China. We must never be lulled into believing that either power has yielded its ambitions for world domination — ambitions which they forcefully restated only a short time ago.

"On the contrary, our task is to convince them that aggression and subversion will not be profitable routes to pursue these ends. Open and peaceful competition — for prestige, for markets, for scientific achievement, even for men's minds — is something else again. For if freedom and communism were to compete for man's allegiance in a world at peace, I would look to the future with ever-increasing confidence."[2]

One objective, in other words, is to moderate the dangers of the cold war by forcing the Communist powers to reconsider their global aims—to persuade Moscow and Peking that neither war nor aggression short of war will win the world to communism. In partial support of this policy the Administration during 1961 called for a build-up of U. S. military power and greater flexibility in the use of that power to deal with indirect aggression and undercover war. Increased economic assistance to the developing nations of the world is another tool for carrying out this same policy—to strengthen the capacity of free nations to remain free.

But what of "the world that lies beyond the cold war"? What kind of world is it to be?

In his address to the UN General Assembly the President gave part of the answer: ". . . We far prefer world law, in the age of self-determination, to world war, in the age of mass extermination." The aim is a peaceful world, and to achieve it, "the weapons of war must be abolished before they abolish us." Therefore it will be a disarmed world. "To destroy arms, however, is not enough. We must create even as we destroy — creating world-wide law and law enforcement as we outlaw world-wide war and weapons."[3]

The Secretary of State spelled out further specifics:

"We want . . . a world of peace and progress under law. And I would lay particular stress on the word 'progress.' For there can be no greater error than to regard peace as a permanent ratification of an unacceptable **status quo**. Peace in such terms would be quickly shattered by the explosive forces of change. The object of peace is not to bring change to an end: It is to provide peoples the opportunity to achieve essential change without war.

"We seek, in short, not a static but a dynamic peace. We hope for a world in which frontiers will mark national identity and not national self-assertion; in which peoples can peacefully revise their own institutions to meet their own national needs; in which nations differing in their internal forms of organization will dwell together in mutual self-respect and freely exchange goods and persons and ideas; in which competition among national states will lose its cutting edge as nations work together in the common interest of mankind; in which the dignity of the individual will be securely established on the basis of social justice, civic freedom and international order.

FREE CHOICE

"We seek, above all, a world of free choice in which a great diversity of nations, each faithful to its own traditions and its own genius, will learn to respect the ground rules of human survival. We do not wish to make the world over in our own image—and we will not accept that the world be made over in the image of any society or dogmatic creed. Against the world of coercion, we affirm the world of choice. We believe that the revolution of human liberty will never come to an end."[4]

In summary, the broad aims of the Administration's foreign policy are two-fold: (1) to prevent the Communist powers from achieving their aim of global domination—indeed, to persuade them to **abandon** these aims in exchange for open and peaceful competition in a world of choice rather than a world of force, coercion and subversion; and (2) to construct a world order in which force is no longer possible, but in which change and growth will take place peacefully, under law, by free choice of the peoples involved.

This is not world government, although it calls for a strengthening of international peace-keeping machinery. In his disarmament proposal

of the cold war. A stalemate will not suffice. . . . First and foremost our job becomes one of convincing the enemy that we would rather follow the world to Kingdom Come than consign it to hell under communism. . . .

"We are dealing with an enemy whose appetite is insatiable. . . . The choice is not: yield, or fight a nuclear war. It is: win, or fight a nuclear war. For a nuclear war we shall certainly have to fight . . . if we continue to yield, piece by piece, all over the world."[6]

Thus Senator Goldwater and others urge the U. S. to "seize the initiative," avoid negotiations which allow for any compromise or even partial retreat, build up our military power and deal consistently and determinedly "from strength." He and others ask for a list of "priorities" — that we halt spending, domestic or foreign, which does not contribute directly to "victory."

KENNEDY'S RESPONSE

Among his replies to criticisms of this type, the President has said:

"It is a dangerous illusion to believe that the policies of the United States can be encompassed . . . in one slogan or one adjective, hard or soft or otherwise, or to believe that we shall soon meet total victory or total defeat.

"Peace and freedom do not come cheap, and we are destined . . . to live out most if not all of our lives in uncertainty and challenge and peril. Our policy must therefore blend, whatever degree of firmness and flexibility, which are necessary to protect our vital interests, by peaceful means if possible, by resolute action if necessary . . .

"We move for the first time in our history through an age in which two opposing powers have the capacity to destroy each other, and while we do not intend to see the free world give up, we shall make every effort to prevent the world from being blown up . . .

"This is a time of national maturity and understanding and willingness to face issues as they are, not as we would like them to be.

"It is a test of our ability to be farseeing and calm, as well as resolute, to keep an eye on both our dangers and our opportunities, and not to be diverted by momentary gains, or setbacks or pressures . . .

"We must distinguish the real from the illusory, the long range from the temporary, the significant from the petty. But if we can be purposeful, if we can face up to our risks and live up to our word, if we can do our duty undeterred by fanatics or frenzy at home or abroad, then surely peace and freedom can prevail."[7]

There are, of course, other types of complaints and other shades of difference regarding the aims and conduct of U. S. foreign policy.

A small but nonetheless vocal minority holds that war is no longer an alternative in the age of thermonuclear weapons. Our only choice, they say, is between accommodation and annihilation. It is no good to be free and dead. And a very few say they would rather be Red than dead. But the whole school shares the conviction that war must be abolished.

A perhaps even smaller (and certainly less vocal) minority argues that peace is no longer an alternative, that the only path to survival is preventive war to destroy communism.

But the real debate, most experts agree, lies between these extremes. It is not the debate between black and white or between war and peace. It is rather the debate over methods to protect U. S. interests in the world, to win U. S. aims in the world, and to accomplish these aims (hopefully) without war. On these very broad terms the President and his principal critics, including Senator Goldwater, are agreed. They are also agreed that the U. S. must be prepared and willing to wage and win a war if that becomes necessary. They agree that U. S. "strength" is an essential instrument of diplomacy: "For only when our arms are sufficient beyond doubt can we be certain beyond doubt that they will never be employed."[8]

In other words, the significant current debate on U. S. foreign policy is taking place within a vague consensus of national opinion. However basic the disagreement sometimes appears to be, it is very often over specifics of policy rather than over such fundamental aims as "peace if possible, but freedom at all costs."

The questions and arguments often boil down to such specifics as whether negotiations — under certain circumstances — are desirable, whether military power—at certain levels—is adequate, whether foreign aid—of certain kinds and levels—is desirable or necessary, whether certain trade policies serve or defeat our national objectives.

And, as the excerpts above suggest, there are important differences between the President and his chief critics on the questions of the timing and scope of the ends we seek—whether bolder initiatives might, in the foreseeable future, defeat communism.

Senator Barry Goldwater

To help you participate in this debate in a meaningful way, you will explore a few specific areas of current U. S. foreign policies and programs in the following pages. You will review some of the new directions in foreign policy under the Kennedy Administration and will weigh these efforts in the light of your own judgment of which course will best serve the U. S.

for discussion

In your opinion is the search for peace more or less important than winning the cold war?

What do you really mean by "peace"? absence of nuclear war? absence of any kind of war? absence of indirect aggression? other?

What do you really mean by "winning"? collapse or destruction of the Communist empire? renunciation by Moscow and Peking of Communist aims of world domination? liberalization of communism internally? liberation of captive satellite nations? other?

Do you believe the U. S. and Russia share a common interest in preventing war? If so, how can we best prevent war? by saying we will not fight? by saying we will fight if necessary—and being strong enough to do so? other?

FOOTNOTES: 1. "The State of the Union," address to the Congress, January 30, 1961. The Department of State Bulletin, No. 1129, Vol. XLIV, February 13, 1961. 2. Ibid. 3. Inaugural Address of President John F. Kennedy, January 20, 1961, Department of State Publication No. 7137, Washington, D.C., USGPO. 4. Charles O. Lerche, Jr., "'New Frontiers' in U. S. Foreign Policy," The American Review, September 1961, p. 16. 5. President Kennedy's Report to the People on His Trip to Europe: May 30-June 6, 1961, Department of State Publication No. 7218, Washington, D. C., USGPO. 6. Goldwater, "Goldwater: 'How to Win the Cold War.'" See suggested readings, p. 12. 7. President Kennedy's talk at the University of North Carolina convocation, Chapel Hill, October 12, 1961, as reported in The New York Times, October 13, 1961. 8. Inaugural Address, op. cit.

Where Is America Going?

". . . We shall have to test anew whether a nation organized and governed such as ours can endure. The outcome is by no means certain. The answers are by no means clear."—President Kennedy.[1]

The government of the United States changed hands for the 34th time a little over a year ago "in an hour of national peril and national opportunity."[2] Some of the problems the nation faced were of its own making, the result of our own actions and decisions — unemployment and inflation, the widening struggle for equal rights for all our citizens, the growth of government at all levels, the imbalance between our foreign expenditures and receipts, and the burden of countless economic, military and political commitments around the globe.

Other problems before the nation were not all of our making — the widening and growing threat of a Communist strategy aimed at the destruction of free societies, the clamor of scores of new and impatient nations determined to achieve equal political sovereignty and comparable material well-being with the more advanced societies of the world, the dangers inherent in a spiraling nuclear arms race, and the precariousness of survival as active cold war fronts expanded throughout the world.

THE QUEST FOR PEACE

On taking office the new President requested "that both sides begin anew the quest for peace, before the dark powers of destruction unleashed by science engulf all humanity in planned or accidental self-destruction."[3]

How, in the succeeding months, has the Kennedy Administration acted on this initial aim? What new beginnings, if any, have been undertaken? What, today, are the principal guidelines to American foreign policy? And what are the major criticisms and complaints about the aims, strategy and programs of our policy?

These are among the problems you will explore and discuss in this final Fact Sheet.

CRITICS OF BASIC STRATEGY

Public debate on U. S. foreign policy during the first 12 months of the Kennedy Administration centered on basic ideas as much as it did on specific issues. The national "mood," some observers feel, shifted from a vague and uncertain concern about world trends to a deepening sense of urgency. This mood intensified as U. S. and Allied policies failed to halt the Communist advance in Laos, as Communist guerrilla pressures built up against U. S.-supported South Vietnam, as the U. S.-backed exile invasion of Cuba failed on the beach at the Bay of Pigs, as the Communists maintained the initiative — and mounted new pressures — against Allied-occupied West Berlin and (in September) as the Soviet Union walked out of the Geneva test ban talks and (breaking a 3-year uninspected moratorium) resumed aboveground nuclear testing.

The mood of the American people (according to some but by no means all observers) shifted dangerously close to frustration.

"The great gap in the New Frontier's massive effort to arouse the American public to greater international effort is its inability (or its reluctance) to become explicit and precise about what it is trying to accomplish. A dramatic evocation of danger can indeed frighten people, and a call to dedication and sacrifice can inspire them; neither can produce action, however, except in terms of concrete enterprises compellingly formulated."[4]

The call has grown stronger in many quarters of U. S. public opinion for more decisive U. S. policies, for real shifts in fundamental strategy.

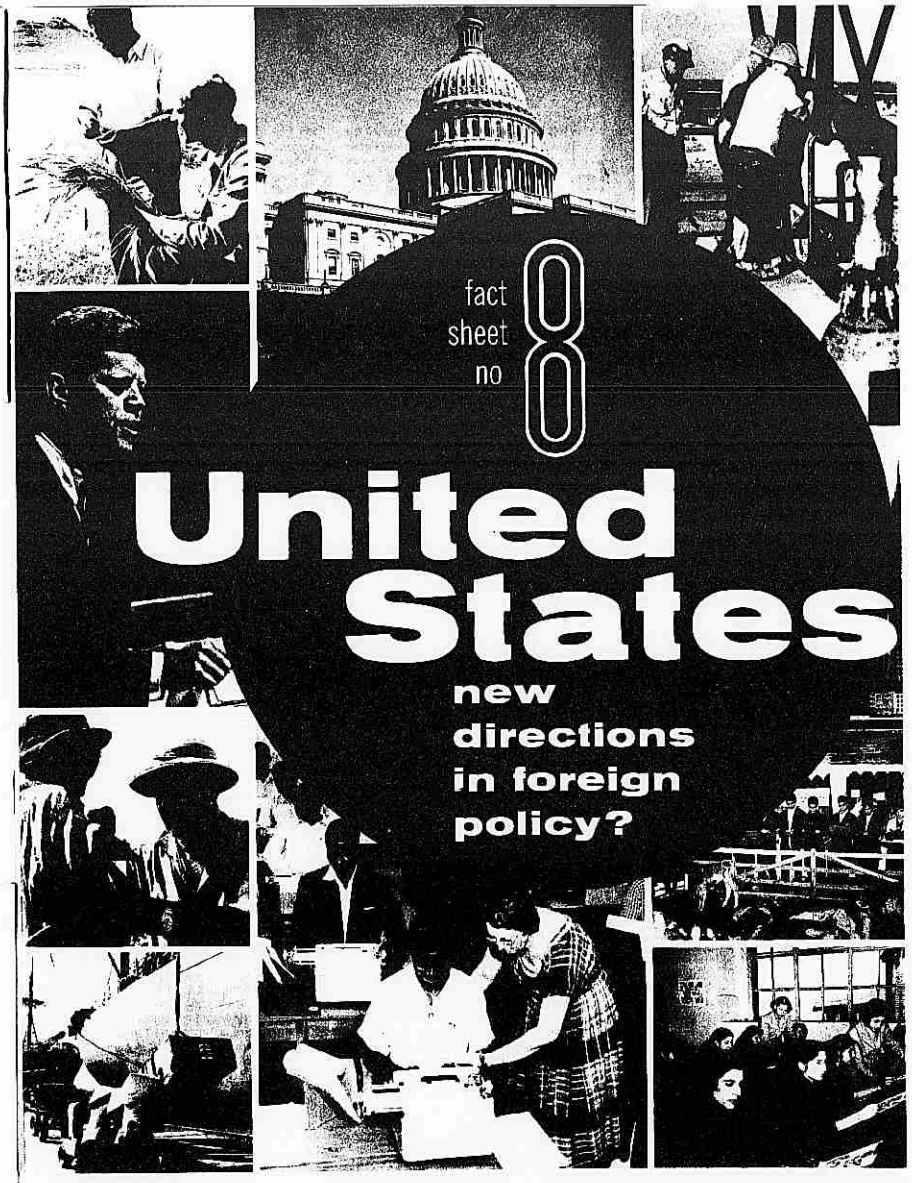
President Kennedy had urged in his inaugural address, "Let us never negotiate out of fear. But let us never fear to negotiate. Let both sides explore what problems unite us instead of belaboring those problems which divide us." He pursued this strategy through the year, pressing for talks on a nuclear test ban, disarmament, a genuine neutralization of Laos and a negotiated (rather than a unilateral) solution to the Berlin crisis. He also met with Khrushchev for two days in Vienna in June — not to negotiate, but "to present our views to him directly, precisely, realistically, and with an opportunity for discussion and clarification." The talks, he said, "demonstrated how much work we in the free world have to do and how long and hard a struggle must be our fate . . . as the chief defenders of the cause of liberty."[5]

The President's basic strategy, however, has been criticized. Senator Barry Goldwater (Rep., Ariz.) has been one of the most outspoken critics:

GOLDWATER'S VIEWS

"That we are losing the cold war is tragically apparent. . . . If we are to have victory in the cold war, our officials must grasp the true dimensions of the all-out struggle . . . and map policy to conform to a total concept. The need is for a policy grounded in strength which is willing to run any risk in the cause of freedom. It is long past time for us to think in terms of containment and peaceful coexistence. This is playing the enemy's game. International communism cannot be contained with talk and treaty. . . .

"Nor is there such a thing as peaceful coexistence. . . . We cannot allow ourselves to forget . . . that the never-changing aim of the Soviet Union is world domination and to that end the Communists are bending all the efforts of a regimented society. The Communists are not interested in containing freedom; they want to destroy it. . . . The great need today is for leadership and direction . . . [for] winning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Suggested Readings

Asher, Robert E., Kotschnig, Walter M., Brown, William Adams, Jr., and Associates, **The United Nations and Economic and Social Co-operation.** Washington, D. C., Brookings Institution, 1957. 561 pp. $2.50. An analysis and appraisal of the UN record during the first postwar decade by present and former U. S. government officials and an author.

Bloomfield, Lincoln P., **The United Nations and U. S. Foreign Policy: A New Look at the National Interest.** Boston, Little, Brown, 1960. 276 pp. $4.75. An examination of the UN in terms of U. S. interests by a scholar and former government official.

Cohen, Benjamin V., **The United Nations: Constitutional Developments, Growth, and Possibilities.** Cambridge, Mass., Harvard University Press, 1961. 106 pp. $2.75. Three lectures in which a Washington lawyer, who has represented the U. S. before many international bodies, pleads with the great powers to arrest and reverse the downgrading of the UN.

Courlander, Harold, **Shaping Our Times: What the United Nations Is and Does.** New York, Oceana, 1960. 242 pp. $3.50. A former UN information officer and press officer for the U. S. Mission presents the UN story in the broad context of the history of our times.

Goodrich, Leland M., **The United Nations.** New York, Crowell, 1959. 419 pp. $7.50. A Columbia University professor and administrator traces the UN's development by amendment, interpretations and supplementary agreements.

Everyman's United Nations, 6th ed. 1959. New York, United Nations, 1959. 607 pp. $3.50. A complete handbook of the functions and activities of the UN and its related agencies.

Hamilton, Thomas J., "The United Nations in Crisis." **Headline Series** No. 146. New York, Foreign Policy Association, March-April 1961. 64 pp. $.50. A useful discussion of the UN by a journalist who has spent many years reporting on it.

Hovet, Thomas Jr., **Bloc Politics in the United Nations.** Cambridge, Mass., Harvard University Press, 1960. 197 pp. $6.50. The most comprehensive and penetrating analysis to date of political blocs, particularly in the UN, by a professor at New York University.

"Issues Before the Sixteenth General Assembly." **International Conciliation** No. 534. September 1961. New York, Carnegie Endowment for International Peace. 224 pp. $.50. Each issue on the agenda is clearly defined and placed in the perspective of its background.

McLaughlin, Kathleen, **The World's War on Want.** New York, Oceana, 1961. 80 pp. $1.00. Stories of projects in underdeveloped lands by an experienced journalist.

Special UN Kit of Study Materials. Order from U. S. Committee for the UN, 375 Park Avenue, New York 22, N. Y. $1.00.

"UN Issues 1961" Discussion Guide. Order from American Association for the UN, 345 East 46th Street, New York 17, N. Y. $.50.

Wilcox, Francis O. and Haviland, H. Field Jr., eds., **The United States and the United Nations.** Baltimore, Md., The Johns Hopkins Press, 1961. 188 pp. $4.50. A frank and knowledgeable analysis of the problems the U. S. faces in the UN, consisting of eight papers by experts — men who have either had first-hand experience in the operation of the UN or have come to be regarded for their study of and publications about it.

Suggested readings and other publications are available in most local libraries and in some World Affairs Councils. Or they may be ordered from FPA-WAC Book and Pamphlet Department, 345 East 46th St., New York 17, N. Y.

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possible, but that it will take a long time, a great effort, extreme patience and skill on our part to achieve it.

The UN figures in this American debate in this basic sense: whether we believe in a "simple and quick" or a "complex and lasting" approach to the problems we face, the UN is still a global instrument for the partial or total achievement of U. S. aims.

Starting from this point — recognition that the UN is a force, an instrument or both — the U. S. still faces some fundamental choices.

One viewpoint, expressed by an American scholar-statesman, is that the UN can only be, in the present world situation, "a symbol of our aspirations," that "we would be far better advised to seek feasible means of building a cohesive community of free nations . . . as far as possible within the United Nations. . . . [but] in large measure outside of the UN, through instrumentalities that reflect a limited but real community of common interests." The assumption behind this view is that "the global community which the [UN] Charter assumed exists today neither in fact nor in prospect" although "a broader unity among the free nations is at the core of our needs."[2]

A somewhat different point of view, by another American scholar-statesman, is that the UN has already become "a very concrete, down-to-earth system of organizations with a large and growing capacity to act,"[3] and another distinguished American spokesman argues, "I believe the cause of freedom and peace has a glorious future in this world. And in that future, the United Nations will play a mighty part. . . . It is the hope of the world, and our country's pride should be that we stood by the United Nations . . . in its time of hardest trial."[4]

The choices — and the opportunities to act on them — are outlined in the discussion section below. The criteria for judgment are necessarily up to each individual.

FOOTNOTES: 1. United States Foreign Policy: Basic Aims of United States Foreign Policy. Study prepared at the request of the Committee on Foreign Relations, U.S. Senate, by Council on Foreign Relations, No. 7. Washington, D.C., U.S.G.P.O., November 25, 1959. 2. "For a Concert of Free Nations," Senator J. W. Fulbright (D., Ark.), Foreign Affairs, October 1961. 3. "The Capacity to Act," address by Harlan Cleveland, Assistant Secretary of State for International Organization Affairs, Philadelphia, April 7, 1961. 4. Adlai E. Stevenson, October 23, 1951, op. cit.

for discussion

1. What role should the UN play in world affairs in the future?

Do you agree or disagree with the following statement by the late Secretary-General, Dag Hammarskjold:

"It is because world community does not exist at a time when world interdependence has become a reality that world organization has become a necessity. . . . A more effective and increasing use of the United Nations as a diplomatic instrument, in which the functions of debate and vote are used more frequently to further a diplomacy of reconciliation . . . rather than merely to score propaganda points, or to defend against them, offers the best hope . . . for a peaceful evolution . . . in the relationships of the West with the Communist countries."[1]

Do you feel the UN "has become a necessity"? that it could be used "more effectively"? How?

Do you feel the UN has become weaker or stronger in recent years? more — or less — effective? Have U. S. policies tended to strengthen or weaken its effectiveness? What effect have Russian policies had on the usefulness of the UN? What is the effect of the great increase in membership?

Should the power and influence of the UN be broadened and strengthened? If so, in what ways? Or do you believe the UN is now as effective as we can expect? or that it now tries to be and do too much? or that we expect too much of it?

2. What policies should the U. S. follow in the UN?

Do you believe the UN is an essential instrument of diplomacy for the U. S.? a useful but not essential instrument? that it should be the central factor in U. S. foreign policy? or that it is or may become a liability?

Should the U. S. continue to insist on a strong and impartial executive in the UN? Or would a weakening of the powers and responsibilities of the Secretary-General make little difference as far as the U. S. is concerned? What are your reasons?

Should the U. S. attempt to channel more cold war issues — such as disarmament and Berlin — through the UN? What would be the advantages or disadvantages?

Should the U. S. channel more or less economic and technical assistance via UN economic and social agencies? How would we lose or gain? Should the UN be given larger resources and responsibilities in the area of world economic and social development? Why or why not?

What can or should the U. S. do to influence the future shape and effectiveness of the UN?

FOOTNOTE: 1. "The Vital Role of the United Nations in a Diplomacy of Reconciliation," United Nations Review, May 1958.

Congolese baby tested for malaria by UN aide

UN expert examines sheep in Libya

UNOC officers confer in Leopoldville, Congo

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What U.S. Aims?

"Only creative policies, acts which catch the imagination of people everywhere, will lead to a world in which . . . the security and growth of our own society and that of others can be assured."[1]

The key contemporary dilemma facing the U. S., many experts agree, is peculiar neither to ourselves nor to our times — it is the dilemma of every proud and confident people: the conflict between national independence and international interdependence.

The U. S., the most productive and powerful nation in the world, first in every economic index and fourth in population, is still only 30 minutes away by missile from any other point on the globe. And, although it produces in any given year 35 percent of all the world's goods and services, and is the world's largest international trader in dollar volume of goods exchanged, the U. S. is still dependent on the rest of the world for strategic raw materials and for markets for its own overproductive farms and expanding factories.

In short, what happens elsewhere in the world is often of direct concern to the well being and security of the U. S. The globe is divided. Not all nations and peoples aspire to the same goals or share the same values, principles or morality. Furthermore, it is an uncomfortably small world — and with rampaging ideologies and an accelerating arms race — an increasingly dangerous world.

The dilemma, in some respects, may not be very different from that facing the new and untried nations of the postwar period — how to maintain or create or manipulate a world environment in which each nation can survive and flourish intact.

Yet, in this nearly universal dilemma, the U. S. occupies a unique position. Not only does it possess the paramount capacity — power and resources — to influence history; it is also already a moral and strategic leader of a coalition of nations with, presumably, a common cause. The U. S., however the responsibility may be interpreted, is the acknowledged leader of the "free world." It is allied to over 40 other nations in every corner of the globe, and it is the principal spokesman for this alliance in the struggle known as "cold war."

What do these facts mean? What aims do they imply? What responsibilities or opportunities do they suggest? And what do they have to do with U. S. policies in relation to the UN?

Any analysis of current American opinion on issues of foreign policy reveals both a vast consensus on the nature of the fundamental challenge — international communism — and a wide divergence of opinion on what to do about it. Even the "radical right" and the "extreme (but non-Communist) left" agree that communism presents a singular threat to the survival of the traditional American system. But they often disagree on such questions as whether the primary threat is domestic or foreign, whether America has already been betrayed or still has room for initiative, and whether the task ahead is to retreat within our own borders or to conduct the struggle on a global scale, making optimum use of available resources.

Perhaps even more important is the range of opinion in between these two extremes. Here, in the central area of debate, the American people are also divided between what are basically two contradictory approaches: the "simple and quick solution" and the "complex and lasting struggle."

The **simple solution** approach includes such panaceas as immediate world government or an all-powerful UN, either of which would — presumably — eliminate the basic hazards and challenges the U. S. now faces in the world. It also includes other "quick answers" such as a vast increase in foreign aid, a quick military destruction of the enemy, a sure faith that the enemy will collapse from internal failure or revolt, or any other single action or act of faith which by itself might turn the tide in our favor.

The **complex struggle** approach also includes a variety of proposals. One is that "victory" in any real sense is impossible in the present world conflict — that the best we can hope for is a gradual blunting of points of difference. In this same category, but quite different, is the view that victory for the democratic way of life is indeed

UN Under Secretary G. P. Arkadev

UN Under Secretary Ralph J. Bunche

is "a threat to the very life of the Organization."[3] Defaults and arrears, especially for the two UN peace forces (Middle East and Congo) threatened the UN with a $150 to $190 million deficit at the end of 1961.

Prior to 1956 the UN relied on voluntary contributions for more than half the costs of all UN programs. Since the Suez crisis, however, and the establishment of UNEF in the Middle East, all UN expenses, except voluntary programs such as EPTA and UNICEF (including UNOC in the Congo), are assessed according to agreed scales. The criteria for the scales are total national income, per capita income, war-caused economic dislocation and ability to acquire foreign currency.

On the basis of these criteria the U.S. contributes about 40 percent of over-all UN expenditures, although we are actually assessed only 32.2 percent of the regular 1962-64 budget. Russia's assessment for 1962-64 is 14.97 percent.

However, the Soviet Union has paid nothing on its $2.5 million 1961 special assessment for maintaining UNEF —it insists the costs should be borne by the "aggressor nations" (Britain, France and Israel) which precipitated the crisis in 1956. The Arab states agree. Russia also refuses to pay its 1961, 10-month assessment of $13.5 million for UNOC—"the main burden . . . should be borne by the chief culprits — the Belgian colonizers," Moscow says.[4] France and South Africa also oppose the UN Congo operation and refuse to contribute.

5. BY-PASSING THE UN

The UN, according to a number of observers, has been weakened in another way—the tendency of the great powers to by-pass UN conference and negotiating machinery on major issues actually within the competence of the Charter. Two important examples are disarmament and the Berlin crisis.

Disarmament has been on the agenda of the General Assembly since its first meeting in January 1946. Successive stalemates and fresh starts in the intervening years, however, have seen the issue taken up in and outside the UN, in great power talks and committees made up of the entire UN membership, with and without the participation or "presence" of the Secretary-General.

The Berlin crisis has never formally been placed on a UN agenda, although it is clearly a "threat to the peace." It has been discussed, of course, on the floor of the UN but, in spite of overtures by the late Secretary-General, the UN has not yet been called upon to take any initiative on the issue.

6. WHAT IS THE UN's PURPOSE?

Finally, all these dilemmas, paradoxes and conflicts of interest which challenge the UN relate to the fundamental question, **What purpose do member nations want the UN to fulfill?**

In the introduction to his last annual report, Hammarskjold described two incompatible concepts of the purpose of the UN — (1) "static conference machinery for resolving conflicts of interest and ideologies with a view to peaceful coexistence . . . served by a Secretariat which is . . . not . . . fully internationalized but . . . represent[s] within its ranks those very interests and ideologies"; (2) "a dynamic instrument of governments through which they, jointly and for the same purpose, should seek reconciliation but through which they should also try to develop forms of executive action . . . on behalf of all members . . . in a spirit of objectivity and in implementation of the principles and purposes of the Charter."

The first concept, Hammarskjold went on to point out, is based on the philosophy of "sovereign national states in armed competition," expecting at the most to "achieve a peaceful coexistence." The second concept "envisages possibilities of intergovernmental action overriding such a philosophy, and opens the road towards more developed and increasingly effective forms of constructive international cooperation."[5]

To paraphrase Hammarskjold's views, the UN is more than a forum in which the great powers try to keep the cold war from becoming a hot war. The UN has other constructive purposes implicit in the Charter—to act on behalf of all members, to improve the well-being and help enlarge the freedoms of all peoples, and to lay the foundations for a world community under expanding international law. To fulfill these aims, Hammarskjold indicated, the UN requires (a) that its member nations work for these principles, and (b) that the Secretariat be permitted to function as a truly internationalized, impartial and objective civil service, free of ideological or bloc pressure.

FOOTNOTES: 1. U.S. Ambassador to the UN Adlai E. Stevenson, October 23, 1961. 2. "Threat to — and Hope for — the UN," Hans J. Morgenthau, **The New York Times Magazine**, October 29, 1961. 3. "Financing the United Nations," John G. Stoessinger, **International Conciliation**, November 1961. 4. United Nations General Assembly, Fifteenth Session, Official Records, Fifth Committee, 775th Meeting, 25 October 1960, p. 78. 5. "Introduction to the Annual Report of the Secretary-General on the Work of the Organization," Dag Hammarskjold, August 24, 1961.

for discussion

Which of the two concepts of the UN (as outlined by Hammarskjold) do you favor? Are there any other alternatives? What are the relative advantages and disadvantages of each of these concepts?

Do you think it is realistic to expect the Soviet Union to accept the "dynamic instrument of governments" concept? Why or why not? Is the aim of a world community under law compatible with Communist global objectives, as you understand them? What evidence has the Communist bloc given, if any, that it may accept a strengthening of international institutions? that it resists this concept?

Do you believe the American people want the kind of UN which Hammarskjold envisaged? Would this kind of UN hamper or serve U.S. global aims? Would it affect U. S. sovereignty or goals?

In the report quoted above Hammarskjold wrote, "While it may be said that no man is neutral in the sense that he is without opinions or ideals, it is just as true that, in spite of this, a neutral Secretariat is possible. Anyone of integrity, not subjected to undue pressures, can, regardless of his own views, readily act in an 'exclusively international' spirit...guided in his actions on behalf of the Organization solely by its interests and principles and by the instructions of its organs."

Do you agree? Why or why not? Is this principle important? Essential?

Basic Challenges to the UN

"Working at the edge of the development of human society is to work on the brink of the unknown. Much of what is done will... prove to have been of little avail. That is no excuse...."—Dag Hammarskjold.

The UN, experts readily agree, is undergoing "perhaps its moment of greatest trouble and perplexity... its time of hardest trial" in its 16 years of existence.[1] A basic element of the problem "is the insoluble contradiction between national sovereignty and an effective international organization ... [plus] the lack of political cohesion among the new nations and the hostility of the Soviet Union."[2]

The catalogue of difficulties facing the UN and its members includes the following dilemmas, paradoxes and conflicts of interest, all characteristic of the present world system:

1. NATIONALISM & DEPENDENCE

The years since World War II have seen a virtual explosion of independence around the globe. The more than doubling of UN membership in 16 years is evidence of this. The struggle for independence, in many cases, and the difficult problems of new nationhood help foster in many of these nations a strong and jealous nationalism —suspicion of colonial powers and their allies, and fear of foreign intervention of any kind.

Yet these same new nations, for all their nationalism, are extremely dependent on the rest of the world—for markets for their exports, for manufactured goods needed in their industrialization programs, for foreign capital and technical assistance, and in some cases for military aid.

Thus many of these developing nations look beyond their borders in their search for economic and political security. Some (Egypt, Ghana and Indonesia, for example) seek a larger measure of cooperation among nations within their respective regions, or in the so-called Afro-Asian "bloc." Others (like Cuba) have turned to the Soviet bloc or (like Pakistan and the Philippines) to the U.S. and its allies for aid and mutual security. A few avowed "neutralist" nations (Ghana and Guinea, for example) seek to "play off" East and West, accepting aid from both sides and often appearing more pro-Soviet than neutral. Many look to the UN to provide them the largest measure of independence in an interdependent world.

2. WHOSE UN IS IT?

In 1961, 34 percent of the UN membership was made up of states that were not independent at the beginning of World War II; 26 percent of the member states were from Africa. In the General Assembly, where a two-thirds majority is required on substantive issues, the new nations already hold a theoretical balance of voting power—although these nations have seldom voted as a bloc. Two exceptions were the Congo vote on September 20, 1960 and the nuclear test ban vote on November 6, 1961.

On the Congo question (see page 3 of this Fact Sheet), a Tunisian-Ceylonese resolution, which amounted in effect to a vote of confidence in the Secretary-General's handling of the Congo operation, passed over bitter Soviet opposition. The vote was 70-0, with the Soviet bloc, South Africa and France abstaining. It was widely interpreted as an indication of Afro-Asian (as well as Western) determination to keep the cold war out of Africa.

The more recent vote was 71-20 on an Indian resolution urging the atomic powers to end all test explosions. Ten Western nations (including the U. S.) and ten Soviet bloc nations voted against the resolution and lost.

In the "new" UN, in other words, the great powers, singly or together, may from time to time find themselves in the minority.

3. "MAJORITY RULE"?

The Soviet Union bowed to UN (and U. S.) pressure in 1946 by withdrawing its armed forces from Northern Iran. It defied the UN 10 years later when the General Assembly called for Soviet troop withdrawals from Hungary. Britain, France and Israel acceded to UN pressure that same year, and withdrew their forces from Egypt after the abortive invasion of the Suez Canal area. France has persistently denied the UN's right to discuss the Algerian rebellion, which France considers an "internal affair," and South Africa has taken the same position on the former mandated territory of Southwest Africa.

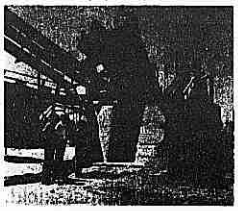
Both the U.S. and the Soviet Union have indicated they do not consider themselves bound by the November 6 resolution against nuclear testing—the U. S., because the resolution makes no provision for inspection and controls; and Russia, because the resolution is not tied into any proposal for general and complete disarmament.

UN resolutions, in short, do not have the force of directives. They rely on the willingness of the nation involved—great power or small—to cooperate. This has even been true in cases of UN military intervention, as in the Congo, where the UN operation has been hampered by lack of cooperation from the central government, the provincial governments and Belgium and the Soviet Union.

4. "FINANCIAL VETO"?

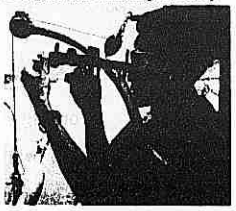
A number of nations have used another device to avoid or reject decisions taken by the General Assembly —refusal to pay a special assessment voted by the membership. This problem, plus the inability of still other nations to meet their financial obligations, has led to a financial crisis which

FAO-aided river project, Ceylon



Cement plant built with UN loan, Iran

Lao engineer with UN Mekong river survey



IDA is the newest UN lending agency, established (on U. S. initiative) in late 1960. It is the "soft loan-window" of the World Bank and is capitalized at $1 billion. Its purpose is to provide long-term investment credits for small service fees (rather than interest), for help in financing long-term, low-return development projects such as dams, irrigation systems, municipal improvements and the like. By mid-1961 it had 48 member nations.

CAPITAL DEVELOPMENT FUND

Another lending agency was approved "in principle" during the 1960 General Assembly. It would provide long-term, low-interest or noninterest loans or grants for public works such as housing, schools, hospitals and other projects which, while greatly needed in many areas, cannot be expected to pay for themselves. The U. S. has been the major opponent of the establishment of this agency on grounds that adequate resources will not be available until there is considerable progress on—and savings from—disarmament.

HOW DOES IT ADD UP?

Special Fund Managing Director Hoffman has estimated that, during the next 10 years, the developing nations could "absorb" a $5 billion technical assistance program plus $20 billion in grant and loan capital over and above what they are now receiving.

The challenges facing the U. S. and other UN member nations are these: Can and should the additional development capital be made available? If so, how much of it should be channeled through the UN and its various agencies and lending institutions?

The first challenge is one on which experts disagree. It involves such questions as whether the U. S. (and other industrialized nations) is strong enough economically to make these development investments. It also poses the question, Does the U. S. have a vital stake in speeding economic progress in developing areas?

The second question is a matter of policy—What are the relative advantages and disadvantages of offering aid through the UN versus providing "direct" or "bilateral" foreign aid from one nation to another? There are two obvious differences: (1) aid channeled via the UN tends to be "nonpolitical"; that is, it is a sufficiently internationalized undertaking that it usually carries no political "strings" or implied cold-war overtones; (2) UN aid often proves to be less costly and more efficient than bilateral aid in simple dollar terms; that is, the reservoir of skills and talents that are available to the UN, from all nations, gives the UN somewhat more flexibility in its aid operations than is usually available to even the U. S.—and salaries of technicians and administrators are generally lower than prevailing U. S. standards.

These two advantages, however, do not necessarily outweigh other considerations: under bilateral aid the donor nation has some control over the way the funds are spent, can attach political, economic or other "strings" to the aid offer and may be willing to pay premium costs in order to get specific results.

The two approaches are not necessarily mutually exclusive, however. It is possible to "blend" them. What is your opinion?

for discussion

How do you feel about the range and purposes of UN efforts in economic and social aid to developing nations? How important are these efforts in terms of actual need? How do they relate to U. S. foreign policy goals?

In the light of specific case studies of developing nations, what do you think are the relative advantages and disadvantages of UN multilateral aid versus U. S. direct or bilateral aid? Under what circumstances is one or the other better suited to U. S. purposes. Why? Are both needed?

Somalia—trust territory to independence

UN therapist treats patient in Brazil

Special Fund's Hoffman (center) in Ghana

UN Nonpolitical Activities

By its Preamble and Charter the UN is dedicated to two major purposes: preserving the peace and helping to improve political, economic and social conditions. What does the UN do in this second area?

The UN's 1961 total budget was about $450 million. Of this, roughly $150 million covered peace-keeping operations in the Congo and the Middle East. Another $150 million went into voluntary programs of aid and technical assistance, $90 million for specialized agencies and $60 million for the housekeeping budget of the UN. (The UN faced a possible deficit of $150 to $190 million in 1961.)

Broken down more precisely, expenditures for economic and social affairs, including technical assistance, ran to 35.5 percent of the UN's 1961 budget. These expenditures have been increasing at an average annual rate of $1.9 million since 1956.

The UN, in other words, is increasingly concerned with "preventive" economic and social development work—trying to create conditions which, in the long run, may contribute to a better, happier and more peaceful world.

Yet, in dollar value, UN activities in these fields are tiny. It is estimated that the underdeveloped nations are now receiving annually about $4 billion in economic aid and technical assistance, including grants and loans. Of this, about $160 million (or 4 percent) is now channeled through the UN. This is, in fact, a major current debate—should the UN play a larger role in world economic and social development or is it already doing enough or too much in this area?

Let's examine UN agencies and mechanisms which operate in these fields. (See chart, previous page.)

REGIONAL ECONOMIC COMMISSIONS

Four UN regional economic commissions, responsible to ECOSOC, provide opportunities for the exchange of information and technical details of commerce and trade in the respective regions. They are the economic commissions for Europe (ECE), Asia and the Far East (ECAFE), Latin America (ECLA) and Africa (ECA). Each of these commissions studies regional problems of economic development, trade expansion, commodity pricing, transport and communications, and related matters.

ECE, for example, is the only European agency in which both non-Communist and Communist governments work on common economic problems.

UN TECHNICAL AND CAPITAL AID

The two most serious problems of the economically developing nations are lack of trained manpower and lack of development capital.

Since the earliest days of the UN, a small part of the budgets of the UN and several of the specialized agencies has been devoted to technical assistance—sharing of skills. In 1950 the Expanded Program of Technical Assistance (EPTA) was set up. Participants, in addition to the UN, are (see chart, page 5) ILO, FAO, UNESCO, WHO, IMF, ICAO, ITU, WMO, IAEA and UNICEF. EPTA operates in over 100 countries and territories, and spent about $44 million in 1961. U. S. contributions (limited to 40 percent of total funds raised) will run at about $17.5 million. During 1961-62 an estimated 30 percent of the planned EPTA aid will go to some 40 African countries and territories.

UN SPECIAL FUND

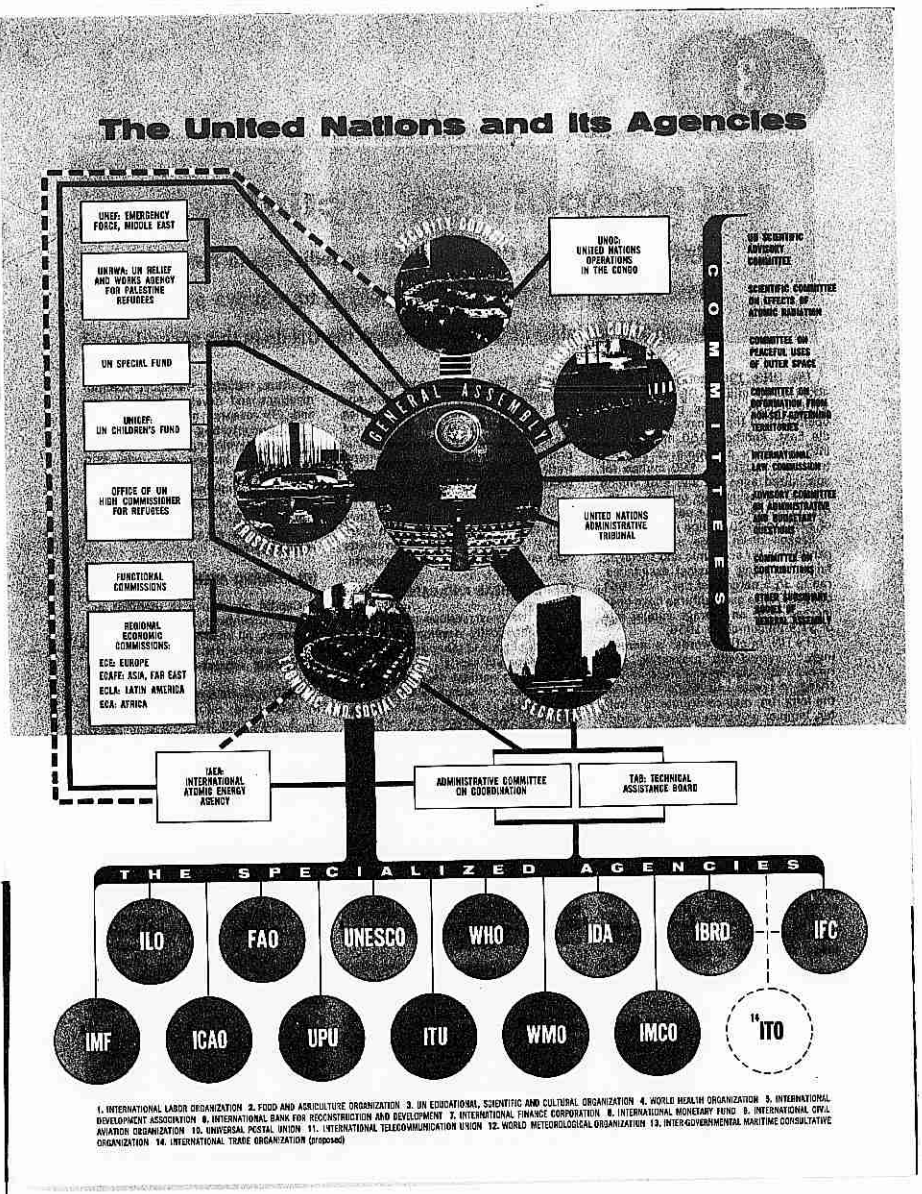
The Special Fund, headed by former Marshall Plan Administrator Paul G. Hoffman, began operations in 1959. It conducts four basic types of "pre-investment" projects: (1) mineral, industrial, land and water-use surveys; (2) training of leaders, teachers in agriculture, industry, transport, communications and development planning; and (3) research and training institutes concentrating on new and better ways of developing resources. The fund's 1961 budget was under $50 million (the U. S. share, at 40 percent, is under $20 million). By 1962, some 157 projects valued at $304 million (including $174 million from local governments) were scheduled in developing areas.

UN LENDING AGENCIES

Capital assistance to member nations is provided by three lending institutions, all of which are specialized agencies of the UN. (Their budgets are completely separate from the UN's.)

IBRD or World Bank was established in 1946. It has 68 members, with the U. S. supplying the principal capital (and enjoying the principal voting power). It lends money at fixed rates of interest for purposes of reconstruction and economic development. It concentrates on long-term loans to governments to advance productive projects in underdeveloped areas. Principal loan-supported projects include power, transport and other basic economic facilities. The Bank's resources are $21 billion.

IFC is an affiliate of the World Bank and membership (59) is limited to Bank members. It was established in 1956. Unlike the Bank, IFC invests in private enterprise without requiring government guarantees of repayment. Its purpose is to speed economic development by encouraging the growth of productive private enterprise. It also serves as a clearinghouse to bring together foreign and domestic capital, experienced management and investment opportunities. Authorized capital is $100 million.


The United Nations and Its Agencies
UNEF: EMERGENCY FORCE, MIDDLE EAST
UNRWA: UN RELIEF AND WORKS AGENCY FOR PALESTINE REFUGEES
UN SPECIAL FUND
UNICEF: UN CHILDREN'S FUND
OFFICE OF UN HIGH COMMISSIONER FOR REFUGEES
FUNCTIONAL COMMISSIONS
REGIONAL ECONOMIC COMMISSIONS:
ECE: EUROPE
ECAFE: ASIA, FAR EAST
ECLA: LATIN AMERICA
ECA: AFRICA
SECURITY COUNCIL
UNOC: UNITED NATIONS OPERATIONS IN THE CONGO
GENERAL ASSEMBLY
TRUSTEESHIP COUNCIL
UNITED NATIONS ADMINISTRATIVE TRIBUNAL
ECONOMIC AND SOCIAL COUNCIL
SECRETARIAT
COMMITTEES
IAEA: INTERNATIONAL ATOMIC ENERGY AGENCY
ADMINISTRATIVE COMMITTEE ON COORDINATION
TAB: TECHNICAL ASSISTANCE BOARD
THE SPECIALIZED AGENCIES
ILO
FAO
UNESCO
WHO
IDA
IBRD
IFC
IMF
ICAO
UPU
ITU
WMO
IMCO
14 ITO
1. INTERNATIONAL LABOR ORGANIZATION 2. FOOD AND AGRICULTURE ORGANIZATION 3. UN EDUCATIONAL, SCIENTIFIC AND CULTURAL ORGANIZATION 4. WORLD HEALTH ORGANIZATION 5. INTERNATIONAL DEVELOPMENT ASSOCIATION 6. INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT 7. INTERNATIONAL FINANCE CORPORATION 8. INTERNATIONAL MONETARY FUND 9. INTERNATIONAL CIVIL AVIATION ORGANIZATION 10. UNIVERSAL POSTAL UNION 11. INTERNATIONAL TELECOMMUNICATION UNION 12. WORLD METEOROLOGICAL ORGANIZATION 13. INTER-GOVERNMENTAL MARITIME CONSULTATIVE ORGANIZATION 14. INTERNATIONAL TRADE ORGANIZATION (proposed)

0726

What is the UN?

Peace-keeping functions took a third of the UN's total 1961 budget and got most of the headlines. But economic, social and cultural activities are at least as important. What is the UN?

As the chart on the facing page suggests, there are six principal organs in the UN—the General Assembly and five others. A summary of the functions of these organs — and related agencies and committees—provides a better perspective of the wide range of UN activities under way in nearly every part of the world and in virtually every field of human endeavor.

1. GENERAL ASSEMBLY

This is the main body of the UN, in which all member nations have equal representation, equal opportunity to participate in debate and equal voting rights.

The Charter gave the General Assembly broad functions. It "may discuss any questions or any matters within the scope of the...Charter, and ...may make recommendations to the Members...or to the Security Council or to both on any such questions or matters." The only restraint on the powers of the General Assembly is the provision that it may not make any recommendation on a specific dispute or situation while the Security Council is considering that problem. Thus the Assembly did not discuss the Congo question as long as the Security Council was able to reach agreement—however vague — on the conduct of UN operation in the Congo. When the Security Council was blocked in September 1960 by a Soviet veto, however, the Assembly took up the question.

Great power stalemates in the Security Council have tended, over the years, to transfer more initiative to the General Assembly. Under the "uniting for peace" resolution (1950) this transfer was made explicit.

2. SECURITY COUNCIL

The Security Council has "primary responsibility for the maintenance of international peace and security." It is made up of the five great powers, which are permanent members with right of veto on substantive issues, plus six members elected by the General Assembly, usually on a geographical basis. There is periodic discussion of the advisability of enlarging the Council and of granting permanent membership to nations which have achieved major power status since the Charter was signed (India, Japan and Brazil are mentioned).

3. TRUSTEESHIP COUNCIL

This organ oversees the management of territories administered by member nations as "a sacred trust." In January 1962 only four of the original 11 trust territories remained.

4. ECONOMIC & SOCIAL COUNCIL

ECOSOC, as its name implies, is concerned with the UN's wide-ranging activities in economic and social development of the world's peoples. It is an 18-member body elected by the General Assembly. It may "make or initiate studies and reports with respect to international economic, social, cultural, educational, health, and related matters and make recommendations...to the General Assembly," to member nations and to specialized agencies of the UN. It is also concerned with "human rights and fundamental freedoms."

Much of this Council's work is in relationship to the 13 specialized agencies listed on the facing page. The Council negotiates the relations between the UN and the agencies, coordinates their activities and receives their reports. The Council also sets up and administers various UN commissions, including the four regional economic commissions, and supervises the activities of the Technical Assistance Board and Special Fund.

The Economic and Social Council is also the only UN organ empowered to consult "with nongovernmental organizations...concerned with matters within its competence." This particular provision brings many private international and some national organizations into regular consultation with the UN on its economic and social development activities.

5. INTERNATIONAL COURT OF JUSTICE

This organ is successor to the old Permanent Court of International Justice at The Hague. It is made up of 15 judges, no two from any one nation, chosen by majorities of the Assembly and Security Council voting separately.

Only nations and international organizations may bring cases before the Court. Nations doing so must agree in advance to abide by the Court's decision. A nation may agree unconditionally to accept the Court's decision in certain types of cases, providing the other party to the case does the same. The U. S. (under the "Connally Reservation") reserves the right to decide whether to permit a case involving it to come before the Court.

6. SECRETARIAT

The Secretariat consists of the Secretary-General, who is "chief administrative officer," and his staff. The Secretary-General receives his directives from the General Assembly and the three Councils and is required to carry out these directives as an impartial international official. All Secretariat staff are similarly considered to be international civil servants, under oath to the UN.

Dag Hammarskjold

U Thant

virtually all forces on the scene. Then, on September 14, Colonel Joseph Mobutu seized the government in a coup in support of Kasavubu. Lumumba was jailed, escaped, was jailed again (and later murdered in Katanga).

A series of tense moves followed in mid-September.

On September 15 Soviet delegate Valerian A. Zorin, in the Security Council, accused Hammarskjold of "openly working to assist the colonizers" in the Congo. On September 16 Mobutu ordered all Soviet and Czech diplomats out of the Congo (they left the following day). On September 20, after Russia had vetoed a compromise resolution in the Security Council, the General Assembly took up the Congo question and, by a 70-0 vote, urged Hammarskjold to "continue to take vigorous action."

The issue had been clearly drawn. The Soviet Union had lost its opportunity to subvert the central government of the Congo. On September 20 Khrushchev delivered his blast against Hammarskjold and offered his "troika" proposal for reorganization of the office of Secretary-General.

WHAT IS AT STAKE?

"This is a question," Hammarskjold declared in reply to the Soviet attack, "not of a man but of an institution." The Security Council, he pointed out, had from the start approved the principle that the UN must not "become a party to an internal conflict" in the Congo. The UN, he said, has often "had to face situations in which a wrong move might have tended to throw the weight of the organization over in favor of this or that specific party." But to do so is "contrary to the letter and spirit of the [UN] Charter."

"Without exception," Hammarskjold insisted, the attitude of the Secretary-General must be characterized by "independence, impartiality, objectivity"—even if this creates "an obstacle for those who work for certain political aims." Hammarskjold then concluded: "I would rather see that office break on strict adherence to the principle of independence, impartiality and objectivity than drift on the basis of compromise. That is the choice daily facing the Secretary-General.... The choice is not one of the conveniences of the moment but one which is decisive for the future."

For 12 months Hammarskjold refused to resign under Soviet pressure. But on September 18, 1961 he and members of his staff were killed in a plane accident in Africa. Since there are no provisions in the Charter for naming a successor, Russia seemed to have a clear field for paralyzing the UN. By refusing to approve a successor, Moscow might—it was feared—demand a troika or nothing. Instead, after weeks of difficult negotiations (in which the Soviet bloc found itself virtually alone in support of troika), Burma's U Thant was approved as Acting Secretary-General and took his oath of office on November 3, 1961.

The selection of U Thant postpones, rather than resolves, the conflict. He will serve only until the end of Hammarskjold's unexpired term—until April 11, 1963. The issue will no doubt then be fought out again.

'NOT A MAN, AN INSTITUTION'

Western experts agree that the heart of the problem—insofar as it affects the office of the Secretary-General—is Article 100 of the Charter, which specifies that he and his staff "shall not seek or receive instructions from any government or from any other authority external to the Organization." Secretariat staff are "international officials responsible only to the" UN. And, finally, all member nations are pledged "to respect the exclusively international character of the responsibilities of the Secretary-General and the staff and not to seek to influence them."

These same experts also agree, however, that the real problem is the purpose of the UN itself.

The UN is not supergovernment. It cannot legislate for its members, nor is it permitted by its Charter to interfere in the internal affairs of member nations. Rather, the UN was conceived as a "concert of nations," each sovereign but all sharing common purposes—notably, to preserve the peace and promote "the economic and social advancement of all peoples."

In the preservation of the peace the UN is empowered, by the Charter, to take collective action to suppress aggression or other threats to peace. The power to take this action rested originally with the Security Council, where each of the five "great powers" (as of 1945)—Britain, China, France, Russia, and the U.S.—enjoys a veto on issues of substance. Behind the veto (which both the U.S. and U.S.S.R. demanded) is the premise that **collective UN action against aggression is inconceivable without the unanimous support of the great powers.**

Following the outbreak of the Korean war in 1950 the General Assembly (under the "uniting for peace" resolution) empowered itself to act in emergency session if collective action is blocked by Security Council veto.

The principle, however, is still at stake. Should the UN have the power to act collectively in the interests of the great majority of its members, **even if one of the great powers opposes the action?** Russia says No. Should the Secretariat be in a position to carry out the directives of either the Security Council or the General Assembly **impartially and free of veto by either a great power or a bloc of powers?** Again Russia says No. Should the UN be prevented from deciding on or carrying out **any action contrary to the interests of any major power or bloc?** Russia says Yes.

In principle, Russia is not alone. Some American and other Western students of the UN are also concerned with the possibility that the UN—now grown to over 100 member nations—may one day decide on a collective action contrary to the best interests of the U. S. or another Western country.

The fundamental question is, What can the UN be and what do we want it to become? You will explore this and related problems in the following pages of this Fact Sheet.

UN—Under Fire

Soviet attacks on the office of Secretary-General, launched 1½ years ago, strike at the heart of the UN and its purposes. What is at stake? What issues are raised? What are the UN's prospects?

In a 2 hour and 20 minute speech on September 23, 1960 Soviet Premier Nikita S. Khrushchev vigorously attacked the present structure of the UN. It was a challenge which has only been postponed, not resolved, by the election of an interim Secretary-General to serve out the unexpired term of the late Dag Hammarskjold.

"Conditions have obviously matured," Khrushchev declared, "when the post of the Secretary-General, who alone governs the staff and alone interprets and executes the decisions of the Security Council and sessions of the United Nations General Assembly, should be abolished."

Rather, he continued, the executive arm of the UN "should reflect the actual situation that obtains in the world today." Instead of a single Secretary-General there should be a "collective executive" made up of three persons representing the three major divisions of the world—"the military bloc of the Western powers, socialist [Communist] states and neutrelist countries."

The purpose? "A definite guarantee would thereby be created that the work of the United Nations Executive would not be conducted to the detriment of any of these groups of states. Then the United Nations Executive will really be a democratic body, it will really safeguard the interests of all... member states irrespective of the social and political systems..."

BEHIND THE ATTACK

Although Russia once "boycotted" Secretary General Trygvie Lie (1946-53) Khrushchev's attack on Hammarskjold was sweeping and total.

Hammarskjold, he said, was "partial" in his handling of UN operations in the newly independent and strife-torn Congo. "In implementing the decisions of the Security Council [he] in effect sided with the colonialists and with the countries that support the colonialists."

Furthermore, he found it inconceivable that Hammarskjold or any other man could be truly impartial. There are no "neutral" men. "Let those who believe in saints hold to their opinion; we do not credit such tales."

The issue was whether Russia would tolerate UN interference with Soviet aims. The former Belgian Congo made this clear.

BACKGROUND IN THE CONGO

Army mutiny, followed by widespread civil disorder and pillaging, broke out in the Congo one week after it gained independence from Belgium on June 30, 1960. Belgium immediately rushed troops back into its former colony to protect Belgian nationals and commercial interests. In addition, Belgian advisers were blamed for the announced secession of mineral-rich Katanga province.

In the face of this disintegration the central government of the Congo appealed first to the U. S., then to the UN "not to restore the internal situation in the Congo, but rather to protect the national territory" from Belgian aggression.

An emergency session of the UN Security Council on July 13-14 authorized the Secretary-General to provide military and technical assistance to the Congolese government (12 African, one Irish and one Swedish battalions were flown into the Congo within 8 days). At successive Security Council meetings Hammarskjold was unable to obtain specific instructions. The Council found it impossible to agree on details, and Hammarskjold often had to follow his own discretion.

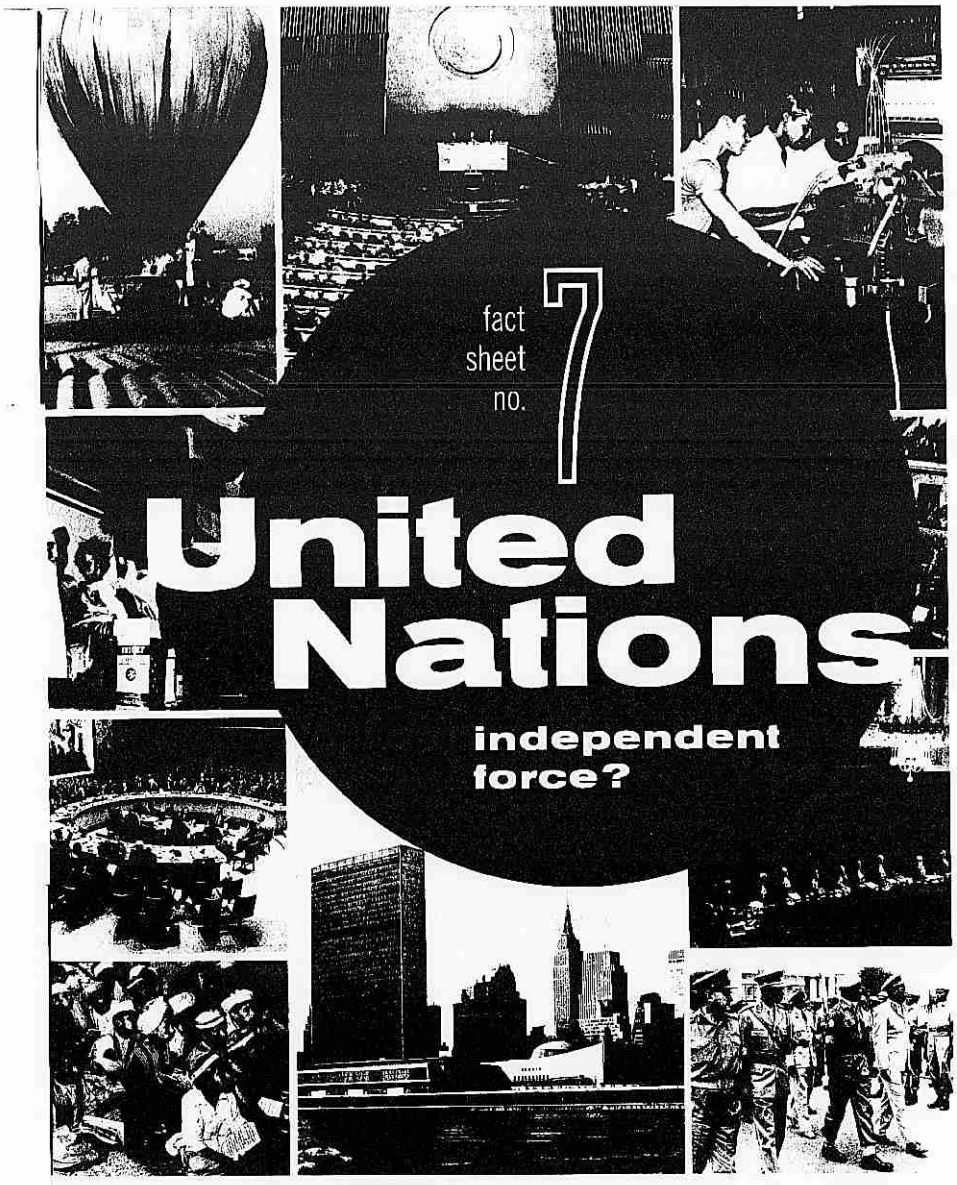
Hammarskjold's guiding principle was "to remain neutral in relation to a situation of domestic conflict and to provide active assistance only by protecting the rights and possibilities of the people to find their own way." Internally Hammarskjold tried to maintain civil order (UN troops were ordered to shoot only in self-defense), stave off economic and social chaos and remain aloof from quarrels among rival Congolese leaders. Externally Hammarskjold tried to get the Belgians out of the Congo and to prevent other powers—African as well as Communist and Western—from intervening in the Congo.

SOVIET INTERVENTION

Meanwhile the internal situation in the Congo deteriorated rapidly, and the UN found itself caught in the crossfire not only between the central government and several secessionist provinces, but also between national President Joseph Kasavubu and Premier Patrice Lumumba. When Hammarskjold refused the use of UN troops to unite the country by force, Lumumba turned to the Soviet Union for military aid.

In defiance of Security Council resolutions calling on all states to refrain from intervention in the Congo, Russia sent plane loads of "advisers," "technicians" and arms to Lumumba. It began to appear that, in spite of all efforts to keep the cold war out of the Congo, Soviet diplomats and Communist advisers had all but captured the machinery of the central government—through Lumumba.

On September 5 President Kasavubu dismissed Lumumba as premier, and Lumumba countered by declaring "Kasavubu is no longer president." The situation continued to worsen, with both Russia and Belgium providing military aid to opposing factions and the UN finding itself at odds with



fact sheet no. 7

United Nations

independent force?

Benoit, Emile, **Europe at Sixes and Sevens.** New York, Columbia University Press, 1961. 275 pp. $5.00. The author analyzes the European Economic Community in terms of its structures, methods and goals. He describes the views which led to the formation of the Free Trade Association, and suggests a plan for merging the "6" and "7" without aggravating the difficulties besetting the U. S. balance of payments.

Buchan, Alastair, **NATO in the 1960's.** New York, Praeger, 1960. 131 pp. $3.00. The first of the "Studies in International Security," sponsored by the Institute for Strategic Studies in London, discusses the problem of interdependence and its implications, as well as the military posture and strategic doctrine around which the NATO system can cohere and on which a more effective system of interdependence can be built.

Clay, General Lucius D., **Decisions in Germany.** New York, Doubleday, 1950. 522 pp. Available in libraries. The author, who was Deputy Military Governor under Eisenhower, from 1945-47, and Military Governor from 1947-49 in Berlin, has written a straightforward account of his experiences in dealing with the Russians and the Berlin blockade.

Dill, Jr., Marshall, **Germany: A Modern History.** Ann Arbor, University of Michigan Press, 1961. 467 pp. $8.75. A history of Germany which gives the reader a sweeping, abbreviated view of Germany from the Renaissance to the present, with major emphasis on recent times.

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Knorr, Klaus, et al., **NATO and American Security.** Princeton, N. J., Princeton University Press, 1959. 342 pp. $6.00. Although this critique of NATO is primarily concerned with military and strategic problems, there are chapters on British and German policies towards the Alliance, and an examination of the alternatives available to the United States in Europe in the event of NATO's failure.

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Snyder, Louis L., **Basic History of Modern Germany.** Princeton, N. J., Van Nostrand, 1957. 192 pp. $1.35. An introduction to the study of German history which outlines major movements during the 19th and 20th centuries. The author believes the history of Germany has been the story of a struggle for a working compromise between uniformity and disruption.

Speier, Hans, **Divided Berlin: The Anatomy of Soviet Political Blackmail.** New York, Praeger, 1961. 201 pp. $4.95. An analysis of the aims and methods of Soviet political action since Khrushchev demanded a demilitarized free-city status for West Berlin in November 1958, and the reaction of the West to these moves.

Suggested readings and other publications are available in most local libraries and in some World Affairs Councils. Or they may be ordered from FPA-WAC Book and Pamphlet Department, 345 East 46th St., New York 17, N. Y.

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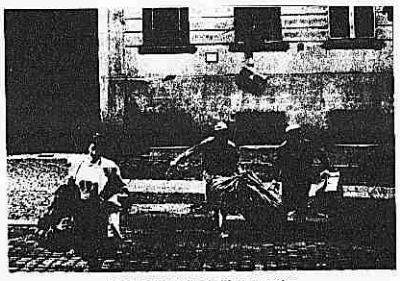
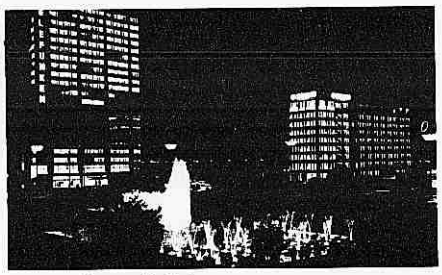
West German Chancellor Konrad Adenauer



East Berliners flee to Western sector

East German leader Walter Ulbricht



Prosperous West Berlin

'The wall' and East Berlin

for discussion

1. What policies should the U. S. follow in the current Berlin crisis?

Is negotiation with the Soviet Union desirable? Why? to clarify or re-establish Allied rights to be in West Berlin? to demonstrate we want, not war, but peaceable adjustment of differences? Or is it useless to try to negotiate with Russia? Why? What other alternative should we take?

If a negotiated agreement is desirable and possible, what are acceptable terms? a "free city"? just West Berlin or all Berlin? Who would guarantee the "free" status? Allies? Allies and Russia? UN? Should Allied troops remain in West Berlin at all costs? Why? Would a UN force be a reasonable alternative?

What about Allied access to West Berlin? Should we accept East German control over access routes? as agents of the Soviet Union? Should we insist on no change in present arrangements, with Soviet representatives in charge?

What should we do if no agreement is reached? stand fast? defend West Berlin if necessary? withdraw? other?

2. What policies should the U.S. follow on the German problem?

Is German reunification a realistic objective? Is it desirable from the West's point of view? If so, on what terms? only if there are free elections throughout Germany? on the basis of confederation? by 4-power agreement? through negotiation between the two Germanys? by force?

Is German reunification more important than West German participation in Common Market and other West European economic and political arrangements? Should one goal be sacrificed for the other? What about West German participation in NATO? Is it more or less important than reunification? than reaching an agreement with the Soviet Union? Under present conditions what solution do you favor?

Should we recognize the necessity of a probably indefinite division of Germany? Why or why not? Should we, under any circumstances, recognize East Germany as a sovereign state? Why or why not?

Should West Germany continue to be prohibited from having nuclear weapons?

3. What course or combination of courses should the Atlantic alliance (NATO) take in the future?

Is greater unity on strategy desirable? Why or why not? Is it necessary or desirable for the Allied powers to have much greater agreement on purposes? Why or why not? How much "unity" should be expected among sovereign nations in a free alliance? What important aims, values or principles do most of the NATO allies share? Are they enough?

Should other NATO allies carry a larger share of the defense burden? Should the combined defense effort be increased, kept at the present pace or reduced? Should NATO be better equipped to wage local war? Why or why not?

Is closer economic and political cooperation desirable in the North Atlantic community? If so, what kind? a concerted effort to mobilize free world resources? for what purposes? survival? defeat of communism? construction of a peaceful world order? expansion of freedom? enforcing peace? helping the underdeveloped? other? What are the limitations on this kind of alliance?

5

Future of Atlantic Alliance

The Berlin crisis, obviously, is not an isolated incident in an otherwise harmonious world. The issues are tied to the larger question of divided Germany and the still larger questions of peace in Central Europe and the security and freedom of Western Europe — and, ultimately, the future of a united Europe.

The crisis — and it is not really a "new" crisis — is part of Communist global strategy. It is one of numerous points of Communist pressure on the free world. And the Atlantic Allies, in attempting to meet, thwart or turn back these pressures must bear in mind their own global aims.

To what extent do the nations of the North Atlantic — North America and West Europe — share mutual aims in the world? Are their common stakes in Berlin, Europe and the rest of the world greater and more important than the issues which divide them?

Unquestionably there are differences in outlook among the NATO powers. Not all are democracies. Attitudes toward colonialism differ. There are differences in economic systems and political style. There are even different attitudes toward common enterprises, such as NATO.

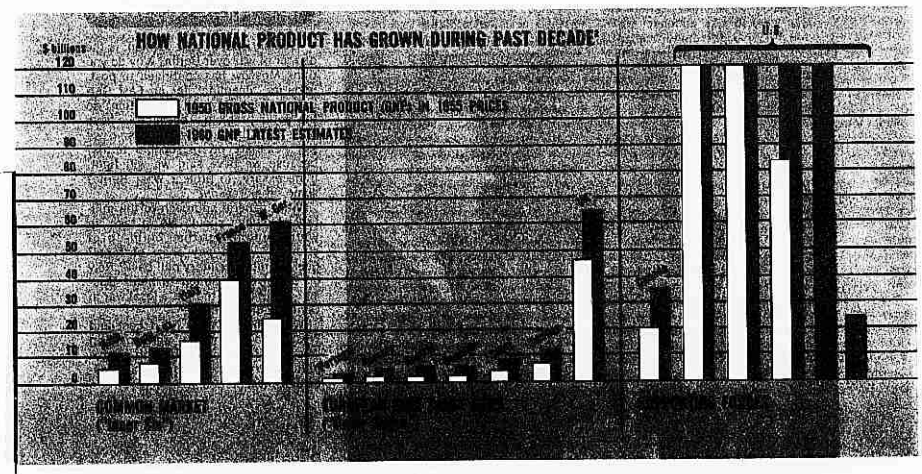
Yet, most observers agree, the nations of the Atlantic community share a large measure of agreement in the kind of world community they want to live in — one in which each nation is secure and change can take place by peaceful means. This, indeed, is a purpose implicit in NATO. It is a force designed, not to prevent any change from taking place, but to insure that a potential aggressor will not attempt change by force.

As you have seen earlier in this Fact Sheet, the European Common Market, especially if and when Britain joins, will become an economic complex rivaling that of the U. S. When the Common Market, the rest of Western Europe and the other Atlantic powers (U. S. and Canada) are weighed in the same scale, they represent a colossal economic force which accounts for nearly 90 percent of the non-Communist world's exports of industrial products.

It is against this background that many serious students of history are now discussing steps toward greater free world unity. U. S. Sen. J. W. Fulbright calls it a " 'concert of free nations,' a community rooted not only in common peril but also in common values and aspirations."[1] He proposes building the foundations or "inner community" around NATO. Others have proposed closer economic integration of the U. S. and other Atlantic powers, with both sides taking steps to liberalize and expand trade, or with the U. S. applying (like Britain) for membership in the Common Market. Still others have urged a greater degree of political cooperation among the Atlantic powers, or even steps toward loose political federation.

However the proposed forms of increased cooperation may differ, the essence of the proposals is still the same — greater unity among the North Atlantic nations. And the reason offered is also usually the same: to mobilize more effectively the enormous economic, political and cultural forces of this region in order (a) to survive and win the struggle with the common enemy, and (b) to build the foundations of a peaceful world with freedom and justice.

FOOTNOTES: 1. J. W. Fulbright, "For A Concert of Free Nations," Foreign Affairs, October 1961. 2. Sources: The New York Times, O.E.E.C., IMF, UN and U.S. Senate reports.



What are the strategic alternatives?

The controversy over Allied military policy is a live one. It is debated in NATO councils, in the Pentagon, at conferences of U. S. governors, in Congress and in the American and West European press. Three principal alternatives to massive retaliation are widely discussed. They are these:

1. **"Beef up" NATO** so it will be equipped to deal with aggression in Central Europe **without necessarily** calling on strategic reserves. That is, make NATO strong enough to handle a "local" or "limited" war. This might involve either of two things, or both: increase the number of combat divisions on the scene (now 25, once planned to be 50) and/or improve the fire power of NATO forces. Current NATO policy calls for a bit of both. Manpower strength is being increased and, by 1963, virtually all our European allies will have atomic missile-launching and artillery units. The atomic warheads, however, will remain under U. S. control (per U. S. law).

2. **"Disengagement"**—that is, seek an arrangement with the Soviet Union which will provide for mutual pull-back or thinning out of troops at the point of sensitive contact in order to reduce the danger of accidental war. The Soviet Union and Poland have offered several proposals along these lines. The 1957 "Rapacki Plan" (named for Polish Foreign Minister Adam Rapacki) is one of the best known — it called, primarily, for an atomic arms-free zone in Poland, the two Germanys and Czechoslovakia, plus control measures and steps to reduce "conventional" or non-nuclear military strength within the zone. U. S. Secretary of State Dean Rusk has rejected any such arrangement unless it is part of a larger agreement on general disarmament. He posed two objections: (1) a regional disengagement arrangement would imply an "abandonment of responsibility" for defense of the area, and (2) it would create an undesirable military vacuum in Central Europe. Other critics have pointed out that any pull-back of Allied (especially U. S. troops) from Central Europe would leave Russia in a relatively advantageous position in terms of mileage between home base and military target.

3. **Disarmament**—that is, a general agreement, world-wide, on the stabilization, reduction, elimination or control of military weapons. This is, in itself, a vast and complex subject on which endless negotiations have so far produced no agreement. At press time for this Fact Sheet, in fact, no real progress had been made on agreements to stop nuclear tests. Yet disarmament or arms control remains one important — perhaps the only — alternative to the present arms race and build-up of war tensions.

Finally, the 1950's doctrine of massive retaliation still has supporters in many quarters. There are some who argue that the only way to deter Russia from aggression is with the threat of a devastating nuclear retaliation. Critics of this view point out that this U. S. policy, in the past, has not deterred either Russia or Red China from aggression, subversion, infiltration, undercover war and threats of war everywhere from Korea, Taiwan Strait and Southeast Asia to the Middle East and Berlin.

MEANING OF THE CHALLENGE

The problem, in other words, is not merely a strategy for the defense of West Berlin or for maintaining the **status quo** in Central Europe; it is a global problem. Communist pressure on West Berlin is part of global Communist strategy. NATO is the West's core alliance, but its power and strategy must be keyed to the global interests and strategy of the U. S., Britain, France and the other NATO powers. The question is, What will it take in the way of manpower, weapons, money, determination and diplomacy to do the job?

What is your opinion? Which course should NATO follow?

President Kennedy Meets West Berlin's Mayor Willy Brandt

for discussion

How serious, in your opinion, is the danger of war over Berlin? Why do you think Moscow has continued to postpone its "deadline" for an East German peace treaty and a "solution" to the Berlin problem — because we have been firm? because we have said we will negotiate on reasonable terms? because we have said we will fight, if necessary, to protect West Berlin? some other reason?

What general approach to the military challenge should NATO take, in your opinion? Further build-up of strength? Avoid any show of force? Seek a mutual military pull-back? Rely on massive retaliation to deter Russia? Equip NATO to fight a local war in Central Europe? Other?

What should NATO do if East and West reach an "interim" agreement on West Berlin? Maintain strength in case of future crisis? Relax our military posture? Other?

The Strategic Challenge

By lining up its tanks at a harassed Berlin border crossing the U. S. demonstrated that military power is a diplomatic tool in the cold war. How important a tool is it? What is the military line-up?

The term "cold war" clearly implies that the current massive global struggle verges always on a real war. The East-West confrontation in Central Europe illustrates the danger very well.

Both sides have resorted to shows of force—the Communists, to underscore their demands that the Allies make political concessions in Berlin; the Allies, to emphasize their determination not to yield to pressure. It is widely assumed that, if the Soviet Union should take certain physical steps to interfere with Allied movements in and out of West Berlin, the Allies would show—or use—force to maintain what they consider their legal rights to free movement, and their responsibility to the people of free West Berlin.

Yet the Allies — primarily because they are in a defensive rather than an aggressive position—suffer from one and perhaps two disadvantages. First, Russia has the initiative in any fresh move. It can harass a single Allied vehicle trying to enter East Berlin (it has already done so); it can delay a single Allied train crossing East Germany to or from West Berlin (it has also done this); or it can impose (and more effectively, perhaps, than in 1948-49) a ground and water blockade on isolated West Berlin. The erection of the Berlin wall was a form of harassment, and it took the Allied command by surprise (there are some who argue the Allies should have moved swiftly to tear down the wall).

The second disadvantage the Allies may suffer is from the relative military strength and posture of the two opposing forces. Insofar as a show of force is intended to discourage an opponent from making a certain move, that show of force must be persuasive —that is, it must be believed. It is not enough to line up 10 tanks at a Berlin border crossing if that is all the power one has and the opponent has far more. The opponent must believe that the 10 tanks are a demonstration that **far more power can be and will be brought to bear if necessary.**

POWER AND STRATEGY

As the map on the previous page shows, the line-up of NATO and Soviet military forces in Central Europe is roughly equal. True, this discounts the satellite East European forces which are members of the Warsaw Pact. Western military experts are generally agreed, however, that these satellite forces are not reliable and would not be used as part of a Soviet "striking force."

This equality is upset, however, once Soviet troops in Russia are taken into account. At that point the striking force and reserve ground forces available to Russia greatly outnumber available Allied forces.

There is an additional concern. Soviet and satellite forces in Central Europe are perhaps superior in air power and are believed to be "somewhat better equipped and trained for non-nuclear warfare."[1] In other words, if war were to break out in Central Europe (by miscalculation or for any other reason), and if the war were kept at a conventional (non-nuclear) level, the Soviet Union would have a vast numerical advantage.

SWORD AND SHIELD

Allied strategy has, since the founding of NATO, taken this factor into account. The NATO shoulder patch of "sword and shield" illustrates it.

NATO ground forces, supported by NATO air and sea forces, provide a defensive "shield" capable of engaging and delaying enemy aggression until Allied strategic reserves (meaning the U. S. Strategic Air Command, Polaris submarines and U. S. planes and rockets stationed at bases surrounding Communist territory) can launch a retaliatory nuclear strike against enemy bases and cities. The retaliatory force, in other words, is the "sword" behind NATO's "shield." Or, to use another common image, Allied troops in Berlin and Germany provide a "trip-wire" to bring full U. S. and Allied military power to play—if necessary—to halt aggression.

Does this mean that war in Central Europe would **automatically** become a global nuclear conflict? According to U. S. spokesmen during the 1950's (notably the late Secretary of State John Foster Dulles) the answer is Yes. The U. S. has been committed to the doctrine that it will meet aggression with "a great capacity to retaliate, instantly, by means and at places of our own choosing."[2] The "massive retaliation" policy was announced at a time when the U. S. was believed to have a decided advantage in strategic nuclear weapons and delivery systems (manned bombers). Critics point out, however, that that same year (1954) the Soviet Union tested its first hydrogen bomb and that the West's relative advantage has since declined although it has by no means vanished.

In the last few years this doctrine has been subjected to vigorous criticism on two counts: (1) it leaves the Allies with only two alternatives in the face of local attack: (a) retreat or (b) plunge the whole world into an unprecedentedly destructive thermonuclear war; and (2) it leaves the potential enemy with three disturbing alternatives: (a) dismiss the threat as a bluff; (b) concentrate on harassment and ambiguous undercover operations that would not "trip the wire"; or (c) launch a surprise attack to try to destroy Allied retaliatory forces.

FOOTNOTES: 1. The New York Times, October 5, 1961. 2. John Foster Dulles, as quoted in The New York Times, January 13, 1954.

he says, is "not of its material strength but of its moral authority. The crisis is based upon the growth of nationalism, on the one hand, and the weakening of democracy, on the other hand . . . especially among the three larger continental nations, France, Germany and Italy."[1]

Although this view is by no means generally shared, there have been instances in recent history which keep the fear alive.

•In November 1956, for example, NATO was paralyzed from taking any effective action in support of the Hungarian freedom fighters. It was due not only to fear of Russian rockets, some observers feel, but also to the fact that NATO was "compromised" by the virtually simultaneous invasion of Egypt by England and France — without any advance warning to their NATO partners and, certainly, without any support from them. In fact, Washington was nearly as vigorous as Moscow in insisting on Anglo-French withdrawal from Egypt.

•For another example, the 8-year old Algerian rebellion has drained off half the French troops nominally committed to NATO and has been a persistent source of friction, not only between France and its allies, but also between the U. S. and the new nations of the world which consider France an "imperialist" power and the U. S. an "accomplice," simply because it is France's ally and provides military equipment to France in NATO.

•A recent instance of the conflict over colonialism is the case of Belgium, which has refused to cooperate fully with UN efforts to pacify, neutralize and unite the battling factions in Belgium's former colony, the Congo.

•While the movement toward political unity in Western Europe has been slow, economic integration is proceeding apace, as Britain and the six other countries associated with it in the European Free Trade Association consider joining the Common Market. The proposed trade area — embracing 300 million people and producing only a third less than the U. S. — offers a new international challenge.

As President Kennedy noted, "One-third of our trade generally [about $6 billion in 1961] is in Western Europe, and if the U. S. should be denied that market, we will either find a flight of capital from this country to construct factories within that wall, or we will find ourselves in serious economic trouble."[7]

Until late 1961 President de Gaulle was more reluctant to discuss the Berlin crisis than his NATO partners. There was nothing to negotiate, he said in effect. Moscow had manufactured the crisis and the Allies should refuse to budge. British leaders, meanwhile, and important members of the Kennedy Administration, have felt that negotiations with Russia could be useful as long as no basic principles or positions were compromised — indeed, some clarification of the situation could result.

In the most recent U. S.-led move to build NATO defensive power in Europe, Britain has been reluctant to send any more troops to Germany because (a) its balance of payments deficit and foreign exchange shortage is already serious, and (b) to divert troops from any other part of the world — the Eastern Mediterranean, for example — would expose Allied flanks in the global military threat.

The smaller NATO powers have resisted increases in commitments to NATO, partly for domestic political reasons, partly because any additional troops they could send would hardly affect the power balance between the nuclear-equipped giants.

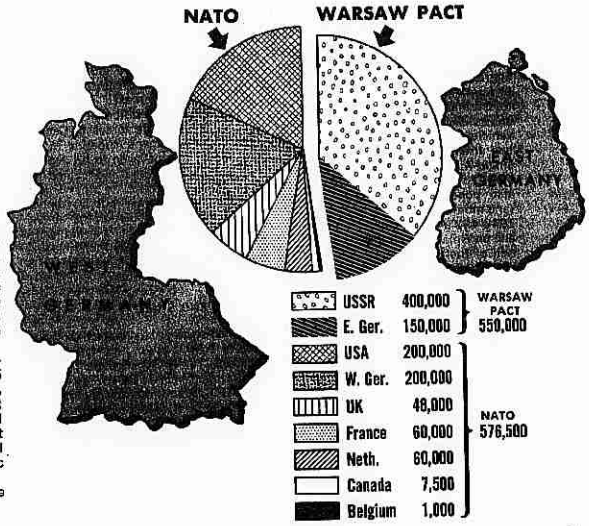
And the U. S., which like Britain faces a balance of payments deficit, has been not fully successful in persuading West Germany to increase its financial contribution to the maintenance of U. S. troops on German soil.

Yet, in spite of these conflicts and contributions, NATO has committed itself to certain minimum positions — and to fight, if necessary, to preserve Western European freedom.

Should we be concerned about disagreements which may be a healthy sign of a free federation?

FOOTNOTES: 1. The New York Times, November 14, 1961. 2. Ibid. 3. Source: Hedley Bull, The Control of the Arms Race, New York, Praeger, 1961, p. 71. 4. United States Foreign Policy: U.S.S.R. and Eastern Europe, study No. 11 prepared for the Senate Committee on Foreign Relations by a Columbia-Harvard Research Group, Washington, D.C., USGPO, February 14, 1960. 5. Hans Kohn, "Western Europe and Atlantic Unity," Current History, September 1960. 6. Latest estimates from individual government information services. 7. The New York Times, November 9, 1961.

East-West Troops Stationed in Germany[6]



3

NATO—Capable of Unity?

What are the issues and attitudes which divide the Western Allies? How deep are the divisions and what are the possible consequences? And, in spite of divisions, how real is the basic unity of purpose?

On numerous occasions the Western powers have demonstrated their capacity to meet a Soviet threat with a united front. One was the 1948-49 Berlin blockade, which found the West determined and able to stand fast in Berlin by means of the spectacular, costly and effective airlift. The ordeal contributed to the establishment of NATO.

Another striking occasion was the NATO Council meeting in December 1959. The meeting followed by a year the Soviet "ultimatum" of November 27, 1958. It followed by three months Khrushchev's visit to the U. S. and his amicable talks with President Eisenhower at Camp David. The NATO foreign ministers flatly rejected Soviet proposals on Berlin (as they had a year earlier) and reaffirmed Allied occupation rights in West Berlin. The show of unity blasted Khrushchev's hopes for a quick negotiated settlement and won Moscow's condemnation as a violation of the "spirit of Camp David." The NATO communique, some experts believe, was a contributing factor to the blow-up of the Paris summit conference the following May — if negotiations were impossible on Khrushchev's terms, then there would be no negotiations.

More recently, at the annual meeting of NATO parliamentary representatives in Paris on November 13, 1961, there was a similar show of unity. French Foreign Minister Maurice Couve de Murville appealed for unanimous support of Allied rights in West Berlin. He warned that the Russians, by walling off their sector, were attempting to crack Western unity.

At the same meeting, U. S. General Lauris Norstad, supreme NATO commander, announced that by the end of 1961 the Allies would have 25 divisions, most of them combat ready, in position in the critical Central European sector. He pointed out that this means "our deployed forces in Central Europe will have been increased by more than 25 percent." The swift build-up — in response to the Berlin crisis — was the result, he said, of "new efforts, in some cases extraordinary efforts," by 14 of NATO's member nations (the 15th, Iceland, does not contribute military forces).[1]

On the surface it appeared that Khrushchev's attempts to divide the Western alliance had backfired. Yet, at the same NATO meeting, there were undertones of disunity.

U. S. Secretary of the Army Elvis J. Stahr, Jr. told the NATO parliamentarians that "the American people feel strongly that some European nations could and should do considerably more to strengthen the common defense." He cited U.S. defense expenditures of more than 10 percent of gross national product, while there are NATO "members whose defense outlays amounted to less than 5 percent."[2]

The U. S. complaint points up two related areas of disagreement — the feeling that some NATO members are not bearing a fair share of common defense costs (in both money and manpower) and U.S. convictions that the level of the common effort should be increased over-all.

NATO DEFENSE EXPENDITURES
% of gross national product[3]

Country	1949	1953	1959
Belgium	2.4	4.9	3.8
Canada	2.6	9.0	6.1
Denmark	2.1	3.7	3.2
France	6.4	11.0	8.9
W. Germany	*	5.0	5.3
Greece	7.4	6.4	6.0
Italy	4.4	4.6	4.1
Luxembourg	1.0	3.2	1.9
Netherlands	4.5	6.2	4.3
Norway	2.9	5.7	4.0
Portugal	3.7**	4.4	4.7
Turkey	6.7	5.6	5.0
United Kingdom	7.0	11.3	7.7
United States	5.7	14.8	10.7

*Not available. **Estimate.

As the table in the previous column indicates, defense expenditures of NATO member countries in relation to GNP rose considerably during the first 10 years of the alliance's existence, reaching a peak during the Korean war (1950-53). Since that time expenditures have risen, but not as fast as GNP. By contrast, however, Soviet defense expenditures are estimated by U. S. government sources at close to 20 percent of GNP. One recent Senate study estimates that the Soviet Union, with a GNP less than half that of the U. S., is "spending about the same amount as we for military purposes."[4]

There have unquestionably been some improvements in the sharing of defense costs in NATO. Four NATO members — Britain, France, West Germany and Luxembourg — no longer receive any military grant aid from the U. S.; they now pay for all U. S. equipment and training they receive.

Yet the basic questions still remain: Are other NATO members doing as much as they could for the common defense, and is the combined effort adequate to the challenge NATO faces in Central Europe?

UNITY OF PURPOSE

There are hints of other conflicts within the core alliance. One is the question of common purpose. Do the NATO powers really share common values and common goals in the world? Or is the alliance essentially a marriage of convenience, a form of military protectionism behind which each nation pursues its own material goals? Is West Germany democratic? Is de Gaulle's France interested in anything but great-power status?

According to one authority, "the single greatest obstacle to Atlantic unity and democracy is the emphasis on self-centered nationalism and imperial **gloire** [glory]." NATO's real test,

THE PROS AND CONS OF GERMAN REUNIFICATION

Given this background and the differences between the two systems, what are the realistic prospects for German reunification?

The simplest — and perhaps most enduring — obstacles to reunification are those economic, social and political contrasts in which East and West have vested interests. The Soviet Union has made clear it will not consent to any arrangement which jeopardizes the Communist system now imposed on East Germany. And the Allies, including the Bonn government, have so far refused to consider any arrangement other than one in which all Germans — including East Germans — are permitted to choose freely the type of system under which they wish to live.

An alternative is confederation rather than reunification. This, in fact, is what the Soviet Union has proposed — that representatives of East and West Germany meet as equals to work out steps toward political confederation. Under this proposal, the two Germanys would presumably retain their contrasting political, economic and social systems but share a common foreign policy.

The West has two principal objections to such an approach — (1) it does not free the people of East Germany from Soviet domination and implicitly recognizes their puppet government; (2) a common foreign policy under such an arrangement would certainly bring pressure to take West Germany out of the Western European Common Market and NATO, to the detriment of the West.

OPPOSITION TO REUNIFICATION

Russia has made it fairly clear it is not interested in German reunification except by an arrangement which takes West Germany out of NATO and the Common Market and neutralizes Germany militarily. One reason is clear, not only from Soviet propaganda but also from history: a deep-seated fear in Russia and Eastern Europe of a powerful reunited Germany capable of reclaiming former German territories which were detached after the war and are now under Polish and Soviet administration.

President Kennedy took account of these fears in his report to the nation last July:

"We recognize the Soviet Union's historical concerns about their security in Central and Eastern Europe, after a series of ravaging invasions. And we believe arrangements can be worked out which will help to meet those concerns, and make it possible for both security and freedom to exist in this troubled area."[3]

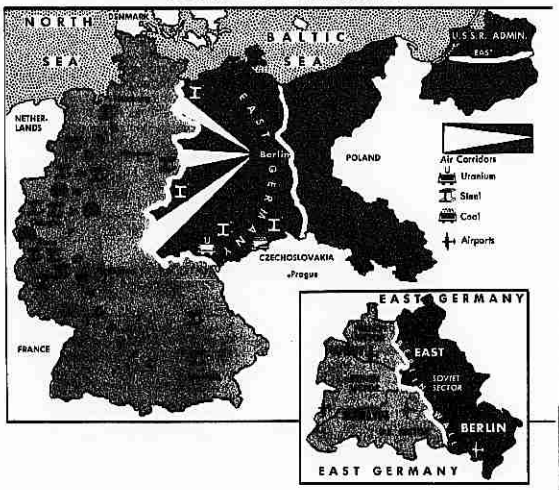
Furthermore there are qualms in some Allied quarters about a reunited Germany which, economically, would be the prevailing power in Western Europe. A reunited Germany which was militarily powerful and independent — outside NATO and the Common Market — would raise grave fears in the West as well as the East. It may be political suicide for any West German leader to advocate "abandoning" claims to ¼ of Germany's former territory, home of 9 million former citizens. Some Allied spokesmen are nonetheless worried about the possibility that Europe may one day be dragged into war by a united Germany's attempt to reconstitute its pre-war boundaries.

Concern has also been voiced in West European capitals about the desirability of a reunited and pro-Western Germany, even though fully integrated into the West European economic and political systems. West Germany is already the largest and, during the 1950's, the most rapidly expanding economy in the Common Market. With the addition of the East German population, resources, and productivity, it might become the dominating force in West Europe.

The dilemmas facing Allied policymakers are not, in other words, solely cold war problems of dealing with Russia. The issue of German reunification (and the future of Berlin) is not simply a question of "legality." It is also a question of what will strengthen or endanger the forces of freedom and cooperation in Western Europe and what will contribute to or detract from peace and security in Central Europe.

FOOTNOTES: 1. Berlin — 1961, Department of State Publication No. 7257, Washington, D.C., USGPO, 1961, p. 2. 2. The New York Times, October 18, 1961. 3. Berlin — 1961, op. cit., p. 40. 4. Sources: The New York Times, var. dates.

DIVIDED GERMANY*



2

Reuniting Germany—a Mirage?

Is German reunification a "phoney issue"? Is it realistic in the present cold war situation? Is it even desirable from the West's point of view—at least for the present? Are there alternatives?

At the Potsdam Conference in the summer of 1945 the leaders of the U. S., Britain and the Soviet Union agreed to work for the "eventual reconstruction of German political life on a democratic basis and for eventual peaceful cooperation in international life by Germany." Earlier, in a 1944 agreement providing for the occupation of a conquered Germany, the three powers "specifically set aside Greater Berlin as a separate area to be occupied and administered jointly."[1]

These arrangements (in which France later became a full participant) provide the legal basis for the current Allied stand on German reunification and 4-power administration of Berlin.

Events, however, have followed a different course from that contemplated at Potsdam.

BREAKDOWN OF COOPERATION

Administrative coordination among the four occupying powers in Germany collapsed within 2½ months of the Potsdam agreement. One issue was reparations. The Russians were unwilling to report on the extent of their dismantling of German industry in their occupation zone, and they demanded reparations from the Allied occupation zones at a level which Allied authorities considered incompatible with the reconstruction of the German economy.

A related issue was the treatment of Germany as an "economic unit." Again the Allies and Russia were unable to agree on terms or procedures.

By 1948 the three Allied powers had agreed to an economic and political fusion of their occupation zones, and to the setting up of a democratic West German government on the territory they occupied. In protest, the Soviet representative on the Allied Control Council walked out, insisting that the council "no longer exists."

Soon afterwards (June 1948) the 4-power Kommandatura (governing body) in Berlin also collapsed. The Allies had enacted currency reforms in West Germany and proposed extending them to Berlin. The Russians opposed these measures and walked out of the Kommandatura. The reforms were introduced in the three Allied sectors of Berlin. On June 23 Soviet forces cut off all rail traffic between West Berlin and the Western occupation zone of Germany. On August 4 they halted all road and water traffic. The Berlin blockade was on.

During the 11-month blockade U.S., British and French aircraft flew over 2 million tons of food and supplies into West Berlin in a total of 277,728 flights in which 72 people lost their lives through accident. The blockade failed to force the Allies out of Berlin and, indeed, caused economic hardship in the Soviet zone of East Germany because of the Allied counter-blockade. In May 1949 the Russians ended their blockade of West Berlin and the Allies called off their blockade of the Soviet occupation zone.

In September 1949 the Allies ended their military occupation of West Germany and recognized the independent Federal Republic (West Germany) with its capital at Bonn. The Soviet Union, after vigorous protests, proclaimed the establishment of a "democratic republic" in East Germany with its capital in the Soviet occupied sector of Berlin.

NATO, core of the West's global defense system, was in part a response to the threat implied in the Berlin blockade. The pact was signed in 1949, after "paramilitary formations" had appeared in East Germany. In 1950 the Allies decided to rearm West Germany and bring it into the Western defense system. In 1955 Russia and its East European satellites signed the Warsaw pact and West Germany was admitted to full membership in NATO, although it renounced heavy weapons and nuclear arms.

The division between the two Germanys has continued to harden as West Germany has been drawn closer into Western European economic and political institutions, including the Common Market, while East Germany has been fully integrated into Communist regional economic arrangements.

THE TWO GERMANYS

Although trade between the two Germanys has been substantial (the West German volume of trade was $840 million last year),[2] and administrative (rather than political) contacts between the two states have been extensive, there is little similarity between the two societies.

East Germany is a Communist dictatorship under the old-line Stalinist Walter Ulbricht. As the flow of refugees and the unsuccessful insurrection of 1953 demonstrate, it is not a popular regime. It unquestionably relies on the presence of 20 Soviet divisions and its own extensive military and police forces to remain in power. Its economy is about one-fifth that of West Germany in terms of total production (1959 GNP). Its population is about 17 million, compared with West Germany's 55 million.

West Germany is a federated republic, with a free press and democratic political institutions, under the leadership of 86-year-old Chancellor Konrad Adenauer, who heads a coalition government. The major pride of the Adenauer government is the total reconstruction of the West German economy and the nation's growing prosperity. West Germany is a full partner—and the largest economy—in the integrated West European Common Market, second only to the U. S. in volume of world trade. It also provides NATO with the largest military contingent.

city for a period to be specified. 2. A separate Soviet peace treaty with East Germany will transfer to that government control over Allied access routes to West Berlin, although the date for signing such a treaty has been postponed several times and Moscow has hinted at the possibility of some "face-saving" arrangement by which the Allies would not be forced to recognize the East German regime to keep these routes open.

MANEUVER AND INITIATIVE

Throughout 1961 Berlin was the scene of jockeying, maneuver and initiative on both sides. In July President Kennedy called for a U. S. and Allied military build-up and asked Congress for an extra $3¼ billion for defense. He also asked for $207 million for civil defense. In August the East Germans, without warning, threw up the Berlin wall. The Allies protested vigorously but made no move to interfere. The U. S. sent reinforcements into West Berlin and all three Allied occupation commands made repeated tests of their right (under 4-power agreements) to send military and diplomatic officials into the Eastern sector of the city. At one point, after a U. S. official had been turned back by East German police for refusing to show any more identification than his car's official license plate (a long-standing U.S. practice), U. S. tanks were rolled up to the border. Soviet tanks followed suit on the other side. After a brief but tense vigil, both tank forces were pulled back, but the East Germans soon constructed tank traps and barriers at the principal check points in the wall.

WHAT IS THE ALLIED POSITION?

The Allied counterposition has been unclear on several points. Fundamentally Washington, London, Paris and Bonn agree that the Allies must remain in West Berlin, that no unilateral Soviet act (such as an East German peace treaty) can invalidate their occupation rights in the city or their obligation to safeguard the freedom of its people, and that they will not negotiate under threat. At press time for this Fact Sheet, however, it was unclear under what conditions the Allies would negotiate, or what points they could agree were negotiable.

FOOTNOTES: 1. President Kennedy's address to the nation, July 25, 1961, as recorded in The New York Times, July 26, 1961. 2. Walter Lippmann in the New York Herald Tribune, October 17, 1961.

What issues does the Berlin crisis bring to a head?

The ultimate political challenge appears in military terms. Divided Berlin and divided Germany contain the only frontiers in the world where U. S. and Soviet combat troops are face-to-face. Although the 12,500 Allied troops in West Berlin are encircled and their supply routes are dominated by superior numbers of Soviet and East German troops, the East-West standoff in Germany as a whole is less unfavorable: there are an estimated 20 Soviet and 7-8 East German divisions in East Germany and 22 Allied divisions in West Germany.

Furthermore, open military conflict in Berlin or Germany would almost certainly bring Soviet and Allied nuclear forces into play, including U. S. strategic air and sea forces.

So far, however, both sides have scrupulously avoided an act of force which might lead to war. There have been incidents, probes and an occasional show of force—such as the silent "battle of the identification cards" when 10 U. S. and 10 Soviet tanks faced each other at the Friedrichstrasse check-point. But both sides have been careful not to let any incident get out of hand.

An accident is still possible. And, experts fear, so is a miscalculation by either side.

What are potentially the most explosive issues which the Berlin crisis brings to a head? What does each side consider to be its vital interest—the point beyond which it will not compromise or retreat? Are there maximum and minimum demands on both sides? At what point will either or both sides take the last recourse—military force?

Issue no. 1: GERMAN PROBLEM (pages 4-5)

The basic Allied position has been that the Berlin question cannot be discussed in a vacuum—that it is inseparable from German reunification and European security. The Allies are on record demanding German reunification through free nationwide elections, and refusing to end their occupation of West Berlin—as a symbol of freedom to the East European satellites—until this is done. They have also refused to recognize the East German regime.

Russia insists the two German states are a "reality" which must be accepted, and that the Allies must deal with the East Germans after a peace treaty is signed. Reunification is possible, they say, only by negotiation between the two Germanys.

Issue no. 2: ALLIED UNITY (pages 6-7)

Throughout 1961 the Allies were at odds on several important procedural steps, including the question of negotiation. President Charles de Gaulle of France was still refusing in late 1961 to consider any negotiations in a crisis which the Soviet Union had manufactured. The U.S. and Britain expressed willingness to discuss arrangements which would contribute to peace without imperiling the freedom of West Berlin. Yet, when the U. S. reinforced its Berlin garrison and called for a NATO build-up, its allies appeared reluctant to follow suit. There were differences also on whether the Allies should "deal" with East Germany short of diplomatic recognition, and whether any Berlin agreement was desirable without German reunification.

Issue no. 3: ALLIED STRATEGY (pages 8-9)

The differences, conflicts and disagreements reduce themselves to one fundamental challenge—a common Allied strategy, both diplomatic and military. If there are to be any negotiations at all, the Allies have to reach agreement on what they will and will not accept as solutions or interim arrangements on the 4-power status of Berlin, Allied occupation of West Berlin, a German peace treaty and German reunification.

If there are to be no negotiations, or if the negotiations deadlock, the Allies must agree on other alternatives, including the point at which they will defend their positions and what military measures may be necessary to make that defense effective. We shall now explore these issues.

Berlin—Bluff or Countdown?

The chronic Berlin crisis began its present phase in November 1958 with a Soviet "ultimatum." It reached a peak of tension in August 1961 with "the wall." What is at stake? What lies ahead?

On August 13, 1961 Communist East German labor battalions and People's Police (Vopos) suddenly sealed off East Berlin from the Western sectors of the city with walls, barricades and barbed wire. In West Berlin—"an island of freedom in a Communist sea"—were 2.2 million free West Berliners and their protectors, 6,500 U.S. troops, 3,000 British and 3,000 French. The nearest reinforcements were 100 miles away in West Germany and the Allied garrison was, in tactical terms, hopelessly outnumbered.

What were Communist motives? What did the virtual sealing off of the city's normal traffic mean? Were the Soviet Union and its East German puppets determined to force the Allies out of West Berlin? Would they risk war—almost certain to become global and nuclear—to win such an objective? Did the wall destroy West Berlin's economic and political viability, leaving it, in one commentator's words, "a stricken city without a future"?

Finally, how would this latest Communist initiative affect the ability of the Allies to maintain their occupation rights and to fulfill their moral responsibilities to the people of free West Berlin?

These questions were on the top of the agenda in Washington, London, Paris and Bonn during the rest of 1961. And, in consultations back and forth among these Allied capitals, it soon became clear that Allied leaders had disagreements among themselves on the meaning of the crisis and the kind of response that was called for.

The Berlin crisis of 1961-62 became a test of Allied unity—of the capacity of NATO and, especially, of the U. S., Britain, France and West Germany to present a united and effective front to Moscow's probes and threats. What are the issues?

The Berlin wall is not a cause of the current crisis. Rather it is a symbol of and a clue to the underlying conflict between East and West.

The Communists claimed the measure was designed to prevent Western "propagandists," "provocateurs" and "spies" from using Allied-occupied West Berlin as a base for operations on Communist territory. A more obvious motive was to put a stop to the rising flood of East German refugees who used West Berlin as an escape hatch to West Germany and freedom. In the past 13 years over 2.6 million refugees have fled West from East Berlin and East Germany—an open admission of the regime's failure to win popular support.

The basic Soviet aim is not the control of traffic—legal or illegal—between the free and Communist sections of Berlin. It is a radical change in the 4-power status of the city to pry it, and ultimately West Germany, from the Western alliance. The Soviet position was spelled out in diplomatic notes to the Allies and to West Germany on November 27, 1958.

The Soviet notes stipulated that earlier international agreements (1944 and 1945), setting up occupation zones in conquered Germany and providing for 4-power joint administration of Berlin, no longer had any validity. In view, therefore, of "the unlawful occupation of West Berlin" by the Allies, and of "severe abuse of... occupation rights" by the Western powers, Moscow proposed that West Berlin be "demilitarized" and made into a "free city" which could be guaranteed by the Soviet Union and the three Allies alone, or by them and the UN.

Soviet-occupied East Berlin was not to be included in the "free city" package, although the Soviet Union indicated it planned to end its own occupation of that part of the city and to withdraw its troops.

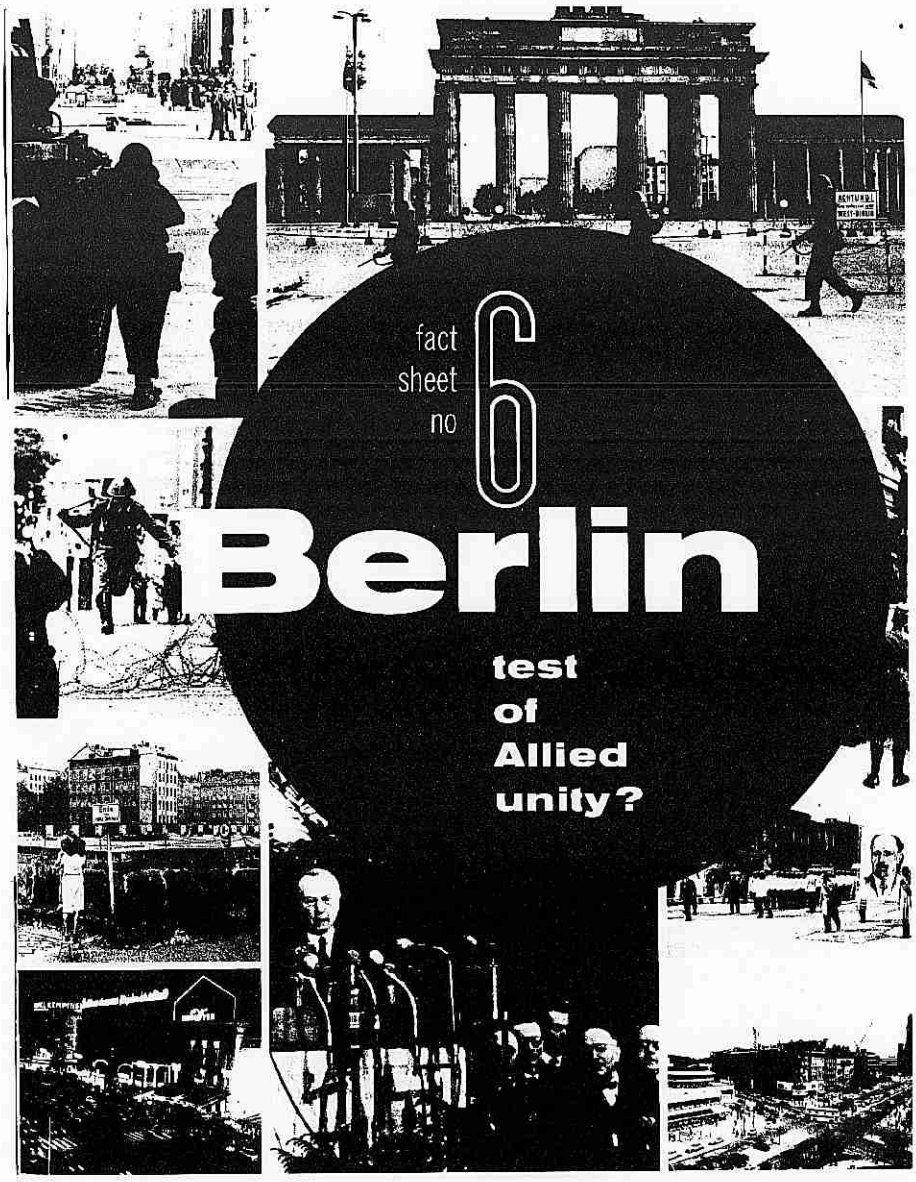
Finally, the Soviet Union expressed its willingness to negotiate with the Allies on the proposed "demilitarized free city" status for West Berlin—on three important conditions:

1. Agreement should be reached on the Soviet proposals within six months (that is, by May 27, 1959), during which time Allied military traffic into West Berlin would not be molested. 2. If Russian proposals were unacceptable to the Allies, then there could be no negotiations whatsoever. 3. In that case, the Soviet Union would sign a separate peace treaty with Communist East Germany, giving it sovereign control over land, sea and air corridors between West Germany and West Berlin.

RECENT SOVIET POSITION

Fundamentally this is still the Soviet position. The "ultimatum" tone of the original notes was subsequently softened, the original "deadline" for reaching agreement passed without incident, and Soviet demands on such questions as "demilitarization" of West Berlin have deliberately been blurred. Yet, at the foreign ministers conference in Geneva in May 1959 and in later diplomatic exchanges and visits (including the Kennedy-Khrushchev talks in Vienna in June 1961) Moscow has been adamant on the following points:

1. Allied occupation of West Berlin is "abnormal" and must be liquidated although, at various times—even in late 1961, Moscow appeared willing to negotiate an "interim" settlement which would leave Allied troops in the



fact sheet no 6

Berlin

test of Allied unity?

MIDDLE EAST

Badeau, John S., **The Lands Between.** New York, Friendship Press, 1958. 138 pp. $1.75. Scholar and long-time resident in the Middle East, now U. S. ambassador to Egypt, Dr. Badeau presents a general introduction to the history, geography, peoples and cultures of the Middle East.

Campbell, John C., **Defense of the Middle East: Problems of American Policy.** New York, Harper, 1958. 392 pp. $5.00. An account of the background and development of American policy by the director of political studies at the Council on Foreign Relations.

Christopher, John B., "Middle East — National Growing Pains," **Headline Series.** New York, Foreign Policy Association, July 1961. 64 pp. $.50. An analysis of the progress made by the leading countries of this area and the problems the future poses for them by a history professor at the University of Rochester.

Greenwald, Norman, **The Mideast in Focus.** Washington, D. C., Public Affairs Press, 1960. 86 pp. $2.50. A general but concise introduction to the sociology, history and politics of the modern Middle East by a professor of government at Northeastern University.

Laqueur, Walter Z., ed., **Soviet Union and the Middle East.** New York, Praeger, 1959. 365 pp. $6.00. A series of essays by prominent authorities on the Middle East, analyzing various facets of the Soviet-Communist drive into the area where Russia has long sought influence.

Lengyel, Emil, **The Changing Middle East.** New York, Day, 1960. 376 pp. $5.75. An author and educator discusses the social and political changes in the Middle East from 1950-60.

"Nationalism in the Middle East." **Current History,** February 1959. 128 pp. $.65. A series of articles by eight specialists.

Shwadran, Benjamin, **The Middle East, Oil and the Great Powers 1959.** Rev. ed. New York, Council for Middle Eastern Affairs Press, 1959. 544 pp. $7.00. An acknowledged authority on the political, social and economic problems of the area gives a penetrating analysis of all aspects of Middle East oil.

United States Foreign Policy — Middle East. Washington, D. C., USGPO, June 9, 1960. 115 pp. Single copy free from the Senate Committee on Foreign Relations. Reviews U. S. policies in the Middle East.

IRAN

Carey, Jane P. C., and Carey, Andrew G., "New Phase in Iran," **Foreign Policy Bulletin.** New York, Foreign Policy Association, 8 pp. $.20. Two long-time scholars of the Middle East discuss political and economic problems after the 1960 elections.

Lenczowski, George, **Russia and the West in Iran, 1918-1948: A Study in Big-power Rivalry.** Ithaca, N. Y., Cornell University Press, 1949. 383 pp. $4.50. A standard work in the understanding of Iranian foreign relations by a professor of political science at the University of California.

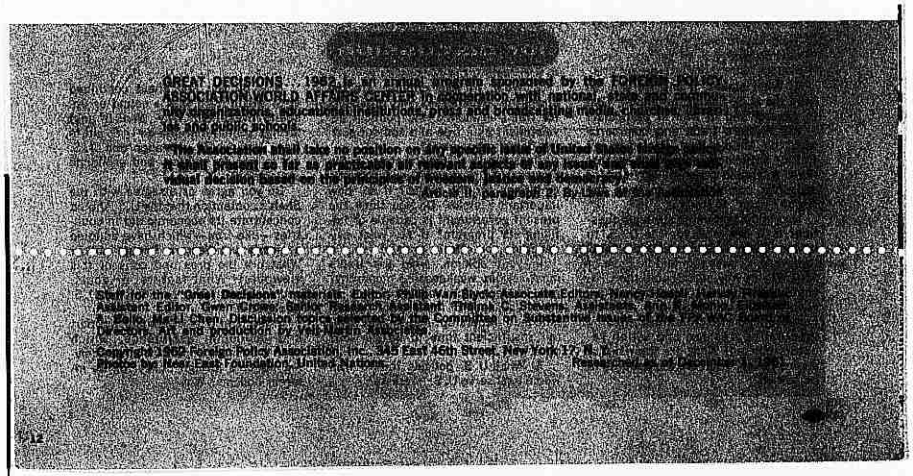
Shah Pahlavi, Mohammed Reza, **Mission for My Country.** New York, McGraw-Hill, 1961. 336 pp. $5.95. A ruler describes the goals he has set for the advancement of his country.

Upton, Joseph M., **The History of Modern Iran: An Interpretation.** Cambridge, Mass., Harvard University Press, 1960. 163 pp. $4.00. A Harvard professor has based this study upon reading, discussion and observation over a period of 30 years, including 14 spent intermittently in Iran.

Vreeland, Herbert H., ed., **Iran.** New Haven, Conn., Human Relations Area Files, 1957. 350 pp. $8.00. A collation and synthesis of materials on Iranian society, prepared by three successive interdisciplinary teams of the Human Relations Area Files.

Wilbur, Donald N., "Iran: Oasis of Stability in the Middle East," **Headline Series.** New York, Foreign Policy Association, September 1959. 64 pp. $.50. A long-time student, consultant and writer on the Middle East appraises Iran's strengths and weaknesses.

Suggested readings and other publications are available in most local libraries and in some World Affairs Councils. Or they may be ordered from FPA-WAC Book and Pamphlet Department, 345 East 46th St., New York 17, N. Y.



under a project financed by the Ford Foundation. It would require further belt-tightening at home, over $400 million in foreign credits and a large bite out of annual revenues. The total cost over a 5¼-year period is estimated at $4.5 billion.

Whether the government is able to fulfill its ambitions for the nation depends partly on maintaining domestic stability during the construction period, partly on foreign assistance and partly on the absence of foreign interference. The prospects are further clouded by the possibility—always present—that the Soviet Union may succeed in its efforts to subvert the government by agitating discontents.

During the last decade the Soviet Union has followed a carrot and stick policy toward Iran—periods of cordial relations have been followed by sword-rattling. Moscow has alternated offers of arms and aid with threats of reprisal, claiming Iran has permitted the U. S. to build military bases on Iranian soil. Currently Russia is beaming muckraking broadcasts to Iran, exposing and elaborating on instances of fraud, corruption or bribery, spreading malicious rumors and calling for revolt.

The Shah's anti-Communist policy is three-pronged: (1) suppression of the Communist-dominated Tudeh party and its leaders, (2) membership in CENTO, and (3) a 1959 bilateral pact with the U.S., which assures military support in case of aggression. The last two prongs are most controversial—because of a substantial bloc of neutralist sentiment in Iran and because they imply indefinite continuation of heavy defense costs on Iranian taxpayers. Indeed, the Shah has voiced his own reservations about the quantity and quality of U. S. military aid. He has criticized the U.S. for sending obsolete weapons to Iran, a staunch ally, while simultaneously aiding doubtful neutrals. He would prefer, in short, a heavy concentration of aid to Iran.

FOOTNOTES: 1. As quoted in Iran Review, vol. VI, No. 2 & 3, 1961. Office of Press and Information, Embassy of Iran, Washington, D. C., p. 14. 2. As quoted by Lehrman, op. cit., p. 64. 3. Upton, op. cit., p. 123. 4. As quoted in The New York Times, November 5, 1961. 5. Sources: U. S. Foreign Assistance and Assistance from International Organizations, Obligations and Other Commitments, July 1, 1945 through June 30, 1960 and July 1, 1945 through June 30, 1961 (Preliminary), Washington, D. C., International Cooperation Administration Office of Statistics and Reports.

What U. S. Policies?

Mohammed Reza Shah is steering his country along a determinedly pro-Western course. He has resisted Soviet pressures to "neutralize" his policies and has rejected Soviet protests against close collaboration with the U.S. and the Western alliance.

This course, it has been pointed out, is a courageous one for the head of a nation which shares a 1,500 mile border with the Soviet Union.

It may also be argued that the Shah and his ministers are motivated by self-interest—that Western support is a better guarantee of survival of the throne and the dominant classes than either a pro-Soviet or neutralist policy is likely to provide.

The task for the American people—and policy-makers in Washington—is to decide what stakes the U. S. does or does not have in a pro-Western Iran, and what investment, if any, the U. S. should continue to make in the plans and prospects of the present government of Iran. It is admittedly not an easy set of questions—yet these are the questions which have to be answered if American policy is to be effective. And the decision, or gamble, has to be taken now.

Below is a series of specific questions which have a bearing on future U. S. policy.

Discuss them, and then make up your own mind.

for discussion

1. What stakes, if any, do you believe the U. S. has in the Middle East in general and in Iran in particular?

Are Western trade and commerce with the Middle East (including oil traffic) sufficiently important so that the U.S. should make military and/or economic commitments to keep the region "open" to trade?

How important is the strategic question? Is it desirable for the U. S. to have military allies in the Middle East? to have U. S. bases on Middle Eastern soil? Why or why not? Should the U. S. continue its present commitment (Eisenhower Doctrine) to aid any Middle Eastern nation which is threatened by external aggression and which requests our aid? What are the risks of such a policy? What are the benefits to be gained?

2. What, in your opinion, are the strengths, weaknesses and prospects for Iran's economic and political development as a free and self-supporting democratic nation?

Does the U. S. have a stake in the success of the present government's ambitions for the nation? If so, how important a stake? Do you think the present government is capable of fulfilling its program? If so, what evidence do you offer?

In your opinion, what are Iran's most serious weaknesses? monarchy? gap between rich and poor? lack of resources? lack of leadership? feudalistic land ownership? insufficient capital? insufficient time to do the job? other?

3. What U. S. policies toward Iran would best serve U.S. interests?

How do you feel about continued U.S. aid to Iran? Is it a sound or unsound investment? Why? What (if any) strings should there be on U. S. aid to Iran? How would you apportion U. S. aid to Iran for military and economic assistance?

Do you agree or disagree with the Shah's contention that the U.S. should concentrate its economic aid in countries—like Iran—which have adopted a clearly pro-Western foreign policy? What are the pros and cons of this viewpoint? What factors, or goals, should govern the granting of U.S. foreign aid?

In terms of U. S. diplomatic support and economic assistance, which should be more important—the receiving nation's foreign policy? or its internal policies? Why?

5

Iran between East & West

"We wish to remove once and for all the Sword of Damocles of political and economic instability. We are opposed to poverty, to illiteracy, to communism, to imperialism whatever shape or guise they make take." — Shah of Iran[1]

The industrial revolution has begun in Iran, although less than 2 percent of the people work in industry and over half of these are engaged in home crafts (1955 I.C.A. estimates).

An organized attempt to modernize the economy began in 1948 with the first Seven-Year Plan. The plan set up an independent government agency, the Plan Organization, to administer a $650 million development program. The bulk of the revenue was to come from oil royalties, largely from the Anglo-Iranian Oil Company, in which the British government owned over half the voting stock. Dissatisfaction with the royalties ($38 million in 1949) and Premier Mossadegh's xenophobia led to seizure of the company in 1951.

The move proved disastrous for the first Seven-Year Plan. Iran lacked both the markets and ships for its oil, the most important source of national revenue dried up, and Mossadegh was finally removed as premier.

Subsequently, with U. S. assistance, Iran worked out an agreement with an international consortium of oil companies which now buy oil at the well from an Iranian government agency, paying 50 percent of net profits on overseas sales. Within three years Iran's oil income climbed to $225 million, is now up to approximately $300 million and (if the Shah's expectations are realized) may one day reach $1 billion a year.

SECOND SEVEN-YEAR PLAN

A revised $1 billion development plan was set up for 1956-62 to be financed 60-80 percent by anticipated oil revenues, the rest by grants and loans from abroad — World Bank, U. S. Development Loan Fund, U. S. Export-Import Bank and other sources, including loans from West Germany and Britain.

The aim of the plan, according to one of its directors, is ambitious: "We've got to prove to [Iranians] — and to people in other underdeveloped countries — that a country can move forward without the ruthless methods of Russia or China. This may be our last chance."[2]

The plan provides for 33 percent of investments in communications and transportation, 26 percent in agriculture and engineering, 26 percent in social services and 15 percent in mining and industry. For political as well as social reasons, emphasis is placed on "visible" public works — streets, schools, hospitals.[3] Much of the work is under contract to foreign firms, some to Iranian firms, but all planning and direction remain Iranian.

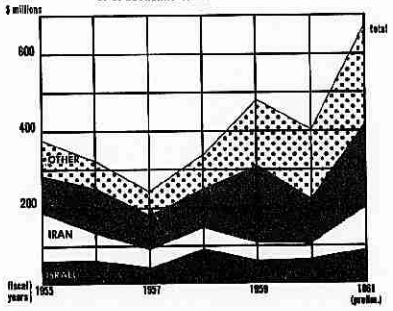
One much debated project is a development similar to the TVA to restore the southwestern province of Khuzistan to its fertility of centuries ago. It will include a system of dams, roads, power and irrigation works, sugar cane plantations and factories. It is under contract to a corporation headed by former TVA directors David E. Lilienthal and Gordon R. Clapp.

The impact of the second plan is already being felt in many sectors of the business community. Under 1955 legislation favorable to foreign capital and growing confidence of local capital, private investment has been increasing steadily — most of it in traditional fields, but also in automobile and truck assembly, tire manufacture, grease and lubricating oil, shoes, refrigerator assembly, fertilizer, canning, milk processing, cast iron pipe, aluminum doors and windows, etc.

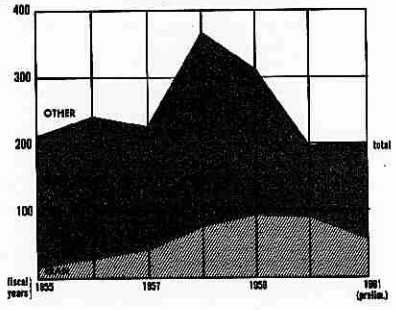
Yet, in spite of increased oil revenues and a general upsurge in business, the financing of national development remains a major problem. In an interview with U. S. correspondents last fall the Shah urged the U. S. to make Iran the show place for the non-Communist world. With increased aid from the U. S., Britain, France, Italy and West Germany, the Shah believes his country can, within 20 years, reach European standards of living. But, he warned, "We have not a minute to lose."[4]

Meanwhile, a new 5-year plan has been drafted by a group of Harvard and foreign-trained Iranian economists

U. S. Economic Aid to the Middle East*



U. S. Military Aid to the Middle East*



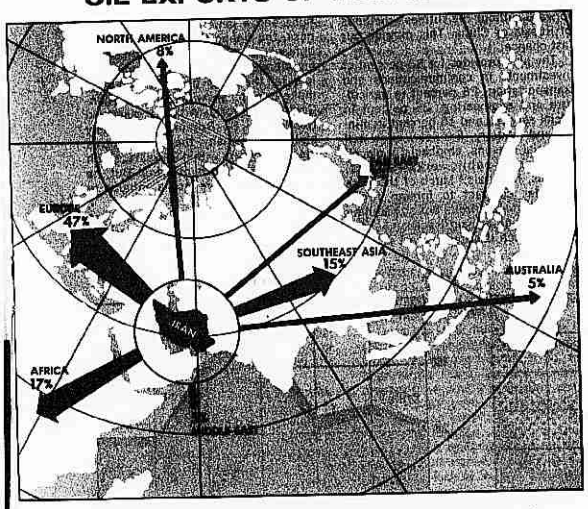
The "pull" of industrialization and expansion of business and the professions is another explanation. The workers for urban industry (especially in Teheran) are recruited in the countryside. The construction of farm-to-market roads (built to ease the marketing problem) has aided the flow of rural workers in search of better opportunities in the city—farmers' sons who earn no direct cash income on the farm, but who may, if they are lucky, make $1.00 or more a day in a textile factory or, if they are luckier still and learn a skilled trade, may make $3 a day in a Teheran industry.

The urban population is swelled still further by the castoffs — the "citified" peasants who have become too demanding of their new employers, have been replaced by a fresh levy of rural recruits and are left to join the growing mob of restless, unassimilated, unemployed and discontented masses. This high turnover of urban labor, in part, accounts for the generally low productivity of Iran's factories —it is usually considered cheaper to bring in new and untrained labor than to perfect the skills of labor on hand.[2]

MOB AND MIDDLE CLASS

The effect, in any event, is an explosive urban growth which is changing the character of the cities and will no doubt have an increasing impact on Iran's political as well as economic, social and cultural development.

OIL EXPORTS OF IRAN 1960[6]



Oil is Iran's major export and chief source of revenue. Oil accounts for 75% of Iran's annual export earnings and contributes $290-$300 million each year to the national revenue of $1.1 billion (1960-61 estimate).

In Teheran, competent observers say, 20 percent or less of the population lives reasonably well by local standards. This means that 1.4 million of the people have less than a local minimum standard of living and only 600,000 are "reasonably" well off.[3] These two urban classes, separated by a wide economic gap, experts say, are the principal latent forces in Iranian politics. One (and the larger) class may be described as a mob, so far politically inarticulate, but "peculiarly susceptible to oratory . . . attuned to mass political propaganda and though incapable of exercising responsibility themselves are quite capable of supporting anyone who promises to act in their interests."[4]

The smaller (but rapidly growing) and increasingly important class is made up of shopkeepers, businessmen, professionals, professors, students, the middle echelons of the government bureaucracy and intellectuals from every national group and region of the nation. This group has been called the "most constructive and responsible section of the population, though at the same time the most frustrated."[5] They, too, are so far politically ineffective in the nation's present power structure.

Some of the professionals and intellectuals have studied abroad and returned home with a deep sense of national need and personal responsibility. A few found political voice in the now suppressed Tudeh party; some support the fragmented National Front, which Mossadegh organized.

There is, of course, a third urban group—the landowning gentry, those who have made fortunes in business and commerce and those who hold high administrative posts in the government, in the army or at court. These are the men who control at least two-thirds of the Majlis and virtually all the Senate. It is no longer exclusively the traditional "1,000 families" of feudal Iran—but it is the group which, barring unforeseen events, controls the destiny of the nation.

FOOTNOTES: 1. Iran, op. cit., p. 135. 2. Upton, op. cit., p. 133. 3. Ibid., p. 119. 4. Iran, op. cit., pp. 84-85. 5. Upton, op. cit., p. 117. 6. Source: Iranian Oil Operating Companies Annual Review for 1960.

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Land, Cities, People & Power

"Divide your lands or face revolution — or death," Amini warns Iran's landowners. What are the needs and prospects for basic reform?

When Dr. Ali Amini accepted the premiership in May 1961, his announced program of reforms included the following seven points:

(1) Redistribute land, (2) improve tax collection, (3) improve farming methods, (4) lower prices, (5) balance foreign trade, (6) cut government expenditures and (7) eliminate corruption in government.

In the succeeding months all seven points have proved politically controversial as well as difficult to put into practice.

Iran's economic health presents complex issues for U.S. foreign policy. To what extent is it in our interests to help Iran's economy? To what degree should Iran and other underdeveloped countries be expected to help themselves? What should be the criteria for U.S. economic and military aid? And how does Iran's situation and outlook compare to those of Brazil and Nigeria, for example?

The dimensions of Iran's economic problems become clearer as we examine the three principal bases of Iran's changing society—the landowners, those who work the land, and the city dwellers, including the rapidly growing middle class as well as the merchants, industrialists and entrepreneurs.

PATTERNS OF RURAL FEUDALISM

The basic pattern of rural life in Iran has changed little over the centuries, in spite of recent limited efforts at land redistribution and development. An estimated 12 million peasants (according to the 1956 census) live in 57,748 villages. Most villages, in turn, are owned by landlords (who may own one, a part of one or several villages). The land which the peasants till is also, for the most part, share-cropped according to the traditional "five-fifths" formula. That is, the landowner gets one-fifth of the crop as rent, another fifth if he also owns the water and another if he provides the seed. Another fifth goes to the owner of the plowing oxen (who may work for as many as four peasants). The final fifth goes to the peasant for his labor.

Those few peasants who own their own land often supplement the family income with another craft—rug-weaving, for example. If they get into debt, they pay 20-40 percent interest. And they may lack the advantages (as well as disadvantages) of credit from the landlord, better seeds and efficient central management possible on the large estates.

In a year of drought, pestilence, sickness or other natural disaster, the average peasant has little or no reserves to fall back on.

Of the 110 million acres of arable land in the nation, only 33 million are tilled and of those only 13 million are cropped annually, while the other 20 million lie fallow.

LAND REDISTRIBUTION

Land ownership is often vague and boundary disputes common. (There has never been a cadastral—or land—survey.) Property is usually measured in villages. According to one estimate, "half the claimed land in Iran is owned by absentee landlords, a fourth by religious shrines and endowments, one-tenth by the crown and the remainder by peasants themselves."[1]

Land redistribution has had top priority, not only under the Amini administration, but also throughout the post-war reign of the current Shah. In 1951 the Shah announced his intention to distribute crown property—some 3 million acres containing an estimated 1,000-3,000 villages. After the property is appraised it is discounted 20 percent and made available to peasants on 25-year credit terms. Returns from the sales go into a fund for land improvement, credit for seeds, tools and marketing assistance.

Redistribution of crown properties was to have been completed by the end of 1961, but actual progress is difficult to verify.

In 1960 the Shah advocated a land reform bill limiting individual holdings to 1,000 acres of irrigated land and 2,000 acres of dry farmland. The bill passed the Majlis, but the regulations to implement the bill have not been enacted into law. The Shah also called on wealthy landowners to follow his example in redistributing their lands. By May 1961 only 20 landowners had volunteered to do so, and by year end no actual land transfers had apparently been made.

The government's land reform program has met with considerable opposition. Some critics claim small plots are less efficient than large holdings, that the bulk of Iran's peasants (only 5 percent are literate) would be incapable of managing property. The elaborate irrigation systems, it is also argued, require central direction. In response to such criticism, the government has promised to increase the small number of farm cooperatives. A few producers have formed associations which combine individual ownership with central planning and seed, animal and water supplies.

SHIFT TO THE CITIES

A growing stream of peasants, meanwhile, are leaving the land to find other kinds of work in towns and cities, especially the capital. An estimated 30 percent of the population now lives in towns of 5,000 or more. In the past 12 years the population of Teheran has increased from 800,000 to nearly 2 million (in the past 30 years, Teheran has quintupled in population).

The simple arithmetic of population growth accounts for part of this push. The long-term payoff of improvements in rural health and sanitary conditions is a lower mortality rate—and an increase in population.

postwar politics was Dr. Mohammed Mossadegh, a European-educated, wealthy aristocrat and landowner "with an exceptional reputation for honesty and courage, and a long record of disinterested public service."[3] On his reputation, oratory and sincerity Mossadegh assembled a group of deputies, in the Majlis, called the National Front. He capitalized on the issue of foreign influence to stir up nationalist sentiment, and five weeks after parliament passed a law nationalizing Iran's oil (principally directed against the Anglo-Iranian Oil company), Mossadegh became Prime Minister (April 28, 1951).

Mossadegh failed to foresee the results of the seizure of the British company—Iran's inability to sell its own oil in world markets—and the loss of income deepened the already severe financial crisis.

Determined to stay in power, Mossadegh introduced near police state measures and took steps which suggested he planned to create a republic. On August 13, 1953 the Shah dismissed Mossadegh as prime minister, appointed a successor, and left the country with his queen to await further developments.

On August 19, the Shah's supporters overthrew Mossadegh; and on August 22 the Shah returned to Teheran, where he was greeted by expressions of wide public support.

These events, experts now agree, marked a decisive change in the Shah's political role.

THE SHAH AS POLITICAL LEADER

Before 1953, according to some observers, the Shah was content to reign; since, he has ruled. In spite of the constitutional separation of powers among three branches of government, the executive branch—primarily the Shah—is virtually omnipotent. The Shah names and dismisses cabinet ministers, commands the armed forces, declares war, concludes the peace and confers military rank—a particularly useful instrument for safeguarding the loyalty of the army. He has the power to dissolve parliament.

In principle the prime minister is chosen by the Majlis (lower house) with the Shah's approval. But the Shah may appoint him independently and usually does. The prime minister selects his own cabinet, but the Shah has an important voice in making the appointments.

Every top defense and security post is held by an appointee of the Shah; many are mutual rivals, dependent on the Shah's favor and, in the opinion of some experts, unlikely to combine against the monarchy.[4] It was the army, in fact, which rallied to the throne in the 1953 showdown with Mossadegh and imposed military control.

Yet in spite of economic discontent, experts agree, there is little if any mass opposition to the political situation. "It is futile to talk of nationwide public opinion in Iran, for the mass of people are apathetic and without a tradition or even an interest in self-government....They are dormant politically, and expect to be governed."[5] The peasants, representing 75-80 percent of the electorate, generally vote for the only plausible candidate, the individual favored by the landlords. In urban areas, elections can be controlled by the government. Elections are slow, inefficient and corrupt.

ALI AMINI'S REFORMS

In May 1961 the Shah dissolved parliament enabling Premier Ali Amini to govern by decree. The new premier is reported to feel that "if he can succeed in this basic program [of reform and 'imposed democracy'] he can eliminate major discontent by stabilizing the internal situation....There are some who feel five years without free elections are needed to avoid risking the ouster of the present Government at the polls."[6]

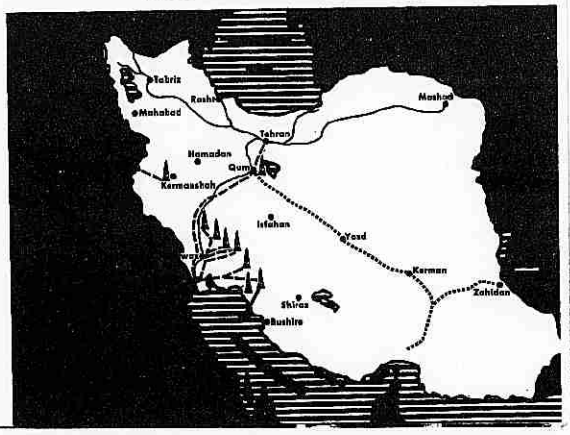
The center of political opposition is the National Front, which one observer describes as an assortment of "political grouplets—'Pan-Iranian' nationalists, religious zealots, students, intellectuals, and lately a good many middle-class businessmen." Principal issues are the demand for immediate elections and a "national"—meaning less pro-Western—foreign policy. Opposition leadership now appears ineffectual, but some observers fear that the Communists may be able to fill that need.[7]

There is also some opposition among the landlords, the wealthy, the ranking officers and some former government officials to Amini's social reforms. He has been forced to compromise on many points of his program, and he lacks either a national political party or control over internal security forces which might be expected to strengthen his hand. Furthermore, he is the Shah's appointee and can be removed at any time.

The Shah has shown no inclination to become a figurehead in an Amini government. He is quoted as saying, "When the Iranians learn to behave like Swedes, I will behave like the King of Sweden."

FOOTNOTES: 1. Walter Lippmann in the New York Herald Tribune, December 14, 1959. 2. Vreeland, Iran, p. 62. See suggested readings. 3. Upton, The History of Modern Iran: An Interpretation, p. 98. See suggested readings. 4. Hal Lehrman, "Keystone of the 'Northern Tier,'" The New York Times Magazine, February 22, 1959, p. 15. 5. Iran, op. cit., p. 80. 6. C. L. Sulzberger, The New York Times, July 24, 1961. 7. Claire Sterling, "Can Dr. Amini Save Iran?" The Reporter, August 17, 1961, p. 35.

IRAN—MIDDLE EAST PIVOT



3

Iran—the Shah and Politics

"...The crucial problem in Iran," according to Walter Lippmann, "turns on the stability and the durability of the Shah's government.... It is hard to avoid the impression that the regime is vulnerable."[1] Another writer offers a partial insight into the problem with his observation: "In Iran the theory of government is one thing and its actual practice is another."[2]

Within the framework suggested by these quotations, what policies should the U. S. follow? Should we use our influence to guide Iran in one direction or another? These are broad questions to keep in mind as you consider Iran's political scene.

Iran's feudal era—when the entire state rested on the fear or favor of succeeding dynasties of absolute monarchs—theoretically came to an end with the constitution of 1906. It called for the establishment of a representative assembly.

Little was done, however, to grant the liberties provided by the constitution. Under Reza Shah (1926-41) political development was given second place to industrialization and economic growth. In fact, the upper house of the legislature (also provided for in the 1906 constitution) was not constituted until 1950.

POSTWAR CHALLENGES

Under Mohammed Reza Shah, Iran entered the postwar era with an accumulation of both domestic problems and foreign challenges. Of the two principal foreign challenges—British oil interests in Iran and Soviet intervention, the latter was the most pressing. The wartime Tripartite Treaty of Alliance (1942), signed by Britain, Russia and Iran (reinforced in 1943 by the U. S.-British-Soviet Teheran Declaration), guaranteed Iran's independence and territorial integrity, and promised withdrawal of British and Soviet troops within six months after the war ended.

Before the withdrawal deadline, rebellion flared in the province of Azerbaijan, in northwestern Iran. Soviet occupation troops prevented Iranian troops from entering the area, and shortly thereafter Moscow radio announced the birth of the autonomous republic of Azerbaijan.

Iran complained to the UN in January and March of 1946, and the UN, the U. S. and its allies demanded Soviet withdrawal. Finally, on May 9, Soviet troops evacuated Iran. Iranian troops entered the rebel region in December and the "republic" fell.

The international challenge successfully met for the time being, Iran turned next to domestic problems of economic and political reform.

Pressures for reform were perhaps stronger than at any time since 1906. Students, intellectuals, the middle class and even some elements of the army demanded a voice in government and restraints on the power of the upper class and so-called "1,000 families" which dominated the Majlis (lower house of parliament).

These facts prompt the continuing demands for reform: (1) 75-80 percent of the population are peasants owning only 5 percent of the land, sharecropping for absentee landlords and carrying the major tax burden of the nation; (2) over 85 percent of the population is illiterate; (3) 10 percent of the people are unassimilated minorities; (4) despite some $300 million in oil revenues annually and large infusions of U. S. and other Western aid, the nation is heavily in debt; (5) the army, closely identified with the Shah, is the principal—and costly—arm of internal as well as national security, leading to the dual complaint that the military budget could be substantially reduced if the government allowed greater political freedom at home and followed a neutralist policy abroad, unobligated to the Western powers.

1947-53 PERIOD

The Shah's manner of meeting these problems has altered in recent years.

In the early postwar years the Shah made some attempt to follow the spirit of the constitution, which provides that "the powers of the realm are all derived from the people" and are distributed among the three branches of the government. In effect, the dominant interest groups initiated and recommended policies in the Majlis, and the Shah delegated some powers of government to his ministers. In outward respects Iran was a Western-type constitutional monarchy.

Partisan politics during this period, however, varied sharply from Western European practices. Since parties were legalized in 1941-42, no single party—with the exception of the Communist-dominated Tudeh (outlawed in 1949)—has won a broad and durable national following. Rather, the various political parties have tended to cluster around individual personalities and have built organizations which collapse under fire. Because they are not self-perpetuating, they cannot reward their members.

Various explanations have been offered—lack of public understanding of political processes, lack of clear-cut internal issues on which broad public support could be sought, the intense and jealous individualism of the Iranian people, and the apparent improbability that any political party could successfully overcome the domination of the Majlis by the landlords as long as the majority of the electorate votes according to the instructions of their landlords.

TUDEH AND COMMUNISM

The Tudeh (Masses) party, formed in 1942, was perhaps the only well-organized and nationally based party with a coherent program and purpose. Experienced Iranian Communists trained in the U.S.S.R. (and, no doubt, Soviet occupation troops) helped launch the party.

Its official program was nonrevolutionary and relatively moderate, calling for social and political reform through legal means. Its appeal was primarily to the intelligentsia and unemployed industrial workers.

Its first serious setback came with the collapse of the Soviet-supported Azerbaijan republic which the Tudeh had endorsed. In 1949 the Tudeh was implicated in an attempted assassination of the Shah, and was immediately suppressed, its leaders jailed and, apparently, the movement, neutralized.

NATIONAL FRONT AND MOSSADEGH

The most colorful figure in Iranian

remained poor, disease-ridden and largely illiterate.

Russia posed the first imperialist threat early in the 19th century by annexing Iranian lands in the Caucasus. From tsarist days to the present,one of Russia's principal interests has been access to warm-water ports.

THE LION AND THE BEAR

As Russia grabbed for major economic concessions, the British, with a wary eye on their prize colonial possession, India, moved into the Iranian scene. They in turn extracted valuable concessions, including the right to exploit the oil fields discovered in 1908.

Resentment against foreign intervention exploded in 1905-06 in an uprising led by students, merchants and Shi'ite preachers (mullahs). Before the revolution collapsed, the Shah granted Iran its first constitution.

The British and Russians in 1907 agreed to divide Iran into two spheres of influence, with northern Iran going to the Russians and the southeast, adjacent to India, to Britain. In World War I the isolated, backward and almost bankrupt country was unable to prevent Anglo-Russian forces from occupying the country.

Iran's current dynasty dates from a 1921 coup d'etat participated in by General Reza Khan. In 1926, he installed himself as the first Shah of the Pahlavi dynasty. Under his dictatorship, Iran took the first steps toward modernization and Westernization—a nation with industry, roads, railroads and the beginning of social reforms.

In 1941 Reza Shah abdicated under British-Soviet pressure in order to preserve the throne for his son, Mohammed Reza Pahlavi, the present Shah.

How is present day Iran a product —or victim—of its past? In what areas are Iran's interests identical with its Middle East neighbors? In what ways are they different?

TURKEY

Although only about 3 percent of its territory lies in continental Europe, Turkey is a member of NATO as well as a member of CENTO. It was one of the first nations to receive U. S. cold war military aid—under the Truman Doctrine in 1947. Turkey and Iran, which has a separate bilateral defense agreement with the U. S., are the only U. S. military allies in the Middle East.

The modernization — and to some degree, the Westernization—of Turkey began under Atatürk in the early 1920's. Not until 1950, however, were genuine free elections held. During the following 10 years political reforms were illusory. Censorship, rigged elections and corruption led finally to the May 1960 military coup under Lieutenant General Cemal Gursel. The coup was sparked by university student demonstrations. It resulted in the toppling, trial and execution of Premier Adnan Menderes and, at least for the moment, brought an end to the notion that Turkey is the most stable of all Middle Eastern states.

The junta sponsored a new constitution, and in the 1961 elections General Gursel was elected President. The new government continues to follow a pro-Western foreign policy, but has yet to prove it has the people's confidence or the power and know-how to carry out needed reforms.

ISRAEL—PRECARIOUS PEACE

At the close of World War II, Jews and Arabs were struggling for control of Palestine (a British League of Nations mandate since World War I). In 1948, after failing to work out an acceptable partition plan, Britain withdrew, leaving the problem in UN hands. The Arabs marched against the newly proclaimed state of Israel and were defeated. A truce was negotiated by the UN, but no formal armistice has ever been signed.

There have been periodic eruptions of conflict. The most serious was in 1956 when (a few days before the Anglo-French invasion of Egypt) Israel invaded the Sinai Peninsula to put an end to border raids and smash what was claimed to be an Egyptian military build-up. Under UN, U. S. and Soviet pressure, Israel (and Britain and France) withdrew from Egypt, yet the tensions continue. A major source of unrest are the 1 million Palestine Arab refugees and their children who fled —or were driven—from their homes during the 1948 war and have since lived in UN-maintained refugee camps on Israel's borders.

NASSER'S EGYPT

Smarting under the 1948 defeat, a group of young Egyptian army officers in 1952 overthrew King Farouk's government and set up a military regime. Colonel Gamal Abdel Nasser eventually headed the republic and set out to unify the Arab states and to "drive Israel into the sea."

Nasser negotiated the evacuation of British forces from the Suez Canal Zone and got Soviet military aid. When the West, particularly the U.S., withdrew offers to help finance the High Aswan Dam, Nasser again got help from Moscow—this time for the construction of the dam. And in July 1956 he nationalized the Suez Canal, an act which led to the abortive October Anglo-French invasion.

Nasser's cornerstone for Arab unity was to be the merger of Egypt and Syria into the United Arab Republic in 1958. The union lasted only until September 1961, when a nationalist coup in Syria restored its status as an independent nation.

Nasser continues to press for economic and social revolution at home, and follows a policy of so-called positive neutrality abroad. His Pan-Arab goal seems momentarily in eclipse.

KASSEM'S IRAQ

Premier Kassem, revolutionary leader of Iraq, has proved a major obstacle to Nasser's Pan-Arab ambitions. The overthrow (and assassination) of the pro-Western king and his "perennial premier," Nuri as-Said, in July 1958 had raised hopes in both Cairo and Moscow. These hopes were strengthened by Iraq's withdrawal from the Baghdad Pact. In the course of a few months, however, it became clear that Kassem intended to run his own show. He accepted substantial aid from Moscow, but successfully suppressed a Communist-supported uprising at Kirkuk in 1959; he, too, speaks of Arab unity, but rejects Nasser's self-appointed leadership of the movement. "We are a part of the whole Arab nation," his foreign minister declared, "but we do not want to be a part of the part."[2]

Iraq under Kassem has followed a neutralist foreign policy and, among the Arab states, a wholly independent line. The fissure which divides Iraq from its Arab neighbors was dramatized in June 1961 when, six days after the British ended their protectorate over Kuwait, Kassem declared the oil-rich new nation an "integral part of Iraq." Britain, under a treaty of friendship, rushed troops to Kuwait's aid. Soon thereafter the British troops were replaced by Egyptian, Saudi Arabian and other Arab forces. Iraq backed down.

FOOTNOTES: 1. A sheikdom is a region ruled by an Arab chief. 2. Longyel, **The Changing Middle East**, p. 171. See suggested readings, p. 12.

2

Mid-East Powers & Policies

The 10 nations of the Middle East have struggled for years with problems of internal development and reform, minority unrest, intraregional rivalries and foreign intervention. What about the future?

Chronic crisis — internal, external, or both — has been the common lot in postwar years of all 10 nations which make up the heart of the Middle East. The sheikdoms and dependencies on the Persian Gulf have also shared in the travails, rivalries and struggles. In other respects — natural wealth, political outlook, national goals, even religion, language and culture — many of the countries of the area are strangers to each other, and often enemies.

The Middle East is divided into three more or less distinct parts: (1) Northern Tier — the mountains and semiarid plateaus of Turkey, northern Iraq and northern and western Iran; (2) Fertile Crescent — stretching from the valleys of the Tigris and Euphrates rivers in Iraq, across northern Syria, through Lebanon and into Israel; (3) the deserts and oases of the south, which reach from the sands of western Egypt to the steppe deserts of Syria and Israel and the salt flats of Iran.

Most of the Middle East depends on farming for its livelihood, although only about 8 percent of the land is now arable. Iran, with a relatively small population of 20.6 million, can be self-sufficient in food; but the U.A.R., with a rapidly expanding population of 26 million, must import food to supplement the harvests of the 13,500 square miles in the delta region and along the borders of the Nile.

The region's principal source of wealth is oil. The reserves are vast, per well output is high, and unit production costs are low. But the oil reserves are unevenly distributed — primarily among Iraq, Iran, Saudi Arabia and the sheikdoms,[1] including Kuwait with the largest reserves in the Middle East. And the benefits of the oil riches are also shared unevenly by the people in most of the oil-rich states.

There are three major ethnic groups in the Middle East: Turkish, Iranian and Semitic, including Jews and Arabs. The **Turks** are descended from the Ottomans who, at the peak of their empire (under Suleiman the Magnificent, who ruled 1520-1566), governed much of the Middle East as well as parts of Europe. Their religion is Mohammedanism and their language is Central Asian in origin, related to both Finnish and Hungarian (Magyar).

The **Iranians** (Persians), who have maintained their identity, traditions and independence for 2,500 years, are of Aryan descent. Their language, Farsi, is Indo-European in origin and their religion, since the 7th century, is the Shi'ite sect of Islam, one of the two major sects.

The principal bond among the **Israelis** is their common faith, Judaism, for the present Israeli population includes people of many different geographical origins — European, North African and others — as well as Palestinian Jews. Hebrew is the official language.

The **Arabs** think of themselves as a single national group, although in fact they are politically fragmented and include such diversity as non-Semitic Egyptians and the Bedouins of Jordan and the Arabian peninsula. They do share Mohammedanism as a common religion and Arabic as a common tongue.

There are important minority nationalities scattered in the region, including the Kurds, numbering some 4 million, who live in parts of Turkey, Syria, Iraq, Iran and the U.S.S.R.; the Iranian "tribes," including Kurds, who constitute less than 10 percent of that country's population; and the Armenians, who are Christians, speak an Indo-European language and are scattered throughout the Middle East and the U.S.S.R. The majority of the Armenians live in cities. Their large settlements are in Beirut, Lebanon, and Aleppo, Syria.

Iran in Perspective

Iran is the pivotal country of the Middle East. It lies midway between the eastern Mediterranean countries and the great mass of South Asia, India and Pakistan. It is a buffer between the Soviet Union and all the Middle East south of Turkey. Iran is a U. S. military ally, a member of CENTO, and in many respects unlike its neighbors in its history, problems and potential.

Iran, "land of the Aryans" (long known as Persia), is the second largest of the 10 Middle Eastern countries, after Saudi Arabia. In population it ranks third, after Turkey and the U.A.R. It lies on a high plateau sat between the Caspian Sea on the north and the Persian Gulf on the south. It is partially surrounded by mountain ranges.

The Iranian people trace their origins to the Aryans, who probably emigrated from Russia, then the heart of Asia, in 1200 BC, bringing their Indo-European language with them. Since that era the Iranians have preserved a distinctive culture and traditions in spite of mass migrations and foreign domination.

Under the reigns of Cyrus, Darius and Xerxes, Persia established the first world empire, stretching from Egypt to Greece to the Indus river (553-330 BC). Over a span of 2,500 years the nation has been a monarchy.

An Arab invasion of the 7th century brought with it the religion of Islam, the only permanent mark left by the Arab occupation. At the end of 300 years of religious assimilation the Persians had put their own stamp on the teachings of Mohammed. They formed the Shi'ite sect, now one of the two major branches of Islam but far smaller than the predominant Sunnite sect.

From the 16th to the 18th centuries; the country was run by weak rulers who exploited the land primarily for the benefit of the royal family and were unable to stop a steady migration of foreigners. In spite of a wealth of natural resources — water, oil, minerals and forests — Iran's population

The last shot of World War II had not yet been fired when the train of crises began which have since kept the Middle East in turmoil. This oil-rich, strategically important area embraces Iran, Iraq, Israel, Jordan, Lebanon, Saudi Arabia, Syria, Turkey, the United Arab Republic (formerly Egypt) and the Yemen.

Britain and France, which played dominant roles between the two world wars in Egypt and the Arab protectorates, emerged from World War II economically and militarily exhausted. The U.S. took up this role and became a Middle East power for the first time in history—striving to mediate among great power rivalries, rival Arab nationalisms, Arab-Israeli struggles and Soviet pressures.

In the years since World War II the U.S. commitment has grown at an accelerating pace. One index of that commitment—U.S. military and economic aid to Middle Eastern nations—totaled $6.4 billion by 1961 (85 percent of that amount went to three countries, Turkey, Iran and Israel).

WHAT U.S. STAKES?

The importance of the whole Middle Eastern area to U.S. interests is often described in three terms:

1. TRADE—This meeting point of three continents controls the direct trade routes between Europe and Asia. The Suez Canal, which Egypt nationalized in 1956, conveys 163 million net tons of shipping a year.

2. OIL—The Middle East supplies more than 75 percent of the oil needed by U.S. Allies in Europe and Asia. As a producer, it ranks second only to the U.S.; in terms of reserves still underground, the Middle East ranks first—it has about two-thirds of the world's known reserves.

3. STRATEGY—In addition, the region plays a vital role in U.S. global strategy. Two Middle Eastern nations—Iran and Turkey—are key links in the Allied defense system. Furthermore, the maintenance of peace and stability among all Middle Eastern nations is a prime U.S. goal since in this area any war, however small, could contain the seeds of world war.

How important is the Middle East to U.S. interests? Must we keep the peace at any price? How essential is it to keep the Middle East out of the Soviet orbit?

SOVIET MOVES

Russia under the tsars had a continuing interest in the Middle East, especially in getting direct access to the Mediterranean and the Persian Gulf through Middle Eastern ports. The Soviet Union reaffirmed this historic interest by its actions in Iran during and immediately after World War II.

In 1941 British and Russian troops occupied Iran to forestall a Nazi takeover. American forces joined them later to man the strategic supply route to the Soviet Union. At the end of the war British and U.S. forces withdrew, according to prior agreements with the Iranian government. Soviet troops, however, stood pat.

Under fire from the UN and under vigorous U.S. pressure, Moscow finally withdrew its troops in May 1946, accepting defeat in one of the early rounds of the cold war.

Russia was also active in Turkey, first in June 1945 and again in 1946, when it put pressure on Ankara to grant territorial concessions along the Russo-Turkish frontier and demanded a voice in control of the Dardanelles, which connect the Black Sea with the Mediterranean. Again, vigorous U.S. intervention forced a Russian backdown. Under the Truman Doctrine the U.S. sped economic and military assistance to Turkey and to Greece, which was locked in civil war with Communist-led guerrillas.

By 1950 this assertive pattern of U.S. policy had been given the name "containment" by one of its architects, George F. Kennan, a former U.S. ambassador to Moscow, now U.S. ambassador to Yugoslavia. The plan entailed the construction of a network of alliances along the entire Communist perimeter, in an effort to deter—or combat—further Soviet expansionism.

In Europe the containment policy was anticipated by integration of Allied military and economic power in the North Atlantic Treaty Organization (NATO) in 1949. In the Far East, the U.S. negotiated military pacts with the Philippines (1947) and Japan (1951) and, following the tragic and costly Korean war (1950-53), with South Korea and Nationalist China (Taiwan). As an aftermath of the 8-year war in Indochina (1946-54), the U.S., Britain, France, Pakistan, Thailand, the Philippines, Australia and New Zealand organized the Southeast Asia Treaty Organization (SEATO) in 1954.

Last link in the chain was the Baghdad pact of 1955, sponsored by the U.S. (although we did not formally join), with Turkey, Iran, Iraq, Pakistan and Britain as members. The pact was buttressed two years later by the Eisenhower Doctrine (1957), which promised U.S. armed forces, if requested, to preserve the independence of any Middle Eastern nation threatened by communism. The doctrine has never been invoked, although in 1958 the U.S. did land forces in Lebanon—at the request of the Lebanese government—to help prevent a civil war from deteriorating into a regional war in which communism stood to gain.

HOW EFFECTIVE ARE THE PACTS?

The U.S.-sponsored global alliance system came into being in response to direct Communist military pressure—or threat—in Europe, the Middle East, Southeast Asia and the Far East. None of the pacts was designed to deal effectively with **indirect aggression**, the kind of undercover war long under way in Indochina and perhaps a growing danger in the Middle East. (Economic assistance provided in conjunction with the military pacts, however, is intended to help strengthen local economies and thus to remove some of the dangers of both internal unrest and externally-sponsored agitation.)

The Eisenhower Doctrine was first to make a particular point of the dangers of subversion, although they had been recognized by the signatories of SEATO. (CENTO the following year formed an active counter-subversion committee.)

Yet, as a test of the Baghdad pact demonstrated in Lebanon in 1958, it is precisely these indirect forces—whether externally aided or not—which jeopardize an alliance that is primarily military in nature.

After the successful revolution in July 1958, when Brigadier General Abdul Karim el-Kassem overthrew the monarchy, Iraq withdrew from the pact. The remaining members shifted their headquarters to Ankara and renamed the alliance the Central Treaty Organization (CENTO).

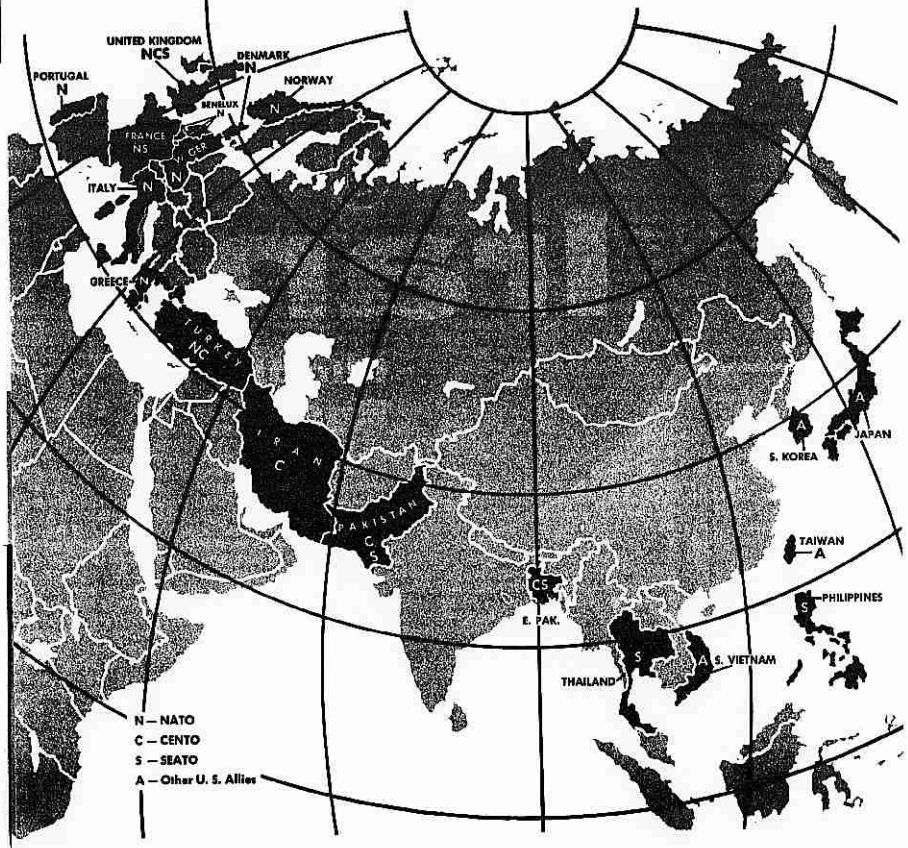
Some critics, at home and abroad, have questioned the value of the containment policy. Do you think it was justified? Has it accomplished what it set out to do?

U.S. aims in the Middle East depend not only on the existence of an alliance system but perhaps even more on forces at work within and among the nations of the region.

FOOTNOTE: 1. Public Law 85-7, March 9, 1957.

Middle East—U. S. stakes

"...the United States regards as vital to the national interest and world peace the preservation of the independence and integrity of the nations of the Middle East..."—The Eisenhower Doctrine.[1]



fact sheet no 5

Iran

Middle East pivot?

Pronunciation Guide

Awolowo, Chief Obafemi (ah-WOL-o-wo, OB-a-FEM-ee), head of Action Group party.

Azikewe, Dr. Nnamdi — "Zik" — (ah-ZEEK-key-way, NOM-dee), governor-general of Nigeria.

Balewa, Alhaji Sir Abubakar Tafawa (ball-leh-WAH, ah-BOO-bah-kar tah-FAH-wah), prime minister of Nigeria.

Bello, Alhaji Sir Ahmadu (BEL-LO, AM-ma-doo) Sardauna of Sokoto; leader of the NPC; premier of Northern Region.

Benue river (BAY-nway).

Fulani (foo-LAH-nee).

Hausa (HOW-sah).

Ibo (EE-bow).

Lagos (LAY-gos), seaport; federal capital of Nigeria.

Okpara, Dr. M. I. (O-par-a), premier of Eastern Region.

Wachuku, Jaja (WA-CHU-KU, JA-JA), foreign minister of Nigeria.

Yoruba (YO-ru-bah).

Suggested Readings

"Africa: A New Nationalism." **Current History,** October 1961. 63 pp. $.85. Seven authorities study the growth of African nationalism and the pressure for complete independence.

Carter, Gwendolen M., **Independence for Africa.** New York, Praeger, 1960. 172 pp. $4.50. Personal impressions, illustrating facets of the drive for independence by an eminent American authority on African politics.

Coleman, James S., **Nigeria: Background to Nationalism.** Berkeley, Calif., University of California, 1958. 510 pp. $7.50. A study of the growth of nationalism in Africa's largest state by a leading political scientist on this area.

Hailey, Lord, **An African Survey.** London, Oxford University Press, 1957. 1676 pp. $16.80. The most comprehensive background volume on Africa south of the Sahara; covers every facet of life in this area.

Kimble, George, "Tropical Africa," **Headline Series.** New York, Foreign Policy Association, May 1961. 64 pp. $.50. A distillation of the author's Twentieth Century Fund 2-vol. study on contemporary Africa.

Mitchison, Lois, **Nigeria: Newest Nation.** New York, Praeger, 1960. 122 pp. $3.00. An experienced journalist's personal impressions together with some useful background material.

Montgomery, John D., "Aid to Africa: New Test for U. S. Policy," **Headline Series.** New York, Foreign Policy Association, September 1961. 64 pp. $.50. Review of U. S. aid experience in Africa with an analysis and suggestions for the future.

Royal Institute of International Affairs, **Nigeria: The Political and Economic Background.** London, Oxford University Press, 1960. 141 pp. $1.00. Can be obtained from Oxford University Press, 1600 Pollitt Drive, Fairlawn, N. J. An excellent and useful survey by a respected British institute which is unofficial and nonpolitical.

Suggested readings and other publications are available in most local libraries and in some World Affairs Councils. Or they may be ordered from FPA-WAC Book and Pamphlet Department, 345 East 46th St., New York 17, N. Y.

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What U. S. Policies?

In trade, private investment and aid the U.S. is, in effect, a "junior partner" to Britain in supporting Nigerian development. Out of a total of $600 million imports in 1960, only $25.5 million came from the U.S. — mostly wheat, machinery, textiles and tobacco. Of the annual inflow of $70 million in foreign capital, the U.S. share is over $10 million.[1] In aid, Britain provided Nigeria with about $28 million in loans and grants in 1960, while the U.S. provided less than $2 million.[2] In 1961, however, U.S. aid to Nigeria was raised to $6.64 million, essentially for education. This was under the Kennedy Administration's Special Program for Tropical Africa (total, $20 million).[3]

The bulk of U.S. aid to Africa — which came to $214.4 million in 1960 — has traditionally gone to Morocco, Libya and other country programs with military origins, rather than to nations south of the Sahara. This aspect of U.S. aid has been singled out for criticism. The Nigerian minister of finance pointed out in 1958 that "Communist ideology is wholly alien to our traditional ways of living and of thought." Yet, noting the direction of most U.S. aid, he added, "We . . . find it difficult to understand [why] . . . the staunch friends are ignored and the waverers are given every assistance . . . ."

Nigerian Foreign Minister Jaja Wachuku,[4] in the spring of 1961, also expressed Nigerian impatience with Kennedy Administration proposals for long-term planning to "meet the needs and the resources potential of each individual country," with "special attention" to be given "to those nations most willing and able to mobilize their own resources."[5] What Africa wants, Wachuku declared, is "something tangible" they can "put their teeth into"—a series of concrete aid proposals which the African states can reject or accept.

Against the background problems you have examined — and U.S. interests as you understand them — discuss the following issues, problems and alternatives facing the American people and policy-makers in Washington and make up your own mind.

for discussion

1. What do you believe are Nigeria's prospects for building a progressive, stable and free society?

What evidence is there that the nation may — or may not — hold together as a unit? What, in your opinion, is the most difficult obstacle to unity? tribal, language, religious or other cultural diversities? uneven economic development in the three regions? educational deficiencies?

Is federalism a bar to unity or the basis of unity in Nigeria?

What — if any — encouraging signs do you see? Which are most important?

How do Nigeria's problems compare with those of other underdeveloped societies you have discussed? What advantages or disadvantages does Nigeria seem to have?

How important is economic growth to national unity and political stability in Nigeria? What, in your opinion, are Nigeria's most important resources for economic development — natural resources? human resources? political leadership? foreign private capital?

2. What stakes—if any—does the U.S. have in the success of Nigeria's efforts to become a progressive, stable and free society?

Would the U.S. benefit if Nigeria succeeded in demonstrating that democratic institutions can operate effectively in so different a climate? If so, how? Would a collapse or breakup of Nigeria's present political system have adverse effects on U.S. interests in Africa? in the world? If so, how?

Is it in the U.S. national interest for Nigeria to retain close ties with Britain? Why or why not? for Nigeria to pursue an "independent" foreign policy? What are your reasons?

Is Africa important to the U.S. and, if so, what are the principal reasons? Strategic — for its trade or as an area vulnerable to Communist control? Political — to enlarge and strengthen the area of the world in which free institutions operate? Economic ideology — to demonstrate that free enterprise or capitalism can work effectively in a developing nation such as Nigeria? Other reasons?

Should the U.S. expect Nigerian support on certain issues in the UN? in the cold war struggle? If so, which issues? Should Nigeria expect U.S. support? on which issues?

3. What guidelines should govern U.S. policy toward Nigeria?

Should the U.S. accept at face value Nigerian claims such as this: "We believe we have a stable government, and investors who put their money in Nigeria can keep it, invest it as they wish, and take away any profits they wish"?[6] What are your reasons?

Should the U.S. continue higher levels of aid inaugurated in 1961? Why or why not? Is it appropriate for U.S. aid to be concentrated heavily on education? Why or why not?

How do you feel about the two criticisms of U.S. aid approaches to Africa (above, on this page)? Should the U.S. pay less attention to military and military-related aid and more attention to programs such as the $20 million program for tropical Africa? Why or why not? Can we afford to do both? Should we offer very specific aid projects as Wachuku suggests? Is it a form of "interference"? What are the advantages or disadvantages of broader and long-range planning?

Should there be any "strings" to U.S. aid to Nigeria? Is it possible or desirable to give aid without "strings"?

FOOTNOTES: 1. Federation of Nigeria, op. cit., p. 5. 2. ICA, Office of Statistics and Reports, "U. S. Foreign Assistance and Assistance from International Organizations, Obligations and Other Commitments, July 1, 1945 through June 30, 1960," p. 89. 3. "Aid to Africa: New Test for U. S. Policy," op. cit., p. 42. 4. See pronunciation guide. 5. John F. Kennedy Message to Congress as quoted in The New York Times, March 23, 1961. 6. As quoted in Fighting Talk, Johannesburg, S. A., February 1961, p. 11.

5

Nigeria's Foreign Policy

Nigeria's foreign policy has been described as "standing on three legs" — African relations, Commonwealth relations and UN policies. What course is Nigeria likely to steer?

As a new and developing nation in the heart of newly independent Africa, Nigeria feels the push and pull of African attitudes toward colonialism, economic growth, racial issues and rival Pan-African movements. As a member of the Commonwealth of Nations, Nigeria is tied by tradition, trade and mutual benefit to Britain and the rest of the Commonwealth. As the most populous African nation in the UN, Nigeria finds itself identified by common interests with the Afro-Asian bloc and torn by many of the cold war issues which arise in UN debates.

A domestic division of sentiment on many of these problems is often a complicating factor. The Muslim north tends to be conservative and pro-Western; the Eastern Region tends to be aggressively nationalist and neutralist; the richer Western Region tends to be moderate and pro-Western. A brief examination of current issues illustrates the problems.

AFRICAN FACTIONS AND FRICTIONS

Nigeria's size and population naturally suggest a leadership role among new African states. So far, experts agree, its leadership has been cautious rather than bold.

Its chief rival in a leadership bid is Ghana, another former British colony, which won independence in 1957. Under President Kwame Nkrumah's initiative, Ghana has already formed a loose union with the former French colonies of Guinea and Mali, but Nigeria has shown no interest in joining.

In addition, Ghana heads what has been called the "Casablanca" group—Ghana, Guinea and Mali plus Morocco, the United Arab Republic (Egypt) and the Algerian rebel government. The group has discussed plans for a common market, development bank and eventually political union.

Nigeria, for its part, is nominal leader of a less formal grouping, the "Monrovia" group of 20 nations, most of them from French-speaking West and Central Africa plus Liberia, Sierra Leone, Somalia, Ethiopia, Libya, Togo, Tunisia. The Monrovia group (which will meet next in Lagos) rejects political links, but has produced working papers which resemble the Casablanca group's plans for stimulating trade and economic development.

There has been some talk of a closer association between Nigeria and its northern neighbor, the Niger Republic, which has ethnic, cultural and historic affinities with Nigeria's Northern Region. There have also been rumors that northern Nigeria is interested in a still different kind of union, embracing all Muslim areas in West and North Africa.

Regionally the north opposes Pan-African approaches, the east supports a limited "black African community" (excluding North Africa) and the west is generally critical of Ghanaian Pan-Africanism. Nigeria's official policy, as expressed by the prime minister, is that Pan-Africanism is "premature."

In spite of talk of becoming a republic, Nigeria's continuing links with Britain through the Commonwealth of Nations are usually taken for granted. The Sardauna of Sokoto, admittedly an ardent Anglophile, explained in 1960: "We are aware that in an uneasy world the Commonwealth represents an island of sanity."

The island is not all placid, however. At the last Commonwealth conference Nigeria led the successful battle for expulsion of the Union of South Africa because of its racial policies (later South Africa became a republic and failed to reapply for membership in the Commonwealth). And Nigerian-British relations have hit a snag over the 1960 defense treaty.

The Nigerian Opposition objected to the agreement on the ground — denied by both governments — that Britain had been promised a military base on Nigerian soil. The pact stirred up anticolonial resentments and led to public demonstrations and criticism of the federal government.

There have been similar misunderstandings — and opposition — over a British offer to help pay the salaries of experienced British administrators whom Nigeria had retained. Resentment was based in part on the fact that the British also extended the offer to their remaining colonies.

Otherwise, observers agree, Nigerian-British relations since independence have been generally smooth. Britain remains Nigeria's principal trading partner and chief source of development assistance (including a recent $14 million, 7-year grant to build a teacher-training college in each of the three regions, technical institutes and a new university).

UNITED NATIONS POLICIES

Nigeria has contributed 1,500 troops to the UN Congo operation, votes generally with other Afro-Asian states on issues involving colonialism and economic development, supports Western and Afro-Asian views on a single independent UN executive, and has voted for including the Red China issue on the General Assembly agenda. Nigeria has, in the prime minister's words, "an independent view, which is not the same as neutralism." Nigeria's intention is to act according to the merits of each issue. Its relations with the Soviet Union are cool — the Communist party is outlawed and Nigerians are not granted visas for study behind the Iron curtain, although 30 students are believed to be in Moscow.

and was one of the first nationalists in colonial Nigeria. He came to the U.S. to study and teach in 1925, returned to West Africa in 1934, began a career in journalism in the Gold Coast (now Ghana) and returned to Nigeria in 1937.

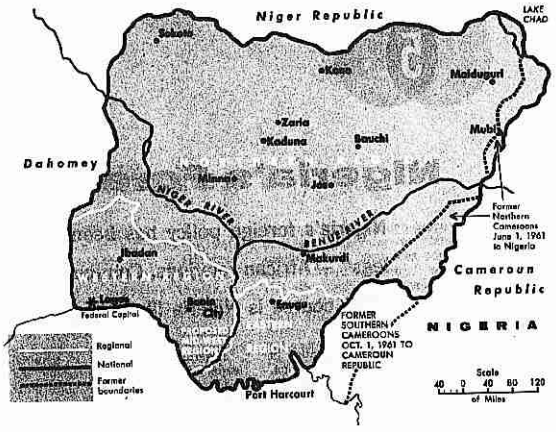
As governor-general and commander-in-chief of the federation, he is the prime symbol of Nigerian unity. He has been called dynamic, explosive and versatile, with a high gift for oratory and an intellect and personality as well. He owns a chain of strongly nationalistic newspapers, and is said to have brought teachers, trade unionists, farmers, clerks and women into political activity. Earlier, as premier of Eastern Nigeria, he launched an extensive educational program.

Prime Minister of Nigeria is **Alhaji[5] Sir Abubaker Tafawa Balewa,** a teacher from the Northern Region. His government is a coalition of the Northern People's Congress (NPC) with Zik's NCNC. By some of the leaders of the NPC, who represent for the most part the Muslim hierarchy of the Northern Region, Sir Abubakar is considered an upstart who worked his way up in politics. **The Economist** has said he is "potentially capable from his words, his ways of thought and his capacity for cool judgment, of being great in the world . . . [and] his own country."[6]

Leader of the NPC and premier of the Northern Region is **Alhaji Sir Ahmadu Bello, the Sardauna of Sokoto.**[7] The Sardauna, as leader of the major political party in the federation, might well have become prime minister. He chose not to run for federal office, however — perhaps because he hopes ultimately to become Sultan of Sokoto, the religious leader of all Muslims south of the Sahara. He has long been active in politics in the north and is a strong force for modernization in a traditionally conservative region.

Leader of Zik's NCNC and premier of the Eastern Region is **Dr. Michael I. Okpara,**[8] an Ibo who believes in socialism, "openly and without apology," in order to provide services for the people. But, he adds, "there is room for private capital."[9]

Leader of the Opposition in the federal House of Assembly is **Chief Obafemi Awolowo ("Awo"),**[10] who is head of the Action Group party based principally in the Western Region. He is a member of the Yoruba tribe. Awo is the most outspoken advocate of nationalization of industries and of making Nigeria a republic. He has said that he and his colleagues in the Action Group are "democrats by nature and socialists by conviction."[11]



DEMOCRACY AND EDUCATION

Effective operation of the federal-regional consulting partnership depends on the quality, character and ability of the political leaders who operate the system. Democracy, however, depends on the quality and depth of **public** participation in Nigeria's political affairs.

Nigeria's leaders have demonstrated their concern with this problem by encouraging (particularly in the coastal regions) broad public involvement in public affairs — and by devoting 20 percent of the federal budget to a crash program in mass education.

Before the first 10-year plan for education went into effect in 1946, Nigeria had no universal primary education, no institution which taught up to university level and only a handful of schools. Emphasis was on primary education and limited teacher training. Illiteracy ran as high as 85-90 percent in the north and as low as 50 percent in the large towns. The principal educational burden (with government financial help) was carried by Christian mission schools. By British agreement with the northern emirs, the missionaries kept out of the Northern Region. As a result in 1958 the north had only 230,000 children in school compared with over 2 million in the less populous Eastern and Western regions.

As a result of the "crash" educational program undertaken in 1955-60 primary education is now free in the Western Region and rapidly expanding in the Northern Region.

Nigeria's blueprint for educational expansion in the future is contained in the widely respected "Ashby Report" — prepared by three Nigerians, three Britons and three Americans, who served without pay and conducted their survey under a grant from the Carnegie Corporation of New York.

The study's proposals would cost $210 million over a 10-year period. Pointing out that "economic advance depends on skilled manpower," the Ashby Report describes investment in education as "an investment in [Nigeria's] economic and political stability." It favors doubling the number of students in primary schools, quadrupling secondary, and quintupling university attendance.

"Modern dams, power stations, textile factories or steel mills can be constructed within a few years," the study notes. "But it takes between 10 and 15 years to develop the managers, the administrators and the engineers to operate them."[9]

If you were planning Nigeria's educational budget, what percentage would you give to primary schools? technical training? higher education?

FOOTNOTES: 1. Coleman, Nigeria: Background to Nationalism, op. cit., p. 412. 2. Ibid, p. 47. 3. Reuben Frodin, American Universities Field Staff Reports Service, Vol. IV, No. 2 (RF-2-'61), 1961, p. 9. 4. See pronunciation guide. 5. Alhaji signifies he has made a pilgrimage to the holy places of Islam. 6. The Economist (London), October 8, 1960, p. 131. 7. Reuben Frodin, op. cit., Vol. IV, No. 3 (RF-3-'61), p. 8. 8. AWO: The Autobiography of Chief Obafemi Awolowo. London, Cambridge University Press, 1960, p. 255. 9. Investment in Education, op. cit., p. 50.

4

Climate for Democracy

"A colonial nationalist movement . . . has two objectives. The first is to terminate imperial rule; the second is to create a modern nation-state."[1] Nigeria won the first; will it achieve the second?

As you look at Nigeria's government and party system, you will find certain parallels with the U.S. How relevant is our experience to Nigeria's? What lessons of government, if any, can we offer that new country?

The men who patiently and peacefully won Nigeria's independence from British rule now govern a parliamentary democracy modeled on the British system — a federation of three semi-autonomous regions, each distinct in geography, economy, ethnic and linguistic mixture, and politics. The most hotly debated issue is whether the federal government (seated in Lagos) is as strong as the sum of its parts.

ORIGINS OF FEDERAL SYSTEM

Nigeria's federal system, historians agree, was not what the British colonial authorities had in mind — a unitary state which, like Britain, would eventually be governed by one parliament and one prime minister. British practice of "indirect rule" had an opposite effect. By leaving local administration in the hands of chiefs and rulers and by dividing the territory into three administrative units, the British colonial government perpetuated native political groups, which served as a base for a modern party system. As long as it kept central authority in its own hands, there was an illusion of a unitary state. But, as British authorities curtailed their own powers, they created a vacuum rather than a successor to the colonial central administration.

World War II and the shortage of British personnel hastened the decentralization — more and more power was delegated to the three administrative units (regions). "By the end of the war the degree of administrative devolution had been of such magnitude as to endow the three main areas with an individuality."[2] The 1946 Richards Constitution formalized the transfer of fairly broad powers to each region.

In 1953 Nigerian political leaders and British colonial authorities met in London to draft the constitution which would see the country over the threshold of independence. The next year the constitution came into effect, transferring a large portion of legislative and executive power to the regional governments. Although it has since been amended, its basic provisions, including provision for a federal system, still stand.

HOW THE GOVERNMENT FUNCTIONS

Federal executive power in Nigeria is vested in the prime minister and the council of ministers (cabinet) — and, to a marginal degree, in the governor-general. Nigeria is technically a monarchy, owing allegiance to the Queen of England in precisely the same way as do Canada, Australia and New Zealand. There is currently, however, considerable debate in the federal parliament over the question of making Nigeria a republic. Presumably it would still retain ties with Britain through the Commonwealth, but — like India, Ceylon and Ghana — would replace the office of governor-general (nominally the Queen's representative) with a president as chief of state.

The federal parliament consists of a 312-member House of Representatives and a 44-member Senate. Members of the House are elected by universal adult suffrage in the Eastern and Western Regions, but by male suffrage in the Northern Region, where, according to Muslim tradition, many of the women are still in **purdah** — removed from contacts with men other than members of their own households and thus removed from public life.

Each region has a parliamentary system similar to the federal system, a premier and a cabinet. The premier in each region is the majority leader of the regional House of Assembly.

The present federal constitution delegates authority on certain **exclusive** matters to the federal government (in a way reminiscent of the U.S. Constitution). These include foreign relations, defense, customs, and, with some qualifications, police.

There are certain other powers which may be exercised **concurrently** by the federal and regional governments. These include arms and ammunition, water-power and industrial development.

All other powers, including local taxation and regional development plans, are exclusively reserved to regional and local governments.

A prominent Nigerian lawyer, Chief H. O. Davies, has given a succinct description of the way the federal-regional system actually operates:

"The federal government has so far made legislation by consultation, and consent is the cornerstone of its policy. Views of the regional governments are consulted almost as a rule before any Federal law is made, and from time to time in the course of administration."[3]

Whether such a system will continue to work — and work effectively — depends largely on the men who try to operate it, and on their personalities and their politics.

POLITICS AND PERSONALITIES

First and best known of Nigeria's nationalist political leaders is **Dr. Nnamdi Azikiwe**[4] (better known as "Zik"). He is currently governor-general and, should Nigeria become a republic, is the man most often mentioned as the first president.

Zik comes from the Ibo-dominated Eastern Region, where he helped found the National Council of Nigeria and the Cameroons (NCNC) in 1944,

mineral resources provide the country with one of its most important areas of economic development and expansion. Exports of tin and petroleum, in particular, help reduce dependence on agricultural exports.

Tin, Nigeria's leading mineral product — as well as an important export for over 50 years — may soon be replaced by oil as the chief mineral export. Two tin smelters built in the past year will enable Nigeria in the future to export tin in the form of metal rather than ore.

Since the first shipments of oil in 1958, revenues have climbed from $2.7 million to $11.5 million in 1960. The government's goal is to increase production 1,000 percent by 1971.

Columbite is a source of rare metals used in the manufacture of jet engines, nuclear reactors, tonnage steel and stainless steel. Nigeria at one time supplied 80 percent of world demand for columbite, a by-product of tin mining.

Coal production — while still important — is declining as coal is replaced by oil for domestic use.

MANUFACTURES

Until recently, Nigeria's only industry consisted of small processing plants which produced such goods as soap, textiles, shoes and canned food. Even as late as mid-1961 Nigeria's industry contributed under 5 percent of the national income (compared to 3 percent in the early 1950's).

Largely with the aid of foreign private capital ($70 million annually — over $10 million of it, U.S. capital[2]), however, industry is being diversified and first steps are being taken to introduce heavy industries. A study is now under way to explore the feasibility of establishing a basic iron and steel industry. An iron and steel scrap smelter and rerolling mill are planned for the Eastern Region. Other new plants include a cement factory, a bottling plant, a vehicle-assembly plant, a bicycle factory and an aluminum cookware factory.

Some of this industrial expansion is financed by foreign capital in partnership with local capital. To maintain (and increase) this infusion of foreign private investment, the Nigerian governments, federal and regional, have taken important steps to create an attractive investment climate. "Pioneer" industries are entitled to receive a 5-year tax holiday; deferment of capital depreciation for tax purposes until the end of the tax holiday; their stockholder dividends are exempt from taxation during the relief period, and they receive other forms of tax, tariff and customs relief. In short, Nigeria shows a "positive attitude" toward capital investment[4] — a fact which sets it apart from some of its neighbors (Guinea, for example) where the climate for foreign private capital is uncertain.

TRANSPORT

Primitive transport and communications have proved serious obstacles to the efficient development of both domestic commerce and export trade. The north, for example, still relies partly on man- and animal-power to carry goods from market to town. Even in the south, rail and road transport is inadequate.

In 1958 a $28 million World Bank loan launched a railway expansion plan to be completed by 1963. British loans for roadbuilding between 1946 and 1958 totaled over $17.5 million and, in 1959, Britain provided a long-term loan for highway, rail and telecommunications development.[5]

TRADE

In foreign trade Nigeria ranks as the world's largest producer of palm kernels (50 percent of the world total) and palm oil (over 30 percent). Oil-palm products are used in the production of soap and margarine. (Palm oil, rich in Vitamin A, is an important part of the local Nigerian diet.) Nigeria also provides 30 percent of the world's peanut exports and 13 percent of the world's cocoa. Its other chief exports include rubber, timber, cotton, hides and skins.

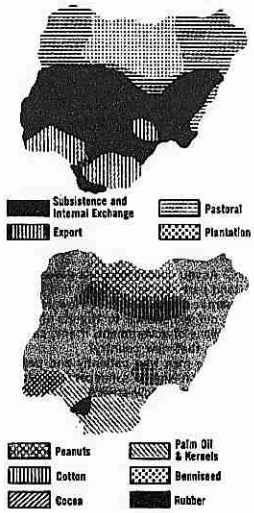
Since 1939 Nigeria's exports have increased tenfold, reaching $460 million in 1960. The postwar boom in world trade was especially beneficial — the prices for Nigerian exports rose faster than the cost of goods it was importing. The boom continued through the Korean War (1950-53). But after the big "cocoa boom" of 1954, the picture changed; Nigerian imports have exceeded exports every year since. In the 1948-58 period, the value of exports doubled while imports almost quadrupled.

Thus, while export earnings reached $460 million in 1960, the cost of imports had risen to over $600 million.

The reasons are obvious: economic diversification and industrialization call for expanded imports of high cost machinery, tools and construction materials. Clearly Nigeria is moving into a period when it must import capital at an accelerated rate in order to speed economic expansion. In time earnings from a wider range of exports should bring its trade back into balance. This is the period of acute "growing pains" for every backward economy that is struggling to modernize itself, and Nigeria is no exception.

How would you compare Nigeria's economic outlook with that of, say, Brazil? South Vietnam?

MAIN TYPES OF ECONOMY & MAIN CROPS[6]



FOOTNOTES: 1. Investment in Education. The Report of the Commission on Post-School Certificate and Higher Education in Nigeria, Nigeria, Federal Ministry of Education, 1960, p. 50. 2. A. Campbell, "Colonial Development and Welfare," Africa Today, ed. C. Grove Haines, Baltimore, Md., Johns Hopkins Press, 1950, p. 428. 3. International Economic Survey, Chemical Bank New York Trust Company, June 1961, p. 7. 4. "Federation of Nigeria," Foreign Information Service, First National City Bank, New York, October 1961, p. 8. 5. James S. Coleman, "Nigeria Achieves Independence," Foreign Policy Bulletin, October 1, 1960, p. 15. 6. Nigeria: The Political and Economic Background, op. cit., p. 7.

3

Nigeria's Economic Outlook

Today Nigeria is one of the poorest nations in the world, but its vast potential riches are now being tapped. What should the U.S. do, if anything, to influence the pace or direction of development?

"Among the 100 countries and territories which today may be classified as economically underdeveloped, Nigeria . . . ranks in the poorest 20 percent."[1]

The average Nigerian farmer earns a little more than $80 a year. He produces skimpy crops with inefficient methods which rank him—in productivity—among the bottom third of the world's farmers. He probably suffers from one of the many debilitating tropical diseases rampant in Nigeria. He also probably suffers from malnutrition and, if he is from the animal-scarce coastal regions of the south, his diet is deficient in proteins.

Yet, in spite of these discouraging facts, the Nigerian farmer is the mainstay of his country's economy. Farming is the principal occupation of 80 percent of the adults, most of whom work small family plots or (in the north) raise livestock. About 80 percent of the food crops are consumed domestically, making Nigeria virtually self-sufficient in food. Of Nigeria's total farm exports, 65 percent consist of three major crops: palm products, cocoa and peanuts. The only crop grown exclusively for export is cocoa.

Reduced to its simplest terms, Nigeria's long-range economic development program calls for these interrelated steps:

1. Farms. Increase agricultural productivity (and diversify production) in order to improve diets, keep up with a population growth of 2 percent a year, expand export earnings and (through improved efficiency) release labor from the farms into new and expanding jobs in mining, manufacturing and trade.

2. Mines. Expand production of petroleum to make the nation self-sufficient in this vital fuel, and expand exports of petroleum, tin and other mineral products to improve the nation's export earnings.

3. Factories. Speed industrialization to diversify and strengthen the economy and improve incomes and living standards.

4. Trade. Develop a modern consumer economy at home and a profitable and diversified trade with the rest of the world.

Let's examine each of these areas in turn—the problems, potentials and prospects for achieving these goals.

[redacted]

Health is one of the most severe obstacles to improving agricultural productivity. Describing the problem as a cycle, one northern emir explained that his people "have had to drink water infected with the guinea worm. Because of the guinea worm, at the end of the dry season when they should have been most vigorous in their fields, they were so weak that they could not farm their lands properly. The result was that they got a small crop . . . and before the next harvest was ready . . . they were doubly debilitated — both hungry and diseased."[2]

With the help of the UN and its specialized agency, the World Health Organization (WHO), Nigeria is attempting to control the tsetse fly menace, reduce malaria and wipe out yaws. It is also investing in improved medical and hospital care and rural health services.

Soil poverty is a problem common to the tropics. It calls for soil conservation and treatment, and periodic "retirement" of acreages to allow the soil to "recuperate" — a difficult practice for small-acreage farms.

Part of Nigeria's revenue from agricultural exports goes into research and development to improve methods of soil cultivation. Irrigation and flood control — by-products of the proposed Niger River Dam planned for 1962 — can do much to improve soil fertility and expand acreages.

Primitive farming methods and small farm units are directly related to the problem of raising productivity. As a result of deliberate British policy to prevent extensive land holdings and transfer of land to foreigners, there are few large plantations; most of the land is either communally owned or divided into small family units. Most farmers still rely on the hoe and machete and are reluctant to try new techniques such as artificial fertilizers, insecticides and improved crop strains.

Nigeria is tackling both problems simultaneously, especially in the Western and Eastern regions, by organizing rural cooperatives, each with a central pool of modern machinery and access to advice on scientific farming. In the west, cooperative units will average 1,500 acres, expandable to 5,000-6,000 acres, to accommodate 200 settlers and families.

And, as an essential step in developing "human capital," Nigeria is investing heavily in education.

[redacted]

Although mineral production now accounts for only 1.5 percent of Nigeria's gross national product (GNP),

languages are spoken in Nigeria.

Nigerian tribes vary in size from a mere 700 people to 5.5 million. The largest tribe is the Hausa of northern Nigeria, although it represents only 18.2 percent of the national population. The other principal tribes, in order of size, are the Ibo of the Eastern Region (17.9 percent), the Yoruba of the Western Region (16.6 percent), and the Fulani,[2] also of the North (9.9 percent). There is a sprinkling of small tribes throughout Nigeria, particularly in the Middle Belt (along the Niger and Benue[3] rivers above their confluence), whose numbers can only be guessed.

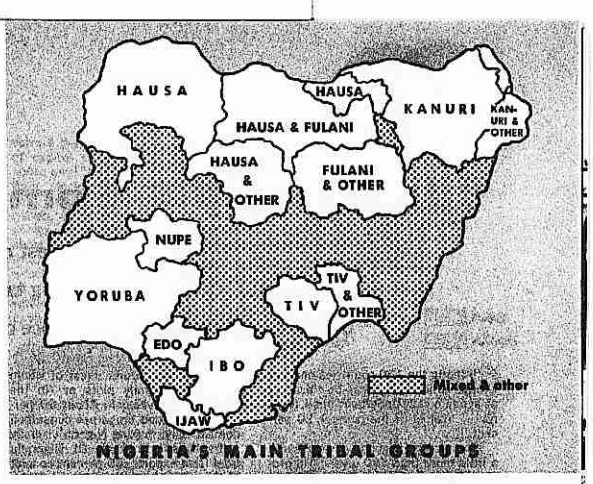
The religious make-up of Nigeria is another divisive factor. About 44 percent of the population is Muslim, 70 percent of whom are concentrated in the north and most of the rest in the Western Region. Christians (about 22 percent of the population) are concentrated in the east and west. The estimated 34 percent of the people who are pagan are distributed through all three regions.

Yet the figures are misleading since there is some overlap. According to one authority, a number of businessmen and politicians who are nominally Christian still consult "juju" priests, revere traditional tribal gods and visit pagan shrines.

A further divisive factor is the geography of Nigeria, which tends to isolate the principal cultural groups from each other. The nation (see map on page 9) is divided into three major wedges by the Niger ("Black") river and its principal tributary, the Benue. The Niger flows southeast 2,600 miles from Guinea, through Mali and Niger, and crosses Nigeria from the northwest corner to empty into the Gulf of Guinea. The Benue flows southwest, dividing the Northern from the Eastern regions.

Both rivers are unnavigable a good part of the year, either because of seasonal changes in water level or because of shifting sand bars. Thus they provide a barrier rather than a link among the regions.

The Northern Region is Nigeria's largest wedge, covering more than 75 percent of the nation's 373,000 square miles, with nearly 60 percent of the nation's population. It is an undulating plateau which levels off into low thorn-bush scrub in the north, where it begins to merge with the sands of the Sahara. Its open plains are accessible to the north and have frequently been invaded.



NIGERIA'S MAIN TRIBAL GROUPS

The Muslim Fulani have been the principal political power in the north since the turn of the century. Together with the Hausa they share religious and cultural links with Muslim North Africa and Egypt.

Nigeria's south contrasts sharply with the north. The coastal region is largely a dense belt of swamp and mangrove forest, much of it impassable and only sparsely populated. It borders on a tropical rain forest and oil-palm bush intersected by rivers and streams. Above this is the 300-mile wide "Middle Belt" of open woodland and grass savannah which separates the coastal regions from the rest of the country.

Until roads were built, the only communication in the southern coastal areas was by foot. Animals were useless in the swamps, as they also are in the tsetse fly infested Middle Belt. Farming in the south was limited to small units, and political administration was highly localized. In the Eastern Region in particular — isolated by dense forest and virtually immune to invasion — the Ibo tribe developed a highly decentralized political structure in which the basic social unit was the family and the largest political unit, a village group.

The Yoruba of the Western Region — with cultural links throughout West Africa—were politically organized and urbanized before the British intrusion. Lagos, the Nigerian federal capital, is predominantly a Yoruba city.

The effects of British colonial policy were two-fold: on the one hand, by uniting the principal groups they encouraged a sense of regional identification, and on the other hand, by acquiescing to complaints of disgruntled minorities and giving them substantial autonomy, they helped fragment the larger units. On balance, the British system of indirect rule "complicated the task of welding diverse elements into a Nigerian nation."[4]

The current federal structure of Nigeria, drawn to its political leaders' specifications, is an attempt to achieve unity among these divisive factors. The three (perhaps soon to be four) regional governments enjoy considerable autonomy and wide power. The three major national political parties are regionally based and dominated by the principal language groups and their allies. The regional economies are also distinctive, and there is some disparity among the regions in levels of economic and social development. But federalism may make it possible to weld these different elements into a united nation.

This federal structure can be strengthened by three factors: (1) accelerated economic development, (2) effective political leadership, and (3) education, a foundation for both economic and political development. You will explore these problems in the following pages.

FOOTNOTES: 1. Coleman, Nigeria: Background to Nationalism, p. 50. See suggested readings. 2. Ibid, p. 45. 3. See pronunciation guide, p. 12. 4. Coleman, op. cit., p. 53.

2

Regionalism & Federalism

Regionalism and tribalism tear Nigeria apart; federalism and a sense of national mission pull it together. Which drive will prove stronger?

The Portuguese, in the 15th century, were the first Europeans to reach Nigeria. They came in search of slaves for use in the islands of the Gulf of Guinea and, later, in the New World. In the mid-16th century they were followed by the English. Although England declared the slave trade illegal in 1807 and sent gunboats into the gulf to enforce the declaration, the trade flourished until the mid-19th century, when the area was still known as the Slave Coast.

With the decline and disappearance of the slave trade, commercial interest centered in palm oil and ivory.

The British annexed Lagos in 1861. In 1879 independent traders merged to form the British United Africa Company and were granted a Royal Charter. By 1899 the British government was so deeply involved in the protection of private commercial interests that it revoked the charter and decided to assume administrative as well as military responsibilities.

The British protectorate of Northern Nigeria was formed January 1, 1900, and Sir Frederick Lugard appointed high commissioner. In 1906 the Niger Coast Protectorate was amalgamated with Lagos to form the Colony and Protectorate of Southern Nigeria. By 1914 the British administered what, approximately, is now the Nigerian nation.

Nigeria, after 60 years of British colonial administration and 10 years of conscious preparation, gained its independence October 1, 1960. It is wholly independent, but retains its ties with Britain in the Commonwealth of Nations, and is a constitutional monarchy (like Canada), recognizing Queen Elizabeth II of the United Kingdom as its chief of state. In practice (as in Britain, Canada and other Commonwealth nations) the head of government is the prime minister, serving in the framework of a parliamentary system. Unlike the United Kingdom, however, Nigeria is a federation.

TRANSITION FROM COLONIALISM

During the 10 years preceding independence, the British administration turned over increasing political responsibility as Nigerians demanded it. National leaders received valuable experience as ministers in regional and national parliaments. In the lower echelons of administration a corps of African clerks and technicians served in various parts of the country and developed a Nigeria-wide outlook. "Their creation has been the most important contribution of the British superstructure to the concept of Nigerian unity and to nationalism."[1]

At the appointed date, many of the British officials and civil servants packed their bags and left, although many were also asked to remain in service with the independent Nigerian government.

Also during the transition period Nigeria developed three strong and fiercely competitive political parties, gained practical experience in self-government in the three regional and one national parliaments, and participated in framing the present federal constitution.

ASSETS AND LIABILITIES

Independent Nigeria emerged from the colonial era with other assets. It has a productive and relatively diversified agriculture (80 percent of its people are farmers) which fills domestic food requirements and provides 85 percent of the nation's exports. Agricultural diversity is particularly important because it provides a hedge against fluctuating world market prices and occasional failures in a single crop. Bad weather in 1957, for example, cut western Nigerian cocoa production and exports. But 1957 was a bumper year for eastern palm oil and northern cotton, thus helping to offset cocoa losses.

On the debit side of the ledger, Nigeria faces difficult economic problems connected with modernization of agriculture and of the whole economy and equally difficult political and social problems, which we will examine later in this Fact Sheet. Yet it is important to acknowledge that, when this nation of 35 million people (now nearly 40 million) gained its independence in 1960, it had two important legacies from the 60-year colonial era: a going democratic political system and a going agricultural economy.

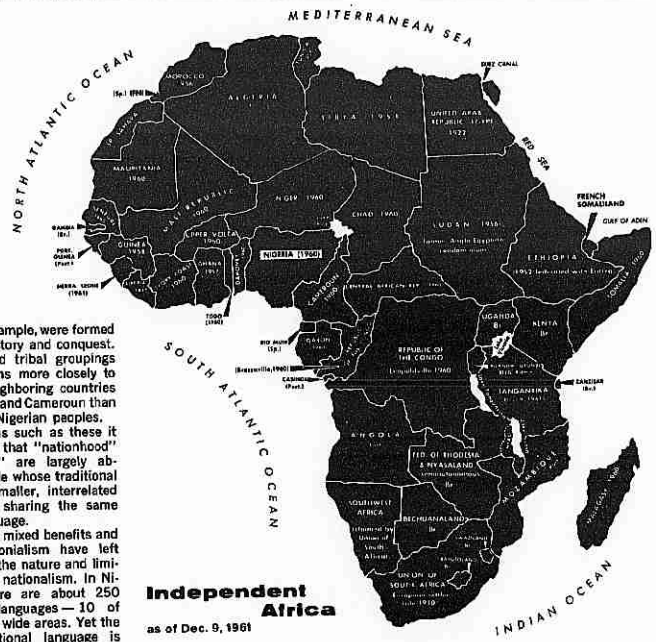
There is one thing, however, that no amount of colonial investment and careful transition could accomplish — that is, create political unity out of Nigeria's diversity.

NIGERIA: Diversity in Search of Nationhood

". . . Nigeria is a British creation and the concept of a Nigerian nation is the result of the British presence," according to a leading authority.[2]

"Nigerian unity is only a British intention," federal Prime Minister Alhaji Sir Abubakar Tafawa Balewa[3] once remarked. The search for nationhood is the most elusive of Nigeria's goals.

With neither design nor clear intent, Britain created one of the major "linguistic crossroads" of the world in Nigeria. It is the only country in Africa where most of the continent's main language groups can be found — Hausa,[3] which is spoken in urban communities throughout West Africa and is the language of western Sudan; Yoruba,[3] which is spoken by the largest single cultural group in West Africa; and Ibo.[3] And nearly 250 other tribal



Independent Africa
as of Dec. 9, 1961

ent borders, for example, were formed by accidents of history and conquest. Both language and tribal groupings link some Nigerians more closely to citizens of the neighboring countries of Dahomey, Niger and Cameroun than to the rest of the Nigerian peoples.

Under conditions such as these it is understandable that "nationhood" and "nationalism" are largely abstractions to people whose traditional loyalties are to smaller, interrelated groups or tribes sharing the same customs and language.

History and the mixed benefits and hardships of colonialism have left further marks on the nature and limitations of African nationalism. In Nigeria, again, there are about 250 different tribal languages — 10 of them spoken over wide areas. Yet the one unifying national language is English, a legacy of the colonial power. It is the language of the professions, business and the federal and regional parliaments. Yet, while it provides a unifying force for the nation, it also divides the small elite of educated Nigerians from the multi-tongued nation as a whole.

Finally, in spite of the rich and colorful past of many African peoples, and the brilliant civilizations which flourished in various parts of Africa while Europe was still in the Stone Age, there is virtually no written history for most of tropical Africa. Records of the past, in societies without written languages, are necessarily imprecise and seldom extend more than three or four generations back with any accuracy, except in the form of folk legends and epics.[1] It is the archeologists, rather than the people themselves, who have any clear sense of Africa's past greatness.

This diversity, complexity and lack of national history help explain the problems of contemporary African leadership. They may also help explain the trend — in Guinea, Ghana, Ivory Coast and elsewhere — toward one-man, one-party rule and the authoritarian techniques leaders use in efforts to enforce a "national will" on extremely diverse populations.

AFRICA AND THE WORLD

No African nation, however, struggles in a vacuum. Behind the economic strivings and political problems of each African state are other forces which add to the explosiveness of the problems—the cold war, which pitted the Soviet Union against the West and the UN in the former Belgian Congo's bitter civil strife during 1960-61; racialism (between black and white and Asian and African), which continues to divide the Congo, is delaying independence and confederation in British East Africa, and is perhaps potentially most explosive in the Union of South Africa; and, last, the seething, latent violence which is almost sure to erupt in the remaining vestiges of colonialism, the last African colonies of Portugal and Spain.

The U.S. has the resources to help the development process of the African countries. Is it in our interest to do so? Should we concentrate our not unlimited funds in one or two countries? In Africa, say, as opposed to Latin America or Asia? What criteria should govern our choice?

Against the turbulent background of the African continent, what are the problems and prospects of one new African nation, Nigeria, which celebrates the second anniversary of its independence in October 1962? Nigeria was selected for this case study because it is the most populous nation in Africa, because it is a microcosm of many of Africa's problems and because it can serve as a model for other African nations.

FOOTNOTES: 1. Nigeria: The Political and Economic Background, prepared by The Royal Institute of International Affairs, p. 3. See suggested readings. p. 12. 2. Montgomery, "Aid to Africa: New Test for U. S. Policy," p. 10. See suggested readings. 3. Ibid, p. 11.

Africa in the 1960's

Since 1957, 20 nations have won independence in Africa — old outpost of colonialism, new cold war frontier. What prospects that these new countries will live and prosper in political freedom?

The decade of the 1950's saw an "independence explosion" on the continent of Africa. (Ethiopia and Liberia were the only two independent nations in tropical Africa at the end of World War II.) The decade of the 1960's promises to continue this revolution of nationalism and may well see the end of European colonialism everywhere on this continent. (At the end of 1961, there remained 20 colonies, protectorates or trust territories on the African continent.)

The 1960's may also see an intensification of other struggles already under way in Africa. One is economic —the struggle against poverty, disease and illiteracy. Another is political—both the struggle for domestic political maturity and the equally important struggle for international stability among various groupings of African states, and between independent Africa and other world power blocs.

How important is Africa to the U.S.? Is its stability important to us? Its rapid economic growth? Is the U.S. already deeply involved in Africa's development and future?

ECONOMIC CHALLENGES

A phenomenon common to all Africa — indeed, to the entire underdeveloped world — is the gap between economic aspirations and economic realities, between what is expected and what is immediately possible. Even with well over $1 billion a year in foreign aid currently concentrated in this continent (over $200 million of it, U.S. aid), the transition from primitive, basically agricultural economies is proving slow and painful. Some parts of Africa are rich in potential resources, but most of them have so far been barely tapped. Other parts of Africa are extremely limited in economic potential.

Yet everywhere in Africa the demand for rapid economic growth is strong. New nations are impatient in their quest for political and economic maturity and are determined to telescope the growth process. In fact, some have been bitterly disappointed that political independence did not automatically bring prosperity. Will they sacrifice their independence in trying to move too quickly? What role, if any, should the U.S. play in the uncertain but inevitable development struggle of the young countries?

Where the need is for careful, long-term investment in the underpinnings of growth — education, health, power, transport and communications, etc. — the temptation may be to splurge on showy projects of only marginal value — new government buildings, tourist hotels and monuments to the new national leaders.

Where there is great need for diversified private investment from abroad to strengthen both the industrial and consumer sectors of the economy, the investor is often discouraged by discriminatory taxes, government competition or monopoly, or the threat of expropriation or nationalization of foreign-owned holdings.

Where careful planning and coordination are needed to insure that available foreign grants, loans and technical assistance make a maximum contribution to growth, the temptation occasionally is to make a cold war football out of foreign aid, and to try to get East and West to compete with each other in successive offers of aid for unrelated projects.

And fundamental to the whole problem of economic development is the question of what economic philosophy is best suited to the resources and ambitions of these struggling new states — central planning on Marxist principles, socialism on the European model (with national ownership of key industries), free enterprise on the U.S. model, a blend of all these or gradual transition from one economic system to another.

The extreme approaches already in evidence include the highly centralized economic planning of Guinea, where political as well as economic techniques are patterned on Marxist principles, and Nigeria, where it is government policy to leave industry as much as possible in the hands of private investors, except for utilities such as electricity, water, telephones and air transport, which are administered and developed by quasi-governmental bodies.

Finally, economic philosophy is closely related to politics. A viable economy which provides decent wages, a rising standard of living and adequate government revenues to support education and public works is important to political stability. It is also important if the people are to learn to govern themselves.

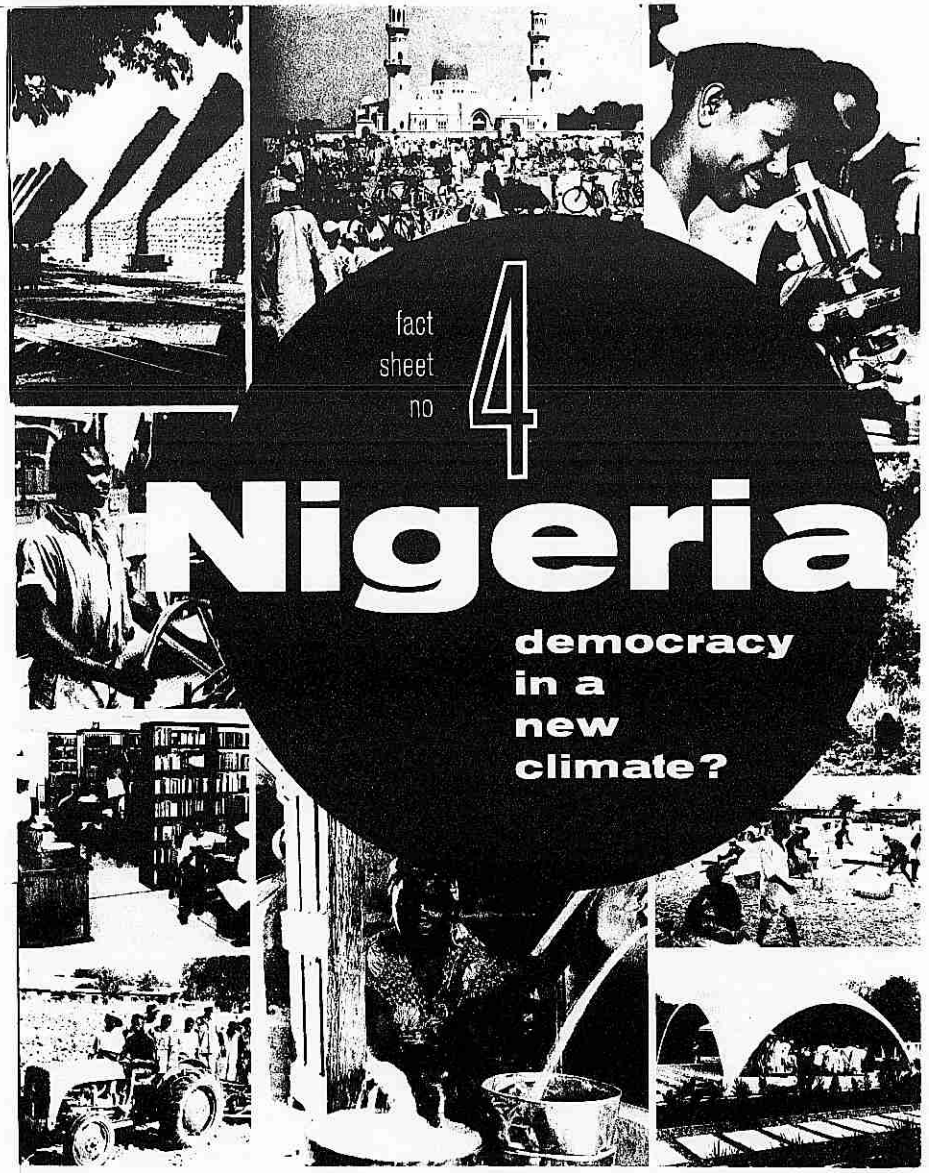
POLITICAL STABILITY

In the long run, political development may prove the most difficult challenge for new African nations. About 80 percent of the peoples are illiterate[1] and most of these are preliterate, lacking a written language.[2]

All tropical African countries face the problems of transition from decentralized tribal government to more modern forms of a nation state.

Some countries have inherited a core of competent administrators trained by the former colonial power; others were abruptly launched into nationhood with virtually no trained civil service; and no African nation feels it has an adequate reservoir of educated manpower.

Even national boundaries are arbitrary, seldom bearing any realistic relationship to tribal, ethnic, religious or language divisions. Nigeria's pres-



fact sheet no 4

Nigeria

democracy in a new climate?

Pronunciation Guide

Brasília (bra-SIL-ya). **caudillo** (cow-DEE-yo). **Cruzeiro do Sul** (kroo-SAY-roo doo SOOL). **Denys, Odilio** (de-NEE, o-DIL-io). **descamisados** (des-cah-me-SA-dose). **favelas** (fa-VAY-las). **fazenda** (fa-ZEN-da). **Goulart, João** (goo-LART, ju-OW). **Guevara, Ernesto "Che"** (gey-VA-ra, er-NEST-o che). **Kubitschek, Juscelino** (ku-bit-SHECK, JUICE-el-in-o). **Neves, Tancredo** (NAY-ves, tan-CRAY-do). **patrão** (pah-TROW). **Pérez Jiménez, Marcos** (PAY-rez he-MEN-es, MAR-cos). **Perón, Juan** (pay-ROAN, HWAN). **Punta del Este** (POON-ta del ES-teh). **Quadros, Jânio** (KWA-dros, zha-NU). **Rio Grande do Sul** (RE-o GRAN-day doo SOOL). **São Paulo** (SOW POW-lo). **Vargas, Getúlio** (VAR-gaz, zhe-TOO-lyo).

Suggested Readings

Benton, William, The Voice of Latin America. Foreword by Adlai E. Stevenson. New York, Harper, 1961. 204 pp. $3.95. Interpretations of Latin American pressures for change, based on an extensive tour of the continent, with statistical data and policy recommendations.

da Cunha, Euclides, Rebellion in the Backlands. Chicago, University Press, 1944. 532 pp. Paperback, $1.95. A national epic of the Brazilian Northeast at the turn of the century, with the hardy frontiersman as its hero, in an excellent English translation.

de Azevedo, Fernando, Brazilian Culture: An Introduction to the Study of Culture in Brazil, trans. New York, Macmillan, 1950. 562 pp. $15.00. A comprehensive and scholarly discussion of the national character and culture, and of their regional variations.

"Focus on Latin America," Intercom, Vol. 3, No. 1. New York, Foreign Policy Association-World Affairs Center, February-March 1961. 34 pp. 75 cents. A comprehensive list of materials and publications.

Freyre, Gilberto, The Masters and the Slaves. New York, Knopf, 1956. 600 pp. $8.50. A classic on Brazilian society, dealing with race problems, climate, the arts, religion, history, economics and politics. Traces the evolution of a modern republic.

_____, New World in the Tropics: The Culture of Modern Brazil. New York, Knopf, 1959. 286 pp. $5.00. Essays by the noted Brazilian scholar on history, literature, foreign policy and other aspects of modern Brazil.

Hanke, Lewis, South America. Vol. II. Princeton, N. J., Van Nostrand, 1959. 191 pp. Paperback, $1.25. An analysis and description of the social and economic realities in Brazil and Spanish South America, particularly the fundamental problems which the Latin Americans themselves believe to be the most urgent today.

Herring, Hubert, A History of Latin America. New York, Knopf, 1961. 796 pp. $10.75. A thorough and comprehensive study of Latin America from Indian culture through the creation of the Inter-American system. One of the most readable histories in a new edition.

Ramos, Arthur, The Negro in Brazil, trans. New York, Associated Publishers, 1939. Available in libraries. One of the most noted specialists in the field sums up his observations.

Schurz, William Lytle, Brazil: The Infinite Country. New York, Dutton, 1961. 346 pp. $6.00. An up-to-date analysis of the land, the people and their government.

Smith, T. Lynn and Marchant, Alexander, eds., Brazil: Portrait of Half a Continent. New York, Dryden, 1951. 466 pp. $5.75. A collection of essays which survey Brazil from diverse points of view.

The United States and Latin America. New York, The American Assembly, Columbia University, 1959. 220 pp. $2.00. Studies and recommendations by experts.

Suggested readings and other publications are available in most local libraries and in some World Affairs Councils. Or they may be ordered from FPA-WAC Book and Pamphlet Department, 345 East 46th St., New York 17, N. Y.

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6

What U.S. Policies?

As the subtitle of this Fact Sheet suggests, one of the questions uppermost in the minds of U. S. policymakers — and many private American businessmen and other interested citizens — is this: **Which way is Brazil heading?** The U. S. has already invested $1.5 billion in this half-continent of a nation. In the past, the U. S. has found Brazil one of its staunchest supporters on hemisphere and world issues. Are there grounds for continued or increased U. S. support? Or is it time to review and perhaps revise U. S. policies toward Brazil—and even toward the entire continent?

The White House has announced the broad terms of its policy toward Brazil and — through the Alliance for Progress — toward all Latin America. Alliance goals for the 1960's are:

1. Raise per capita economic growth to 2.5 percent a year; 2. increase incomes and standards of living; 3. diversify economies and stabilize prices for primary commodities; 4. encourage industrialization; 5. increase agricultural productivity; 6. introduce land ownership reform; 7. extend primary education; 8. eliminate adult illiteracy; 9. increase life expectancy; 10. provide low-cost housing; 11. stabilize price levels and avoid inflation; 12. encourage economic integration of Latin American nations; 13. levy more equitable taxes.

At some point during the 1962 session of the 87th Congress, the people of the U. S. and their representatives will have to take a stand on all these questions. They will have to decide whether to proceed confidently with these proposed policies, whether to take some risk or gamble, or whether to modify, cut back or shift fundamental U. S. positions.

The remainder of this page is devoted to a review of some of these hard policy choices which the American public will be called on to make during 1962.

for discussion

1. Can U. S. policy deal effectively with the challenges presented by a rapidly changing Brazilian society?

Do developments of the past year point to a strengthening — or weakening — of representative democracy in Brazil? In your opinion, what are the chief obstacles to political progress and stability in Brazil?

What are Brazil's chances, in your opinion, for achieving its economic goals? What do you think are the most serious economic problems or weaknesses facing Brazil's new leaders? What types of economic action do you think are necessary? What types of economic or social reform?

What should be the principal goals of U. S. policy toward Brazil? Encourage and help the new administration press its economic and social programs? Try to influence the new administration to adopt policies we consider appropriate and sound?

What type of assistance or encouragement can the U. S. best provide? Private investment and initiative by U. S. business and industry? Private welfare and other social assistance through churches and nongovernmental organizations? U. S. government loans, grants and credits? Long-range, broad-scale "partnership" assistance, combining public and private effort (as in the Alliance for Progress)?

2. If Brazil continues to follow an "independent" foreign policy, how should the U. S. respond?

How do you react to former President Quadros's 4-point explanation of Brazil's foreign policy (page 10)? Do you feel the U. S. has grounds for concern? Or do you feel the "dangers" are exaggerated or unreal?

What is Brazil's importance to the U. S.? Is it important for Brazil to be openly pro-U. S.? For it not to be strongly anti-U. S.? For it to follow a foreign policy which best fits the needs and aspirations of the Brazilian people?

The U. S. was generally commended in the Brazilian press for not "intervening" in the 1961 political crisis. Does this suggest the U. S. should keep hands off in any such situation? Are there some circumstances in which the U. S. would be justified in intervening? If so, when? If the Brazilian government turns sharply to the left in domestic or foreign policy? If it is threatened with a left- or right-wing totalitarian revolution? If it expropriates U. S.-owned businesses (recognized under international law as long as adequate and prompt payment is made)? If it openly aligns itself (like Cuba) with the Soviet bloc? What attitude should the U. S. maintain toward the present administration? Support it? Wait and see?

3. Do you believe the Alliance for Progress should receive the support of the U. S. public — the taxpayers — and their representatives in Congress?

Over one-third of all previous U. S. grants and loans to Latin America have gone to Brazil. Does the current economic and social situation in Brazil suggest that the money was wasted? Or that it has helped raise the expectations of the Brazilian people? That a greater U. S. aid effort is now called for? Or that Brazil should first set its own house in order? Or that the U. S. should become a partner with Brazil in mutually agreed approaches to basic problems?

Do you think the U. S. is justified in making land reform one of the goals of the Alliance for Progress? Is this a form of "intervention" in the internal affairs of Latin American nations? Are the very wealthy few likely to cooperate? Are the reforms essential? Are other reforms desirable? What sort?

Are the 13 goals for the Alliance for Progress (above) too broad? Too high? Not high enough? Which are the most important, in your view? What do you think will be the consequences if this 10-year program succeeds? If it fails? What might failure or success mean politically in Brazil, for example? What might the outcome mean to U. S. foreign policy? Hemisphere relations? U. S. national security?

5

Brazil's Foreign Policy

Whatever the U. S. does — or does not do — in trade, aid or diplomatic policies toward Brazil will presumably be based on U. S. national interest and our foreign policy aims.

It is important to understand, therefore, the interests and aims of Brazilian foreign policy. To what extent are the aims of Brazilian leaders compatible — or in conflict — with U. S. aims? How much of what Brazil hopes to do is "none of our business," and how much is urgently the concern of the U. S.?

The only recent, full testament of Brazilian foreign policy (at least at press time for this Fact Sheet) is an article written by ex-President Jânio Quadros, approved one week before his resignation. There have been indications that the Goulart-Neves administration is sympathetic to the following four guidelines for policy which Quadros set forth:[1]

1. Brazil is tied to the West by "historical, cultural and Christian" ties and by its "dedication to democracy." For these reasons, Brazil remains a participant "in the Inter-American regional system, which entails specific political commitments." However, its commitments to this system are modified by three other factors.

2. Brazil is also oriented toward "the recently emancipated peoples of Asia and Africa," as well as toward the rest of Latin America. The common interests include "the battle against underdevelopment," government direction of economic growth, and the concepts of racial equality. But the greatest bond is poverty, which "separates us from North America and the leading European countries of the Western world. . . . What solidarity can there be between a prosperous nation and a wretched people? What common ideals can . . . withstand the comparison between the rich, cultivated areas of the United States and the famine-ridden zones of the Brazilian Northeast?"

3. Brazil, furthermore, must remain nonaligned. "We have not subscribed to treaties of the nature of NATO, and are in no way forced formally to intervene in the cold war between East and West."

4. As a free agent, Brazil intends to pursue closer diplomatic and trade ties with the Soviet Union, Communist China and Eastern Europe. Diplomatic relations have been re-established with Rumania, Hungary, Bulgaria and Albania. Brazil has discussed trade relations with Red China and supported placing on the General Assembly agenda the question of seating Red China in the UN. "Negotiations for the reopening of relations with the Soviet Union are in progress." All these moves have been made in order to expand trade without regard for politics. "We shall go out to conquer these markets . . . in countries under democracy, and in those that have joined the Communist system. Material interests know no doctrine."

WHAT DOES IT MEAN?

At first glance the Quadros program for Brazil's foreign policy looks like traditional neutralism — the policy of small powers determined to avoid being crushed by the cold war battle of the giants. Some observers point, however, to what may be the crucial phrase of Quadros's article: "Not being members of any bloc, not even of the neutralist bloc, we preserve our absolute freedom to make our own decisions in specific cases."

Some background to this phrase is provided by the fact that — so far, at least — Brazil has relied wholly on the West for loans and grants. It has not turned to the Soviet bloc (as have many so-called neutralist nations) for any aid whatsoever. If this pattern is followed by the new administration, Brazil may carve out for itself a unique foreign policy role somewhere between the committed West and the uncommitted neutralists.

The policy will no doubt be tested during 1962 and the years to follow. It is important, observers say, to make a clear distinction between commercial policies and ideological commitments—and to understand some of the reasons why Brazil seeks expanded trade with the nations of the Communist bloc, which have had less than 3 percent of its business in the 1950's.[2] There are several points to bear in mind:

1. Continuing rapid expansion of Brazil's economy must be a fundamental objective of any Brazilian administration. Yet this requires stepped-up imports of heavy machinery, fuels, some critical raw materials and other "tools" of industrialization. To pay for these increased imports, Brazil must sell more goods abroad.

2. Brazil's traditional major exports are coffee, cocoa and cotton (which make up two-thirds of the nation's export earnings). The traditional markets for these exports are in the West. But world prices for these primary commodities have fluctuated since the war, and generally trended downwards. Thus Brazil's exports climbed from 5.75 million tons in 1956 to 10.60 million tons in 1960, but the value of these exports dropped from $1.48 to $1.27 billion.[3]

3. There is little prospect for overcoming the downward trend in prices through expanded exports to Western markets, since the prices reflect an oversaturation in the market in the first place. Coffee, for example, provides 58 percent of Brazil's export earnings, yet Brazil's share of the Western coffee market is declining because of the growing taste for milder blends and the stronger competition from African coffee producers.[4]

4. Even if Brazil is able to move quickly into industrial exports, its new factories are unlikely to be competitive with North American and Western European factories. It may capture a greater share of trade with other Latin American countries, especially those joining it in a Free Trade Area (Argentina, Chile, Mexico, Paraguay, Peru and Uruguay). But that "common market" is not scheduled to be fully effective until 1972.

5. The most likely area for expansion of Brazil's markets, therefore — particularly in primary commodities — may well be the Communist bloc, especially Russia and Eastern Europe, where the emphasis on meeting consumer needs is growing.

FOOTNOTES: 1. The ensuing four paragraphs are abstracted from "Brazil's New Foreign Policy," Jânio Quadros, Foreign Affairs, October 1961. 2. U.S. Senate, op. cit. pp. 674-5. 3. Banco do Brasil, Relatório 1960, Brasília, D.F., p. 65. 4. U.S.-Latin American Relations, Report of the U.S. Congress and Senate, Document No. 125, USGPO, Washington, D.C., August 31, 1960.

. . . Increasing Frustrations

There is another perspective that needs to be taken into account — the unevenness of Brazil's current economic boom.

The picture of dynamic progress is based on two sources — eyewitness reports and "growth" statistics. However, the reports are often based on visits to two cities, Rio de Janeiro and São Paulo, which between them account for only one-eighth of Brazil's population. And national economic statistics reveal an average of national progress. The figures often conceal the fact that phenomenal growth is taking place in and around Southern urban centers, while other major regions are relatively stagnant.

These areas of deep frustration, experts warn, are seedbeds of a potential Castro-style revolution.

The most crucial region is the Northeast — a 1 million square mile area, larger than any single nation in Latin America except Argentina. The eight states of Brazil's Northeast have a total population of 23.5 million, one-third of Brazil's total.

Frustration in this region is more than a matter of psychology. It is rooted in appalling conditions.

Average incomes are less than $100 a year, as low as $50 in some sections. About 75 percent of the population is illiterate. Daily average food intake is estimated at 1,644 calories. Half the population dies before the age of 30. Gastric disease takes an enormous toll of babies under a year old, and among those who survive there is a high incidence of tuberculosis, hookworm and schistosomiasis, an illness spread by snails in polluted rivers.[1]

Agriculture is the dominant occupation. It is practiced under two handicaps. The first is periodic drought, which lasts for several years at a time. The second is a feudal system of landholding — traditional in Latin America — in which sharecroppers work tiny parcels of land with primitive tools, paying "rent" by giving a share of the crop and three or four days' unpaid labor per week to the landlord.

Today's peasant, however, has two ways out. He may join the exodus to the cities of the South, even if only to live on the fringes of its commercial wealth as an unskilled laborer or domestic — provided he can find work at all.

Or he may join forces with Francisco Julião, a 46-year-old lawyer and novelist, who leads a group known as the Peasant League, "the closest thing to an organized 'Fidelista' movement in Latin America outside Cuba."[2]

Julião visited Red China, the Soviet Union and Eastern Europe within the past two years, declaring common cause against "Yankee imperialism." It was a visit to Cuba, however, which "converted" him from idealistic defense of peasant cases in the courts to militant political action. Julião's manifesto, printed in the Communist weekly, **Novos Rumos**, and widely circulated in the Northeast, reads:

"Your cruel enemy, the **latifundium** [large estate or **fazenda**], will die as it died in China, a country very similar to our Brazil. It will die as it died in Cuba, where the great Fidel Castro handed a rifle to each peasant and said: 'Democracy is the government that arms the people.' I went there and saw it all."[3]

The Peasant League claims a membership of 20,000. It is identified with the Brazilian Socialist party and supported by the Communists. Its professed aims are land reform and agricultural cooperatives, but Julião's top aide has said, "We can never exclude the revolutionary solution."

Symbol of the league is "Galiléia," a 1,200-acre farm which the league turned over to 144 peasant families after forcibly seizing it from a debt-ridden owner who was squeezing his tenants.[4]

A U. S. mission, headed by George McGovern, director of Food for Peace, reported to President Kennedy:

"The Northeastern sector of Brazil is by far the largest and most crucial hunger area in Latin America . . . [It is] in urgent need of diversification and reform of its large, one-crop sugar estates, rural assistance, irrigation and immediate distribution of food for humans and feed for livestock. . . . The U. S. should probably make Northeast Brazil a top priority area for broad assistance . . ."[5]

Ex-President Quadros promised the people of the Northeast economic and social aid during 1961, and set up a 5-year, $425 million redevelopment plan. There are indications the Goulart-Neves administration will attempt to carry out the commitment, counting on U. S. and other foreign sources for half the required funds,[6] but the obstacles are great.

In May 1961 President Quadros cut by 30 percent the requests from the Northeastern states for federal assistance — partly because of efforts to control inflation by reducing spending, and partly because the funds are limited. (Brazil's $900 million budget in 1959, for a nation of 65 million people, was less than New York City's.)[7]

Then, too, federal funds cannot all be spent in the Northeast. Regions which are better off economically still have pressing needs. In Rio de Janeiro an estimated one-third of the population lives in hillside slums — **the favelas**[8] whose misery was depicted in the moving **Life** magazine report of June 1961.

There are also substantial areas of frustration in São Paulo, which provides 32 percent of the national income[9] and 41 percent of all federal receipts.[10] Although it is a "predominantly middle-class city full of businessmen, white-collar workers and well paid skilled laborers,"[11] it is also a city of unskilled migrants from the countryside, who are able to see — but not share — the wealth of better-paid **Paulistas.**

These, experts say, are the danger-breeding areas — the rural slums of the Northeast, and the urban slums in the booming cities of the industrial South. They are explosive situations. Probably no country in the second half of the 20th century can tolerate them indefinitely. Whether we like it or not, something will happen. Is it of any concern to the U. S.? If so, what could or should we attempt to do?

FOOTNOTES: 1. Tad Szulc in **The New York Times**, October 31, 1960. 2. Tad Szulc in **The New York Times**, November 1, 1960. 3. Ibid. 4. **The New York Times**, June 28, 1961. 5. **New York Herald Tribune**, June 18, 1961. 6. **The New York Times**, November 12, 1961. 7. **South America**, op. cit. 8. See pronunciation guide, page 12. 9. "U. S. Business Performance Abroad," National Planning Association, Washington, D. C., 1961. 10. William Benton, "The Voice of Latin America," **Encyclopaedia Britannica**, Chicago, 1961. 11. George Meek in **Americas**, August 1960.

4

Rising Expectations and . . .

The Goulart-Neves administration inherits all the recently accumulated problems of the nation—control of inflation, social reform and development of the country's resources.

In terms of U.S. policy the situation presents some serious challenges. Should we offer strong encouragement to an administration that has not yet proved itself? Would we do better to "wait and see"? Should we endorse social reform—which could develop into social revolution? How should we react to proposed Brazilian legislation which many consider "socialistic"?

The issue is acute because of two new dimensions: (1) the growing ferment among the Brazilian masses and (2) indications that the new administration may usher in what Goulart has called "profound reform laws" and which his opponents fear may be "extreme measures."

SPREADING SOCIAL FERMENT

There has been a "veritable revolution" in the past three decades, according to one authority, "in the expectations of the masses of the population throughout the length and breadth" of Brazil.[1]

This revolution began in the South, especially in the old capital, Rio de Janeiro, and the city and state of São Paulo. It fed on a rapid "increase in the goods, services and privileges the populace think themselves entitled to enjoy. . . . Nevertheless, the rise in expectations, in what sociologists and economists call the standard of living, has greatly outpaced . . . actual levels of consumption and enjoyment. . . . As a result . . . the area of frustration has increased."

"Since about 1935," this authority concludes, "the masses of the population in Brazil have come to believe that they and their children are entitled to far better real wages, housing, dress, educational opportunities, health services, cultural advancement and so forth than they have enjoyed in the past. . . . They now aspire by the millions to the ownership of small farms, to voices in political affairs, and to a way of life more in accord with what they see enjoyed by the favored . . . classes in their own society, by many of the foreigners who live and work in Brazil, and by the people they have heard about in some other parts of the world."[2]

Most observers agree that the ferment exists. There is disagreement, however, about the real or potential dangers.

One view holds that the situation is explosive. Agitators tend to exploit the popular mood, arguing that their programs (Communist or not) could remedy the situation overnight. Local and national government officials and political leaders are often suspect in the public eye, partly because they have been unable to deliver on extravagant promises. Public resentment is increasingly directed against two targets —the wealthy and land-owning classes at home, and the wealthy nations abroad (especially the U. S.). The charges against both are similar: exploitation of Brazil's wealth for excessive profit rather than for the good of the Brazilian people.

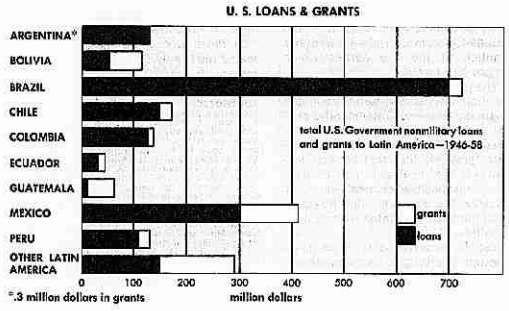
According to this interpretation, the Brazilian masses are ripe for the most "extreme" reforms a Brazilian Castro may propose.

A contrary interpretation of this mass ferment is offered by former U.S. Ambassador A. A. Berle, Jr., after a recent fact-finding trip:

"The notion that a depressed, angry lower class desires social revolution and destruction of existing norms in Brazil is an illusion. . . . Revolutionary feeling is confined to a small stratum of intellectuals and a moderate though substantial minority of politicians; but, having access to propaganda tom-toms often provided from the outside, these make a disproportionate noise."[3]

Berle supports his thesis by pointing out that the two-thirds of the population still living in the countryside are far removed from political action, indeed that most Brazilians "have a benevolent cynicism about politics." Instead they "push steadily on, clearing farms, erecting new factories, increasing their technical competence, conquering their virgin land, and building (better than we) strikingly beautiful cities."[4]

Between these two interpretations of the mass mood lies a third possibility — that radical economic and social measures may be imposed from the top. A demagogic program offered by a self-confident leader — President Goulart or someone else — might indeed bring the nationwide ferment to a head. The president has already given an inkling of the programs he may offer — constitutional amendments to permit drastic agrarian reforms, measures to curb the profits of foreign enterprises living on the "misery and suffering of the Brazilian people," and steps to "take from those who have much wealth to give to those who have nothing."



*.3 million dollars in grants

FOOTNOTES: 1. "The Giant Awakes: Brazil," op. cit. 2. Ibid. 3. A. A. Berle, Jr. in The Saturday Review, op. cit. 4. Ibid.

many of the people—especially the nearly 4 million immigrants who entered the country between 1890 and 1937, by which time "one-fifth of the entire 40 million population consisted of Italians, Germans, Spaniards, Syrians, Japanese and other foreign stocks."[8]

Furthermore, this partially assimilated immigrant population provided an important base for the first sizable class of independent small farmers and the core of skilled workers and entrepreneurs—an expanding middle class which began gradually to displace the old land-based oligarchy of feudal Brazil.

Finally, the forms of fascist totalitarianism suited the purposes of a leadership which was determined to mobilize and remake all the resources of the nation. With the aid of an ultra-nationalist appeal, the state took control of labor and the development of basic resources. Through the military, secret police and the suppression of political and civil liberties, the state maintained the power of the leader and squelched all opposition.

It was a pattern which was to be repeated later in the Argentina of Juan D. Perón[3] and the Venezuela of Marcos Pérez Jiménez[3]—and it borrows much from Communist totalitarianism as well as from Hitler's Germany and Mussolini's Italy. In the opinion of many observers, the danger of this totalitarianism of the right is as great today in Latin America as the totalitarianism of Castro and communism.

VARGAS SOCIAL REFORMS

In spite of the absence of political freedom, and rigid state control of the economic system, the Vargas dictatorship in its early years (1930-34) introduced a number of social and economic reforms. "Vargas gave the workers an 8-hour day, sought to eliminate the abuses of child labor, created unions, and left behind a body of social legislation that in itself constituted a major revolution in Brazilian ways."[9]

Vargas's appeal to the new urban working class (made up of migrants from the poverty-ridden countryside as well as immigrants from abroad) was more than a decade ahead of Perón's championship of the **descamisados**[3] (the "shirtless" or underprivileged) of Argentina.

In addition, Vargas "reformed the whole educational system along modern lines; stressed the construction of schools...and launched irrigation projects in the drought-plagued Northeast of Brazil."[10]

On the economic side, Vargas built the foundations of Brazil's current economic system. His National Coffee Council restricted production, curtailed exports and bought up and destroyed surpluses in an effort (only partially successful) to stabilize world market prices. Under his 5-year plan begun in 1940, the first large steel mill in South America was constructed at Volta Redonda, oil was developed under the state monopoly Petrobrás, and electricity and steamship lines were nationalized. He laid the foundations for the Western Hemisphere's second largest commercial airline (of special importance to this vast country, lacking in rail and road facilities) and, in the course of these efforts, he forcefully unified the nation politically.

The costs were high. Personal and civil liberties were suppressed at the cost of mounting class hatreds. At the height of Vargas's power the Communists reached the peak of their strength—1 million members between 1945 and 1947 (now estimated at 50,000).

"Intervention" was Vargas's principal instrument for political nationalization. He replaced elected state governors with his own appointees in an effort to break the power of regional political machines. The puppet governors provided the nucleus of a new political party, the Social Democrats. Leaders of the government-run labor unions formed a second major political force, the Brazilian Labor party.

BRAZIL'S UNFINISHED BUSINESS

In 1954, deserted by the military which had helped keep him in power, Vargas committed suicide. But he proved to be a stubborn ghost. Juscelino Kubitschek, his successor to the presidency, came to power through a coalition of the two parties which Vargas had formed.

The greatest break from the Vargas tradition was, under Kubitschek, the beginning of genuine democratic control over the political process. Kubitschek's administration ended in 1960 with "probably the most honest election ever held in Brazil....At no time did a responsible element seriously entertain the possibility that he [Quadros] might be prevented from assuming office."[11]

Yet, in some respects, Kubitschek followed the Vargas program of national progress at any cost. Public

João Goulart

works continued at a high rate, the most spectacular being the construction of the new national capital at Brasilia—although the national treasury showed a $300 million deficit in the domestic budget and a $320 million deficit in balance of international payments.

Industrialization also progressed at a rapid rate under Kubitschek, as giant new steel mills and modern automotive plants demonstrate. Agriculture, though expanding, continued to be a weak sector of the economy (1.8 million tons of wheat had to be imported in 1959). Consumer purchasing power was increased through government intervention in wage increases, but inflation came with it. By 1960 Brazil's rate of inflation, at 35 percent, was the highest in South America.

The 7-month Quadros administration attempted to establish a regime of austerity—to hold wage rises and inflation in check, and to discourage speculation and encourage savings for investment. He also attempted to check fraud and corruption.

The new president and premier, although from hostile political parties, are both Vargas protégés. Indeed, President João Goulart is the one to whom Vargas addressed his suicide note, which ended with the prophecy, "To those who think they have defeated me I reply...I leave life to enter history."[12]

FOOTNOTES: 1. Walter Lippmann, "Brazil and the United States," New York **Herald Tribune**, December 1, 1960. 2. Quoted in **Latin American Business Highlights**, Chase Manhattan Bank, Vol. II, No. 3, 1961. 3. See pronunciation guide, page 12. 4. Frank Tannenbaum in **The United States and Latin America**, op. cit. 5. Dora A. de Vasconcellos, "A Successful Multiracial Society: Brazil," **The Latin Americas**, 29th Chouchiching Conf., Toronto, 1960. 6. Charles Wagley in **Social Change in Latin America Today**, New York, 1960. 7. Marvin Harris, **Town and Country in Brazil**. New York, Columbia University Press, 1956. 8. Hanke, **South America**. See suggested readings. 9. Tad Szulc, **Twilight of the Tyrants**, New York, Holt, 1959. 10. Ibid. 11. John J. Johnson, "Brazil: New President, Old Problems," **Current History**, April 1961. 12. **The New York Times**, September 10, 1961.

Making of the 'New State'

From slavery, rural feudalism and dictatorship to reform, industry, free enterprise and democracy is a recent, giant and unfinished step.

Slavery was abolished in Brazil only 74 years ago; the empire of Dom Pedro II became a republic in 1889; modernization of Brazil's economy—from an essentially feudal state dominated by a small, rich, landed aristocracy—began in the 1930's under Vargas, the nation's most recent dictator; the current democratic era is barely 8 years old.

Historical facts such as these help remind the American observer that Brazil, like many other underdeveloped societies (no matter how old their history), is "new" in a number of fundamental respects.

When the noted U. S. political analyst, Walter Lippmann, visited Brazil recently, he found widespread conviction among local political, business and intellectual leaders that U. S. policy-makers do "not understand or sympathize with the problems of an underdeveloped country."

Economics, Lippmann suggested, is the principal area of misunderstanding. "In Washington, the Brazilians say, they have been confronted with men in the Treasury, the State Department and the World Bank who have looked upon the Brazilian inflation through the eyes of the classical economist of a highly developed country" such as the U. S. or Britain. The misunderstandings, Lippmann says, go back to the Truman and Eisenhower administrations when Latin American affairs were handled by subordinate, often "mediocre" officials.[1]

Brazil's admittedly grave economic problems, Lippmann and other observers say, are rooted in the peculiar history and economic, social and political institutions of the country.

In Brazil (and throughout Latin America) all the levers of national power have traditionally been in the hands of a few families who own most of the arable land. The Organization of American States estimates that 1.6 percent of Brazil's farms account for over half the nation's farm land.[2]

Fazenda[3] is the Portuguese equivalent of (in Spanish-speaking lands) the **hacienda**[3]—a feudal system for managing land and labor which "set the tone and determined the quality of Latin American culture" from colonial times until World War I, and even till the present in some areas. It is "an isolating and conservative influence" which maintains "a system of dependence between the **hacendado** [landowner] and his **peons** [tenants or sharecroppers]." It "perpetuated an authoritarian tradition of master and very humble servant." It contributed to local political bossism. "It prevented the accumulation of capital, required no investment, called for no change, did nothing to prevent soil erosion or improve agricultural techniques."[4] The **hacienda or fazenda**, in other words, contributes to the great gap separating Latin America from the U.S. and Western Europe, which began their industrial revolutions a century earlier than Brazil or any other Latin American country.

ON THE EDGE OF MODERNIZATION

Brazil's industrial awakening, its economic, social and political modernization, and its dynamic new nationalism date back to the 24-year era of Getúlio Vargas (1930-54). It was under Vargas that the urban workers began to play a vital role in national politics, that the national government attempted to counter the "boom and bust" cycle of the economy with coffee production- and export-controls (world coffee prices dropped from 29 to 7 cents a pound (1929-31) as the coffee boom faded in the great depression), and that the foundations of social reform and modern industry were laid.

At the time Vargas took over, slavery had been abolished for only 42 years and the republic was merely 41 years old. Thus just two generations had lived under emancipation and the forms of representative government.

Slavery is an important factor, not only because it left Brazil with a very large Negro population, but also because Brazil's multiracial society is in some respects unique in the Western Hemisphere.

From the time the first shipment of slaves reached Brazil in the early 16th century until trading was stopped by imperial decree in 1850, 5 million African Negroes were transported across the Atlantic. They replaced the native Indians as agricultural laborers.

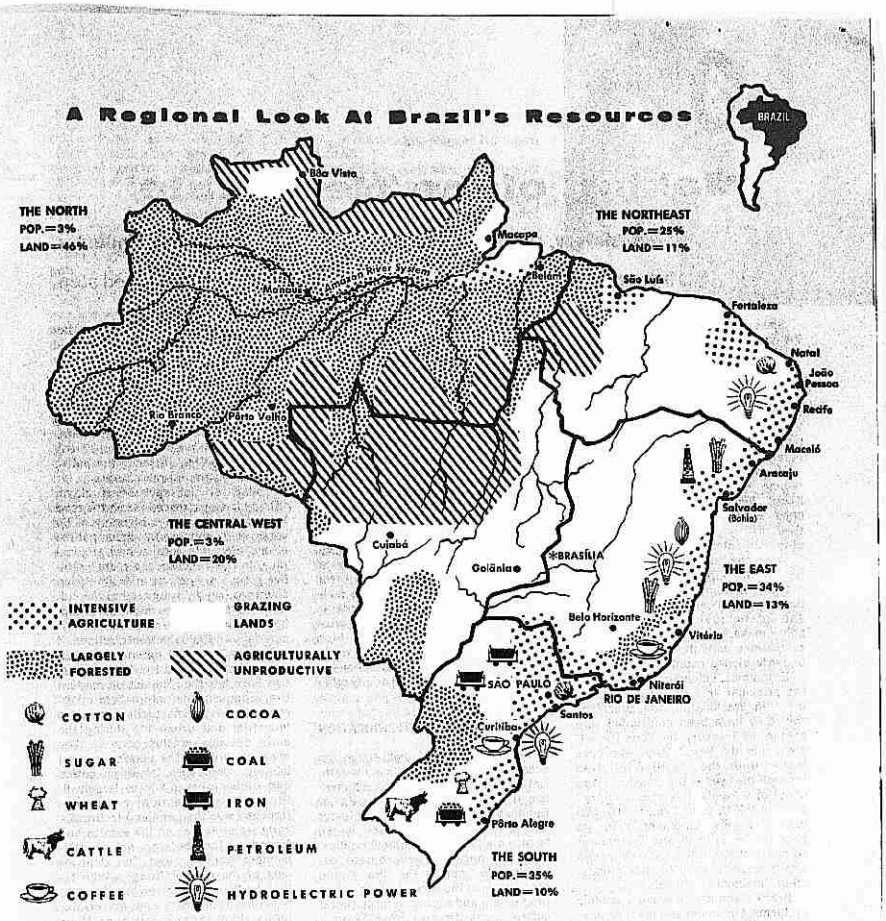
Today, official spokesmen claim, "Brazil has progressed far on the road towards a harmonious blending of diverse and supposedly incompatible ethnic elements into a new tropical race. In this process, the more primitive groups are not, as in Anglo-Saxon countries, rigidly subjected to the cultural standards of the dominant group, but are surprisingly free to make characteristic and valuable contributions."[5]

Yet, in historical perspective, 360 years of slavery and the **fazenda** system have left their impact on modern Brazil. Indeed, the paternalism inherent in both systems carried over into industrial and urban life during the early decades of this century. The great majority of the people (manual laborers, domestics, cowboys, coffee and rubber workers) were largely illiterate and dependent on the entrenched wealthy families.[6] In Brazil's early factories—as on the estates and **fazendas**—they became, not an independent working class, but dependents of the **patrão**[7] (boss)—"the fatherlike figure who gives people work, provides them with raw materials, lends them money and buys their products before they are produced."[7]

This was the setting in Brazil in the 1930's when Vargas began the modernization process of building a **Novo Estado** (New State).

THE 'NEW STATE'

The model for the "New State" was European fascism. The selection of this model, experts say, was not accidental. Fascism suited the mood of



major boom cycles in Brazil's history: brazilwood, livestock, sugar, gold, rubber and coffee. "At the height of each cycle . . . Brazil occupied the leading position in world production and lost it (except coffee) as a result of several factors, including competition from other producing areas."[3] True, past booms have been based on "primary" commodities which are at the mercy of fluctuating world market prices, while the current boom is diversified and relies heavily on industrial production for which world market prices generally trend upwards. The boom-bust concern, however, is still there.

The second caution is that most of the glowing data on economic growth are contributed by one section of the country—the South, representing only 10 percent of the national territory. This is where Brazil's wealth is concentrated. The rest of the nation has far to go to catch up — and far less in the way of "visible" resources to do it.

FOOTNOTES: 1. See pronunciation guide, page 12. 2. T. Lynn Smith, "The Giant Awakes: Brazil," Annals of the American Academy of Political and Social Science, March 1951. 3. Special Study Mission to Latin America: Venezuela, Brazil, Argentina, Chile, Bolivia, Panama. 87th Congress, 1st Session. House Report No. 70. Washington, D.C., USGPO, March 9, 1961. 4. President Kennedy's Inter-American Program for Social Progress. U. S. State Department, 1961.

2

Boom—and Inflation

There is wide agreement among Latin American observers that Brazil is one of the most dynamic societies in the Western Hemisphere. Why then should the U. S. be concerned about economic aid? What advantages, if any, are supposed to result from the investment of substantial sums of U. S. taxpayers' money in Brazil? Admittedly the Brazilian situation differs from that of many other Latin American countries. Nevertheless, some sobering considerations result from a closer look.

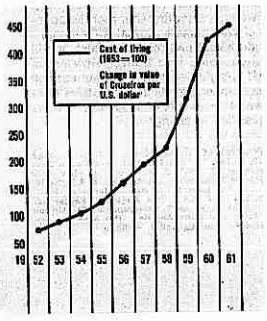
On the good side, a picture of broad economic achievement emerges from reports of visitors as well as from statistical studies of growth. Brazil's economic boom is **visible.** It shows in the sizable new middle class, in the dizzy pace of construction — from the new skyscrapers of São Paulo (the fastest growing city in the world) to the dramatically modern buildings of Brasília[1] (since July 1960, the national capital, built in three years in the western wilderness).

Brazil is only on the threshold of tapping its vast potentials. It is setting out to conquer new frontiers with a vigor and spirit which remind historians of the U. S. during its era of westward expansion.

Yet the economic costs are great.

On the domestic side, first the Quadros and now the Goulart-Neves administrations inherited from the Kubitschek[1] administration (1956-60) an economic momentum which, in the past 10 years, doubled national industrial production. But the same momentum also unleashed a fantastic inflation which raised living costs 40 percent in 1959 and 35 percent in 1960.

COSTS OF INFLATION



The challenge is to have one without the other — to maintain a high rate of "growth" investments by keeping profits attractive, but without pushing prices up. Since some industrial profits have been running as high as 50 percent a year, this is a tall order. But the fear is that any "austerity program" to hold profits down will only divert investment capital into marginal speculation like real estate, or drive even more capital out of the country.

On the international side, the problems are equally hard. Largely because of its unfavorable trade balance and past loans and credits, Brazil faces $3.8 billion in foreign debts due during 1961-65. U. S. and European banks have already helped postpone the day of reckoning by extending the due dates on about $2 billion payable in the spring of 1961.

A partial answer of recent Brazilian administrations has been to expand the country's exports to Red China and other Communist bloc markets. In particular, Brazil has tried to expand agricultural exports such as coffee, since Western markets for these crops seem saturated.

PEOPLE AND PROGRESS

Brazil, however, has put its main hope in recent years on a rapid enough industrial expansion to keep ahead of the inflationary spiral. Some economists, in fact, argue that the current economic boom is partly **because** of, rather than in spite of, inflation.

Some studies indicate, for example, that Brazil's national production has been rising 6 percent a year in terms of adjusted prices. This is considerably higher than U.S. economic growth rates of recent years. It is also high enough to keep ahead of Brazil's 2½ percent annual population growth. The nation's industrial production is growing twice as fast as the population while Brazil's agricultural output appears to be keeping pace with population growth.

One of the secrets of Brazil's boom, many economists agree, is the current rate of population growth in a relatively underpopulated society. "Human capital" is, in effect, a great natural resource in an expanding economy with a pioneer spirit. Currently 1.7 million new Brazilians are added to the population each year.[2] This means more young workers entering the labor force, more consumers to buy products of the country's fledgling industries, more sources for both private profit and public revenue.

In Brazil the population explosion has also created a society in which half the population is under 20 years of age.[3] This, of course, is a mixed blessing since it means a majority of the population are **dependents** — relying on the earnings and tax payments of the relatively smaller labor force to provide their private needs (like food and clothing) and public services (such as education).

Yet, whatever the problems, Brazil has been able to supply the bulk of its consumer needs since World War II out of its own agriculture and industry, without turning to costly imports. At the same time, it has laid the foundations for heavy industry—steel, petroleum, hydroelectric power and transportation.

How, then, can Brazil be considered an "underdeveloped" country?

By comparison with the U. S., Brazil is indeed an underdeveloped country, as the following admittedly incomplete statistics quickly demonstrate:[4]

	Brazil	U.S.
Life expectancy	45 yrs.	70 yrs.
Per capita national product	$210	$2,700
Illiteracy	51%	2%
Teachers per 10,000 people	45	91
Students per 100 people	11.9	24.7

Yet it is also important to note that Brazil is "developing" — that it has built up a momentum in economic expansion which (using W. W. Rostow's term) approaches the "take-off point." The next goal is to become "self-generating" as an economy, but there are two important cautions.

First, Brazil has "boomed" before — and "busted." There have been six

LESSONS OF BRAZIL'S 1961 POLITICAL CRISIS

What are the prospects for democracy in Latin America? In view of the uncertain character of most Latin American governments, what policies are open to the U. S. and which of these policies should we embrace? Take Brazil, for example...

In many respects Brazil is unique—in size, geographical diversity, social and political traditions, ethnic makeup. It is also the only Portuguese-speaking country in an overwhelmingly Spanish-speaking region. Yet Brazil shares with its Latin American neighbors many fundamental features. It is a predominantly rural nation, with a rapidly multiplying population and a few fast-growing—and crowded—urban centers. It has an essentially Catholic culture. Its economy is dominated by large, often feudal estates, a relatively few moneyed families and an expanding industrial base hampered by lack of capital. Literacy rates are low, mortality is high and poverty is widespread —particularly in the 1 million square miles of the Northeast and the urban slums of the South.

Brazil also shares some of the political characteristics of most of Latin America. The constitutional crisis of late summer 1961 revealed six key factors which operate not only in Brazilian politics, but also in the politics of nearly every other Latin American nation:

• **PERSONALISMO.** The personal appeal of the individual political leader often outweighs political party, ideology or platform — not only in Brazil, but elsewhere in Latin America. Thus Quadros was swept into office by a record majority in the 1960 elections in spite of the fact that he was running as an independent against the candidate of the administration. President Goulart's personal magnetism, in turn, assured him of widespread popular support in spite of uncertainties about his political program or ideological leanings.

• **FAMILIES AND CLIQUES.** If ideology is often unimportant in Brazilian (and other Latin American) politics, family relationships and friendships are occasionally very important. President Goulart's support during the constitutional crisis crystallized around the southern state governed by his brother-in-law. The new premier and head of government, Dr. Tancredo Neves,[1] is said to be a close friend and collaborator of the new president, although they belong to hostile political parties. Their intimacy extends back, in fact, to the last Getúlio Vargas[1] administration (1951-54), when Goulart served as labor minister and Neves, as justice minister. Their political parties were indeed founded by President Vargas — Goulart's Brazilian Labor party, which champions the cause of underprivileged workers, and Neves's Social Democratic party, which has its roots in the rural aristocracy.[2]

• **REGIONALISM.** Brazil, like a number of other Latin American countries, has untamed geographical barriers which isolate communities and whole regions behind rivers, mountains and jungles. Regionalism is particularly strong in Brazil, where "a political change has often meant merely that the people from one region have displaced those of another . . . that Rio Grande do Sul has replaced São Paulo."[6] This is exactly the kind of shift which took place last year when Goulart (backed by Rio Grande do Sul) succeeded Quadros (former governor of São Paulo state).

• **ROLE OF THE MILITARY.** Gen. Denys's key role in the 1961 political struggle illustrates a recurrent factor in Latin American politics — control of the army is always important and often decisive in a national crisis. In Brazil, this time, military leadership proved not to be decisive, perhaps because the military establishment was itself divided. This may suggest that the age of the old style **caudillo**,[1] or "man on horseback," is fading in Latin America (seven military dictators have been overthrown in Latin America since 1948). Yet the military remains a power to be reckoned with.

• **PRECARIOUSNESS OF CONSTITUTIONALISM.** Related to the military question is the widespread Latin American tendency to treat constitutions as "expendable" or "suspendable." (Venezuela, for example, has averaged one constitution every six years; now has its 24th.) Brazil's military leadership was willing to ignore the constitutional provisions for succession of the vice-president. And the Brazilian congress did not hesitate to rush through an "amendment" to resolve a political stalemate. While these attitudes may seem shocking in the light of Anglo-Saxon law, they are not uncharacteristic, experts say, of the Latin American view that a constitution should be an expression of noble aspirations rather than a base, guide and discipline for the conduct of governmental affairs.

• **NATIONALISM.** A fierce nationalism, dating back to the wars of national liberation and suspicious of any form of foreign intervention — especially "Yankee" intervention — is one of the more widely shared sentiments among Latin American peoples. In his resignation message to the Brazilian Congress, President Quadros declared he had been "overcome by the forces of reaction"; that he had wanted "a Brazil for Brazilians," but had been thwarted by the ambitions of opposing groups, "including some from abroad." The hint was picked up by his supporters, including 200 students who stoned the U. S. embassy in Rio de Janeiro.

These, then, are six key factors to bear in mind as you discuss Brazil's prospects for growth and stability in the "decade of development" ahead.

The Alliance for Progress commits the U. S. to partnership with Brazil (and other Latin American countries). What are the prospects that the political conditions essential for economic and social progress now exist or will soon come into being? How much U. S.-style democracy are we justified in demanding? What alternatives have we? How much of a gamble are we justified in taking?

FOOTNOTES: 1. See pronunciation guide, page 12. 2. Tad Szulc in The New York Times, September 10, 1961. 3. As quoted in New York Herald Tribune, August 28, 1961. 4. A. A. Berle, Jr. in The Saturday Review, October 14, 1961. 5. The New York Times, August 29-September 9, 1961. 6. Frank Tannenbaum in The United States and Latin America, The American Assembly. See suggested readings.

Brazil at the Crossroads

Last summer's resignation of President Jânio Quadros led Brazil to the brink of civil war and heightened fears of communism, Castroism and anti-Yankeeism. What was at stake? What is the outlook for 1962?

On August 17, 1961 representatives of the U.S. and all 20 Latin American republics except Cuba signed the Charter of the Alliance for Progress at Punta del Este, Uruguay.[1] Only eight days later the future of this sweeping program of economic and social development was jeopardized by the resignation of Brazil's President Jânio Quadros.[1]

For two weeks Brazil teetered on the brink of civil war. In doubt was the long-term future course of a nation, which (with 3.3 million square miles) contains about half of South America's territory and (with 67 million people) half the continent's population.

In the center of the crisis was João B. Goulart[1] who, as vice-president, was constitutionally in line to succeed Quadros to the presidency. The struggle was between "believers in the constitution and those wishing to eliminate Senhor Goulart at all costs." But the constitutional issue threatened to break into "a battle rich in undertones of social revolution, of Fidelismo [the ideology of Cuba's Fidel Castro] and of attacks on the United States."[2]

The lines were sharply drawn. Goulart (en route home from a trade mission to Red China) had the backing of military forces in Brazil's southernmost state, Rio Grande do Sul,[1] as well as the support of the governor of the state, his brother-in-law.

Opposition to Goulart was led by War Minister Odilio Denys,[1] who threatened to arrest the vice-president if he should return to Brazil to claim the presidency. Asked why he opposed an orderly transfer of power to Goulart, Marshal Denys replied, "Do you want your children to be Communists? The time has come to choose between communism and democracy in Brazil."[3]

In the midst of the crisis, Cuba's Premier Fidel Castro broadcast an appeal to Brazilians "to profit from the experience of Cuba," and to wage a guerrilla war against "reactionary militarists" whom he blamed for forcing Quadros's resignation six days after Brazil's president had bestowed the **Cruzéiro do Sol**[1] (Order of the Southern Cross) on Major Ernesto "Che" Guevara,[1] Castro's minister of industry. As the conflict deepened, Goulart's followers in the three southern states began to form popular militia, and a reported 800,000 workers in São Paulo[1] went out on strike to express their support for Goulart.

The war ministry appeared reluctant to force a showdown which might lead to civil war. After hurried conferences, a compromise was reached. Congress rushed through a constitutional amendment reducing the presidency to a figurehead office and providing for a premier to head the government. On September 7 Goulart was sworn in as president of Brazil.

Once again, in the words of one observer, Brazil had demonstrated its "astonishing capacity...for peacefully accommodating and compromising with political and economic crises which in other countries cause explosions.... Killing as a solution of anything appeals to few Brazilians."[4]

Yet few observers believe the crisis is over. President Goulart's "leftism" is still suspect in many quarters and, at only 43, he may be too dynamic and too ambitious to be content for long with a largely ceremonial job. In addition, behind the political and constitutional crisis are deep-seated economic and social problems which divide the nation and the government.

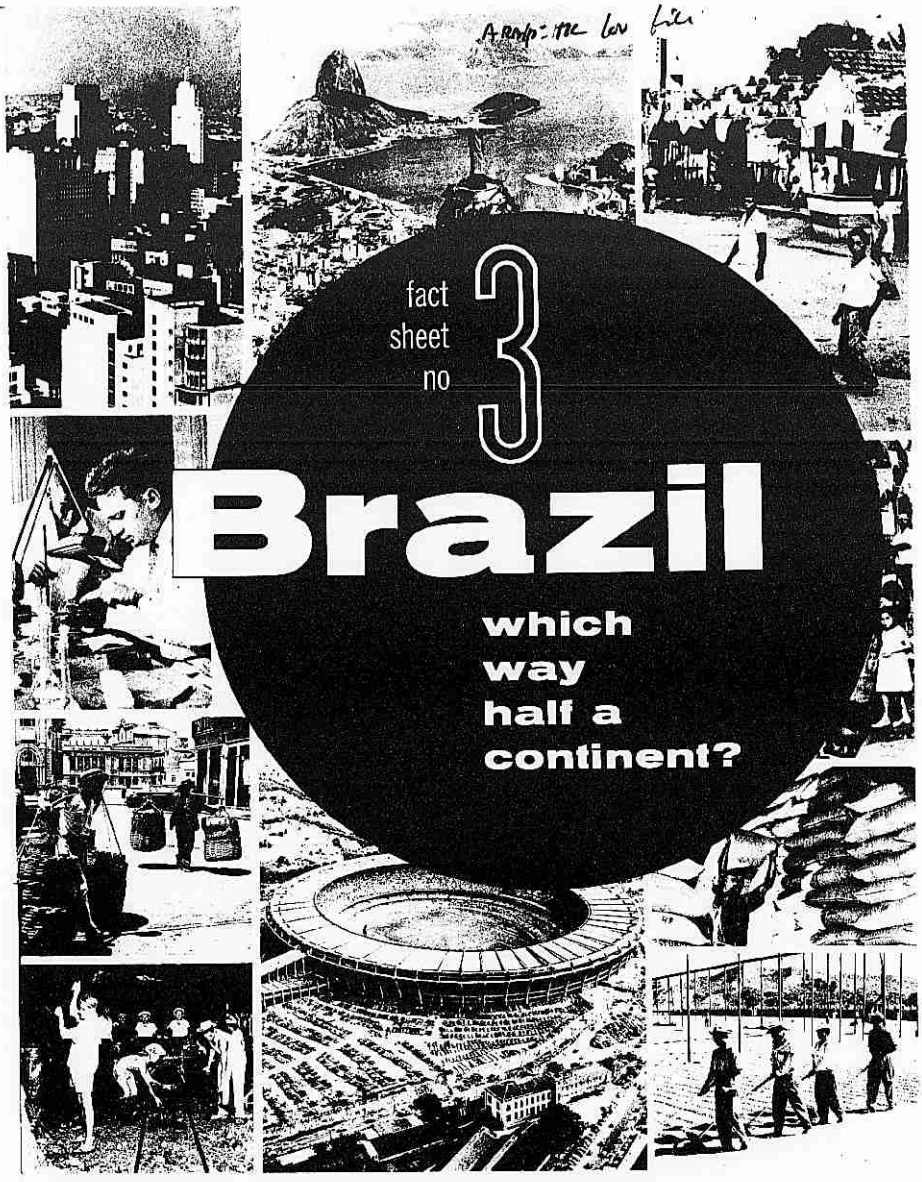
Jânio Quadros

The prospects are disturbing to U.S. policy-planners who have pledged the bulk of the proposed $20 billion capital investment in Latin American development for the next decade, under the Alliance for Progress. An unwritten assumption behind this gigantic program of grants, loans and private investment (rivaling the Marshall Plan in size) is that the participating nations will remain politically stable.

Unless there is orderly planning, responsible cooperation among governments and a stable political climate, the ambitious economic and social reforms may never get off the ground—or the whole momentum for reform may be captured by communism, or some other totalitarianism. If the Alliance for Progress falls far short of its goals, experts warn, the consequences may be more disastrous than if the plan had never even been proposed.

In effect the Alliance for Progress announces U.S. support for what UN Ambassador Adlai E. Stevenson has called Latin America's "revolution of rising expectations." The U.S. promises to become a full partner in a hemisphere-wide planned assault on poverty, illiteracy, inefficient feudal agriculture, lagging industrial development, inadequate housing, chronic unemployment, disease, deficiencies in education, inadequate development of natural resources, the enormous gap between affluence and poverty—and other pressing social and economic problems which breed desperation and communism.

Because it has its share of all these problems, Brazil has been selected as a case study in this Fact Sheet. Brazil is a giant among Latin American nations—in size and in potential. If the Alliance for Progress fails here, experts fear, prospects for success elsewhere are dim indeed.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Pronunciation Guide

Chen Yi (CHEN YEE), foreign minister and deputy premier, People's Republic of China (Red China).

Chou En-lai (JOE en-LIE), premier of Red China and vice-chairman of the Chinese Communist Party's Central Committee.

Hoxha, General Enver (HOD-ja), premier of Albania; Stalinist first secretary of the Albanian Communist party.

Khrushchev, Nikita S. (ni-KEE-ta Khroosh-CHOF), chairman of the Council of Ministers, premier, U.S.S.R., full member of party Presidium and Secretariat.

Liu Shao-chi (LOU SHOW (as in cow) SHE), chairman of the People's Republic of China.

Mao Tse-tung (MAH-o DZUH DOONG), chairman of the Chinese Communist Party's Central Committee and of the Politburo. Until 1959, chairman of the People's Republic of China.

Stalin, Joseph (STAH-lin), appointed general secretary of the Soviet Communist party, 1922; became supreme leader of the Communist party and Soviet state, 1929; formally became head of government 1941; died, March 5, 1953.

Suggested Readings

Barnett, A. Doak, **Communist China and Asia.** New York Harper for the Council on Foreign Relations, 1960. 575 pp. $6.95. Study of Communist China's impact on the world power balance by an expert on China.

"Bear and Dragon: What Is the Relation Between Moscow and Peking?" Supplement to **National Review.** November 5, 1960. 46 pp. $1.00. A symposium on Moscow-Peking relations placed in historical perspective.

Boorman, Howard L., Mosely, Philip E., et al., **Moscow-Peking Axis: Strengths and Strains.** New York, Harper, 1957.227 pp.$3.50. An analysis of the political, economic, ideological and international implications of the Sino-Soviet alliance.

"Communist China: New World Power." **Current History,** September 1961. 61 pp. $.85. Seven specialists examine internal and international policies of Red China.

Crankshaw, Edward, "Khrushchev and China," and Kennan, George F., "Stalin and China." **Atlantic Monthly,** May 1961. An English and an American Soviet expert look at Sino-Soviet relations.

Fairbank, John King, **The United States and China.** Cambridge, Mass., Harvard University Press, 1958. 365 pp. $5.50. A comprehensive treatment of U. S.-Chinese relations, their history and present status.

Seligman, Eustace, and Walker, Richard L., "Should the U. S. Change Its China Policy?" **Headline Series** No. 129. New York, Foreign Policy Association, May-June, 1958. 78 pp. $.50. Views pro and con on recognition of Red China, admission to the UN and East-West trade.

Steiner, H. Arthur, "Communist China in the World Community." **International Conciliation** No. 533. New York, Carnegie Endowment for International Peace, May 1961. 65 pp. $.35. Review of Communist China's foreign relations, recognition issue and UN membership.

"Tensions in Communist China." U. S. Senate document No. 65. Prepared by the Legislative Reference Service of the Library of Congress. Washington, D. C., USGPO, 1960. 73 pp. A short, concise analysis of internal pressures generated in Communist China since 1949.

Suggested readings and other publications are available in most local libraries and in some World Affairs Councils. Or they may be ordered from FPA-WAC Book and Pamphlet Department, 345 East 46th St., New York 17, N. Y.

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What U.S. Alternatives?

In the short space available in this Fact Sheet, it is impossible to cover all aspects of Red China's role in world politics and all the implications for U. S. policy. But because U. S. relations with Red China are deeply rooted in the beliefs and attitudes of the American people, it is important for the American public to examine the issues, explore the alternatives, and understand which course of action will best serve U.S. national interests. Whether the U.S. pursues present policies or takes some fresh initiative, the American people will be partners to the decision. A foreign policy which runs counter to the public consensus is not a democratic foreign policy.

The stark facts of the current situation are these:

Taiwan is the seat of government of President Chiang Kai-shek of the Republic of China, which the Communists drove from the mainland in 1949. The U. S. recognizes the Nationalist regime on Taiwan as the legal government of China. Taiwan also represents China in the UN.

Peking has declared its irrevocable intention of "liberating" Taiwan, while the U.S. is commited to defend Taiwan in case of attack and to seek a peaceful solution to the issue. Negotiations between the U. S. and Red China (which have taken place sporadically since 1955) have foundered on Peking's refusal to renounce the use of force to obtain its goals.

The present stalemate, if it continues, undoubtedly contains the threat of war—either limited hostilities in the Taiwan Strait, or full-scale war between the U. S. and Red China, perhaps even involving the Soviet Union. So far, however, U.S. armed power in the Taiwan Strait (especially the Seventh Fleet) has successfully deterred Red China from an attempted invasion of Taiwan and the Penghu Islands (which the U. S. considers to be the territorial limits of Nationalist China). In fact, the Communists have not so far attempted to capture the offshore islands of Quemoy and Matsu, although some U. S. military authorities have said these Nationalist-held outposts are militarily "indefensible."

Are there any alternatives to the present stalemate?

Both the Eisenhower and Kennedy Administrations have ruled out the two extreme alternatives for U. S. policy: (a) U. S. support for a Nationalist attempt to retake the mainland by force, and (b) U. S. abandonment of Taiwan to a Communist takeover. The alternatives in between are complex. Here are the major alternatives, as they are now being debated in this country.

Discuss the issues, weigh the alternatives and their consequences, and make up your own mind.

for discussion

1. DEFENDING TAIWAN

What, in your opinion, are the prospects for negotiating a cease-fire in the Taiwan Strait? Under what circumstances, if any, do you think Peking might be persuaded to renounce the use of force against Taiwan? What concessions, if any, should the U.S. make to get such a promise from Peking? Do you feel it is worthwhile to continue U. S. diplomatic contacts with Peking representatives? step up contacts? abandon them altogether?

What do you think are the possibilities of war by miscalculation in the Taiwan Strait? What should the U. S. do, if anything, to reduce this danger? Build up U. S. deterrent power in the area? "thin out" U. S. forces in the region? persuade the Nationalists to evacuate the offshore islands of Quemoy and Matsu? (In 1955 we helped Chiang evacuate the Tachen and Nanchi islands.) Should the U. S. make no concessions of any kind? give increased diplomatic and other support to the Nationalists?

2. FUTURE OF TAIWAN

Do you believe there is any possibility the Nationalists may one day be in a position to retake the mainland? If so, under what circumstances? In such an event should the U. S. support the attempt? What are the risks?

If the opportunity does not materialize, what are Taiwan's future prospects? Should the U. S. continue to support Taiwan as the legal government of China? Should the U. S. support a plebiscite to determine whether the Taiwanese people wish to be governed by the Chinese Nationalists? or become a part of Communist China? or acquire self-government as an independent state? Should the U.S. support a "two-China" solution—great power guarantees of Taiwan's independence and nonintervention in mainland China?

What about China's UN seat (and veto in the Security Council)? Should Taiwan keep this? Should Peking have it? Or do you believe both should be seated in the UN?

3. RELATIONS WITH RED CHINA

Should the U.S. consider any shift in its current policies toward Red China? increased diplomatic contact? increased informal contact below the diplomatic level—exchange of journalists? relaxation of trade restrictions? What would be gained? or lost?

Are there any grounds for extending U.S. diplomatic recognition to Red China? Is there any evidence Peking wants or would accept or reciprocate U. S. diplomatic recognition? What would be gained? or lost? Under what changed circumstances, if any, would diplomatic recognition be feasible or desirable from our point of view?

Should Peking be seated in the UN? If so, under what conditions? at Taiwan's expense? under a "two-China" arrangement? What should the U.S. do if Red China is seated in spite of our opposition? What would be the advantages, if any, of having Peking in the UN? Disadvantages?

Is any change in U.S. policy needed? If so, by what arrangement?

4

Challenges to U.S. Policy

For the past 10 years Western observers have been watching for signs of a crack in the Sino-Soviet bloc. Now that a crack is apparent, there is wide disagreement on how deep it is and what the consequences are likely to be.

What does the Peking-Moscow rivalry mean for U. S. policy? Does it lessen or increase the danger of war? Will it encourage Red China's expansionism in Asia?

On one question there can be little doubt: Khrushchev's personal leadership of the Communist world is under dispute. By its own ideological independence and by its open support of Albania's "Stalinism," China has rejected Khrushchev's primacy.

Yet, some experts are quick to point out, Khrushchev is not synonymous with the Soviet Union. As he himself admits, there are still some "hard"-line Stalinists in the Soviet Communist party and government — followers of men like Molotov, Kaganovich and Voroshilov, whom Khrushchev has labeled the "antiparty group." Thus, although the 22d Communist party Congress last October endorsed Khrushchev's party program (the first new party program since 1919), one cannot rule out the possibility that Khrushchev's purposes and methods may be meeting with criticism and resistance in some top party circles.

Should Soviet policy veer toward a "hard" line, there would be grounds for closer Sino-Soviet cooperation—and for a more adventurist Communist foreign policy backed by the entire Communist bloc. But if Khrushchev's personal leadership of the Soviet Union is secure, there are other possibilities.

One possibility is that two camps will spring up within the Communist third of the world: an Asian camp (plus Albania) led by Peking, and an Eurasian camp (including the rest of the European satellites) led by Moscow. Yugoslavia, under those circumstances, might continue to follow an "independent road to socialism"—or rejoin the Moscow bloc.

In the underdeveloped third of the world—which both Peking and Moscow are attempting to convert and/or subvert to communism—this would present some interesting choices. Communist party workers and subversive elements throughout South and Southeast Asia already face the choice of following Moscow's or Peking's leadership—or of pursuing their own approach to communism. Loyalties will no doubt be influenced by which power offers greater assistance, Russia or China. One factor which now seems to work in Russia's favor is Asian Communist fear of Chinese domination.

A no longer "monolithic" world Communist system such as this would be a travesty of Stalinist doctrine. It could be a system torn by the kinds of "contradictions" which Marxists say are typical of the "capitalist" world.

Even so, Western experts on communism are generally cautious in their predictions of how far the "internal contradictions" of communism are likely to lead. Few expect Russia and China to tear each other apart while the rest of the world reaps the benefits. The reasons for caution are obvious: the disagreement is over means, not ends; Moscow and Peking have far more in common with each other than they do with the democratic powers.

Red China is a potential military threat to the U.S. wherever this country has treaty commitments which could involve us in war in defense of an ally—South Korea, Japan, Taiwan, the Philippines, Thailand and Pakistan. Red China also poses an indirect threat to U. S. aims and interests in all areas where Peking's agents are trying to woo or subvert local leadership.

Furthermore, as you have already seen, Red China may be able to multiply its physical power considerably in future years—and to use this power to increase its pressure on other nations.

There are some observers who believe the Communist regime in China may one day collapse from within. It is important to note, however, that for the present Red China has many of the attributes of a major world power. Moreover, Red China's current economic base—whatever its strengths and weaknesses—was built (a) with modest Russian financial aid (although in the 1950's Russia provided considerable technical assistance), and (b) in spite of a total U. S. economic boycott and seriously restricted trade with other industrialized nations.

In short, Red China may follow a more aggressive foreign policy with or without Russia's help or approval; but, in the event of a showdown with the U. S., Red China might well receive Soviet military aid.

FOOTNOTES: 1. Gerald F. Winfield, China: The Land and The People. New York, William Sloane Associates, 1948, p. 20.

OUTLINE MAP OF CHINA SUPERIMPOSED ON THE UNITED STATES[1]

SINO-SOVIET IDEOLOGICAL CONFLICT

At the 22nd Communist party Congress in Moscow last October, the open platform dispute between Khrushchev and Peking's Foreign Minister Chou En-lai was ostensibly over Albania. However, behind the dispute—and Chou's walkout—is the significant ideological conflict between Khrushchev and Mao.

The conflict is sometimes described in the following perhaps oversimplified terms: Khrushchev advocates a "soft" or "peaceful coexistence" strategy to win the world to communism, while Mao advocates a "hard" or "war is inevitable" strategy.

It is important not to confuse strategy with ultimate objective. There is no disagreement on ultimate aims between the "hard" and "soft" lines: both want total Communist victory.

It is also important to be clear on the meanings of "war." Both Peking and Moscow accept the classical Communist distinctions between "unjust" and "just" wars—between aggressive wars launched by the "imperialists" and revolutions or wars of "national liberation" waged by "progressive" or pro-Communist forces.

In Laos, for example, the Communist-led Pathet Lao is said to be waging a just war to "liberate" the people of that kingdom from its own reactionary rulers and domination by the U. S. and other "imperialists."

There is no fundamental disagreement here, which helps explain joint Soviet-Red Chinese support of the Pathet Lao. But there is a difference in how far and how fast the two Communist partners are willing to go in Indochina.

Khrushchev has indicated he is willing to accept in Laos—at least for the present—a coalition government. Apparently he is confident that the "neutralists" will have to rely on the better organized Pathet Lao and that these two groups together can soon squeeze out the right-wing, pro-Western group. Mao is believed by some to favor a more militant, revolutionary struggle here and elsewhere. The key to these different approaches, some experts believe, is that Moscow fears U.S. intervention, which could turn limited war into a major showdown between the Western Allies and the Communist bloc. Mao, according to this view, may risk a full-scale showdown because he is convinced the Communists will win or that the U. S. can be forced to accept political defeat rather than risk a nuclear war.

The heart of Khrushchev's quarrel with Mao seems to lie in this question of an atomic war. It is generally believed that Khrushchev is acutely conscious of the cost of an atomic war and wants to avoid it. "War would be a calamity for all the peoples of the world. . . . Imagine what will happen when bombs begin to explode over cities. These bombs will not distinguish between communists and noncommunists . . ."[1] Mao's rejoinder is: "Naturally the atomic bomb is a weapon of mass destruction. But it is the people who decide the victory or defeat of a war."[2]

". . . World War I was followed by the birth of the Soviet Union with a population of 200 million. World War II was followed by the emergence of the socialist camp with a combined population of 900 million. If the imperialists should insist on launching a third world war, it is certain that several hundred million more will turn to socialism."[3]

OTHER CONFLICTS

The ideological dispute goes deeper. Khrushchev, at the October party congress, used his 6-hour opening address to belabor Albanian leader Enver Hoxha[4] for "leftist revisionism," "dogmatism" and "cult of personality."

An important part of the background to this charge is Albania's long-standing feud with its Communist neighbor, Yugoslavia. Whenever Soviet-Yugoslav relations have been hostile, as they were between 1948 and Stalin's death in 1953, Albania has felt secure. But Khrushchev's overtures to bring Tito back into the Moscow-dominated system have met with resentment in both Albania and Red China. They have condemned Tito for pursuing an "independent road to socialism" (communism) and for his policy of "peaceful coexistence" with the "capitalist" powers. (Yugoslavia has accepted U. S. economic and military aid since 1950 and 1951 respectively.)

The issue has drawn Albania and China steadily closer together. Since 1960 Albania has received a credit of $155 million from Red China. Moscow's partial economic boycott of Albania was countered by Chinese shipments of wheat. In 1961, Albania arrested and executed a number of its top officials on charges of serving as agents of a "foreign power"—beyond question, the Soviet Union.

Russia's feud with Albania is partly over foreign policy — Albania's criticism of "peaceful coexistence"—and partly over Albania's refusal to follow Moscow's leadership on all ideological issues.

Another part of the feud centers on domestic policy. Moscow's charge of "cult of personality" implies that Albania's Hoxha is following the discredited Stalinist line of personal dictatorship. It also implies that Hoxha uses terror and unnecessarily tyrannical methods to stay in power. The Soviet Union, in Khrushchev's view, has become a more "liberalized" society under "collective leadership" since Stalin's death.

By clear implication, Khrushchev's charges against Hoxha and Albania also apply to Mao and Red China. There were occasional advance hints of this. In front of a meeting of Communist party delegates in Bucharest in June 1960, Khrushchev is reported to have called Mao an "ultraleftist, an ultradogmatist, a left-revisionist." In answer to Mao's constant references to Marxist-Leninist dogma, Khrushchev said: "We live in a time when we have neither Marx nor Engels nor Lenin with us. If we act like children who, studying the alphabet, compile words from letters, we shall not go very far. Based on Marxist-Leninist teaching, we must think for ourselves. . . ."[5]

At stake in the dispute between Moscow and Peking is ideological leadership of the bloc.

FOOTNOTES: 1. Speech before Indian Parliament, February 11, 1960, as reported in **Problems of Communism**, May-June 1960, p. 3. 2. Peter S. H. Tang, "Moscow and Peking: The Question of War and Peace," **Orbis Magazine**, Spring 1961, p. 27. 3. Chao-li Yu, "On Imperialism as the source of war in modern times. . . ." **Red Flag**, Peking, No. 2, March 30, as reported in **Problems of Communism**, May-June 1960, p. 3. 4. See pronunciation guide. 5. As quoted in **The New York Times**, June 23, 1960.

3

China and the U.S.S.R.

"No more cracks can be found in Sino-Soviet unity than on the shell of a duck egg," Peking's Foreign Minister Chen-yi[1] is reported to have said in the summer of 1961. But how fragile is the duck egg?

Difficulties between Moscow and the Chinese Communist party began long before the Chinese People's Republic was set up in 1949. The Moscow-based Communist International helped found the Chinese party in July 1921, and urged it to join temporarily the Chinese Nationalists (Kuomintang) under the leadership of Dr. Sun Yat-sen. The partnership was shaky and ultimately proved disastrous. Nationalists under Chiang Kai-shek (Sun's Moscow-trained successor) massacred their Communist supporters in Shanghai in 1927, and those who survived fled into Central China.[2]

The Soviet Union waited until October 2, 1949 to break off relations with Chiang, although the Nationalist defeat had been a certainty since June. But once the People's Republic was inaugurated, Moscow lost little time in drawing up a 30-year treaty of friendship, alliance and mutual assistance (February 14, 1950).

In successive agreements, Russia (1) canceled the special economic and political privileges it had enjoyed since tsarist days; (2) withdrew from its Port Arthur naval base and turned over its installations in the port of Dairen; (3) recognized Manchuria as part of China; (4) canceled its half interest in the Manchurian railroad complex; and (5) supplied China with commercial credits amounting to $300 million over a 5-year period.

The Soviet Union shipped China entire industrial plants, research laboratories and heavy machinery. Over 10,000 Russian technicians helped set up the industries and supervised engineering projects. In return, China exported to Russia raw materials, food stuffs, textiles, small amounts of minerals and manufactures. In 1957, 50 percent of China's trade was with the Soviet Union.[3]

With the development of China's economy—and shifting intrabloc relations—this pattern has undergone some change, especially in the past three years. Red China has had to curtail some of its economic dealings with the U.S.S.R., and its economic relations with Eastern Europe, particularly East Germany, Czechoslovakia and Poland, have slowly increased. It now appears that Moscow has recently cut deliveries of machinery and, in August 1960, recalled its technicians from China.[4]

During 1960 China ran up a debt of $320 million to the Soviet Union, to be paid off between 1963 and 1965. It failed to make contracted deliveries of meat, eggs, rice, soybeans and other products.[5] And it appeared interested in proving its economic (and perhaps political) independence within the Communist system.

The two key actors in the drama of Sino-Soviet relationships are Mao Tse-tung and Nikita S. Khrushchev. Mao, although only a year older than Khrushchev (one was born in 1893; the other, in 1894) has had longer experience as party steward. Mao was one of the 12 founders of the Chinese Communist party. While he was leading the Red Army in its 7,500-mile "long march" in 1934, to Shensi province in the northwest, to form the nucleus of the future Communist government, Khrushchev was merely a trusted deputy of Stalin[1], in charge of the Ukraine, the second most important of the Soviet republics.

By 1949, when Khrushchev had become one of several secretaries of the central committee of the Soviet Communist party, Mao was already chairman of the government of the Chinese People's Republic and was proclaimed by his followers as the "greatest contemporary theoretician of Marxism-Leninism."

FOOTNOTES: 1. See pronunciation guide. 2. Kennan, "Stalin and China," pp. 39-40. See suggested readings. 3. Robert A. Scalapino, "Chinese Communist Foreign Policy," The Foundations of U.S. China Policy, ed. by Urban G. Whitaker, Berkeley, Calif., The Pacifica Foundation, 1959.4. Crankshaw, "Khrushchev and China," p. 46. See suggested readings. 5. The Economist (London), July 8, 1961, p. 120.

Chou En-lai addresses the 22nd Communist party Congress in Moscow, October 1961.

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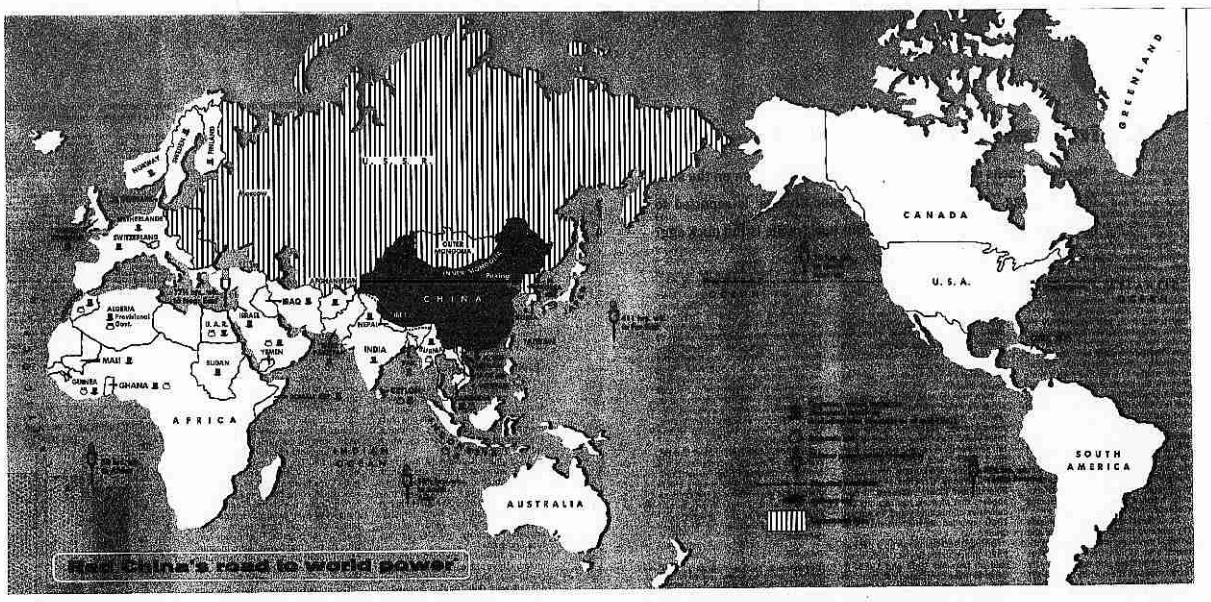


What effect will this have on China's development? What does it mean in terms of the pros and cons of a planned, centralized economy?

However great the human cost and despite serious blunders in planning and management, major material changes have taken place since the advent of communism. Red China has added significantly to its power and capacity. Regions once inaccessible by any modern transport or communications are now linked by airlines and telephones to the rest of the country. Rail and highway mileage in China has trebled. The total area of irrigated land, according to Chinese claims, has greatly increased. China, most experts agree, is making rapid strides toward becoming a major industrial power and may become an atomic power.

At the same time, there are severe human and economic problems ahead. The Chinese people are still paying the price of overwork, malnutrition and deprivation. There is no indication that production of consumer needs, including food, will catch up with population growth in the near future. Bottlenecks in transport of raw materials and finished goods are severe. Foreign trade shows an alarming deficit, including a $320 million deficit last year in trade with the Soviet Union.

WHAT OUTLOOK?

If the last three years of famine are followed by a fourth and then a fifth, the consequences — domestic and foreign — for Peking could be serious.

Rebellion is conceivable, even in so thoroughly totalitarian a state as China, as recent experiences in East Germany, Poland and Hungary have suggested. Yet, as these experiences have also demonstrated, rebellion can readily be squashed — perhaps more readily and ruthlessly in China. Some Western observers believe, nonetheless, that the Peking regime might be overthrown.

Economic failure would have repercussions in the rest of Asia and Africa. In many areas, Mao's agricultural reforms are legendary. Because China's land problems are similar to those in many other underdeveloped areas, Peking's experiments are being closely watched (in North Korea and North Vietnam, they have to some extent been emulated). If China fails, the impact on peasants and Asian Communist leadership is difficult to predict.

Moreover, China's agricultural program, particularly the communs, is a continuing bone of contention between Peking and Moscow, which abandoned its brief experiment with communes after 1917 as unsuccessful.[1] If the Chinese communes do not achieve their targets, even in their present modified form, or if malnutrition, starvation and breakdowns are rampant, Peking's claim to ideological "parity" with Moscow within the Communist camp would unquestionably suffer.

Yet the current period of "stabilization" may lead to another period of rapid economic development and growth. If this happens, Red China would be in a position to claim the support, not only of its own people, but also of other nations which are emulating or watching its programs, and which are also participants in contests between Moscow and Peking for leadership of the expanding Communist system.

FOOTNOTES: 1. Donald N. Zagoria, "Strains in the Sino-Soviet Alliance," Problems of Communism, Vol. IX, No. 3, May-June 1960, p. 3. Benjamin Schwartz, Communism and National Development, Cambridge, Mass., Harvard University Press, 1952. Robert Loring Allen, Soviet Economic Warfare, Washington, D.C., Public Affairs Press, 1960. Harry G. Shaffer, The Soviet Economic Offensive in the Less Developed Countries, Washington, D.C., Department of State, USIS, 1958. Information Office, U.S.S.R., New York; Steiner, "Communist China in the World Community." See suggested readings.

literacy is at least 50 percent below that for a primary school graduate.)

There is ample evidence of many cut corners in Chinese education. The "red and expert universities," for example, are part-time schools. Faculty members are chosen on the basis of political rather than academic qualifications. In Honan province, 44 such universities sprang up in 2 days.[7]

A "storming the heights of science" program, drafted in 1956, is turning out scientists, engineers and technicians at an unprecedented rate, but the depth of the education is questionable. One Chinese spokesman offered as evidence of the program's "success" in its first year the fact that "the articles published by the academic journals . . . contained . . . 47 percent more words in 1958 than in 1957."[8] How may the Chinese educational program described above affect Red China's future generations?

'PEOPLE'S COMMUNES'

Communism's most drastic impact on Chinese society was the introduction of communes in 1958. "Communism is the paradise," writes one party member, "and the people's commune, the heaven-scaling ladder by which we can rise there."[9]

A commune is generally the size of a large "administrative village," which combines both local government and a farm "cooperative." A commune may include 10,000-50,000 households. It mobilizes all labor — farm, forestry, livestock or fisheries — and integrates education, security, industry, agriculture and trade.

China arrived at the commune formula by three stages. In the first stage (1949-52), land, farm tools and draft animals were redistributed among the peasants. In the second or cooperative stage (1953-57), during the First Five-Year Plan, ownership was transferred from individuals to "cooperatives" along the Soviet pattern.

The Second Five-Year Plan (1958-63) ushered in the communes along with a build-up of heavy industry—the "great leap forward." Within months of announcing the plan, 122 million or 98.2 percent of the rural households were reported organized into 26,425 communes.[10] Honan province, the most rapidly organized, boasted 262,000 public restaurants, 341,000 nurseries and kindergartens, and 20,000 tailoring teams."

Initially, Peking claimed its production of key industrial and agricultural products in 1958 had doubled the figures for 1957. By mid-1959, however, these claims were drastically revised downwards. Officials blamed these failures on the worst series of "natural calamities" in 100 years — floods, drought, typhoons, hailstorms, frost, insects and plant diseases. Non-Communist observers, while not discounting the natural disasters, place a large share of the blame (one reporter guesses 30 percent) on management disasters and economic dislocation bordering on chaos.[12]

GREAT LEAP BACKWARD?

President Liu Shao-chi[13] of the People's Republic of China told a Communist party rally in January 1961 that there are "quite a few shortcomings in our work. . . . Today our country is still economically backward."[14] The party's central committee reviewed the Second Five-Year Plan and ordered some basic changes.

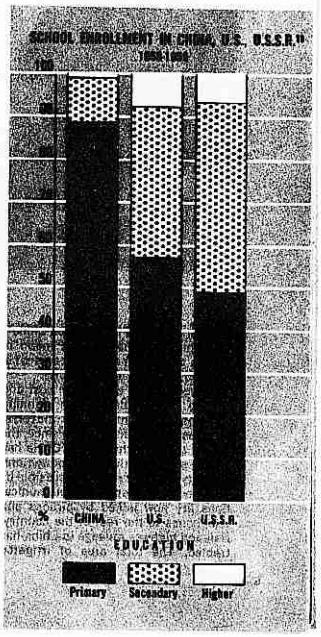
First, government departments were ordered to "take prompt steps to help the development of light industry, urban and rural handicrafts, domestic side-occupations and suburban agriculture and to increase the production of all sorts of consumer goods. . . ."[15]

Management of communes was decentralized. The key unit in each commune is now the "production brigade," made up of 100 or more families, which corresponds roughly to the former collective farm. Some functions have even been passed down to the small production teams which make up the brigade. The brigade controls its own manpower, farm machinery and draft animals, and distributes net income (in the original commune, incomes were equalized). Each peasant is encouraged to raise a few pigs and plant a little grain, vegetables or fodder on a small plot assigned to him. He may keep any extra income he earns, but the work must not interfere with his regular duties.

Rigid constraints on family life have also been relaxed. Many messhalls have been closed; generally, messhall attendance is now voluntary, and if a woman wants to cook for herself and family — and has something to put in the pot — she may. Children may be left at nurseries or kept at home. Housing in the future will be designed for family living, if the current promises are kept.

In effect, China has retreated from its "great leap" and has entered a "relatively long period of stabilization," according to an official journal of the Peking government.[16]

FOOTNOTES: 1. **The China Quarterly,** No. 6, April-June, 1961, p. 94, and **Statistical Yearbook, 1960,** United Nations, pp. 135-6, 142-3. 2. John D. Durand, "Centralized Demographic Models and Projections," **Asian Survey,** Vol. I, No. 4, June 1961. 3. Leo A. Orleans, "Birth Control: Reversal or Postponement?" **The China Quarterly,** No. 3, July-Sept., 1960, pp. 59-65. 4. Reuters report on interview with Liu Shao-chi, **The Christian Science Monitor,** July 1, 1961. 5. As quoted in **The New York Times,** August 13, 1961. 6. **Tensions in Communist China,** p. 15. See suggested readings. 7. Leo A. Orleans, **op. cit., passim.** 8. Betty Feinberg, "Science in China: Report on the AAAS Symposium," **The China Quarterly,** No. 6, April-June 1961, p. 121. 9. **Cheng-chih Hsueh-hsi,** Issue 10 (Peking), October 13, 1958. 10. Ralph W. Phillips and Leslie C. Kuo, "Agricultural Science and its Application," **The China Quarterly,** No. 6, April-June 1961, p. 134. 11. **Tensions in Communist China, op. cit.,** p. 40. 12. Tillman Durdin, "Absent Yet All Present Giant," **The New York Times Magazine,** January 15, 1961. 13. See pronunciation guide. 14. **The Christian Science Monitor,** July 1, 1961. 15. **The New York Times,** January 22, 1961. 16. As quoted in **The New York Times,** September 17, 1961. 17. Based on **The Future Growth of World Population,** Department of Economic and Social Affairs, United Nations, New York, 1958; **Demographic Yearbook 1960,** United Nations; **Statistical Yearbook 1960,** United Nations. 18. Leo A. Orleans, **Professional Manpower and Education in Communist China,** Washington, D. C., National Science Foundation, USGPO, 1961, p. 4.



2

Growth of a Colossus

Red China's foreign policy and its domestic policy are functions of each other. Increasing use of power beyond its borders depends on a rapid build-up of massive power at home.

The First Five-Year Plan ended in 1957 with considerable progress in diversification of industry and raising of farm and factory production levels, according to Peking's statistics which, though officially revised downward, may still be unreliable. After three years of famine, the Second Five-Year Plan appears to be in deep trouble, with grave crises in industry, agriculture, transport and labor.

What are the prospects that Red China will, in time, resolve its most serious economic problems? How will this affect its foreign policy?

China is now the world's third largest producer of iron ore and coal (after the U. S. and Russia) and estimated to be the largest producer of tungsten. It owns the world's largest known reserves of molybdenum (used in hardening steel).[1]

Within five years or less, China is expected to detonate its first atomic bomb, and Chou En-lai predicts that China will have a nuclear-powered submarine by 1965.

Four factors account for China's remarkably rapid economic growth: (1) extensive Soviet economic and technical aid in the 1950's; (2) central planning backed by terror and other instruments of totalitarian power; (3) "full utilization" of all available manpower via forced labor, work brigades, conscription of women and a 14-16 hour day; (4) an approach to industrialization—known as "walking on two legs" — which mobilizes all available skills and resources.

Red China has the largest population in the world — over 700 million — and may reach one billion by the early 1980's. This means that each week China is adding to its population the equivalent of an Akron or a St. Paul.[2]

Official attitudes toward this high birth rate have vacillated. In 1954 Red China called its population "the most precious of all categories of capital." But throughout 1955 efforts to break the population swell gained momentum, and in August 1956 the Ministry of Public Health announced that "...the government should take every step to guide the masses and to meet their demands for birth control." Then, two years later, the government reversed itself again and almost simultaneously launched the "great leap forward" and commune program, which, whether intentional or not, created an artificial labor shortage.[3]

Ideologically, birth control runs counter to Marxist-Leninist teaching—a confession of the state's failure to provide to "each according to his needs." Today, Peking again boasts about the nation's vast population, its "spiritual" atomic bombs.

How do you think Red China's population explosion will affect its relations with Asia? the U.S.S.R.?

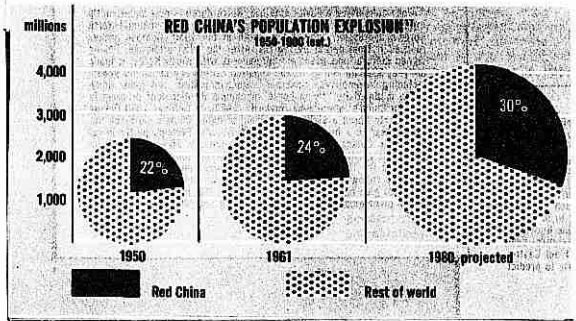
Under Mao Tse-tung, its chairman and chief theoretician, the Chinese Communist party holds supreme (and so far unchallenged) control over the entire nation. The party grew from a handful of founders in 1921 to the largest Communist party in the world. It claims over 17 million members, 79 percent of whom have joined since 1953.[4] The party combines the discipline of a military organization with ideological fanaticism.

The nation, like the party, is run from the top, on the principle of "democratic centralism." All lines of authority radiate from the party. It controls the military — 2.5 million in the army, a 15 million-man reserve and a 200 million-man unarmed civilian militia. The party exerts power through political commissars and cadres of well indoctrinated Communists. As Mao explains the military set-up, "Our principle is that the party commands the gun, while the gun will never be allowed to command the party."[5]

The party controls all opposition by repression, alternating with temporary relaxation. Early in the regime, countless landlords and "counterrevolutionaries" were executed or sentenced to "reform through labor." (In a 1957 speech Mao put the total number liquidated at 800,000.) That same year Mao launched a "rectification campaign" with the words, "Let a hundred flowers bloom...let a hundred schools of thought contend." Those who criticized the regime soon regretted it. The valve of expression was closed after only one month of relative freedom; many critics were tagged as "rightists," "nonconformists" and "counterrevolutionaries"; others were sent into "voluntary labor." Mao's "100 flowers" euphemism was followed by another: "...before monsters and serpents can be wiped out, they must first be brought into the open, and only by letting poisonous weeds show themselves above ground can they be uprooted..."[6]

What is the likelihood of differences arising between the army and the party? How does Red China compare with the U.S.S.R. of the 1920's?

The rapidly growing educational system is another outlet for cradle-to-grave party indoctrination. Primary school enrollments are said to have increased by 60 million in less than 10 yaars, with 87 percent of school-age children in school. Officials claim that between 1949 and 1957 22 million adult illiterates learned to read and write. (However, the standard for adult



Quemoy. In face of strong resistance, Red China suspended the bombardment and turned its attention to creating friendlier relations with its "neutralist" neighbors.

TACTICAL SHIFT: 1954-58

The 1954 Geneva conference theoretically produced at least a temporary halt to the Communist struggle for control of Indochina. It marked the first appearance of Red China at the great powers' conference table and the beginning of a shift in Peking's foreign policy maneuvers.

Chou flew from the Geneva conference to New Delhi to negotiate a nonaggression pact with Indian Prime Minister Jawaharlal Nehru. The preamble to the pact contained the first formulation of the "Five Principles for Peaceful Coexistence": mutual respect for territorial integrity and sovereignty, nonaggression, noninterference in each other's mutual affairs, equality and mutual benefit, peaceful coexistence.

The "Five Principles"—with additions including one calling for respect for the rights of all peoples to choose their own way of life as well as their own political and economic systems — were adopted the following year at the Bandung (Indonesia) conference attended by 29 African and Asian states.

Following Bandung, Red China started its own economic assistance program and gave aid to Burma, Cambodia, Ceylon, Egypt, Indonesia and Nepal. Chou took a 3-month global good will tour, and Chinese cultural missions traveled widely abroad.

END OF THE IDYLL: SINCE 1958

The new militant "neo-Stalinist" phase of Peking's foreign policy was marked by renewed shelling of the Nationalist-held offshore islands of Quemoy and Matsu (August 1958), a military clash with Indian troops and the claiming of 40,000 square miles of Indian territory, overwhelming Chinese colonization of Tibet (by 1961 Chinese reportedly outnumbered Tibetans 3 to 1), a step-up of Chinese-supported subversion, guerrilla activity and political agitation in Malaya, Thailand, South Korea and Japan.

FOOTNOTES: 1. See pronunciation guide, page 12. 2. The New York Times, October 29, 1961. 3. "Quarterly Chronicle and Documentation," The China Quarterly, No. 4, October-December, 1960, pp. 129-130. 4. Donald S. Zagoria, "Russia, China, and the World," Part II, Problems of Communism, Vol. X, No. 2, March-April 1961, p. 1.

Red China's "Style" in Foreign Policy

LAOS & VIETNAM

Since the Indochina cease-fire of 1954 Red China has continued to support subversion, infiltration and guerrilla activity in Laos, Cambodia and South Vietnam, largely by channeling aid through the Vietminh forces of Communist North Vietnam. With the step-up of fighting in Laos in 1961, Soviet aircraft air-dropped supplies to Pathet Lao rebels — but the planes made use of Chinese bases. The Chinese Communists continued to play an important role in the background and a leading role in the 1961 Geneva conference on Laos.

BURMA

Neutralist Burma was the first non-Communist state to recognize Peking (1949). In 1956 a border dispute erupted between Burma and China, involving 560 square miles of border territory. Four years later, in December 1960, the disagreement was settled — China relinquished the Namwan Assigned Tract (85 square miles of territory) in exchange for three border villages (59 square miles) and tribal areas (73 square miles). The two countries signed a 10-year nonaggression treaty, and Red China granted Burma a long-term, interest-free loan of $84 million. Relations have since been correct between Burma and China, but an underlying Burmese fear of Chinese Communist power remains in the background.

CUBA

In July 1960, after the U. S. had cut off its import quota for Cuban sugar, Red China agreed to buy 2½ million long tons of sugar over a 5-year period from Cuba. In September Premier Fidel Castro's government became the first in Latin America to recognize Peking. In November 1960, after a visit from Cuba's economic tsar, Major Ernesto Guevara, China revised the July agreement, it granted a $60 million interest-free loan, agreed to double its sugar purchases and (in spite of famine at home) to ship rice to Cuba. How much influence Peking exerts over Cuba is difficult to judge. According to some observers, the "Soviet line" is now gaining over the "Chinese line"; the Cuban Communist party is reportedly strengthening its control over the government, with a subsequent downgrading of Dr. Fidel Castro, Major Guevara and the Council of Ministers. It is too early to predict the effect on future Sino-Cuban relations.[3]

AFRICA

Algerian rebel leader Ferhat Abbas, former prime minister of the "Provisional Government of Algeria," visited Peking in September 1960. According to one account of his interview with Mao Tse-tung, Mao promised "unfailing assistance" to the rebels in the war with France and expressed the hope that Algeria would set an example for other African colonial people. Algerian rebels received financial help from Red China (as well as from Yugoslavia, Turkey, Morocco and Egypt). The amount has not been disclosed, but one estimate puts it at $4.5-$5 million in credits.[3] Red Chinese technicians are giving advice on tea-growing in Morocco and rice-growing in Guinea. Between January 1959 and June 1960, 25 Chinese delegations reportedly toured Africa (in primarily Muslim areas, the delegations included Chinese Muslims). According to one Western observer, 270 African delegations visited Red China (about one-third of all foreign groups received) in 1959 alone. Peking radio now broadcasts more extensively to tropical Africa than does Moscow.[4]

NORTH KOREA

Once considered a Soviet satellite, North Korea is now significantly influenced by Peking as well as Moscow. Following Communist North Korea's aggression against the South in mid-1950, Chinese armies rescued it from defeat by the UN. After the 1953 armistice, Peking signed cultural and economic agreements with North Korea; it made a 4-year $338 million grant and supplied capital and consumer goods, including locomotives, machinery, electric motors and food. North Korea modeled its "flying horse" economic development program in part on China's "great leap forward" (1958). In October 1960 Peking gave North Korea a $105 million loan, bringing China's aid since the Korean war to a higher figure than Moscow's. Perhaps partly in response to Chinese moves, Russia then signed a 10-year mutual defense treaty with the North Koreans, but Peking soon signed a similar treaty. At the October 1961 Communist party Congress, North Korea failed to follow Moscow in its condemnation of Albania. Whether it did so to give tacit support to Peking or simply to avoid taking sides in the ideological dispute between Peking and Moscow is not clear.

Red China—Empire Builder

In 1962 Red China poses two key questions for the United States: How deep is the rift between Moscow and Peking? And, rift or no, how direct a challenge is Communist China to the U. S.?

For 12 years — since Communist Chinese troops drove the Nationalists from the mainland — the Peking regime has presented the U. S. public and Washington with some of the sharpest dilemmas in the entire range of American foreign policy.

Red China alone of the Communist powers has sent troops into battle against American forces. In Korea (1950-53) Chinese "volunteers" crossed the Yalu River, drove U. S. and other UN armies back from the northern frontier, and battled the Korean war to a stalemate at roughly the 38th Parallel, where it had begun.

Red China alone of the world's great powers (and, in population it is the largest) has been quarantined from full participation in the world diplomatic community and excluded from the UN. For 12 years Red China has used force to obtain its goals: direct aggression in Korea, indirect aggression in Indochina; border disputes with India, Burma and Nepal; suppression of rebellion in Tibet, followed by the flight of the Dalai Lama and thousands of his subjects; reported political executions and forced labor on the domestic front.

No aspect of foreign policy has created a deeper division or aroused stronger feelings in American public opinion than the perennial problems which Red China poses for U. S. policy: whether it is morally permissible for the U. S. to extend diplomatic recognition to the Peking regime, and whether it is politically practical not to; whether the U. S. should continue to try to keep Peking from taking China's UN seat, and whether it may be unsound or even impossible for us to prevent this from happening. At issue also is the future status of Nationalist China (Taiwan), a U. S. ally which represents China at the UN.

Behind this debate lie three fundamental questions which will affect any future policy decisions: (1) What policy will best serve the national interests of the U. S.? (2) What course of action will promote world peace and create a climate in which nations can prosper without fear of coercion or aggression? (3) How can the U. S. deal most effectively with the immediate challenges and threats that Red China now presents?

One of the most baffling puzzles about Red China today is its position in the Communist bloc. In the past year it has shown signs of switching back and forth between the roles of junior partner and serious rival to Russia. In October 1961 at the 22nd Congress of the Communist party of the U.S.S.R., China's Premier Chou En-Lai[1] appeared to challenge Russia's Premier Nikita S. Khrushchev[1] in an open airing of their ideological differences. Chou went home before the congress ended.

Yet the feud between China and Russia is only one part of the Chinese enigma. With or without a crack or break in Communist solidarity, Red China will no doubt pursue its own goals as a supporter of world revolution and as an empire-builder in its own right. Red China has, in fact, a style of its own in foreign policy.

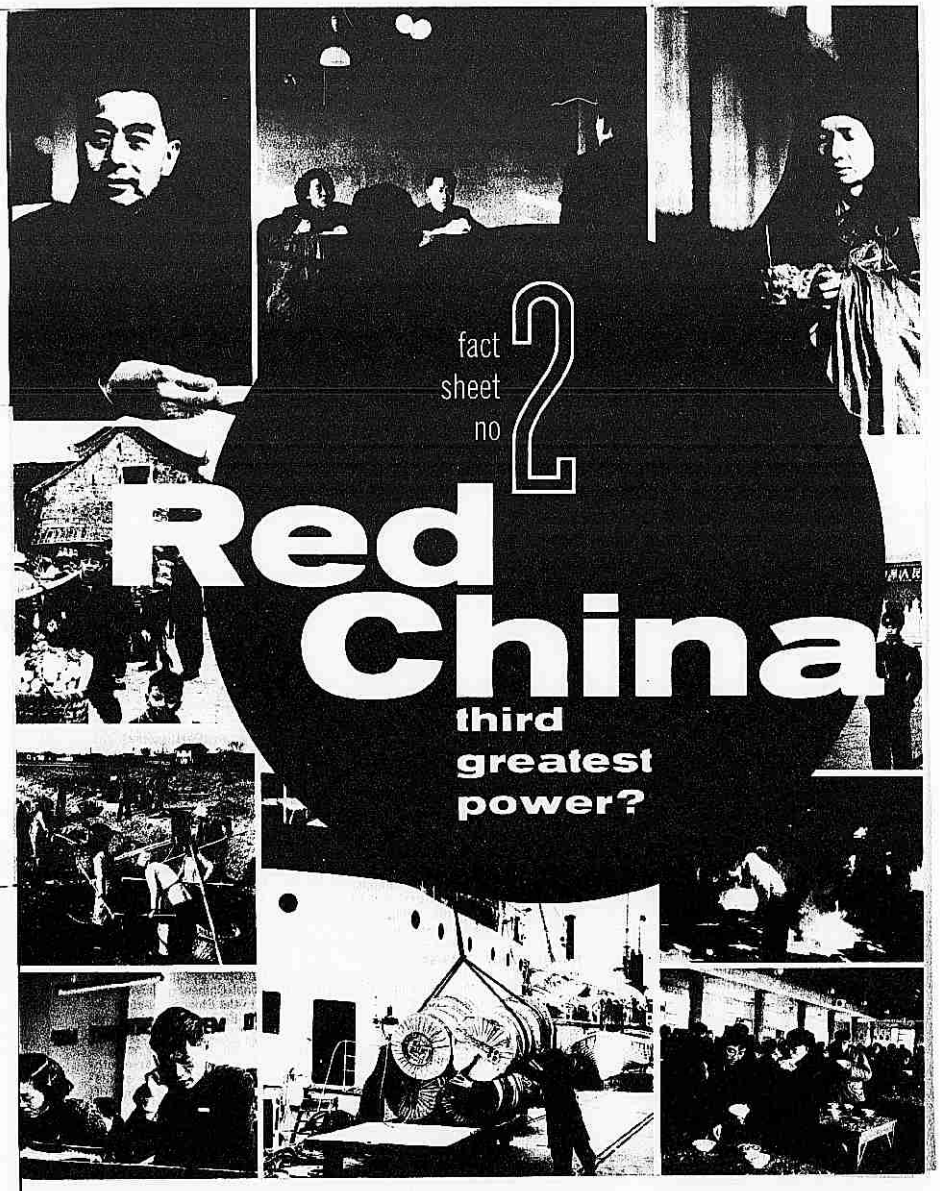
The 1949-54 period of Chinese Communist foreign policy might be described as one of militant adventurism. The world, to Peking, was divided into two camps: the "imperialist camp" and the "socialist" (Communist) side, and there was no room for any third parties. It looked on the "neutralist" nations — most of them former colonies of European powers — as puppets or lackeys of imperialism. Throughout the "imperialist camp" Red China's mission was to join the revolutionaries, or, where there was no revolution in prospect, to foment one. This was the era when Red China actively encouraged Communist or pro-Communist guerrillas in Malaya, Indochina, the Philippines, Burma, Indonesia and even in India.

TOUGH POLICY: 1949-54

This was also the period in which Red Chinese armies invaded Tibet (Oct. 7, 1950) and intervened in the Korean war (Nov. 26, 1950). Both Korea and Tibet were included in a list of Chinese "territories" and former "dependent states," which Mao Tse-tung[1] enumerated in the 1930's and 1940's. Other areas on the list were the island colony of Hong Kong (British) and mainland Macao (Portuguese), the lands of the Mongols (including independent Communist Mongolia) and the Uighurs (Chinese province of Sinkiang until 1953 and since then an autonomous part of China), Taiwan, the Ryukyu Islands, including Okinawa (all under Japanese sovereignty), the Pescadores (controlled by Taiwan), Annam (central Vietnam), Burma, and Nepal (a British protectorate in the Himalayas until 1947), Bhutan and Port Arthur.

This view of Chinese right to hegemony over adjacent areas where Chinese culture predominates is not peculiar to the Chinese Communists; it is a traditional Chinese policy which dates back to the Chiang Kai-shek regime and far beyond to the imperial dynasties.

This first era of "tough policy," some experts say, ran its course with the September 1954 shelling of the Nationalist-held offshore island of



fact sheet no 2

Red China

third greatest power?

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Bao Dai (bow [as in cow] DAH-ee), proclaimed emperor of Annam (now central part of Vietnam) 1926; deposed in 1955.

Prince Boun Oum (BOON OOM), pro-Western premier of Laos, Dec. 1960-Oct. 1961.

Dienbienphu (DYEN-BYEN-FOO), last French stronghold in Indochina, which fell to Vietminh May 7, 1954.

Ho Chi-Minh (HO CHEE-MIN), president of North Vietnam.

Laos (LAH-os), formerly part of French Indochina.

Ngo Dinh Diem (NO DIN ZIM), president of South Vietnam.

Prince Norodom Sihanouk (no-ro-DUM SI-HAH-NOOK), chief of state, Cambodia.

Pathet Lao (PATET LA-o), (Meaning Land of the Lao) pro-Communist movement in Laos, organized in 1951.

Pnompenh (NOM-PEN), capital of Cambodia.

Prince Souvanna Phouma (sou-VAN-na POO-ma), neutralist head of coalition government of Laos since Oct. 1961.

Prince Souphanouvong (su-PA-nou-vong), leader of pro-Communist Pathet Lao in Laos; half-brother of Souvanna Phouma.

Suggested Readings

Armstrong, John P., "Southeast Asia and American Policy." **Foreign Relations Series.** River Forest, Ill., Laidlaw Brothers Publishers, 1960. 67 pp. $.80. A useful introduction to U.S. policy in Southeast Asia designed for high school and college use.

Butwell, Richard, **Southeast Asia Today—and Tomorrow: A Political Analysis.** New York, Praeger Paperbacks, 1961. 182 pp. $1.75. Study of the status of effective democratic government in the countries of Southeast Asia and the implications for future U. S. policy.

Fall, Bernard B., **Street Without Joy.** Harrisburg, Pa., Stackpole, 1961. 322 pp. $4.95. First-hand account of the Indochina war by a French scholar.

Hall, D. G. E., **A History of Southeast Asia.** New York, St. Martin's Press, 1955. 807 pp. $10.00. An introduction to Southeast Asian history for the non-specialist and the student by a University of London professor.

LeBar, Frank M. and Suddard, Adrienne, eds., **Laos: Its People, Its Culture.** Survey of World Cultures Series. New Haven, Conn., Human Relations Area Files Press, 1960. 294 pp. $6.50. A comprehensive survey of Laos—its people, its society and its culture.

"The Nations of Southeast Asia." **Current History.** February 1960. 62 pp. $.85. Noted scholars and government officials with first-hand experience in the region examine the role of Southeast Asia in the cold war.

Seato: Record of Partnership, 1957-1958. Washington, D. C., U. S. Department of State, Public Services Division, 1959. 32 pp. Free. A report on its work and development.

"South Viet Nam." **Time Magazine,** August 4, 1961. pp. 18-30. A Time cover story on South Vietnam and its president, Ngo Dinh Diem.

Trager, Frank N., ed., **Marxism in Southeast Asia.** Stanford, California, Stanford University Press, 1959. 381 pp. $7.50. A study of the nature and development of Marxism and its relationship to political patterns and economic activities in Burma, Thailand, Vietnam and Indonesia.

Suggested readings and other publications are available in most local libraries and in some World Affairs Councils. Or they may be ordered from FPA-WAC Book and Pamphlet Department, 345 East 46th St., New York 17, N. Y.

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6

Directions for U. S. Policy

U.S. policy toward Indochina—and the whole of Southeast Asia—has been based since September 1954 primarily on a regional defense alliance embodied in SEATO. It was conceived as a link in the global security system which the U. S. was then attempting to construct along the entire perimeter of the Communist empire. The system now includes, in addition to bilateral pacts and SEATO, CENTO (Central Treaty Organization)—a successor of the Baghdad pact—in which the U.S. is active but not a member, and the core alliance, NATO.

SEATO members have consulted, but have taken no collective military action. The U.S., however, has acted independently to shore up the defenses of all three free Indochina states. Between 1955 and mid-1961, South Vietnam received over $1.2 billion in U. S. economic and technical assistance, over 75 percent of which was in the form of grants and import credits to bring necessary commodities into the country through regular trade channels. These commodities are sold in the local market and the currency is then used to support defense and economic development projects.[1]

U. S. military aid to South Vietnam alone totaled $498 million between 1955 and the end of 1960, including $70 million in 1960. A military advisory group of about 700 Americans has been helping with defense plans.

Yet, as Secretary of State Dean Rusk points out, "Power is not a matter of arms alone. Strength comes from education, fertile acres, humming workshops and the satisfaction and pride of peoples. A vibrant society is not subject to subversion; determined defense is the easier when there is something to defend."

The aim of current U. S. policy toward South Vietnam is to help the nation protect itself from indirect aggression while it constructs a viable society and free political institutions.

Now that you have looked at the background of the current crisis in South Vietnam, what are your opinions about the following issues, problems and alternatives facing this country and its policy-makers in Washington?

Discuss the questions, and then make up your own mind.

for discussion

1. What stake, if any, does the U.S. have in Southeast Asia? What price, if any, should we pay to protect it?

Should the U. S. rely exclusively or not at all on SEATO to carry the burden of the defense of Southeast Asia? If you do not consider SEATO strong enough to do the job, how would you strengthen it? Or would you recommend U. S. withdrawal from SEATO and reliance on bilateral defense treaties to safeguard our interests?

How important are regional alliances like SEATO, NATO and CENTO? How can they be most effective? Should they place more emphasis on regional economic projects and less on mutual defense?

What impact, if any, have nuclear weapons had on our alliance system? What can the U. S. do to make its alliances more effective in dealing with local wars, threats of subversion and indirect aggression in the guise of "national" revolutions?

Do you think that Southeast Asia is too far away to protect and therefore indefensible? If you do, what do you think would be the consequences of withdrawal of U. S. aid?

Do you agree with those critics of our present policy who believe we should fight communism by war, if necessary, but that it should be at a place and time of our own choosing? Or do you believe we have no choice?

2. Can the United States win in South Vietnam?

Are present U. S. policies in South Vietnam adequate to insure victory? Do you believe the U. S. is making a mistake not to send ground combat troops to support Ngo's 170,000-man army, or do you believe the U. S. is already overcommitted? Would you attach more "strings" to U. S. military aid, such as spelling out specific reforms the Ngo government should undertake before more assistance is forthcoming? Or do you think the job of running South Vietnam's government is its own affair?

How do you think U. S. support of Ngo affects our standing among the neutral countries of Southeast Asia?

Do you think economic and technical, not military, assistance is the key to defeating communism in South Vietnam? Or do you think a combination of both is necessary?

3. Should the U. S. write off South Vietnam as a cold war casualty? Or is it important for the future of Southeast Asia and the East-West balance to defend South Vietnam?

If you believe South Vietnam is already lost, what do you think should be our next move? What lessons do Laos and South Vietnam hold for future U. S. policy?

4. Should the U. S. promote some middle way between total Communist victory or defeat? Is a draw possible?

Do you think a middle course is desirable or undesirable? possible to achieve or impossible? a good compromise or a dangerous alternative?

Should the U. S. settle for a neutral South Vietnam, as in Laos? If so, how could we assure that neutrality?

Could a neutral South Vietnam be protected against Communist subversion or infiltration? How could this neutrality be safeguarded?

If South Vietnam chooses a neutral path, should the U. S. continue its economic aid or cut it off? Should the U. S., regardless of the fate of South Vietnam, channel all its future economic assistance through the UN? Or should we continue or even expand our aid program, either by attaching more "strings" to it or by offering it without "strings," political or other?

Finally, what is your opinion of the philosophy behind current U. S. policies as explained by W. W. Rostow, counselor of the State Department and chairman of its policy planning council, "Whatever Communist doctrines of historical inevitability may be, Communists know that their time to seize power in the underdeveloped areas is limited. They know that, as momentum takes hold . . . and the fundamental social problems inherited from the traditional society are solved — their chances to seize power decline . . . They are the scavengers of the modernization process."[2]

FOOTNOTES: 1. The Colombo Plan, Colombo, The Colombo Plan Bureau, Vol. 5, No. 11, 1960. 2. Address to U.S. Army Special Warfare School, Fort Bragg, N. C., June 28, 1961.

5

Strategy for Conquest

What are the prospects for repelling Communism in South Vietnam? What are Vietminh tactics and assets? What are their limitations and weaknesses?

In May 1959 North Vietnam's Communist party called for the reunification of Vietnam by all "appropriate means," and in September 1960 for the liberation of the South from the "rule of United States imperialists and their henchmen."[1] The means include direct attack, economic and political subversion, and infiltration by the 15,000 Viet Cong guerrillas now entrenched in the hills and plains of the North, in the central plateau and in the rural delta of the South. To pin down one of these guerrillas, according to Saigon estimates, requires 10 to 20 soldiers.

Key tactician in the Communist plan of Indochina conquest is Ho Chi-minh, president of North Vietnam. His doctrines fuse the principles of the Communist International with the principles of peasant-based revolution developed by the Chinese Communists.

HO'S ROAD TO POWER

Ho (now 72) served his apprenticeship in the French Communist party during student days. In 1923 he underwent further training in Moscow, and between 1925-27 he was in China participating in the struggle between Mao Tse-tung and Chiang Kai-shek's Kuomintang, or Nationalists. During World War II he succeeded in fusing some of the Vietnamese nationalist movements into the Vietminh, or League for the Independence of Vietnam.

During the Vietminh's formative years, Ho wooed non-Communist support. In 1945 he dissolved the Indochina Communist party and agreed to hold national elections once independence had been gained.

In December 1944 Ho organized the Vietnam Liberation Army, which, two years later, launched the Indochina war and ultimately smashed French power. Ho's tactics—in the 7½-year war with France and since, in Laos and South Vietnam—were borrowed from Mao Tse-tung's classic 16-word formula for guerrilla warfare: **"Enemy advances, we retreat; enemy entrenched, we harass; enemy exhausted, we attack; enemy retreating, we pursue."**

Ho's army operated out of strategically situated rural villages, which could grow enough food for their own needs and sell the surplus for arms and materiel. By advancing a moderate program of land reform in the villages, the Vietminh gained the support of conservative landowners. By waging a campaign against illiteracy, he won the enthusiasm of local peasants. By enforcing austerity among the leaders of his movement, he persuaded many that the Vietminh was a new order, not feudal corruption or colonialism in a new guise.

During the early days of the struggle, the Vietminh avoided antagonizing anyone, if possible. From 1946 to 1949 it attempted to maintain friendly relations with Thailand and Nationalist China and as late as March 1949 denounced charges of "Communist domination."

VIETMINH'S BACKERS

Not only did the Vietminh win the war with France, it also enjoyed the support of a large segment of the North Vietnamese population—not all, to be sure, for over a million North Vietnamese eventually fled the country for South Vietnam under protection of the cease-fire. Yet it is important to recognize that substantial public support did and does exist. The reasons, according to one authority, include the fact that the Communists provided leadership to Vietnamese nationalism for a quarter-century, and that they have been the "most persevering, most cohesive, best disciplined and most experienced political group in Vietnam" during the struggle for independence.[2] They mobilized not only the peasants, but also a large number of intellectuals, technicians, students and artists. And, so far, the Vietminh has been patently successful in exporting its revolution to both Laos and South Vietnam.

Yet there are significant weaknesses in the Communist position in North Vietnam, some of them economic.

NORTH VIETNAM'S COMMUNISM

North Vietnam inherited what little industry the French had introduced into Indochina and has gradually rebuilt and expanded it. Chinese technicians have helped improve roads, railroads and mines. During the 1955 famine Peking provided a $340 million grant and Moscow agreed to allocate $100 million. Even so, per capita income in Northern Vietnam is estimated at only one-third that of South Vietnam, and resistance to Communist economic reorganization continues.

In fact, there have been instances of open rebellion and sitdown strikes opposing the government's plan of land redistribution and state-controlled production and marketing. The peasants, used to selling their surplus produce on a free market, resent state production controls and crop requisitioning.

Objective analysis of agricultural production statistics shows that North Vietnam, under communism, has fallen short of the advances which South Vietnam has achieved under private ownership and enterprise in the agricultural sector.

The comparison between the two economies undoubtedly has an impact on popular attitudes in North Vietnam and may have some influence on the thinking of economic planners in other underdeveloped nations. But South Vietnam's immediate problem is to summon all its strength and resources to survive. Only then will it be able to prove the superiority of its economic system and explode the myth of Communism as an economic cure-all.

FOOTNOTES: 1. Secretary of State Dean Rusk, news conference, May 4, 1961, as recorded in The New York Times, May 5, 1961. **2.** I. Milton Sacks, "Marxism in Viet Nam," in Trager, ed., Marxism in Southeast Asia, p. 166.

4

Poverty and Progress

One undoubted achievement of the Ngo administration has been a complete reform of the land system inherited from the colonial era and an upsurge in agricultural production. Although nearly one-fifth of the cultivated area was abandoned and irrigation was neglected during the Indochina war, South Vietnam's rice production has jumped from 2 million tons in 1954 to over 5 million, and may reach 6 million by 1955.[1] Rice exports have soared from $6.6 million in 1955 to $28 million in 1960. Natural rubber exports (chief source of foreign earnings) have doubled despite wartime deterioration of plantations.

An important factor in this progress is the redistribution of all land holdings in excess of 245 acres. Land rents were also cut in half — to 25 percent of the value of the principal crop. Between 1958 and 1960 more than a million acres of land (formerly belonging to 1,500 landlords) were redistributed to 122,000 peasant families. The smaller plots — under private ownership — have proved to be more productive than the old plantations run by absentee landlords.

Under the same 5-year development program which carried out land reform, the Ngo administration has also set up a number of agrovilles or semi-self-sufficient agricultural villages, which include markets, shops, schools, maternity clinics, social and cultural centers, electric power, administrative offices for technical and financial assistance to the villagers, and a local self-defense militia. The dual objective is to raise living standards and, at the same time, provide better defenses against Communist guerrillas by creating larger and more viable economic units out of scattered villages. By 1960, 19 agrovilles were set up. In 1961 a group of visiting U. S. experts recommended a crash program of 100 more, primarily for security reasons.

The agrovilles have been a mixed success, according to various observers. In some instances the recruitment of peasants has been harsh and planning has been bungled. Some peasants have resisted leaving old family holdings or moving from the land to villages. The severest critics compare the agrovilles to Red Chinese communes, and claim they represent a form of forced labor.

In spite of its increased exports, South Vietnam has an unfavorable foreign trade balance (offset largely by foreign aid, especially from the U. S. and France). The reason is partly the dependence for export earnings on two products — rubber and rice — prices for which have fluctuated seriously on world markets. Another cause is the dependence on imports for so many consumer needs — by 1962, for example, South Vietnam's textile industry will still only be able to supply 80 percent of domestic needs, even with planned new investment.

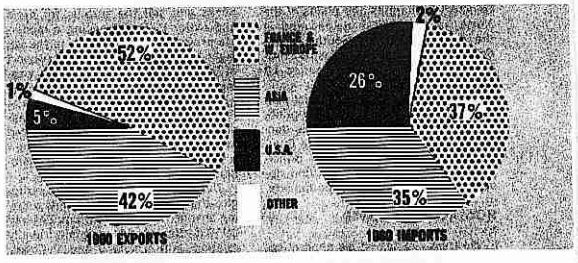
Still another cause of economic dislocation is the defense budget: the need to maintain an army of 170,000 and an internal security force of another 100,000 to fight the Viet Cong. Even with $41 million additional U. S. aid during 1961, intensified U.S. training, especially antiguerrilla training, and a crash program in agrovilles, there is some question whether defense measures meet the needs.

The economic construction which remains to be done is staggering in magnitude. Shortly after independence in 1954 a UN economic survey called for a broad-scale regional development program in land reform, inland waterway development, roads, farm technology, economic planning and research and statistical services. The lumber potential — for paper and boat building — was cited in particular. Key to the program is the cooperative development of the Mekong river and its tributaries by South Vietnam and its neighbors.

Initial financing for the planning of the project is under way — from the UN Special Fund ($1.4 million), the Mekong basin nations (nearly $1 million) and nine other nations, including the U.S. ($2.2 million). But it will take 14-20 years to complete the network of multipurpose dams, irrigation nets, hydroelectric plants and industrial bases that are projected. And the cost for the first five years will reach an estimated $9.2 million.

The potential benefits of this and other regional development schemes now under way are vast beyond doubt — multiplication of South Vietnam's hydroelectric power by 50,000 times, low cost electricity for all riparian states, 160 percent increase in land under cultivation the first few years. The urgent question is whether the plans will be carried out. If so, will it be through cooperation of independent states, or under the masters of an expanded Communist empire?

DIRECTION OF SOUTH VIETNAM'S TRADE[4]



FOOTNOTES: 1. Armstrong, "Southeast Asia and American Policy." See suggested readings. 2. Source: The New York Times, November 27, 1960. 3. Sources: Statistical Yearbook, 1960, United Nations; Monthly Bulletin of Statistics, Sept. 1951, United Nations. 4. Source: Economic Bulletin for Asia and the Far East, Vol. XII, No. 1, United Nations, June 1961.

3

South Vietnam's 'Diemocracy'

France dominated all Indochina for over 60 years. It concentrated its investments along the coastal strip, primarily on the cultivation of rice and rubber, and did little to develop local industries. Before the French, landholdings were large, but landless peasants had access to village-owned communal land. Under French domination, with increasing specialization of crops, the plantations grew larger and eventually swallowed up even the communal lands. Before World War II, in the Cochin China area of Vietnam, 80 percent of the rice fields were plantation-owned. In the Tonkin area, 60 percent of the farmers owned less than an acre each.[1]

Estates were generally worked by sharecroppers who borrowed buffaloes, food, tools, seeds and fertilizer from the landlord, to whom they paid 40 percent of the crop, various services and as much as 50 percent interest.

A small elite benefited from French training by "association"—token representation at various levels of the absolute colonial government—and by receiving a Paris education. Yet the elite was a small group and their effect on the economic and social structure of the colonies was slight. When the Ngo Dinh Diem government assumed power over an independent South Vietnam, for example, there were only 300 doctors and nurses for the entire population of nearly 11 million.[2] Illiteracy was widespread and average per capita income well below $100 a year.

Yet the nationalist leaders who now direct the destinies of the Indochina nations came out of the French-educated elite. They include Ho Chi-minh—who learned Marxism in Paris and Moscow; Prince Souphanouvong[3]—head of the pro-Communist Pathet Lao; and South Vietnam's first and only president, Ngo Dinh Diem.

AFTER INDEPENDENCE

President Ngo, now 60 years old, has been described as "not only Confucianist and a mandarin; he is also a misogynist, a devout Catholic and a pessimist."[4] He has also been described as a sound and tenacious leader during an extremely perilous 7½-year period, and as a dictator who is destroying his country's opportunity to evolve into a representative democracy. Unquestionably he has faced nearly insuperable problems since the beginning of his administration.

Under terms of the 1954 cease-fire, 800,000 refugees fled from North Vietnam to South Vietnam. Refugees now account for almost 9 percent of the population, and the Ngo government has had to absorb them into a basically agricultural economy. Whole new villages had to be constructed, land was confiscated and redistributed, and limited government revenues had to be stretched to provide services for them.

Next Ngo faced open rebellion from dissident religious sects, each with its own private army, and from the Binh Xuyen gangsters who controlled police and vice rackets in Saigon, the capital. He successfully overcame all these forces and, at the same time, managed to keep in check thousands of hard-core Communist sympathizers.

ONE-MAN DEMOCRACY

The Ngo government, under a democratic constitution, is strongly centralized. Until recently, not even a passport could be issued without the president's signature. The one-chamber parliament is dominated by Ngo's National Revolutionary Movement and, when parliament is in recess, Ngo rules by decree. Other political parties exist but offer no serious opposition.

In the 1959 elections to the National Assembly only one opposition candidate won a seat. His election was annulled despite appeals from three Western governments, and he was arrested on such charges as opening his campaign "too early" and making "false promises."

Such tactics bring Ngo under heavy fire from South Vietnamese intellectuals, students and the middle class, who have tagged his one-man rule "Diemocracy."

Ngo has also been charged with nepotism. His 51-year-old brother, Ngo Dinh Nhu, is his political adviser and No. 2 man in the nation. He directs the clandestine Revolutionary Labor party, whose 70,000 members infiltrate factories, villages and government offices, collecting "information" and discouraging opposition. Charges of corruption have also been circulated about Ngo's family and, although unproved, have damaged his public confidence at a grave time.

The army has also grumbled—about low pay, presidential intervention in even routine movement of troops, and general demoralization in the face of the endless and seemingly hopeless struggle with the Communists, which claims 100 casualties a day. One estimate places one-fourth of all South Vietnamese villages under Viet Cong control.[5] In November 1960 military discontent boiled over into a paratroop coup and a brief siege of the presidential palace. There was no serious effort to extend the rebellion, and the army quashed it in two days.

The pressure for administrative and political reform was increased, however, and the U. S. urged Ngo to adopt a wider basis for his power, and to undertake rapid and "radical reforms and energetic action against corruption-suspected elements."

Some reforms were instituted during 1961, including first steps toward fully elected (rather than appointed) village councils, and the reorganization, enlargement and strengthening of national ministries which have previously had limited authority. Observers point out, however, that even with the delegation of some presidential powers, Ngo still runs a one-man show. Some observers say this may be necessary as long as the nation is wracked by Communist attacks.

for discussion

One group of Ngo's political opponents demands "reconstruction of the republic on the basis of democracy and civil liberties." Do you consider Ngo's one-man rule justified? Or should democratic reform begin immediately?

FOOTNOTES: 1. Hall, A History of Southeast Asia, p. 655. See suggested readings. 2. Ngo Dinh Diem, address in Saigon, July 7, 1955. 3. See pronunciation guide. 4. Atlantic Monthly, October 1961. 5. Time, August 4, 1961.

SOUTHEAST ASIA: Long-Range Target?

Starting at the border of mainland China, Southeast Asia stretches 2,000 miles south to the Indonesian archipelago and the Indian Ocean. West to east, it reaches 3,000 miles from Burma and Sumatra to the Philippines and New Guinea. In actual land mass it is only half the size of the U. S., but its population is 15 percent greater. Included in the area are eight nations which have won independence since the end of World War II—the two Vietnams, Laos, Cambodia, Burma, Malaya, Indonesia and the Philippines. It also includes Thailand (never under colonial control), Western New Guinea (administered by the Netherlands but claimed by Indonesia), Singapore, North Borneo, Sarawak and Brunei.

RICE, RUBBER & TRADE

Southeast Asia is one of the world's great storehouses of natural resources. In addition to the 3½-4 million ton rice surplus, which it exports annually (7 million before World War II), it is the world's largest exporter of natural rubber, filling 87 percent of the world demand. Its mines produce about 60 percent of the world's tin. Other exports include 84 percent of the world's copra and coconut oil and most of the world's quinine, kapok, teak and pepper. Southeast Asia's oil meets most of the Far East's needs, although it amounts to only 3 percent of the total annual world production.

The waters of Southeast Asia are vitally important to world trade. All the major shipping between the Pacific basin and the Indian Ocean must pass through them. Singapore is one of the world's busiest entrepôts, or transshipping ports, and Britain's principal naval base in the Orient. The Strait of Malacca has been compared in strategic importance to the Panama Canal.

Southeast Asia has also long been one of history's greatest cultural crossroads. Successive waves of migrants, traders and conquerors have mingled with the principal indigenous ethnic groups, the Vietnamese and Malays. In the 1st and 2nd centuries it was Hindus from India, whose cultural heritage still survives in Bali. Later came Arabian traders, bringing the Islamic religion, which is still predominant in Malaya and the Indonesian archipelago. European traders and Christian missionaries arrived in the 16th century. Chinese Buddhists have been migrating to the region for centuries.

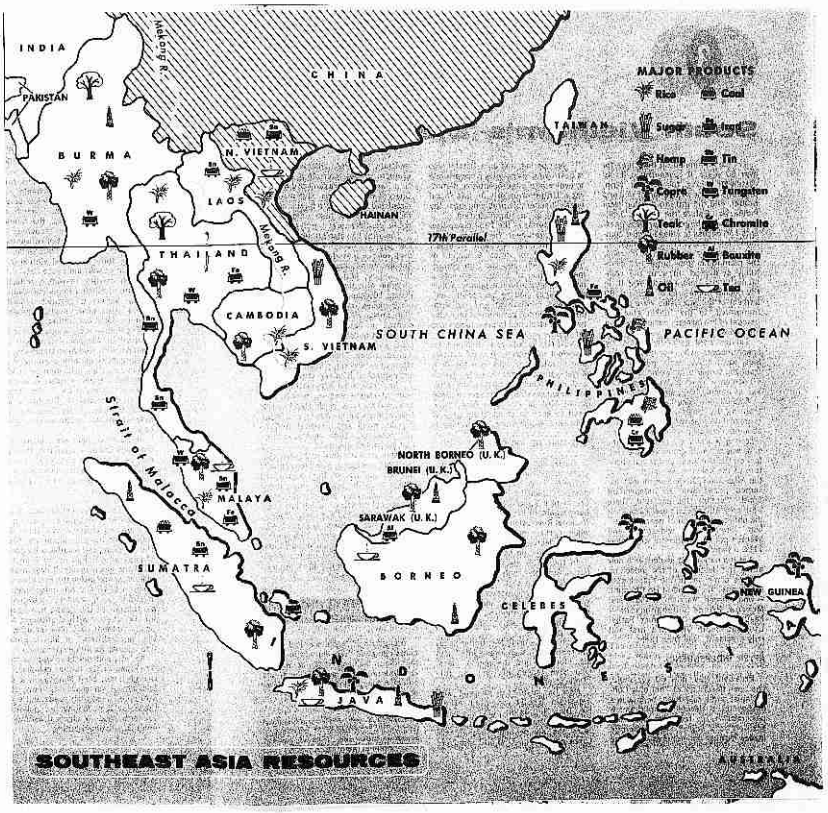
The overseas Chinese (roughly 12 million) are the largest single minority group in the region, constituting about 5 percent of the total population of Southeast Asia. Wherever they have settled, most Chinese have maintained their own community, culture and language — and often their loyalty to the homeland. Today those loyalties are divided between the mainland, where many have close relatives, and the Chinese Nationalist island of Taiwan, which claims guardianship over pre-Communist Chinese culture and tradition.

HERITAGE OF COLONIALISM

In addition to their cultural diversity and numerous common historical encounters, the peoples of Southeast Asia all share (with the exception of Thailand) the important common experience of European colonialism. Even though colonialism profoundly influenced (indeed, launched) some measure of economic development and Western-style political awareness, all the "new" nations of this area tend to attribute to colonialism their enormous current problems of economic backwardness and social and political instability. The former colonial powers are criticized for failing to develop industry, improve agriculture, diversify the economies, teach modern skills, train leaders, or introduce mass public education, health and sanitation. Anti-colonials are suspicious not only of European powers, but also, by association and because of our long occupation of the Philippines, the U.S. as well.

Moreover, since anticolonialism is widespread throughout the newly independent, underdeveloped world, it provides a common (although negative) bond among most of the people of South and Southeast Asia, the Middle East, Africa and even Latin America. Communist propaganda has often successfully exploited this undercurrent of anti-Western suspicion—but it is dangerous, experts warn, to blame this problem on the Communists; the record of colonialism is too recent and too spotted with failures (among its many successes) to be dismissed.

The point is illustrated by a closer look at South Vietnam's struggle to transform a colony into a nation.



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PEOPLES AND NATIONS OF INDOCHINA

War, conquest and the reshuffling of boundaries are part of the 2,000-year history of the Indochina peninsula. The area has at various times been overrun by Thais, Mongols, Indonesians, Indians and Chinese as well as, more recently, the French and Japanese. Furthermore, the boundaries of contemporary Indochina are arbitrary — the product of convenience of colonial administrations under the French, and (in divided Vietnam) the accident of war and cease-fire.

Each country, therefore, reflects a mixture of ethnic groups and cultures and a variety of distinct minorities which have never been assimilated into the dominant culture.

The Vietnamese, whose culture is a mixture of Mongol, Indonesian and Chinese with Buddhist traditions, are the largest single ethnic group on the peninsula. They predominate in Vietnam, but are also numerous in Cambodia and parts of Laos. The Khmers are concentrated in Cambodia and South Vietnam. Thais (Siamese) and Indonesians are scattered throughout Laos.

In addition there are numerous indigenous tribes — including the Bahnar, Jarai, Muong and Meo, over 1½ million Chinese and thousands of Indians and Europeans who live primarily in the cities.

LAOS — Less than half of Laos' 2 million people are ethnic Lao, who trace their origins to Southwest China. The majority of the population are Thais. The northern and southern kingdoms of Laos were united by the French in 1947 and given some self-government. Independence within the French Union came in 1949 and full independence, in 1954 — as a "neutral" state under protection of the cease-fire agreements. (Laos, with Cambodia and South Vietnam, was also included in the "general area" of SEATO protection against foreign aggression.)

At independence Laos was the least developed of the former colonies. Although larger than Minnesota, it still has almost no electricity, only 300-400 miles of asphalt roads and a virtually undeveloped lumber potential. The only modern physical symbol of unity is a national airline.

U. S. aid in the 6-year period ending in 1960 totaled $300 million — 30 percent of it for military purposes. Even with accelerated U. S. military assistance during 1961, the 30,000-man royal army still lost ground to the Pathet Lao.

CAMBODIA — When this Buddhist kingdom of over 5 million people left the French Union in 1955, only 10 percent of its land was under continuous cultivation and there was almost no industry. Since independence, under the stewardship of neutralist Prince Norodom Sihanouk,[1] Cambodia has received aid from both East and West, which has transformed the economy. Red China has set up paper, cotton weaving, plywood and cement plants. France built the new (and only) seaport of Sihanoukville, an airfield and a 180-bed hospital at the capital Pnompenh.[1] The U. S. has built a power station, the 132-mile long, $34 million Khmer-American Friendship Highway, between the port and Pnompenh (a U. S. congressional subcommittee recently called it "badly bungled"), and largely finances the 25,000-man army. The Soviet Union built a 500-bed hospital in Pnompenh and plans to build two dams, two hydroelectric power stations and a technical high school for 1,000 students.

TWO VIETNAMS — Before partition Vietnam was the largest and most populous of the three colonies. North Vietnam (where the Vietminh have inherited most of the country's prewar, French-built industry) is now the most populous of the four nations — nearly 16 million people. The area around the Communist capital Hanoi is not only industrialized, it is also one of the richest rice areas in all Southeast Asia. North Vietnam also has coal, tin, chrome, wolfram, uranium, and perhaps gold and oil.

South Vietnam (which you will examine more closely on pages 8 and 9) is by contrast almost wholly agricultural. Its main products — and exports — are rubber and rice. It has a population of 14 million.

Control of both Vietnams would mean economic and strategic domination of all Indochina, experts agree.

for discussion

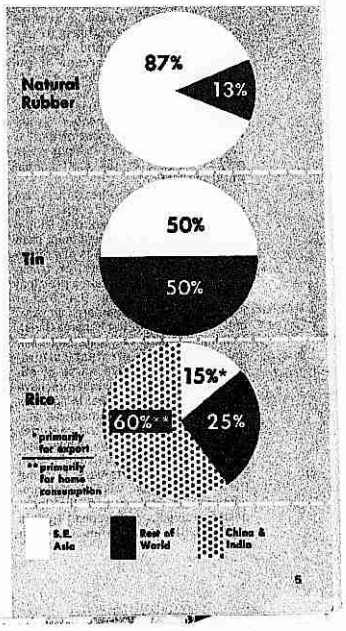
In reference to Sen. Fulbright's remark (p. 3), do you think it is important that the nations receiving U. S. military aid should be determined to defend themselves? Are there circumstances in which the U. S. should take military action regardless of the morale or competence of the local forces? If so, when? — violation of neutrality? border violation? treaty violation? to stop Communist conquest?

Do you think "neutralization" of a country bordering on the Communist bloc is desirable? Is it workable? How can it be guaranteed or insured?

Does the U. S. have a stake in Indochina? If so, how far should the U. S. go to protect it?

FOOTNOTE: 1. See pronunciation guide.

Percent of World Production



2

Which Way Indochina?

The 1959-61 war in Laos left this small nation of 2 million people divided between the legal government of neutralist Souvanna Phouma (again in power) and the pro-Communist Pathet Lao. By late 1961 there appeared to be no military or political possibility of driving the Pathet Lao back to their 1954 positions or even above the 17th parallel. The only hope, apparently, was to hold the battle lines and prevent the Communists from gaining control of the vital Mekong river, which forms 800 miles of common border with Thailand, a U. S. ally in SEATO.

In South Vietnam, however, the military question was a more dangerous one: Could this country of 14 million people, and the pro-Western government of President Ngo Dinh Diem,[1] be saved from Communist takeover in a war in which every handful of rebels may mean a new battle front?

GUERRILLA TACTICS

The Viet Cong guerrillas (estimated 15,000 strong in the fall of 1961) operate throughout the South Vietnam countryside in small bands. They ambush soldiers, murder police and local officials, recruit peasants, levy taxes and seize food, livestock and supplies. They hit where South Vietnamese government defenses are weakest, and when resistance stiffens, they melt into the hills or across the border into Red-held sanctuaries in North Vietnam, Laos and Combodia. The 170,000-man South Vietnamese army, equipped and trained by the U.S., has not been equal to these guerrilla tactics.

The challenge is in part military. The U. S. is speeding up the training of Ngo's army in counter-guerrilla warfare. The U. S. also has the alternative of sending American troops in, in case of showdown, or of calling on its SEATO partners—Pakistan, Thailand and the Philippines, plus Britain, France, Australia and New Zealand—to supply troops to secure South Vietnam's borders.

CIVIL WAR OR AGGRESSION?

This raises important questions which are also part of the challenge. The aggression against South Vietnam is indirect and ambiguous. The rebels are unquestionably Vietnamese (South as well as North), but there is ample evidence that they are getting Red Chinese arms, that their bases are situated across international borders in North Vietnam, Laos and possibly Cambodia, and that their tactics are those developed by Chinese Communists and the Vietminh.

Still, there is enough ambiguity to the undercover war that U. S. allies in SEATO have been reluctant to commit the treaty organization to full military action as long as some slim hope remains that the situation can be stabilized around the conference table.

Thus the challenge is also a diplomatic one: Is there any hope Red China, the Soviet Union, North Vietnam and the Pathet Lao, on one side, and the U. S., the independent Indochinese governments and other interested powers, on the other side, will agree on a workable and enforceable system for supervising the armistice and inspecting violations? Is there, in fact, any kind of truce machinery which can control hit-and-run undercover warfare?

The experience of the 1954 cease-fire agreement suggests the answer is, No. Pockets of Vietminh-trained Communists were imbedded in all three non-Communist areas—South Vietnam, Laos and Cambodia, and were scattered incognito through rural areas. They received continuing support and supplies through the Vietminh. They are difficult to detect and root out, although they have been far from inactive during the past seven and a half years.

'TROIKA' FAILURE

Furthermore, the International control commission set up by the cease-fire agreement has proved inoperable. It consisted of India (chairman), Canada and Poland. It was, in fact, an early forerunner of the now familiar "troika" — a 3-man executive in which each has the power to veto any decision concerning a violation or threat of violation of the agreement. The commission had fact-finding powers, but rarely got to the scene of an "incident" in time to collect any facts. And it had no power to enforce its findings, even if it could have agreed. In short, the truce inspection machinery was not equipped to deal with **indirect aggression.** Nor is there any reason to believe the Communist powers want machinery which can do so.

Finally, the challenge is an internal one between the peoples of these nations and their embattled governments. Without popular support the task of internal security and national defense may well be hopeless. At present the Viet Cong rebels rely on terror to discourage South Vietnam's resistance. But the rebels also promise more, under communism, in the way of economic and social improvement.

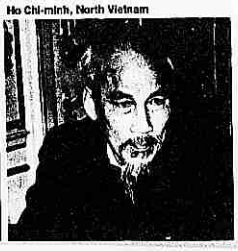
Thus the aspirations and frustrations of these peoples are an important factor in the struggle.

Who are the people of Indochina, what are their origins, how have accidents of history collected them into "nations"? What are their resources, outlook and prospects?

Souvanna Phouma, Laos

Norodom Sihanouk, Cambodia

Ho Chi-minh, North Vietnam



Ngo Dinh Diem, South Vietnam

In the first few years fighting was limited to Vietminh guerrilla operations. Following the Communist victory in China, the rebels received increasing supplies from Peking and in 1950 began to roll the French back from their northern outposts. U. S. aid to Indochina mounted steadily and by 1953-54 reached almost $1.8 billion. In May 1954, after a 57-day siege, the key French stronghold of Dienbienphu, in North Vietnam, fell to Vietminh forces, and France surrendered the last of its Asian empire.

In April 1954 Allied and Sino-Soviet governments met in Geneva to arrange a cease-fire. As in Laos seven years later, the fighting went on, the Communists continued to gain ground while the conference was in progress, and, briefly, the U. S. considered "united action" by the free world to prevent a Communist takeover. On July 20, 1954, however, a cease-fire agreement was reached by:

U. S.[3]	Vietnam[3]	Soviet Union
Britain	Laos	Red China
France	Cambodia	Vietminh

Terms of the agreement included:
- Vietnam partitioned into Communist North (Vietminh) and independent South Vietnam regimes, pending general elections to reunify the country.
- Free voluntary transfer of persons between North and South Vietnam.
- International Commission to control and supervise the armistice, composed of Canada, India and Poland.

The partition took place, over 800,000 refugees fled from North to South Vietnam, the control commission failed to function with any effectiveness, the build-up of foreign weapons and troops continued on both sides, and the all-Vietnamese elections were never held.

In response to the clearly developing pattern of Communist imperialism, the U.S. and seven allies signed the SEATO treaty on September 8, 1954, and pledged themselves to resist armed aggression in Southeast Asia.

Sporadic skirmishes continued to occur during the next five years, particularly in Laos, where the pro-Communist Pathet Lao[1] rebels remained entrenched in two northern provinces and continued to receive arms and supplies through Communist North Vietnam. In 1959 Laos accused North Vietnam of aggression, and the UN sent a fact-finding mission to investigate the charges. As a result, the Pathet Lao's advance was temporarily delayed. In August 1960 a bloodless coup put neutralist premier Prince Souvanna Phouma[1] in power, with a pledge to end the civil war with the Pathet Lao. Four months later a U.S.-backed right-wing military coup overthrew Souvanna Phouma and put pro-U. S. Prince Boun Oum[1] in power.

Full-scale fighting during the winter and through the spring of 1961 saw Laotian government forces in steady retreat before the Pathet Lao.

Attempts to negotiate a cease-fire were stalled throughout the spring. As the military situation deteriorated, U. S. Sen. J. W. Fulbright (D., Ark.), chairman of the Senate Foreign Relations Committee, declared that loyal Laotian forces were unwilling to shoot "even if you gave them a gun."

During the summer a nominal cease-fire was finally proclaimed, although the U. S., Red China, the Soviet Union and other interested powers could not agree on terms for supervising and inspecting the truce. The fighting continued and the Pathet Lao made steady gains. The diplomatic stalemate —and fighting—continued through the fall of 1961, leaving the pro-Communist forces in full control of half Laos' 91,000 square miles, including territory bordering on Red China and Communist North Vietnam, and a strategic section bordering on South Vietnam.

Suddenly the headlines shifted to South Vietnam, where the pro-Communist Viet Cong rebels began to get an increased flow of military supplies from border bases controlled by the Pathet Lao. The pattern of conquest was repeating itself on an expanding front.

CHRONOLOGY

Sept. 26, 1940: Japan occupies Indochina. **1941:** Ho Chi-minh organizes Vietminh rebel movement. **March 1945:** Japanese evict Vichy-French from Indochina. **Aug. 1945:** Japan surrenders, Ho sets up "Democratic Republic." **March 1946:** France resumes power in Indochina, recognizes autonomous Vietnam in the French Union. **Dec. 19, 1946:** Vietminh attacks French in Hanoi, begins 7½-year war. **May 7, 1954:** Dienbienphu[1] falls. **July 21, 1954:** Geneva cease-fire agreement signed, Vietnam partitioned. **Sept. 8, 1954:** SEATO treaty signed in Manila. **Oct. 26, 1955:** Republic of South Vietnam proclaimed. **May 1959:** North Vietnam Communist party calls for reunification of Vietnam by "appropriate means." **Sept. 8, 1959:** UN appoints fact-finding committee to investigate Laos charges of North Vietnamese aggression. **Aug. 9, 1960:** coup in Laos sets up neutralist government under Souvanna Phouma, pledged to end fighting with Pathet Lao; U.S.-backed Boun Oum opposes shift; with right-wing support overthrows Souvanna Phouma. **Winter-spring 1960-61:** Pathet Lao forces occupy half of Laos. Soviet aircraft air-drop supplies to rebels. **May 2, 1961:** cease-fire to Pathet Lao broadcast from Hanoi. **May 16:** Geneva Conference on Laos cease-fire begins. **Oct. 8:** three Laotian factions agree on coalition government under neutralist premier Souvana Phouma.

SOURCE: The New York Times, November 27, 1960.

FOOTNOTES: 1. See pronunciation guide, p. 12. 2. A. Doak Barnett, Communist China and Asia: Challenge to American Policy. New York, Harpers for the Council on Foreign Relations, 1960, p. 66. 3. U.S. and (South) Vietnam participated but did not sign.

1

South Vietnam—Showdown?

Communist control of Indochina hinges on a takeover of South Vietnam. Laos is half won; Cambodia or Thailand may be next. Is it a U. S. job to halt or turn back this 15-year-old plan of conquest?

Throughout 1961, under the eyes of a trigger-nervous world, the cold war became once again a shooting war. In Indochina, Communist guerrillas and regular troops—with open Red Chinese and Soviet support—conquered half of Laos,[1] reinforced rebels attempting to "liberate" South Vietnam, increased their pressure on neutral Cambodia and seemed on the verge of seizing all Indochina — the hub of vast, rich, populous and strategically crucial Southeast Asia.

Chinese expansionism is not new to this part of the world. "Throughout most of the last two thousand years the rulers of China have exercised hegemony over large areas of the Far East, Central Asia and Southeast Asia, and over the centuries Chinese imperialism and colonialism have ebbed and flowed."[2]

Yet there are important differences in the current struggle. On one level, the conflict is between local Communist rebels and the legal governments of Laos, South Vietnam and Cambodia. But behind the rebels are the industrial and military power, supplies, strategic direction and the negotiating strength of the communist bloc. And behind the besieged Indochina governments are the power and treaty commitments of the U.S. and its European and Asian allies.

Twice during 1961 President Kennedy considered armed U.S. intervention—in March, to save Laos from being overrun and, in the fall, to prevent a Communist takeover in South Vietnam. Gen. Maxwell D. Taylor, on his return last November from an on-the-spot check of Vietnam's defense needs, advised against sending U. S. ground combat troops.

Over $2.5 billion in U. S. aid has been poured into Laos and South Vietnam since 1954, in attempts to strengthen local resistance. The U. S. —together with Thailand and the other Southeast Asia Treaty Organization (SEATO) allies—is committed to counter aggression in the area. Yet, as 1961 drew to a close, there were grave questions about how Southeast Asia could be saved.

The Communists have most of the advantages. They control North Vietnam and the strategic routes which feed Red Chinese (and some Russian) supplies into Laos, South Vietnam and possibly Cambodia. They have the support of local Leftist and other dissident minorities in all three nations, as well as the sympathy of pro-Communist minorities operating in every nation of Southeast Asia.

The U. S. and its allies also have power in the area — a string of land, air and naval bases from South Korea, Japan, Okinawa, Taiwan and the Philippines to Australia, Singapore and Pakistan. But short of establishing a front in Thailand, the Allies must rely on supply lines which stretch across the ocean, while the Communists operate from local bases.

The challenge at year-end was: How high a price should we pay to prevent a decisive Communist victory in Southeast Asia?

Communist plans for the takeover of Indochina were laid while most of the world was at war. In 1940, when France surrendered to Germany, the Vichy government of Marshal Henri Pétain agreed to the occupation of Indochina by Japan, Germany's Far Eastern ally, although the French continued to administer the colonies as they had for over 60 years.

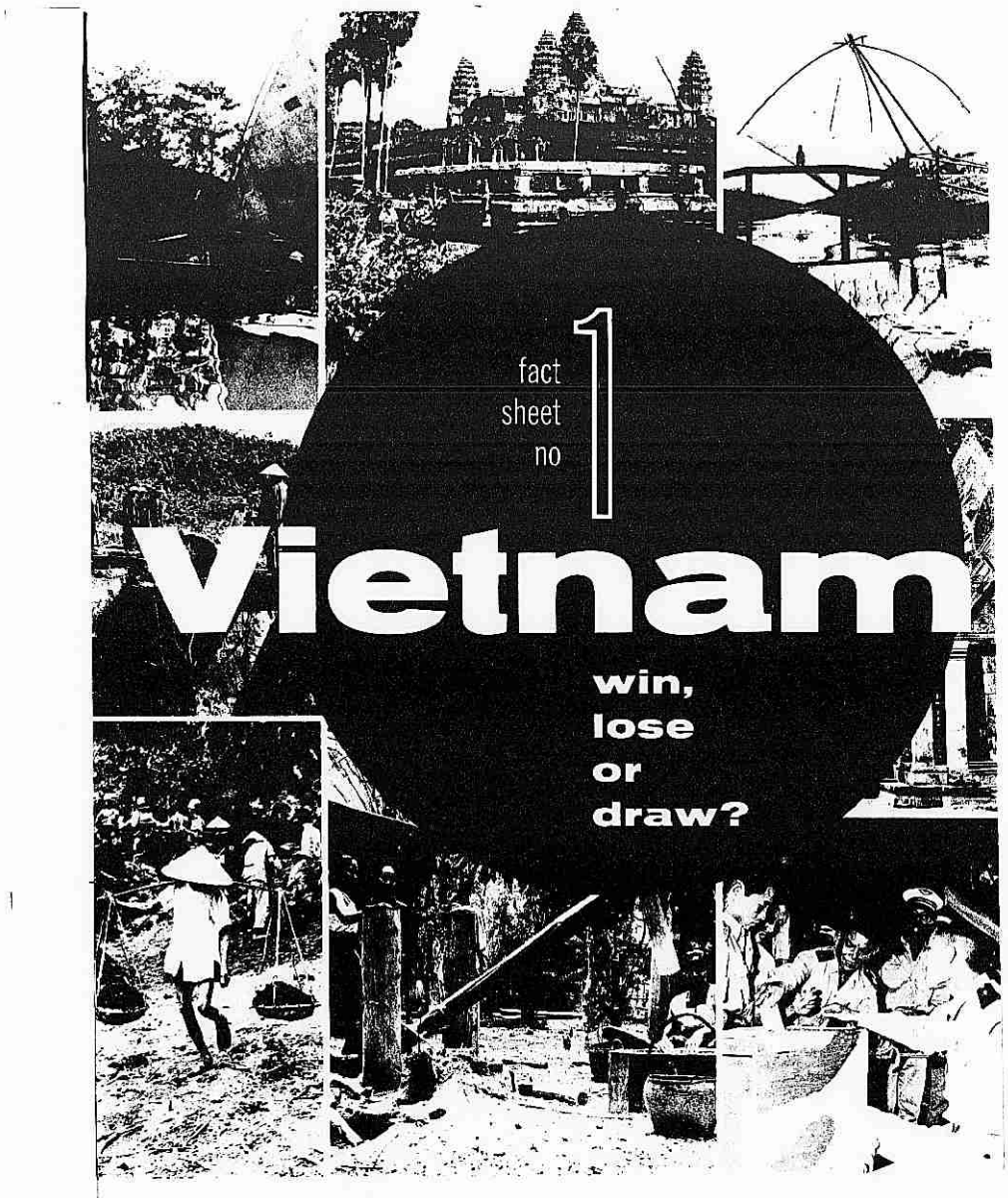
In 1941, across the border in China, the original core of the rebel Vietminh movement was organized. Heading it was the Paris-educated, Moscow-trained Vietnamese Communist, Ho Chi-minh.[1] The Vietminh tried to build up a united anti-Japanese front and for a time received Allied, including Chinese Nationalist, support.

In March 1945 Japan evicted the Vichy-French and set up an "independent" Vietnam under Emperor Bao Dai.[1] In May the Vietminh denounced the "puppet government" and created a "liberated zone" in the North. Their goal: seize power from the Japanese and establish their own government before the Allied troops arrived in Indochina. When Japan surrendered in August, Bao Dai abdicated and Ho and his Vietminh set up a "Democratic Republic" of Vietnam in Hanoi with the ex-emperor as supreme counsellor.

In the wake of Allied victory in Europe and the Pacific, France—with British help — re-established nominal control over all of Indochina. In North Vietnam, however, a coalition government under the Vietminh was in effective control. And in Cambodia and Laos, local nationalist groups received increasing help, training and indoctrination from Ho's Vietminh.

On January 7, 1946 France recognized Cambodia's autonomy, under the hereditary monarch. March 6 of the same year France signed a preliminary agreement with Ho, which recognized Vietnam as a "Free State" within the French Union and authorized French troops to re-enter the North. On August 27 Laos also gained recognition of its autonomy. All three states, however, retained special ties with France.

Then, on December 19, 1946, after French efforts to make a deal with the Vietminh broke down, the Vietminh attacked French military installations in Hanoi. The 7½-year Indochina war was under way.



fact sheet no 1

Vietnam

win, lose or draw?

0658

fact sheet number 8 United States (continued)

opinion ballot

2. What broad economic policies should the U. S. follow to achieve its aims in world affairs?

a. Encourage expansion of U. S. economy by:

- ☐ 1. Negotiating for reduced trade barriers among the industrialized free world nations.
- 2. Increasing U. S. investment in expanding raw-materials sources and export markets in the "new" and developing economies—
  - ☐ (a) through increased aid.
  - ☐ (b) through increased private investment.
- ☐ 3. Sticking to the present system of item-by-item, limited, reciprocal reduction of tariffs.
- ☐ 4. Giving the President authority to negotiate sweeping, across-the-board, reciprocal reduction of tariffs.
- ☐ 5. Protecting, with tariffs, U. S. industries that are threatened by foreign competition.
- ☐ 6. Helping affected U.S. industries to adjust, retool and retrain in order to compete more effectively with foreign exporters.

b. Encourage greater cooperation in free world economy by:

- ☐ 1. Negotiating further reciprocal tariff reductions with the Common Market.
- ☐ 2. Seeking gradual economic integration of major free world trading nations and Common Market.
- ☐ 3. Avoiding any new initiatives other than those by private business and industry.

c. Encourage more rapid world economic development by:

- ☐ 1. Increasing U. S. government investments (foreign aid) in the developing areas.
- ☐ 2. Increasing U. S. private investments in the developing areas.
- ☐ 3. Encouraging our Allies to increase their investments in the developing areas.
- ☐ 4. Channeling more of our aid and technical assistance through the UN.
- ☐ 5. Attempting to coordinate and plan over a longer period of time U. S. and foreign aid to the developing areas for greatest mutual benefit to the investors and nations involved.

☐ d. Do nothing to encourage more rapid foreign economic growth and competition.

☐ e. Other, or comment: .....

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fact sheet number 8 United States (continued)

opinion ballot

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fact sheet number **8** United States

opinion ballot

Make up your own mind which U. S. policies you support, or what changes in policy you favor. On the ballot below, mark only those alternatives with which you are in agreement. Or add comments in your own words.

1. What basic policies should the U. S. follow to achieve its aims in world affairs?

- ☐ a. Seek no change in present political relations among nations.
- b. Work for closer integration of free world nations by:
  - ☐ 1. Strengthening the UN.
  - ☐ 2. Building closer ties in Atlantic community.
  - ☐ 3. Building closer ties in Western Hemisphere.
- c. Work for closer integration of all nations by:
  - ☐ 1. Strengthening the UN.
  - ☐ 2. Attempting to negotiate a "settlement" of cold war issues.
  - ☐ 3. Continuing to seek an effectively controlled and inspected world disarmament agreement.
- d. Reduce our commitments to other nations by:
  - ☐ 1. Making future commitments only to proven allies.
  - ☐ 2. Devoting our resources to developing the economic and military strength of the U. S.
- ☐ e. Be willing to negotiate differences with the Communist bloc.
- ☐ f. Refuse to negotiate with the Communist bloc.
- ☐ g. Be willing to negotiate differences with the Communist bloc, but not under threat or ultimatum.
- ☐ h. Make the defeat of communism our primary national goal.
- ☐ i. Make victory in the cold war our primary national goal.
- ☐ j. Make construction of a peaceful world community under law our primary national goal.
- ☐ k. Other, or comment: .....

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opinion ballot

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fact sheet number 7 UN (continued)

opinion ballot

2. What specific course should the U.S. follow within the UN?

- ☐ a. No change in present policies.
- ☐ b. Channel more U.S. aid and technical assistance through the UN.
- ☐ c. Reduce U.S. contributions to UN social and economic programs.
- ☐ d. Increase U.S. contributions to UN social and economic programs.
- ☐ e. Bring Berlin question before UN.
- ☐ f. Attempt to deal with disarmament in UN framework.
- ☐ g. Avoid involving UN in issues which are vital to U.S. national interest.
- ☐ h. Other, or comment: .....

fact sheet number 7 UN (continued)

opinion ballot

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fact sheet number 7 UN

opinion ballot

Make up your own mind which U.S. policies you support, or what changes in policy you favor. On the ballot below, mark only those alternatives with which you are in agreement. Or add comments in your own words.

1. What general policies should the U.S. follow in relation to the future of the UN in world affairs?

- ☐ **a.** Seek to strengthen UN influence.
- ☐ **b.** Seek to weaken or neutralize UN influence.
- ☐ **c.** Insist on an independent Secretary-General and Secretariat staff.
- ☐ **d.** Seek a compromise arrangement which will limit the Secretary-General's independence.
- ☐ **e.** Continue to reserve right to ignore resolutions of the General Assembly.
- ☐ **f.** Go along with majority rule in the UN.
- ☐ **g.** Withdraw from the UN.
- ☐ **h.** Withdraw from the UN if Red China is seated.
- ☐ **i.** Support increased UN economic and social budgets.
- ☐ **j.** Seek to restrict UN economic and social activities.
- ☐ **k.** Attempt to construct an international community of like-minded nations outside the UN.
- ☐ **l.** Concentrate on the UN as the embryo of a world community under law.
- ☐ **m.** Other, or comments: .....

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fact sheet number 7 UN

opinion ballot

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- ☐ m. Other, or comments: .....

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fact sheet number 6 Berlin (continued)

opinion ballot

2. What policies should the U.S. follow on the German problem?

- ☐ a. Seek no change in the present situation.
- ☐ b. Continue to demand German reunification on the basis of nationwide free elections.
- ☐ c. Support negotiations between the two Germanys for a reunification agreement.
- ☐ d. Support negotiations between the two Germanys for loose confederation.
- ☐ e. Block any proposal which would take West Germany out of NATO.
- ☐ f. Block any proposal which would take West Germany out of Common Market and other West European arrangements.
- ☐ g. Support neutralization and demilitarization of both Germanys as part of a regional "disengagement" plan for Central Europe.
- ☐ h. Other, or comment: .....

3. What policies should the U.S. follow within NATO and the Atlantic community?

- ☐ a. Seek no change in present arrangements.
- ☐ b. Rely more on U.S. power and initiative; rely less on NATO.
- ☐ c. Work for closer coordination of military policies and strategy in NATO.
- ☐ d. Work for greater cooperation in all areas of foreign policy.
- ☐ e. Work for greater economic integration.
- ☐ f. Use NATO as a base for broader free world cooperation in common enterprises.
- ☐ g. Use another base (e.g. UN) as the core for U.S. global programs and strategies.
- ☐ h. Other, or comment: .....

fact sheet number 6 Berlin (continued)

opinion ballot

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fact sheet number **6** Berlin

opinion ballot

Make up your own mind which U.S. policies you support, or what changes in policy you favor. On the ballot below, mark only those alternatives with which you are in agreement. Or add comments in your own words.

1. What policies should the U.S. follow in the Berlin crisis?

- ☐ **a.** Refuse to negotiate any change in present status.
- ☐ **b.** Negotiate, seeking firmer guarantees of West Berlin's freedom, Allied occupation rights and freedom of access.
- ☐ **c.** Agree to token reductions in Allied occupation forces in exchange for guarantees in "b" above.
- ☐ **d.** Refuse to make any change in Berlin's status except as part of an agreement to reunite Germany.
- ☐ **e.** Agree to make West Berlin a "free city" under satisfactory great power guarantees.
- ☐ **f.** Agree to a "free city" under UN guarantees.
- ☐ **g.** Insist that any "free city" arrangement include East as well as West Berlin.
- ☐ **h.** Keep Allied troops in West Berlin under any circumstances.
- ☐ **i.** Accept an "interim" arrangement, continuing the present status of West Berlin for a given period of time.
- ☐ **j.** Fight if necessary to protect the freedom of the people of West Berlin.
- ☐ **k.** Other, or comment: .....

fact sheet number **6** Berlin

opinion ballot

Make up your own mind which U.S. policies you support, or what changes in policy you favor. On the ballot below, mark only those alternatives with which you are in agreement. Or add comments in your own words.

1. What policies should the U.S. follow in the Berlin crisis?

- ☐ **a.** Refuse to negotiate any change in present status.
- ☐ **b.** Negotiate, seeking firmer guarantees of West Berlin's freedom, Allied occupation rights and freedom of access.
- ☐ **c.** Agree to token reductions in Allied occupation forces in exchange for guarantees in "b" above.
- ☐ **d.** Refuse to make any change in Berlin's status except as part of an agreement to reunite Germany.
- ☐ **e.** Agree to make West Berlin a "free city" under satisfactory great power guarantees.
- ☐ **f.** Agree to a "free city" under UN guarantees.
- ☐ **g.** Insist that any "free city" arrangement include East as well as West Berlin.
- ☐ **h.** Keep Allied troops in West Berlin under any circumstances.
- ☐ **i.** Accept an "interim" arrangement, continuing the present status of West Berlin for a given period of time.
- ☐ **j.** Fight if necessary to protect the freedom of the people of West Berlin.
- ☐ **k.** Other, or comment: .....

fact sheet number 5 Iran (continued)

opinion ballot

2. What policies should the U.S. follow toward Iran?

- ☐ a. Continue present policies.
- ☐ b. Provide increased U.S. support to the current Seven-Year Plan and the forthcoming development plan.
- ☐ c. Substantially increase U.S. economic aid to make Iran a showcase in the non-Communist world.
- ☐ d. Encourage other industrialized democracies to raise the level of their economic aid to Iran.
- ☐ e. Insist on more rapid democratization of Iranian politics as a condition for continued U.S. aid.
- ☐ f. Reduce U.S. economic aid to Iran.
- ☐ g. Eliminate U.S. economic aid to Iran.
- ☐ h. Increase U.S. military aid to Iran and provide more modern military equipment.
- ☐ i. Reduce U.S. military aid.
- ☐ j. Eliminate U.S. military aid.
- ☐ k. Encourage increased U.S. private investment in Iran.
- ☐ l. Other, or comment: .....

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fact sheet number 5 Iran (continued)

opinion ballot

2. What policies should the U.S. follow toward Iran?

- ☐ a. Continue present policies.
- ☐ b. Provide increased U.S. support to the current Seven-Year Plan and the forthcoming development plan.
- ☐ c. Substantially increase U.S. economic aid to make Iran a showcase in the non-Communist world.
- ☐ d. Encourage other industrialized democracies to raise the level of their economic aid to Iran.
- ☐ e. Insist on more rapid democratization of Iranian politics as a condition for continued U.S. aid.
- ☐ f. Reduce U.S. economic aid to Iran.
- ☐ g. Eliminate U.S. economic aid to Iran.
- ☐ h. Increase U.S. military aid to Iran and provide more modern military equipment.
- ☐ i. Reduce U.S. military aid.
- ☐ j. Eliminate U.S. military aid.
- ☐ k. Encourage increased U.S. private investment in Iran.
- ☐ l. Other, or comment: .....

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fact sheet number **5** Iran

opinion ballot

Make up your own mind which U.S. policies you support, or what changes in policy you favor. On the ballot below, mark only those alternatives with which you are in agreement. Or add comments in your own words.

1. What policies should the U.S. follow toward the Middle East in relation to our strategic interests?

- ☐ a. Continue present policies.
- ☐ b. Attempt to expand CENTO to include other nations in the region.
- ☐ c. Strengthen CENTO and our commitment to it.
- ☐ d. Modify or withdraw the Eisenhower Doctrine.
- ☐ e. Reduce U.S. military commitments in the region.
- ☐ f. Increase economic support to U.S. allies in the region.
- ☐ g. Provide increased aid to any nation in the region, allied or neutral, which can make constructive use of this kind of support.
- ☐ h. Reduce U.S. economic aid to the region.
- ☐ i. Eliminate U.S. aid to the region.
- ☐ j. Other, or comment: .....

fact sheet number **5** Iran

opinion ballot

Make up your own mind which U.S. policies you support, or what changes in policy you favor. On the ballot below, mark only those alternatives with which you are in agreement. Or add comments in your own words.

1. What policies should the U.S. follow toward the Middle East in relation to our strategic interests?

- ☐ a. Continue present policies.
- ☐ b. Attempt to expand CENTO to include other nations in the region.
- ☐ c. Strengthen CENTO and our commitment to it.
- ☐ d. Modify or withdraw the Eisenhower Doctrine.
- ☐ e. Reduce U.S. military commitments in the region.
- ☐ f. Increase economic support to U.S. allies in the region.
- ☐ g. Provide increased aid to any nation in the region, allied or neutral, which can make constructive use of this kind of support.
- ☐ h. Reduce U.S. economic aid to the region.
- ☐ i. Eliminate U.S. aid to the region.
- ☐ j. Other, or comment: .....

fact sheet number **4** Nigeria (continued)

opinion ballot

2. What policies should the U. S. follow toward independent Africa in general?

- ☐ **a.** No change in present policies.
- ☐ **b.** Reduce U. S. aid programs over-all.
- ☐ **c.** Eliminate U. S. aid to Africa.
- ☐ **d.** Provide more U. S. aid to tropical Africa.
- ☐ **e.** Shift the emphasis from aid to countries where our interest is primarily strategic or military, to aid to countries which seem to offer the best potential for growth as democratic societies.
- ☐ **f.** Stop aiding countries whose foreign policy is, in our opinion, overly friendly to the Communist bloc.
- ☐ **g.** Stop aiding countries whose domestic policies are, in our opinion, dictatorial or hostile to the development of democratic institutions.
- ☐ **h.** Offer aid to any African country which appears willing to use it for development purposes which we consider sound and well-planned.
- ☐ **i.** Make U. S. aid conditional on the degree to which the receiving country maintains what we consider to be a sound climate for private enterprise.
- ☐ **j.** Make U. S. aid conditional on what we consider to be our best interests in the cold war.
- ☐ **k.** Make no conditions for U. S. aid other than what we consider to be the long-term best interests of the people in the receiving country.
- ☐ **l.** Other, or comment: .....

fact sheet number **4** Nigeria (continued)

opinion ballot

2. What policies should the U. S. follow toward independent Africa in general?

- ☐ **a.** No change in present policies.
- ☐ **b.** Reduce U. S. aid programs over-all.
- ☐ **c.** Eliminate U. S. aid to Africa.
- ☐ **d.** Provide more U. S. aid to tropical Africa.
- ☐ **e.** Shift the emphasis from aid to countries where our interest is primarily strategic or military, to aid to countries which seem to offer the best potential for growth as democratic societies.
- ☐ **f.** Stop aiding countries whose foreign policy is, in our opinion, overly friendly to the Communist bloc.
- ☐ **g.** Stop aiding countries whose domestic policies are, in our opinion, dictatorial or hostile to the development of democratic institutions.
- ☐ **h.** Offer aid to any African country which appears willing to use it for development purposes which we consider sound and well-planned.
- ☐ **i.** Make U. S. aid conditional on the degree to which the receiving country maintains what we consider to be a sound climate for private enterprise.
- ☐ **j.** Make U. S. aid conditional on what we consider to be our best interests in the cold war.
- ☐ **k.** Make no conditions for U. S. aid other than what we consider to be the long-term best interests of the people in the receiving country.
- ☐ **l.** Other, or comment: .....

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fact sheet number **4** Nigeria

opinion ballot

Make up your own mind which U. S. policies you support, or what changes in policy you favor. On the ballot below, mark only those alternatives with which you are in agreement. Or add comments in your own words.

1. What policies should the U. S. follow in relation to Nigeria?

- ☐ a. No change in present policies.
- ☐ b. Reduce U. S. aid.
- ☐ c. Eliminate U. S. aid.
- ☐ d. Reduce U. S. aid to pre-1961 levels.
- ☐ e. Offer increased aid to improve education.
- ☐ f. Offer increased aid for other development purposes.
- ☐ g. Expand Peace Corps programs in Nigeria.
- ☐ h. Encourage expansion of private U. S. capital investment in Nigeria.
- ☐ i. Expand program of scholarships for Nigerian students to study in America.
- ☐ j. Confine U. S. aid to loans (i.e., eliminate grants).
- ☐ k. Offer loans or grants as appropriate.
- ☐ l. Other, or comment: .....

fact sheet number **4** Nigeria

opinion ballot

Make up your own mind which U. S. policies you support, or what changes in policy you favor. On the ballot below, mark only those alternatives with which you are in agreement. Or add comments in your own words.

1. What policies should the U. S. follow in relation to Nigeria?

- ☐ a. No change in present policies.
- ☐ b. Reduce U. S. aid.
- ☐ c. Eliminate U. S. aid.
- ☐ d. Reduce U. S. aid to pre-1961 levels.
- ☐ e. Offer increased aid to improve education.
- ☐ f. Offer increased aid for other development purposes.
- ☐ g. Expand Peace Corps programs in Nigeria.
- ☐ h. Encourage expansion of private U. S. capital investment in Nigeria.
- ☐ i. Expand program of scholarships for Nigerian students to study in America.
- ☐ j. Confine U. S. aid to loans (i.e., eliminate grants).
- ☐ k. Offer loans or grants as appropriate.
- ☐ l. Other, or comment: .....

fact sheet number 3 Brazil (continued)

opinion ballot

2. Should the U. S. Congress and people support the 10-year Alliance for Progress as proposed by the Kennedy Administration and approved by 19 of the 20 Latin American republics?

- ☐ a. Yes; provide the funds and personnel necessary to carry out the full commitment.
- ☐ b. No; reject the program.
- ☐ c. Carry out the intent of the program but without the long-term commitment.
- ☐ d. Carry out the intent of the program but only with those Latin American nations which adopt the kinds of internal economic reforms which we consider desirable.
- ☐ e. Aid only those countries which follow foreign policies which we consider acceptable.
- ☐ f. Funnel U. S. aid through international agencies.
- ☐ g. Funnel U. S. aid through private U. S. organizations.
- ☐ h. Under Alliance for Progress, retain as much U. S. control as possible over disbursement and use of aid funds.
- ☐ i. Under Alliance for Progress, give equal voice to Latin American planners in disbursement and use of aid funds.
- ☐ j. Other, or comment: .....

fact sheet number 3 Brazil (continued)

opinion ballot

2. Should the U. S. Congress and people support the 10-year Alliance for Progress as proposed by the Kennedy Administration and approved by 19 of the 20 Latin American republics?

- ☐ a. Yes; provide the funds and personnel necessary to carry out the full commitment.
- ☐ b. No; reject the program.
- ☐ c. Carry out the intent of the program but without the long-term commitment.
- ☐ d. Carry out the intent of the program but only with those Latin American nations which adopt the kinds of internal economic reforms which we consider desirable.
- ☐ e. Aid only those countries which follow foreign policies which we consider acceptable.
- ☐ f. Funnel U. S. aid through international agencies.
- ☐ g. Funnel U. S. aid through private U. S. organizations.
- ☐ h. Under Alliance for Progress, retain as much U. S. control as possible over disbursement and use of aid funds.
- ☐ i. Under Alliance for Progress, give equal voice to Latin American planners in disbursement and use of aid funds.
- ☐ j. Other, or comment: .....

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fact sheet number **3** Brazil

opinion ballot

Make up your own mind which U. S. policies you support, or what changes in policy you favor. On the ballot below, mark only those alternatives with which you are in agreement. Or add comments in your own words.

1. What economic policies should the U. S. follow toward Brazil?

- ☐ **a.** Follow present U. S. policies of large-scale aid and assistance.
- ☐ **b.** Promise sufficient U. S. loans to underwrite Brazil's economic growth programs over a several-year period.
- ☐ **c.** Place greater emphasis on social than on economic reforms.
- ☐ **d.** Eliminate U. S. aid to Brazil.
- ☐ **e.** Expand "people-to-people" education, cultural and scientific programs.
- ☐ **f.** Persuade other industrialized democracies (i.e., West Europe and Japan) to increase aid to Brazil.
- ☐ **g.** Encourage Brazil to develop closer ties with other Latin American countries.
- ☐ **h.** Make further U. S. aid to Brazil conditional on internal reforms.
- ☐ **i.** Make further U. S. aid conditional on Brazil's following a pro-U. S. foreign policy.
- ☐ **j.** Step up U. S. information programs in Brazil.
- ☐ **k.** Attempt to discourage Brazil in its search for markets behind the Iron Curtain.
- ☐ **l.** Other, or comment: .....

fact sheet number **3** Brazil

opinion ballot

Make up your own mind which U. S. policies you support, or what changes in policy you favor. On the ballot below, mark only those alternatives with which you are in agreement. Or add comments in your own words.

1. What economic policies should the U. S. follow toward Brazil?

- ☐ **a.** Follow present U. S. policies of large-scale aid and assistance.
- ☐ **b.** Promise sufficient U. S. loans to underwrite Brazil's economic growth programs over a several-year period.
- ☐ **c.** Place greater emphasis on social than on economic reforms.
- ☐ **d.** Eliminate U. S. aid to Brazil.
- ☐ **e.** Expand "people-to-people" education, cultural and scientific programs.
- ☐ **f.** Persuade other industrialized democracies (i.e., West Europe and Japan) to increase aid to Brazil.
- ☐ **g.** Encourage Brazil to develop closer ties with other Latin American countries.
- ☐ **h.** Make further U. S. aid to Brazil conditional on internal reforms.
- ☐ **i.** Make further U. S. aid conditional on Brazil's following a pro-U. S. foreign policy.
- ☐ **j.** Step up U. S. information programs in Brazil.
- ☐ **k.** Attempt to discourage Brazil in its search for markets behind the Iron Curtain.
- ☐ **l.** Other, or comment: .....

fact sheet number 2 Red China (continued)

opinion ballot

2. What diplomatic and economic policies should the U.S. follow in its relations with Red China?

☐ a. Continue present policies.

b. Offer U.S. diplomatic recognition:
- ☐ 1. Outright.
- ☐ 2. On the condition Peking renounces force.
- ☐ 3. On the condition Taiwan's independent status is assured.
- ☐ 4. Under no circumstances.

☐ c. Explore limited agreements for mutual contacts and relations even without formal relations, such as trade or cultural agreements.

d. Modify the total U.S. trade embargo:
- ☐ 1. Place trade with Red China on the same footing as U.S. trade with Russia.
- ☐ 2. Gradually modify the embargo as an indication of our desire to "normalize" relations.
- ☐ 3. Press our allies to restore harsher restrictions on their trade with Red China.

☐ e. Make no modifications in our embargo policy.

f. Modify U.S. position on seating Peking in the UN:
- ☐ 1. Under no circumstances.
- ☐ 2. By endorsing a "two-Chinas" solution under which Taiwan retains its membership in the UN.
- ☐ 3. By endorsing a "two-Chinas" solution which keeps Taiwan in the UN but not on the Security Council.

☐ g. Other, or comment: .....

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fact sheet number 2 Red China (continued)

opinion ballot

2. What diplomatic and economic policies should the U.S. follow in its relations with Red China?

☐ a. Continue present policies.

b. Offer U.S. diplomatic recognition:
- ☐ 1. Outright.
- ☐ 2. On the condition Peking renounces force.
- ☐ 3. On the condition Taiwan's independent status is assured.
- ☐ 4. Under no circumstances.

☐ c. Explore limited agreements for mutual contacts and relations even without formal relations, such as trade or cultural agreements.

d. Modify the total U.S. trade embargo:
- ☐ 1. Place trade with Red China on the same footing as U.S. trade with Russia.
- ☐ 2. Gradually modify the embargo as an indication of our desire to "normalize" relations.
- ☐ 3. Press our allies to restore harsher restrictions on their trade with Red China.

☐ e. Make no modifications in our embargo policy.

f. Modify U.S. position on seating Peking in the UN:
- ☐ 1. Under no circumstances.
- ☐ 2. By endorsing a "two-Chinas" solution under which Taiwan retains its membership in the UN.
- ☐ 3. By endorsing a "two-Chinas" solution which keeps Taiwan in the UN but not on the Security Council.

☐ g. Other, or comment: .....

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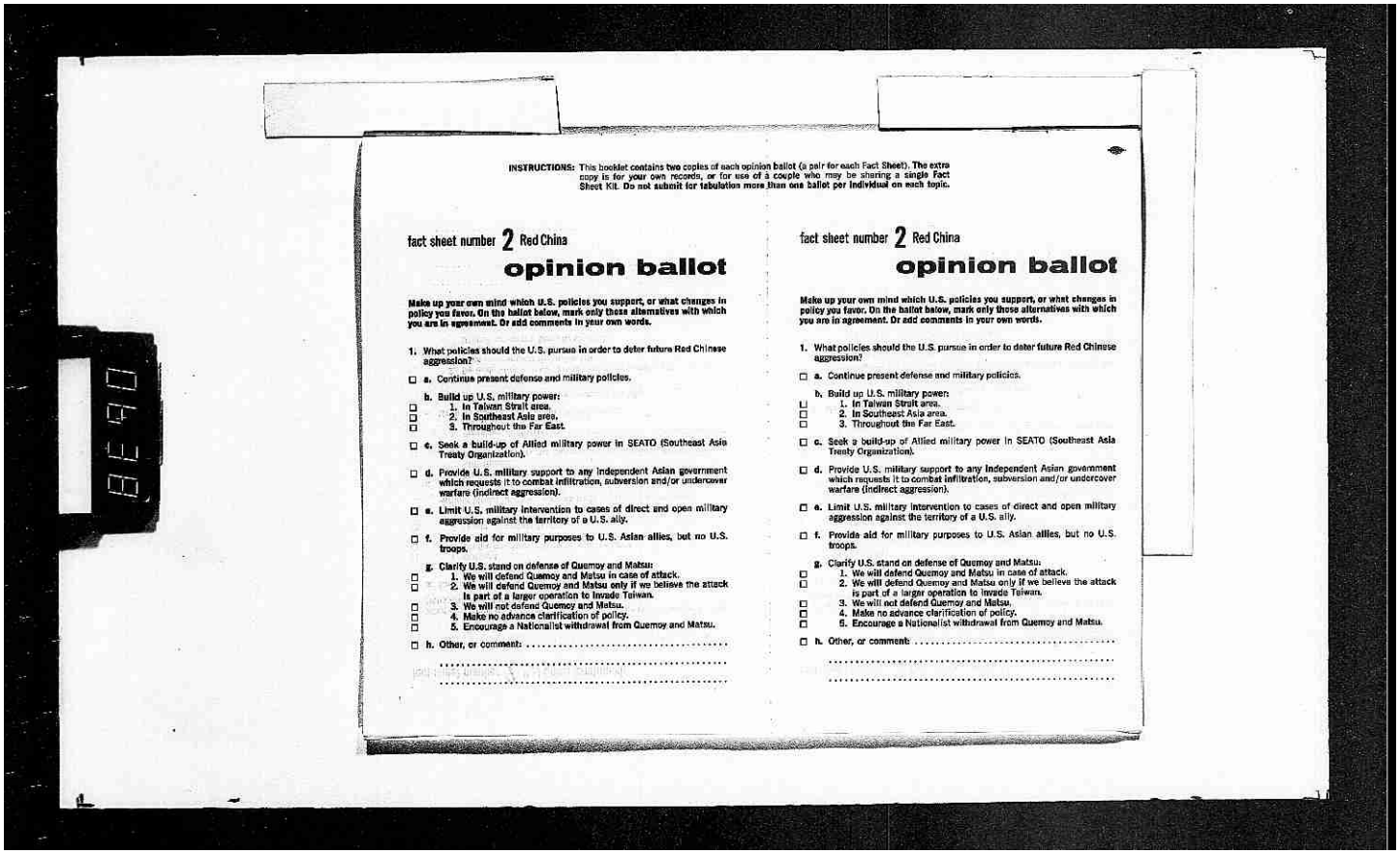

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fact sheet number 2 Red China

opinion ballot

Make up your own mind which U.S. policies you support, or what changes in policy you favor. On the ballot below, mark only those alternatives with which you are in agreement. Or add comments in your own words.

1. What policies should the U.S. pursue in order to deter future Red Chinese aggression?

☐ a. Continue present defense and military policies.

b. Build up U.S. military power:
☐ 1. In Taiwan Strait area.
☐ 2. In Southeast Asia area.
☐ 3. Throughout the Far East.

☐ c. Seek a build-up of Allied military power in SEATO (Southeast Asia Treaty Organization).

☐ d. Provide U.S. military support to any independent Asian government which requests it to combat infiltration, subversion and/or undercover warfare (indirect aggression).

☐ e. Limit U.S. military intervention to cases of direct and open military aggression against the territory of a U.S. ally.

☐ f. Provide aid for military purposes to U.S. Asian allies, but no U.S. troops.

g. Clarify U.S. stand on defense of Quemoy and Matsu:
☐ 1. We will defend Quemoy and Matsu in case of attack.
☐ 2. We will defend Quemoy and Matsu only if we believe the attack is part of a larger operation to invade Taiwan.
☐ 3. We will not defend Quemoy and Matsu.
☐ 4. Make no advance clarification of policy.
☐ 5. Encourage a Nationalist withdrawal from Quemoy and Matsu.

☐ h. Other, or comment: .....
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fact sheet number 2 Red China

opinion ballot

Make up your own mind which U.S. policies you support, or what changes in policy you favor. On the ballot below, mark only those alternatives with which you are in agreement. Or add comments in your own words.

1. What policies should the U.S. pursue in order to deter future Red Chinese aggression?

☐ a. Continue present defense and military policies.

b. Build up U.S. military power:
☐ 1. In Taiwan Strait area.
☐ 2. In Southeast Asia area.
☐ 3. Throughout the Far East.

☐ c. Seek a build-up of Allied military power in SEATO (Southeast Asia Treaty Organization).

☐ d. Provide U.S. military support to any independent Asian government which requests it to combat infiltration, subversion and/or undercover warfare (indirect aggression).

☐ e. Limit U.S. military intervention to cases of direct and open military aggression against the territory of a U.S. ally.

☐ f. Provide aid for military purposes to U.S. Asian allies, but no U.S. troops.

g. Clarify U.S. stand on defense of Quemoy and Matsu:
☐ 1. We will defend Quemoy and Matsu in case of attack.
☐ 2. We will defend Quemoy and Matsu only if we believe the attack is part of a larger operation to invade Taiwan.
☐ 3. We will not defend Quemoy and Matsu.
☐ 4. Make no advance clarification of policy.
☐ 5. Encourage a Nationalist withdrawal from Quemoy and Matsu.

☐ h. Other, or comment: .....
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fact sheet number 1 Vietnam (continued)

opinion ballot

2. To what degree should the U. S. involve itself in South Vietnam's internal problems of economic, social and political development?

- ☐ a. Follow present U. S. policies.
- ☐ b. Increase U. S. economic aid and technical assistance to South Vietnam.
- ☐ c. Seek increased aid for South Vietnam from other interested nations.
- ☐ d. Concentrate U. S. aid on short-term projects which bolster rural economic development and security.
- ☐ e. Limit aid to short-term projects needed for defense.
- ☐ f. Concentrate U. S. aid on long-range economic development projects.
- ☐ g. Continue to contribute to major regional development projects such as the Mekong River project.
- ☐ h. Decrease U. S. economic aid and technical assistance to South Vietnam.
- ☐ i. Withdraw U. S. aid missions and economic assistance.
- ☐ j. Channel future U. S. aid to South Vietnam through the UN.
- ☐ k. Press Ngo government for more vigorous political reform and democratization.
- ☐ l. Encourage democratically oriented opposition leaders in their campaign to liberalize the regime.
- ☐ m. Keep U. S. hands off internal political affairs in South Vietnam.
- ☐ n. Other, or comment: .....

fact sheet number 1 Vietnam (continued)

opinion ballot

2. To what degree should the U. S. involve itself in South Vietnam's internal problems of economic, social and political development?

- ☐ a. Follow present U. S. policies.
- ☐ b. Increase U. S. economic aid and technical assistance to South Vietnam.
- ☐ c. Seek increased aid for South Vietnam from other interested nations.
- ☐ d. Concentrate U. S. aid on short-term projects which bolster rural economic development and security.
- ☐ e. Limit aid to short-term projects needed for defense.
- ☐ f. Concentrate U. S. aid on long-range economic development projects.
- ☐ g. Continue to contribute to major regional development projects such as the Mekong River project.
- ☐ h. Decrease U. S. economic aid and technical assistance to South Vietnam.
- ☐ i. Withdraw U. S. aid missions and economic assistance.
- ☐ j. Channel future U. S. aid to South Vietnam through the UN.
- ☐ k. Press Ngo government for more vigorous political reform and democratization.
- ☐ l. Encourage democratically oriented opposition leaders in their campaign to liberalize the regime.
- ☐ m. Keep U. S. hands off internal political affairs in South Vietnam.
- ☐ n. Other, or comment: .....

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fact sheet number **1** Vietnam

opinion ballot

Make up your own mind which U. S. policies you support, or what changes in policy you favor. On the ballot below, mark only those alternatives with which you are in agreement. Or add comments in your own words.

1. How should the U. S. deal with indirect Communist aggression against South Vietnam?

- ☐ **a.** Follow present U. S. policies.
- ☐ **b.** Increase U. S. military aid to South Vietnam, short of U. S. armed intervention.
- ☐ **c.** Intervene with U. S. ground troops if necessary to prevent Communist takeover in South Vietnam.
- ☐ **d.** Leave defense of South Vietnam to the South Vietnamese and other Asian powers.
- ☐ **e.** Seek SEATO intervention, if necessary, to prevent Communist takeover of South Vietnam.
- ☐ **f.** Intervene only in cooperation with our SEATO allies.
- ☐ **g.** Threaten massive nuclear attack on Red China unless Communist intervention in South Vietnam ceases.
- ☐ **h.** Reduce U. S. military aid to South Vietnam.
- ☐ **i.** Through negotiations with the Soviet Union and Red China, seek agreement on an enforceable cease-fire and truce supervision machinery which will be effective.
- ☐ **j.** Other, or comment: .....

fact sheet number **1** Vietnam

opinion ballot

Make up your own mind which U. S. policies you support, or what changes in policy you favor. On the ballot below, mark only those alternatives with which you are in agreement. Or add comments in your own words.

1. How should the U. S. deal with indirect Communist aggression against South Vietnam?

- ☐ **a.** Follow present U. S. policies.
- ☐ **b.** Increase U. S. military aid to South Vietnam, short of U. S. armed intervention.
- ☐ **c.** Intervene with U. S. ground troops if necessary to prevent Communist takeover in South Vietnam.
- ☐ **d.** Leave defense of South Vietnam to the South Vietnamese and other Asian powers.
- ☐ **e.** Seek SEATO intervention, if necessary, to prevent Communist takeover of South Vietnam.
- ☐ **f.** Intervene only in cooperation with our SEATO allies.
- ☐ **g.** Threaten massive nuclear attack on Red China unless Communist intervention in South Vietnam ceases.
- ☐ **h.** Reduce U. S. military aid to South Vietnam.
- ☐ **i.** Through negotiations with the Soviet Union and Red China, seek agreement on an enforceable cease-fire and truce supervision machinery which will be effective.
- ☐ **j.** Other, or comment: .....

fact sheet number 8 United States (continued)

opinion ballot

2. What broad economic policies should the U. S. follow to achieve its aims in world affairs?

a. Encourage expansion of U. S. economy by:

- ☐ 1. Negotiating for reduced trade barriers among the industrialized free world nations.
- 2. Increasing U. S. investment in expanding raw-materials sources and export markets in the "new" and developing economies—
- ☐ (a) through increased aid.
- ☐ (b) through increased private investment.
- ☐ 3. Sticking to the present system of item-by-item, limited, reciprocal reduction of tariffs.
- ☐ 4. Giving the President authority to negotiate sweeping, across-the-board, reciprocal reduction of tariffs.
- ☐ 5. Protecting, with tariffs, U. S. industries that are threatened by foreign competition.
- ☐ 6. Helping affected U.S. industries to adjust, retool and retrain in order to compete more effectively with foreign exporters.

b. Encourage greater cooperation in free world economy by:

- ☐ 1. Negotiating further reciprocal tariff reductions with the Common Market.
- ☐ 2. Seeking gradual economic integration of major free world trading nations and Common Market.
- ☐ 3. Avoiding any new initiatives other than those by private business and industry.

c. Encourage more rapid world economic development by:

- ☐ 1. Increasing U. S. government investments (foreign aid) in the developing areas.
- ☐ 2. Increasing U. S. private investments in the developing areas.
- ☐ 3. Encouraging our Allies to increase their investments in the developing areas.
- ☐ 4. Channeling more of our aid and technical assistance through the UN.
- ☐ 5. Attempting to coordinate and plan over a longer period of time U. S. and foreign aid to the developing areas for greatest mutual benefit to the investors and nations involved.

☐ d. Do nothing to encourage more rapid foreign economic growth and competition.

☐ e. Other, or comment: .....

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fact sheet number 8 United States (continued)

opinion ballot

2. What broad economic policies should the U. S. follow to achieve its aims in world affairs?

a. Encourage expansion of U. S. economy by:

1. Negotiating for reduced trade barriers among the industrialized free world nations.
2. Increasing U. S. investment in expanding raw-materials sources and export markets in the "new" and developing economies—
(a) through increased aid.
(b) through increased private investment.
3. Sticking to the present system of item-by-item, limited, reciprocal reduction of tariffs.
4. Giving the President authority to negotiate sweeping, across-the-board, reciprocal reduction of tariffs.
5. Protecting, with tariffs, U. S. industries that are threatened by foreign competition.
6. Helping affected U.S. industries to adjust, retool and retrain in order to compete more effectively with foreign exporters.

b. Encourage greater cooperation in free world economy by:

1. Negotiating further reciprocal tariff reductions with the Common Market.
2. Seeking gradual economic integration of major free world trading nations and Common Market.
3. Avoiding any new initiatives other than those by private business and industry.

c. Encourage more rapid world economic development by:

1. Increasing U. S. government investments (foreign aid) in the developing areas.
2. Increasing U. S. private investments in the developing areas.
3. Encouraging our Allies to increase their investments in the developing areas.
4. Channeling more of our aid and technical assistance through the UN.
5. Attempting to coordinate and plan over a longer period of time U. S. and foreign aid to the developing areas for greatest mutual benefit to the investors and nations involved.

d. Do nothing to encourage more rapid foreign economic growth and competition.

e. Other, or comment: .....

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fact sheet number 8 United States

opinion ballot

Make up your own mind which U. S. policies you support, or what changes in policy you favor. On the ballot below, mark only those alternatives with which you are in agreement. Or add comments in your own words.

1. What basic policies should the U. S. follow to achieve its aims in world affairs?

- ☐ a. Seek no change in present political relations among nations.
- b. Work for closer integration of free world nations by:
  - ☐ 1. Strengthening the UN.
  - ☐ 2. Building closer ties in Atlantic community.
  - ☐ 3. Building closer ties in Western Hemisphere.
- c. Work for closer integration of all nations by:
  - ☐ 1. Strengthening the UN.
  - ☐ 2. Attempting to negotiate a "settlement" of cold war issues.
  - ☐ 3. Continuing to seek an effectively controlled and inspected world disarmament agreement.
- d. Reduce our commitments to other nations by:
  - ☐ 1. Making future commitments only to proven allies.
  - ☐ 2. Devoting our resources to developing the economic and military strength of the U. S.
- ☐ e. Be willing to negotiate differences with the Communist bloc.
- ☐ f. Refuse to negotiate with the Communist bloc.
- ☐ g. Be willing to negotiate differences with the Communist bloc, but not under threat or ultimatum.
- ☐ h. Make the defeat of communism our primary national goal.
- ☐ i. Make victory in the cold war our primary national goal.
- ☐ j. Make construction of a peaceful world community under law our primary national goal.
- ☐ k. Other, or comment: .....

fact sheet number 8 United States

opinion ballot

Make up your own mind which U. S. policies you support, or what changes in policy you favor. On the ballot below, mark only those alternatives with which you are in agreement. Or add comments in your own words.

1. What basic policies should the U. S. follow to achieve its aims in world affairs?

- ☐ a. Seek no change in present political relations among nations.
- b. Work for closer integration of free world nations by:
  - ☐ 1. Strengthening the UN.
  - ☐ 2. Building closer ties in Atlantic community.
  - ☐ 3. Building closer ties in Western Hemisphere.
- c. Work for closer integration of all nations by:
  - ☐ 1. Strengthening the UN.
  - ☐ 2. Attempting to negotiate a "settlement" of cold war issues.
  - ☐ 3. Continuing to seek an effectively controlled and inspected world disarmament agreement.
- d. Reduce our commitments to other nations by:
  - ☐ 1. Making future commitments only to proven allies.
  - ☐ 2. Devoting our resources to developing the economic and military strength of the U. S.
- ☐ e. Be willing to negotiate differences with the Communist bloc.
- ☐ f. Refuse to negotiate with the Communist bloc.
- ☐ g. Be willing to negotiate differences with the Communist bloc, but not under threat or ultimatum.
- ☐ h. Make the defeat of communism our primary national goal.
- ☐ i. Make victory in the cold war our primary national goal.
- ☐ j. Make construction of a peaceful world community under law our primary national goal.
- ☐ k. Other, or comment: .....

fact sheet number 7 UN (continued)

opinion ballot

2. What specific course should the U.S. follow within the UN?

- ☐ a. No change in present policies.
- ☐ b. Channel more U.S. aid and technical assistance through the UN.
- ☐ c. Reduce U.S. contributions to UN social and economic programs.
- ☐ d. Increase U.S. contributions to UN social and economic programs.
- ☐ e. Bring Berlin question before UN.
- ☐ f. Attempt to deal with disarmament in UN framework.
- ☐ g. Avoid involving UN in issues which are vital to U.S. national interest.
- ☐ h. Other, or comment: .....

fact sheet number 7 UN (continued)

opinion ballot

2. What specific course should the U.S. follow within the UN?

- ☐ a. No change in present policies.
- ☐ b. Channel more U.S. aid and technical assistance through the UN.
- ☐ c. Reduce U.S. contributions to UN social and economic programs.
- ☐ d. Increase U.S. contributions to UN social and economic programs.
- ☐ e. Bring Berlin question before UN.
- ☐ f. Attempt to deal with disarmament in UN framework.
- ☐ g. Avoid involving UN in issues which are vital to U.S. national interest.
- ☐ h. Other, or comment: .....

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fact sheet number 7 UN

opinion ballot

Make up your own mind which U.S. policies you support, or what changes in policy you favor. On the ballot below, mark only those alternatives with which you are in agreement. Or add comments in your own words.

1. What general policies should the U.S. follow in relation to the future of the UN in world affairs?

- ☐ **a.** Seek to strengthen UN influence.
- ☐ **b.** Seek to weaken or neutralize UN influence.
- ☐ **c.** Insist on an independent Secretary-General and Secretariat staff.
- ☐ **d.** Seek a compromise arrangement which will limit the Secretary-General's independence.
- ☐ **e.** Continue to reserve right to ignore resolutions of the General Assembly.
- ☐ **f.** Go along with majority rule in the UN.
- ☐ **g.** Withdraw from the UN.
- ☐ **h.** Withdraw from the UN if Red China is seated.
- ☐ **i.** Support increased UN economic and social budgets.
- ☐ **j.** Seek to restrict UN economic and social activities.
- ☐ **k.** Attempt to construct an international community of like-minded nations outside the UN.
- ☐ **l.** Concentrate on the UN as the embryo of a world community under law.
- ☐ **m.** Other, or comment: .....

fact sheet number 7 UN

opinion ballot

Make up your own mind which U.S. policies you support, or what changes in policy you favor. On the ballot below, mark only those alternatives with which you are in agreement. Or add comments in your own words.

1. What general policies should the U.S. follow in relation to the future of the UN in world affairs?

☐ a. Seek to strengthen UN influence.
☐ b. Seek to weaken or neutralize UN influence.
☐ c. Insist on an independent Secretary-General and Secretariat staff.
☐ d. Seek a compromise arrangement which will limit the Secretary-General's independence.
☐ e. Continue to reserve right to ignore resolutions of the General Assembly.
☐ f. Go along with majority rule in the UN.
☐ g. Withdraw from the UN.
☐ h. Withdraw from the UN if Red China is seated.
☐ i. Support increased UN economic and social budgets.
☐ j. Seek to restrict UN economic and social activities.
☐ k. Attempt to construct an international community of like-minded nations outside the UN.
☐ l. Concentrate on the UN as the embryo of a world community under law.
☐ m. Other, or comment: .....

fact sheet number **6** Berlin (continued)

opinion ballot

2. What policies should the U.S. follow on the German problem?

- ☐ **a.** Seek no change in the present situation.
- ☐ **b.** Continue to demand German reunification on the basis of nationwide free elections.
- ☐ **c.** Support negotiations between the two Germanys for a reunification agreement.
- ☐ **d.** Support negotiations between the two Germanys for loose confederation.
- ☐ **e.** Block any proposal which would take West Germany out of NATO.
- ☐ **f.** Block any proposal which would take West Germany out of Common Market and other West European arrangements.
- ☐ **g.** Support neutralization and demilitarization of both Germanys as part of a regional "disengagement" plan for Central Europe.
- ☐ **h.** Other, or comment: .....

3. What policies should the U.S. follow within NATO and the Atlantic community?

- ☐ **a.** Seek no change in present arrangements.
- ☐ **b.** Rely more on U.S. power and initiative; rely less on NATO.
- ☐ **c.** Work for closer coordination of military policies and strategy in NATO.
- ☐ **d.** Work for greater cooperation in all areas of foreign policy.
- ☐ **e.** Work for greater economic integration.
- ☐ **f.** Use NATO as a base for broader free world cooperation in common enterprises.
- ☐ **g.** Use another base (e.g. UN) as the core for U.S. global programs and strategies.
- ☐ **h.** Other, or comment: .....

fact sheet number **6** Berlin (continued)

opinion ballot

2. What policies should the U.S. follow on the German problem?

- ☐ **a.** Seek no change in the present situation.
- ☐ **b.** Continue to demand German reunification on the basis of nationwide free elections.
- ☐ **c.** Support negotiations between the two Germanys for a reunification agreement.
- ☐ **d.** Support negotiations between the two Germanys for loose confederation.
- ☐ **e.** Block any proposal which would take West Germany out of NATO.
- ☐ **f.** Block any proposal which would take West Germany out of Common Market and other West European arrangements.
- ☐ **g.** Support neutralization and demilitarization of both Germanys as part of a regional "disengagement" plan for Central Europe.
- ☐ **h.** Other, or comment: .....

3. What policies should the U.S. follow within NATO and the Atlantic community?

- ☐ **a.** Seek no change in present arrangements.
- ☐ **b.** Rely more on U.S. power and initiative; rely less on NATO.
- ☐ **c.** Work for closer coordination of military policies and strategy in NATO.
- ☐ **d.** Work for greater cooperation in all areas of foreign policy.
- ☐ **e.** Work for greater economic integration.
- ☐ **f.** Use NATO as a base for broader free world cooperation in common enterprises.
- ☐ **g.** Use another base (e.g. UN) as the core for U.S. global programs and strategies.
- ☐ **h.** Other, or comment: .....

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fact sheet number **6** Berlin

opinion ballot

Make up your own mind which U.S. policies you support, or what changes in policy you favor. On the ballot below, mark only those alternatives with which you are in agreement. Or add comments in your own words.

1. What policies should the U.S. follow in the Berlin crisis?

- ☐ **a.** Refuse to negotiate any change in present status.
- ☐ **b.** Negotiate, seeking firmer guarantees of West Berlin's freedom, Allied occupation rights and freedom of access.
- ☐ **c.** Agree to token reductions in Allied occupation forces in exchange for guarantees in "b" above.
- ☐ **d.** Refuse to make any change in Berlin's status except as part of an agreement to reunite Germany.
- ☐ **e.** Agree to make West Berlin a "free city" under satisfactory great power guarantees.
- ☐ **f.** Agree to a "free city" under UN guarantees.
- ☐ **g.** Insist that any "free city" arrangement include East as well as West Berlin.
- ☐ **h.** Keep Allied troops in West Berlin under any circumstances.
- ☐ **i.** Accept an "interim" arrangement, continuing the present status of West Berlin for a given period of time.
- ☐ **j.** Fight if necessary to protect the freedom of the people of West Berlin.
- ☐ **k.** Other, or comment: .....

fact sheet number **6** Berlin

opinion ballot

Make up your own mind which U.S. policies you support, or what changes in policy you favor. On the ballot below, mark only those alternatives with which you are in agreement. Or add comments in your own words.

1. What policies should the U.S. follow in the Berlin crisis?

- ☐ **a.** Refuse to negotiate any change in present status.
- ☐ **b.** Negotiate, seeking firmer guarantees of West Berlin's freedom, Allied occupation rights and freedom of access.
- ☐ **c.** Agree to token reductions in Allied occupation forces in exchange for guarantees in "b" above.
- ☐ **d.** Refuse to make any change in Berlin's status except as part of an agreement to reunite Germany.
- ☐ **e.** Agree to make West Berlin a "free city" under satisfactory great power guarantees.
- ☐ **f.** Agree to a "free city" under UN guarantees.
- ☐ **g.** Insist that any "free city" arrangement include East as well as West Berlin.
- ☐ **h.** Keep Allied troops in West Berlin under any circumstances.
- ☐ **i.** Accept an "interim" arrangement, continuing the present status of West Berlin for a given period of time.
- ☐ **j.** Fight if necessary to protect the freedom of the people of West Berlin.
- ☐ **k.** Other, or comment: .....

fact sheet number 5 Iran (continued)

opinion ballot

2. What policies should the U.S. follow toward Iran?

- ☐ a. Continue present policies.
- ☐ b. Provide increased U.S. support to the current Seven-Year Plan and the forthcoming development plan.
- ☐ c. Substantially increase U.S. economic aid to make Iran a showcase in the non-Communist world.
- ☐ d. Encourage other industrialized democracies to raise the level of their economic aid to Iran.
- ☐ e. Insist on more rapid democratization of Iranian politics as a condition for continued U.S. aid.
- ☐ f. Reduce U.S. economic aid to Iran.
- ☐ g. Eliminate U.S. economic aid to Iran.
- ☐ h. Increase U.S. military aid to Iran and provide more modern military equipment.
- ☐ i. Reduce U.S. military aid.
- ☐ j. Eliminate U.S. military aid.
- ☐ k. Encourage increased U.S. private investment in Iran.
- ☐ l. Other, or comment: .....

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fact sheet number 5 Iran (continued)

opinion ballot

2. What policies should the U.S. follow toward Iran?

☐ a. Continue present policies.

☐ b. Provide increased U.S. support to the current Seven-Year Plan and the forthcoming development plan.

☐ c. Substantially increase U.S. economic aid to make Iran a showcase in the non-Communist world.

☐ d. Encourage other industrialized democracies to raise the level of their economic aid to Iran.

☐ e. Insist on more rapid democratization of Iranian politics as a condition for continued U.S. aid.

☐ f. Reduce U.S. economic aid to Iran.

☐ g. Eliminate U.S. economic aid to Iran.

☐ h. Increase U.S. military aid to Iran and provide more modern military equipment.

☐ i. Reduce U.S. military aid.

☐ j. Eliminate U.S. military aid.

☐ k. Encourage increased U.S. private investment in Iran.

☐ l. Other, or comment: .....

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fact sheet number **5** Iran

opinion ballot

Make up your own mind which U.S. policies you support, or what changes in policy you favor. On the ballot below, mark only those alternatives with which you are in agreement. Or add comments in your own words.

1. What policies should the U.S. follow toward the Middle East in relation to our strategic interests?

- ☐ a. Continue present policies.
- ☐ b. Attempt to expand CENTO to include other nations in the region.
- ☐ c. Strengthen CENTO and our commitment to it.
- ☐ d. Modify or withdraw the Eisenhower Doctrine.
- ☐ e. Reduce U.S. military commitments in the region.
- ☐ f. Increase economic support to U.S. allies in the region.
- ☐ g. Provide increased aid to any nation in the region, allied or neutral, which can make constructive use of this kind of support.
- ☐ h. Reduce U.S. economic aid to the region.
- ☐ i. Eliminate U.S. aid to the region.
- ☐ j. Other, or comment: .....

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fact sheet number **5** Iran

opinion ballot

Make up your own mind which U.S. policies you support, or what changes in policy you favor. On the ballot below, mark only those alternatives with which you are in agreement. Or add comments in your own words.

1. What policies should the U.S. follow toward the Middle East in relation to our strategic interests?

- ☐ a. Continue present policies.
- ☐ b. Attempt to expand CENTO to include other nations in the region.
- ☐ c. Strengthen CENTO and our commitment to it.
- ☐ d. Modify or withdraw the Eisenhower Doctrine.
- ☐ e. Reduce U.S. military commitments in the region.
- ☐ f. Increase economic support to U.S. allies in the region.
- ☐ g. Provide increased aid to any nation in the region, allied or neutral, which can make constructive use of this kind of support.
- ☐ h. Reduce U.S. economic aid to the region.
- ☐ i. Eliminate U.S. aid to the region.
- ☐ j. Other, or comment: .....

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fact sheet number **4** Nigeria (continued)

opinion ballot

2. What policies should the U. S. follow toward independent Africa in general?

- ☐ a. No change in present policies.
- ☐ b. Reduce U. S. aid programs over-all.
- ☐ c. Eliminate U. S. aid to Africa.
- ☐ d. Provide more U. S. aid to tropical Africa.
- ☐ e. Shift the emphasis from aid to countries where our interest is primarily strategic or military, to aid to countries which seem to offer the best potential for growth as democratic societies.
- ☐ f. Stop aiding countries whose foreign policy is, in our opinion, overly friendly to the Communist bloc.
- ☐ g. Stop aiding countries whose domestic policies are, in our opinion, dictatorial or hostile to the development of democratic institutions.
- ☐ h. Offer aid to any African country which appears willing to use it for development purposes which we consider sound and well-planned.
- ☐ i. Make U. S. aid conditional on the degree to which the receiving country maintains what we consider to be a sound climate for private enterprise.
- ☐ j. Make U. S. aid conditional on what we consider to be our best interests in the cold war.
- ☐ k. Make no conditions for U. S. aid other than what we consider to be the long-term best interests of the people in the receiving country.
- ☐ l. Other, or comment: .....

fact sheet number **4** Nigeria (continued)

opinion ballot

2. What policies should the U. S. follow toward independent Africa in general?

- ☐ a. No change in present policies.
- ☐ b. Reduce U. S. aid programs over-all.
- ☐ c. Eliminate U. S. aid to Africa.
- ☐ d. Provide more U. S. aid to tropical Africa.
- ☐ e. Shift the emphasis from aid to countries where our interest is primarily strategic or military, to aid to countries which seem to offer the best potential for growth as democratic societies.
- ☐ f. Stop aiding countries whose foreign policy is, in our opinion, overly friendly to the Communist bloc.
- ☐ g. Stop aiding countries whose domestic policies are, in our opinion, dictatorial or hostile to the development of democratic institutions.
- ☐ h. Offer aid to any African country which appears willing to use it for development purposes which we consider sound and well-planned.
- ☐ i. Make U. S. aid conditional on the degree to which the receiving country maintains what we consider to be a sound climate for private enterprise.
- ☐ j. Make U. S. aid conditional on what we consider to be our best interests in the cold war.
- ☐ k. Make no conditions for U. S. aid other than what we consider to be the long-term best interests of the people in the receiving country.
- ☐ l. Other, or comment: .....

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fact sheet number **4** Nigeria

opinion ballot

Make up your own mind which U. S. policies you support, or what changes in policy you favor. On the ballot below, mark only those alternatives with which you are in agreement. Or add comments in your own words.

1. What policies should the U. S. follow in relation to Nigeria?

- ☐ a. No change in present policies.
- ☐ b. Reduce U. S. aid.
- ☐ c. Eliminate U. S. aid.
- ☐ d. Reduce U. S. aid to pre-1961 levels.
- ☐ e. Offer increased aid to improve education.
- ☐ f. Offer increased aid for other development purposes.
- ☐ g. Expand Peace Corps programs in Nigeria.
- ☐ h. Encourage expansion of private U. S. capital investment in Nigeria.
- ☐ i. Expand program of scholarships for Nigerian students to study in America.
- ☐ j. Confine U. S. aid to loans (i.e., eliminate grants).
- ☐ k. Offer loans or grants as appropriate.
- ☐ l. Other, or comment: .....

fact sheet number **4** Nigeria

opinion ballot

Make up your own mind which U. S. policies you support, or what changes in policy you favor. On the ballot below, mark only those alternatives with which you are in agreement. Or add comments in your own words.

1. What policies should the U. S. follow in relation to Nigeria?

- ☐ a. No change in present policies.
- ☐ b. Reduce U. S. aid.
- ☐ c. Eliminate U. S. aid.
- ☐ d. Reduce U. S. aid to pre-1961 levels.
- ☐ e. Offer increased aid to improve education.
- ☐ f. Offer increased aid for other development purposes.
- ☐ g. Expand Peace Corps programs in Nigeria.
- ☐ h. Encourage expansion of private U. S. capital investment in Nigeria.
- ☐ i. Expand program of scholarships for Nigerian students to study in America.
- ☐ j. Confine U. S. aid to loans (i.e., eliminate grants).
- ☐ k. Offer loans or grants as appropriate.
- ☐ l. Other, or comment: .....

fact sheet number 2 Red China (continued)

opinion ballot

2. What diplomatic and economic policies should the U.S. follow in its relations with Red China?

☐ a. Continue present policies.

b. Offer U.S. diplomatic recognition:
- ☐ 1. Outright.
- ☐ 2. On the condition Peking renounces force.
- ☐ 3. On the condition Taiwan's independent status is assured.
- ☐ 4. Under no circumstances.

☐ c. Explore limited agreements for mutual contacts and relations even without formal relations, such as trade or cultural agreements.

d. Modify the total U.S. trade embargo:
- ☐ 1. Place trade with Red China on the same footing as U.S. trade with Russia.
- ☐ 2. Gradually modify the embargo as an indication of our desire to "normalize" relations.
- ☐ 3. Press our allies to restore harsher restrictions on their trade with Red China.

☐ e. Make no modifications in our embargo policy.

f. Modify U.S. position on seating Peking in the UN:
- ☐ 1. Under no circumstances.
- ☐ 2. By endorsing a "two-Chinas" solution under which Taiwan retains its membership in the UN.
- ☐ 3. By endorsing a "two-Chinas" solution which keeps Taiwan in the UN but not on the Security Council.

☐ g. Other, or comment: .....

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fact sheet number 2 Red China (continued)

opinion ballot

2. What diplomatic and economic policies should the U.S. follow in its relations with Red China?

☐ a. Continue present policies.

b. Offer U.S. diplomatic recognition:
- ☐ 1. Outright.
- ☐ 2. On the condition Peking renounces force.
- ☐ 3. On the condition Taiwan's independent status is assured.
- ☐ 4. Under no circumstances.

☐ c. Explore limited agreements for mutual contacts and relations even without formal relations, such as trade or cultural agreements.

d. Modify the total U.S. trade embargo:
- ☐ 1. Place trade with Red China on the same footing as U.S. trade with Russia.
- ☐ 2. Gradually modify the embargo as an indication of our desire to "normalize" relations.
- ☐ 3. Press our allies to restore harsher restrictions on their trade with Red China.

☐ e. Make no modifications in our embargo policy.

f. Modify U.S. position on seating Peking in the UN:
- ☐ 1. Under no circumstances.
- ☐ 2. By endorsing a "two-Chinas" solution under which Taiwan retains its membership in the UN.
- ☐ 3. By endorsing a "two-Chinas" solution which keeps Taiwan in the UN but not on the Security Council.

☐ g. Other, or comment: .....

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fact sheet number **2** Red China

opinion ballot

Make up your own mind which U.S. policies you support, or what changes in policy you favor. On the ballot below, mark only those alternatives with which you are in agreement. Or add comments in your own words.

1. What policies should the U.S. pursue in order to deter future Red Chinese aggression?

☐ a. Continue present defense and military policies.

b. Build up U.S. military power:
☐ 1. In Taiwan Strait area.
☐ 2. In Southeast Asia area.
☐ 3. Throughout the Far East.

☐ c. Seek a build-up of Allied military power in SEATO (Southeast Asia Treaty Organization).

☐ d. Provide U.S. military support to any independent Asian government which requests it to combat infiltration, subversion and/or undercover warfare (indirect aggression).

☐ e. Limit U.S. military intervention to cases of direct and open military aggression against the territory of a U.S. ally.

☐ f. Provide aid for military purposes to U.S. Asian allies, but no U.S. troops.

g. Clarify U.S. stand on defense of Quemoy and Matsu:
☐ 1. We will defend Quemoy and Matsu in case of attack.
☐ 2. We will defend Quemoy and Matsu only if we believe the attack is part of a larger operation to invade Taiwan.
☐ 3. We will not defend Quemoy and Matsu.
☐ 4. Make no advance clarification of policy.
☐ 5. Encourage a Nationalist withdrawal from Quemoy and Matsu.

☐ h. Other, or comment: .....
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fact sheet number **2** Red China

opinion ballot

Make up your own mind which U.S. policies you support, or what changes in policy you favor. On the ballot below, mark only those alternatives with which you are in agreement. Or add comments in your own words.

1. What policies should the U.S. pursue in order to deter future Red Chinese aggression?

☐ a. Continue present defense and military policies.

b. Build up U.S. military power:
☐ 1. In Taiwan Strait area.
☐ 2. In Southeast Asia area.
☐ 3. Throughout the Far East.

☐ c. Seek a build-up of Allied military power in SEATO (Southeast Asia Treaty Organization).

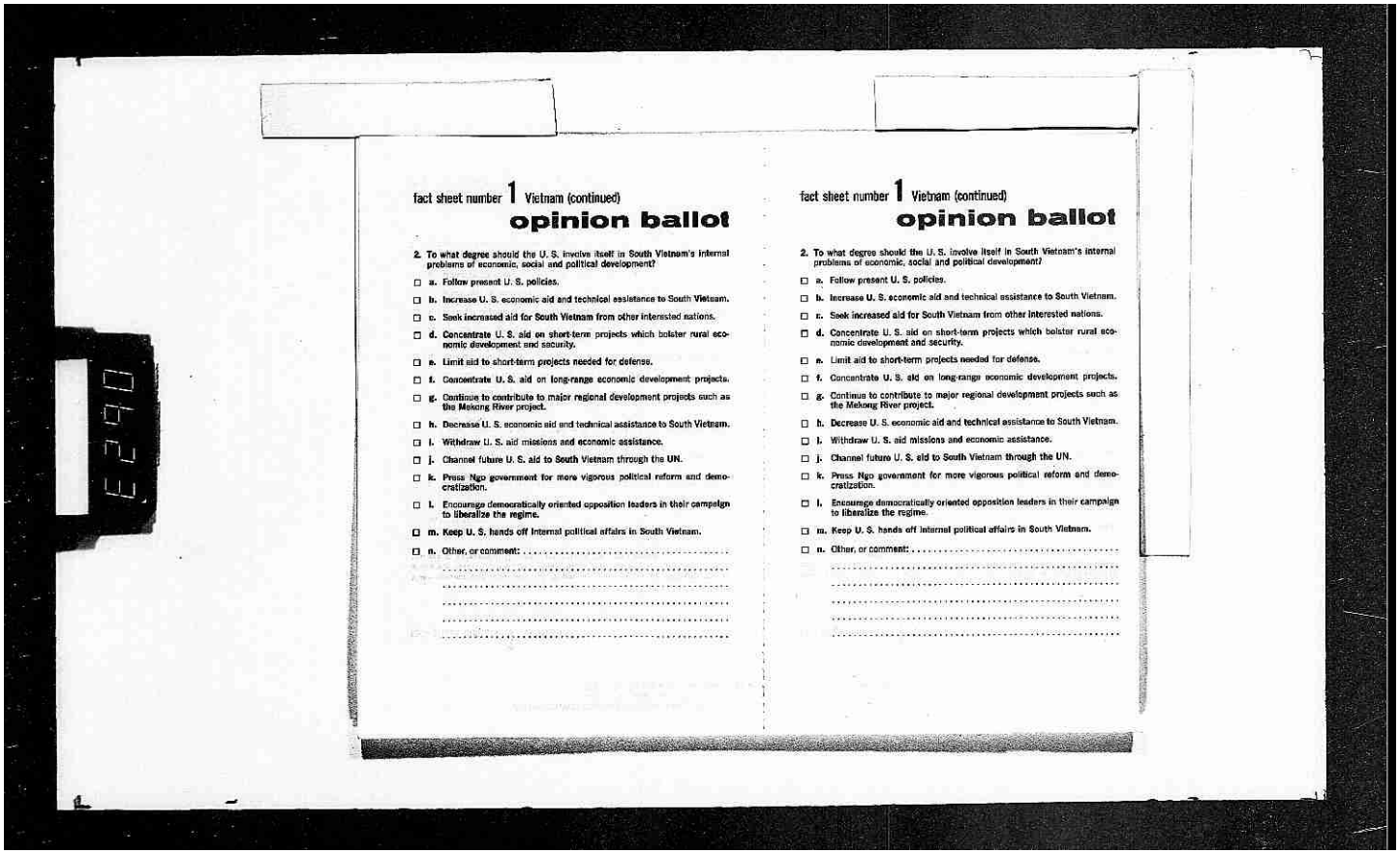
☐ d. Provide U.S. military support to any independent Asian government which requests it to combat infiltration, subversion and/or undercover warfare (indirect aggression).

☐ e. Limit U.S. military intervention to cases of direct and open military aggression against the territory of a U.S. ally.

☐ f. Provide aid for military purposes to U.S. Asian allies, but no U.S. troops.

g. Clarify U.S. stand on defense of Quemoy and Matsu:
☐ 1. We will defend Quemoy and Matsu in case of attack.
☐ 2. We will defend Quemoy and Matsu only if we believe the attack is part of a larger operation to invade Taiwan.
☐ 3. We will not defend Quemoy and Matsu.
☐ 4. Make no advance clarification of policy.
☐ 5. Encourage a Nationalist withdrawal from Quemoy and Matsu.

☐ h. Other, or comment: .....
.....
.....



fact sheet number 1 Vietnam (continued)

opinion ballot

2. To what degree should the U. S. involve itself in South Vietnam's internal problems of economic, social and political development?

- ☐ a. Follow present U. S. policies.
- ☐ b. Increase U. S. economic aid and technical assistance to South Vietnam.
- ☐ c. Seek increased aid for South Vietnam from other interested nations.
- ☐ d. Concentrate U. S. aid on short-term projects which bolster rural economic development and security.
- ☐ e. Limit aid to short-term projects needed for defense.
- ☐ f. Concentrate U. S. aid on long-range economic development projects.
- ☐ g. Continue to contribute to major regional development projects such as the Mekong River project.
- ☐ h. Decrease U. S. economic aid and technical assistance to South Vietnam.
- ☐ i. Withdraw U. S. aid missions and economic assistance.
- ☐ j. Channel future U. S. aid to South Vietnam through the UN.
- ☐ k. Press Ngo government for more vigorous political reform and democratization.
- ☐ l. Encourage democratically oriented opposition leaders in their campaign to liberalize the regime.
- ☐ m. Keep U. S. hands off internal political affairs in South Vietnam.
- ☐ n. Other, or comment: .....

fact sheet number 1 Vietnam (continued)

opinion ballot

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- ☐ n. Other, or comment: .....

INSTRUCTIONS: This booklet contains two copies of each opinion ballot (a pair for each Fact Sheet). The extra copy is for your own records, or for use of a couple who may be sharing a single Fact Sheet Kit. **Do not submit for tabulation more than one ballot per individual on each topic.**

fact sheet number 1 Vietnam

opinion ballot

Make up your own mind which U. S. policies you support, or what changes in policy you favor. On the ballot below, mark only those alternatives with which you are in agreement. Or add comments in your own words.

1. How should the U. S. deal with indirect Communist aggression against South Vietnam?

- ☐ a. Follow present U. S. policies.
- ☐ b. Increase U. S. military aid to South Vietnam, short of U. S. armed intervention.
- ☐ c. Intervene with U. S. ground troops if necessary to prevent Communist takeover in South Vietnam.
- ☐ d. Leave defense of South Vietnam to the South Vietnamese and other Asian powers.
- ☐ e. Seek SEATO intervention, if necessary, to prevent Communist takeover of South Vietnam.
- ☐ f. Intervene only in cooperation with our SEATO allies.
- ☐ g. Threaten massive nuclear attack on Red China unless Communist intervention in South Vietnam ceases.
- ☐ h. Reduce U. S. military aid to South Vietnam.
- ☐ i. Through negotiations with the Soviet Union and Red China, seek agreement on an enforceable cease-fire and truce supervision machinery which will be effective.
- ☐ j. Other, or comment: .....

fact sheet number 1 Vietnam

opinion ballot

Make up your own mind which U. S. policies you support, or what changes in policy you favor. On the ballot below, mark only those alternatives with which you are in agreement. Or add comments in your own words.

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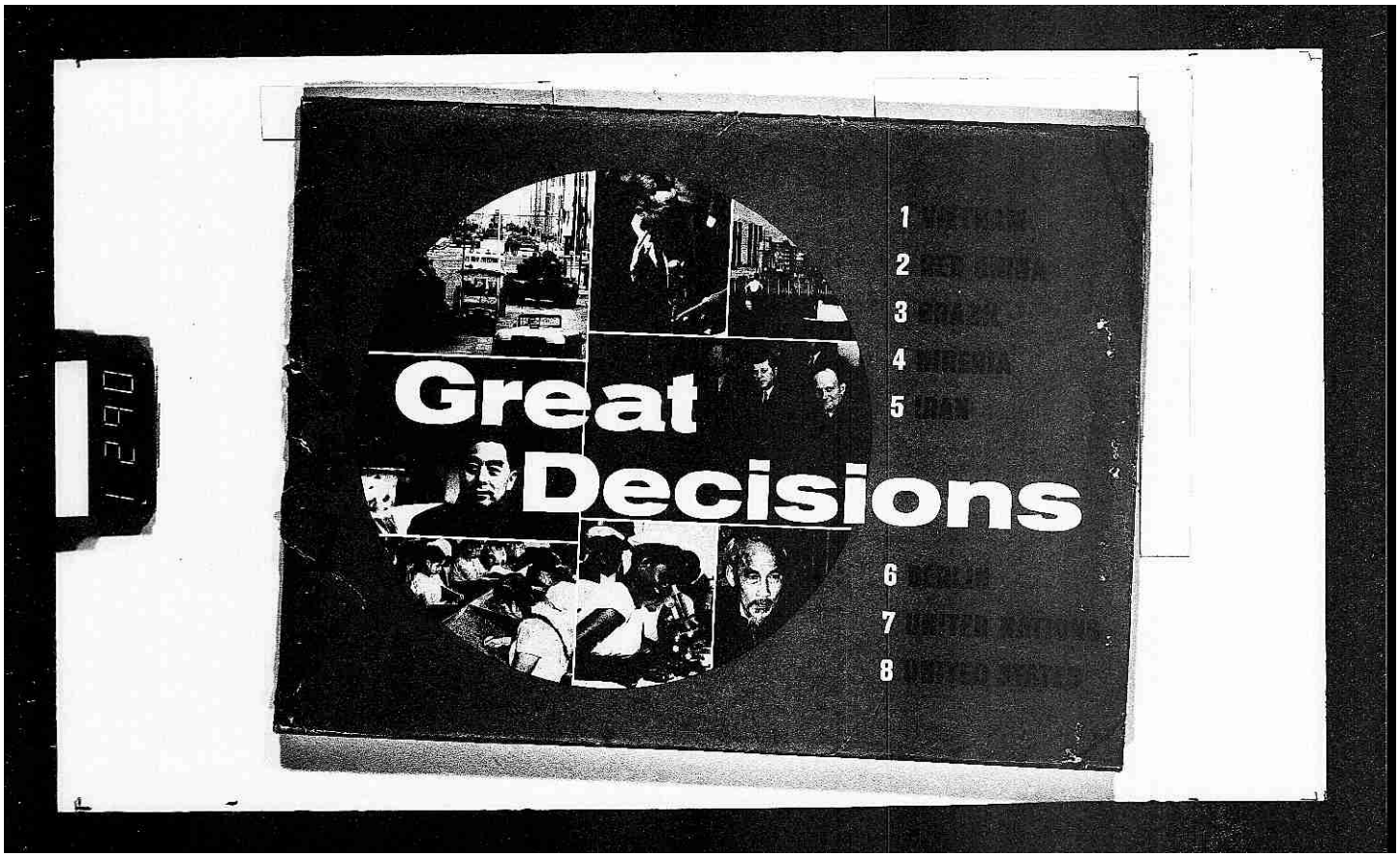
- ☐ g. Threaten massive nuclear attack on Red China unless Communist intervention in South Vietnam ceases.
- ☐ h. Reduce U. S. military aid to South Vietnam.
- ☐ i. Through negotiations with the Soviet Union and Red China, seek agreement on an enforceable cease-fire and truce supervision machinery which will be effective.
- ☐ j. Other, or comment: .....


Great
Decisions
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FOREIGN POLICY ASSOCIATION - WORLD AFFAIRS CENTER
345 East 46th Street • New York 17, N. Y. • Area Code 212 • OX 7-2432

(6)

January 26, 1962

Ltr. drafted 2/1/62
ARA/P: MLee
file

Mr. Richard N. Goodwin
Deputy Assistant Secretary of State
for Inter-American Affairs
The Department of State
Washington 25, D.C.

Dear Mr. Goodwin:

With "Great Decisions" programs now being organized in more than 1,000 communities in the United States, we want you to have this advance copy of the "Great Decisions...1962" Fact Sheet Kit, on which the program is based, as well as a flyer describing the "Great Decisions" approach to the development of community discussion of crucial world affairs topics.

We are gratified to report that the impact of this program should be greatly extended this year by the fact that there will be a series of eight half-hour television shows, based on "Great Decisions" topics, produced by the National Educational Television Center, to be carried on approximately 50 educational television stations; as well as two different series of radio programs discussing these same issues to be carried on educational radio stations.

The United Press International will repeat, in extended form, this year their series of articles on "Great Decisions" topics by their by-line correspondents overseas, which were carried last year by more than 70 newspapers throughout the United States.

We hope you will agree with the belief of the American Heritage Foundation, expressed in its outstanding citizenship award to the Foreign Policy Association, which finds the "Great Decisions" program "a timely and effective instrument for developing rational discussion and a better understanding of the crucial foreign policy issues facing the nation."

We would certainly welcome any comments you might care to make. If they should include an expression of your belief in the value of this program and of your own interest in receiving summaries of opinion ballots, it would certainly encourage increased use of these materials.

Sincerely yours,

Jeanne Singer

Jeanne G. Singer
Director of Public Information

FILED
FEB 15 1962

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104

(2)

JGS:lcf
Enclosures

Enclosure on Brazil
retained by ARA/P

0620

ARA ROUTING SLIP

**Please circulate the attached in the numerical order indicated after the office symbols.

**The action office is circled

ROUTING			ACTION REQUESTED
Office	Routing Order	Copy to	
ARA			1. For preparation of reply to be signed by: ARA ☐ DAS ☐ _____ ☐
DAS			
COAS			2. No reply appears necessary ☐
			3. For appropriate handling ☒
SPE			4. For information ☐
ARA/P	1		5. For clearance ☐
EX			6.
RPA			7.
RPA/			Please furnish ARA with copy of reply or inform this office of action taken.
REA			
REA/			
EST			COMMENTS:
EST/			
WST			
WST/			
CMA			
CMA/			
OAP			PROPOSED DUE DATE _____
OAP/			Date 1/30 Initials [illegible]

(6)

February 2, 1962

Dear Miss Singer:

Since Mr. Goodwin is at present in South America, your letter of January 26, 1962, addressed to him and enclosing material on the "Great Decisions" program, has been referred to me. The Bureau of Inter-American Affairs notes with especial interest the forthcoming program on Brazil. Thank you for informing us about this and the other subjects scheduled.

Sincerely yours,

Juan L. Gorrell
Deputy Public Affairs Adviser
Bureau of Inter-American Affairs

732.00/1-26/2

Miss Jeanne G. Singer,
Director of Public Information,
Foreign Policy Association-World Affairs Center,
345 East 46th Street,
New York 17, New York.

XR 611.32

ARA/P:MLee:rln 2/1/62

(2)

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0618

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(Classification)

Page ____ of
Encl. No. 1
Desp. No. 34
From Salvador, Bahia

MEMORANDUM OF CONVERSATION

DATE: Jan. 15, 1962

SUBJECT: Return of Janio Quadros and his proposed program

PLACE: Reception at School of Administration, University of Bahia.

PARTICIPANTS: Churchill-Locke, an Anglo-Brazilian corporation lawyer from Sao Paulo;
C. Dirck Keyser, American Consul

Mr. Locke, who identified himself as a friend of recently retired Minister-Consul General William P. Cochran, Jr. of São Paulo, said that he was a Janista. Quintanilha Ribeiro, former chief of Janio Quadros' Casa Civil, had recently received a letter from Quadros, which he had shown to Locke. Locke said that in it, Quadros indicated his intention of returning to Brazil, preferably on March 22, a date of signigicance to Quadros because it is the anniversary of his election as mayor of São Paulo.

Locke said that Quadros would lead a legal revolution. He would campaign for the election of various Janistas throughout Brazil in the elections scheduled for October 7, 1962. He would not himself run for office, however, even though various supporters were pushing for his nomination for senator. He would base his campaign on a need for constitutional revision. The proposed revision would bring about a presidential republic, as opposed to the present parliamentary form, and would provide that the Congress would have to act on every bill submitted by the President within six months of its submission. The Congress would be free to vote against or to amend a presidential proposal, but some action would be required. If the Congress failed to act within the required six months, the president would be empowered to enact the measure into law by his own authority.

Locke said that the parliamentary form of government was not good for Brazil, and said that many Brazilians would now favor a strong dictatorship for Brazil if one were proferred. Quadros himself did not want to be a dictator, he said, and his efforts would be bent toward constitutional revolution mentioned above.

Other than the March 22 return date and the six months' rule above mentioned, it was not clear how much of what Mr. Locke said was to be attributed to the Quadros-Ribeiro letter.

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732-00/1-2462
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FOREIGN SERVICE DESPATCH

FROM : Amconsul, Salvador, Bahia — 34 NO.

TO : THE DEPARTMENT OF STATE, WASHINGTON. — DATE

REF : ---

S/P-1 SR-1 G-1 S/S-3

For Dept. Use Only	ACTION	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					
	REC'D 1/24			AIR 3	ARMY 3	CIA 11	NAVY 3	OSD 3	OCB	USIA 6	NSA 3					

SUBJECT: Report of letter sent by Quadros outlining plans for return.

file no action 2/6/62
EST/6 JWW

There is enclosed a memorandum of a conversation with Mr. Churchill Locke, an Anglo-Brazilian who says that he has seen a letter from Quadros in which Quadros states his plan of returning to Brazil on March 22 and campaigning for the election of Janistas in the October 7 election. Mr. Locke says that Quadros' campaign will be for revision of the constitution to provide for a strong presidential government.

C. Dirck Keyser
C. Dirck Keyser
American Consul

Enclosure:

Memorandum of Conversation

CDKeyser:olb

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FEB 6 - 1962

CLASSIFIED FILE

LIMITED OFFICIAL USE

FORM 6-61 FS-439 REPORTER GPO 912596

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

0616

ties with the Soviet Union from bringing about Communist exploitation of discontent. The president of the State Commercial Association, Euler Marques ANDRADE, was less inclined to accept diplomatic ties with USSR, commenting that personally he felt that an economically expanding country like Brazil had to have trade relations with all countries, but that relations with the USSR at this time should be exclusively commercial since on ideological grounds diplomatic relations endangered the interests of Brazil.

Governor Magalhães Pinto expressed himself in favor of diplomatic relations, stressing the point that Brazilians were an adult people and should not interpret the reestablishment of diplomatic relations in itself as meaning agreement with the Soviet form of government. "What interests us," he pointed out, "is the maintenance of trade relations with all nations and our undeviating perseverance in the defense and protection of the Brazilian economy."

Edmund A. da Silveira,
American Consul

establishing a parliamentary form of government in the State.

The PR position is determined in large part by its sizable representation in the Assembly which would support its claim to the post of prime minister. This conviction is so strong that the Party leadership (President Bernardes Filho and State Vice Governor Clovis SALGADO) has offered the Governor full backing if only the Administration will consent to the adoption now of a parliamentary regime instead of waiting until 1965, when his term will end. The Governor, however, has rejected the proposal, realizing full well that with such a small minority as his Party has in the Assembly he would run the grave risk of losing all control of the government. He has reinforced his position by emphasizing the provisions of the Constitutional Additional Act which specifically exclude current gubernatorial terms from the need to put the question to a vote.

The PSD, which would seem to have the most to gain since it has by far the largest Assembly representation, has opposed parliamentarianism as a matter of policy. The main reason for this attitude is not hard to find. Former PSD President of the Republic, Senator Juscelino KUBITSCHEK, a native son of Minas Gerais with a predominant influence over his Party, hopes to return to the Presidency in 1965 and as a consequence does not wish to see the Presidential power watered down. He made his presidentialist views unmistakably clear on December 12 in talks with State PSD officials in the course of one of his frequent visits to Belo Horizonte.

IV. Reactions to the Reestablishment of Diplomatic Relations with the USSR

The reestablishment of diplomatic relations with the Soviet Union was generally received with misgivings. Fear of ideological infiltration of Communism was the main factor in this attitude. In the many expressions of public opinion by the press, the Church, and intellectual and political leaders among others, the question has been put in terms of the advantages to be derived from the reestablishment of trade relations as balanced against the risks of Communist infiltration.

The Church, which exercises a predominant influence, feels that the reestablishment of diplomatic ties is detrimental to Brazil. The conservatism that characterizes the various social classes was reflected in anxiety toward the ability of Brazil to shield the country from the espionage and propaganda activities of a well-entrenched Soviet diplomatic establishment.

A number of businessmen and industrialists, on the other hand, voiced the opinion that Brazil's economic well-being required the expansion of markets abroad and that the resultant economic improvement would constitute in itself the most effective anti-Communist weapon. The president of the State Federation of Industries, Dr. Fabio de Araujo MOTA, expressed this point of view when he advocated commercial relations with the USSR on the ground that high living standards were needed to prevent closer political

Comment: Despite the small minority position of the Governor's Party in the Assembly, he has been under constant and heavy pressure to shift political patronage from the PSD and PR in particular to the UDN. Aware of the existing great gulf between desire and power, the Governor had been seeking since his inauguration some kind of accommodation with the major Parties in the State Assembly. He has met with little or no success, however, in part because pressure on him has been such that he has never been able to avoid small but irritating acts affecting detrimentally PSD and PR political patronage in the interior of the State.

The consequences of this situation have been serious in that the Government has been virtually paralysed for lack of legislative support. The Assembly, for instance, has refused to provide the Governor with the necessary sources of revenue, having reduced drastically his proposed budget and rejected the proposal for a government bond issue to finance public improvements. As a consequence, payments to creditors have had in many instances to be suspended and major projects cut down to the bone. Hope for action on long-standing proposals for the creation of two cabinet posts is practically nil.

It is doubtful that the Administration's action of reprisal in the form of the mass dismissal of political appointees will promote legislative cooperation. The PR State deputies in particular have been quite indignant at the Governor's move. The national head of the PR, Artur BERNARDES FILHO, a native son of Minas Gerais, has already announced that his Party will accept the Governor's challenge and move into a campaign of clear-cut opposition. Reports are that Bernardes Filho has been negotiating with the head of the State section of the PSD, Senator Benedito VALADARES (Minas Gerais), to reestablish the alliance between the two Parties that existed during the previous Administration.

The PSD was in general more moderate in its criticism of the Governor, perhaps because his immediate predecessor, BIAS FORTES, was a PSD man, and memories are still too fresh about the PSD uses of political patronage. Former Governor Bias Fortes did say, however, that although a governor must take care not to sacrifice a member of his own Party, he must not carry this policy to the point of dismissing competent men from their jobs just because they belong to other parties. It should be added that most of the men appointed by Governor Magalhães Pinto to replace the dismissed officials have solid banking backgrounds.

III. Attitudes Toward Proposals for the Adoption of the Parliamentary System in the State

Since the August political crisis there has been a great deal of talk about the early adoption of the parliamentary system in the State in conformity with the Federal solution. The most if not the only ardent advocate of parliamentarianism at the State level has been the PR. The UDN has ranged itself on the opposite side, as might have been expected in view of its minority position in the Legislative Assembly. The PSD, the largest party represented in the Assembly, has in general been cool toward the idea of

GPO 802667

The Meeting, however, did not make a deep impression. The main reason for this failure was that the delegates assumed a defensive and negative attitude toward a problem that is generally considered vital and urgent by public opinion. Their final declaration of principles was a list of platitudes. Indications are that the organizers expected a turn-out similar in size to that of the Agricultural Workers, for they first talked of having one single big meeting. Then, shortly before the scheduled date, they announced that there would be instead a series of meetings from time to time in different parts of the State. The decision was made perhaps as they realized the difficulty in getting together so large a number of farmers. The most liberal estimate of the number of people who attended the Farm Owners' Meeting was three thousand.

Coinciding in part with this Meeting, 21 Catholic bishops in Minas Gerais met during December 20-22 to discuss not only ecclesiastic but also social questions, including agrarian reform. The bishops' message at the end of the three-day gathering set down the views of the Church on the agrarian problem. The Church would support, the message read, any sound measures that might be taken to improve living conditions in the rural areas and to free the rural population from the influence of organizations dominated by materialistic and subversive philosophies. Church support was extended to measures of technical and financial assistance, social services, and just and adequate legislation to promote the effective distribution of private property.

II. Dismissal of Political Appointees

Shortly before Christmas, the State Government began dismissing board directors of the three State-owned or -controlled banks (Banco Mineiro da Produção, Banco de Crédito Real, and Banco Hipotecário e Agrícola do Estado de Minas Gerais) who had been appointed by the previous Administration. These are political jobs, and those dismissed belonged for the most part to two of the three political parties in office in the preceding Administration: the Social Democratic Party (PSD) and the Republican Party (PR). The mass dismissal is being extended to board directors in State-controlled, mixed-capital companies who are also political appointees. The PSD and PR, the two main parties affected, have an estimated 300 members occupying this type of position.

Although Governor Magalhães Pinto had asked some time ago for the resignation of all political appointees in these enterprises, actual dismissal took the parties affected by surprise. The PSD and PR, constituting as they do a large majority in the State Legislative Assembly, felt confident that the Governor would not deem it wise to take such drastic action. This reasoning was strengthened by the fact that the Governor's own Party, the National Democratic Union (UDN) has only 11 deputies in the Assembly out of a total membership of 74.

help within the existing democratic framework he will turn to extreme solutions from which the prospect of violence cannot be excluded.

This attitude of Governor Magalhães Pinto accounts in large part for the choice of Belo Horizonte as the location of the Congress and for the material support his Administration gave the delegates in the form of living quarters and food. An inseparable element in his attitude toward agrarian reform, however, has been his insistence on democratic processes. When, a few days after the closing of the Congress, several hundred families squatted on vacant lots in and around Belo Horizonte, the police received and carried out immediately orders to put the squatters out. This action was tempered by a sympathetic but firm talk of the Governor to a delegation of the squatters who came to him in protest against the police action. Perhaps in part to counterbalance the adverse publicity, the Governor launched on November 23 a project of social and technical assistance to farmers throughout the State. This project is limited initially to eight mobile units, each unit consisting of two trucks for the transportation of agricultural implements and medicines and one carryall for the transportation of specialized personnel -- an agronomist, a veterinary, a physician, and a person in charge of sales.

Another example of the Governor's intense interest in the problem of agrarian reform and of his approach to the problem was the opening on November 8 of the registration of applicants for public lands in the northern part of the State. This is a Government-owned area in which the Governor hopes eventually to settle four thousand farming families. The plan envisages farms of 100 hectares each organized in communities of 48 families. The settler would pay for the allotted land in 15 annual installments starting on the sixth year . The cost of the project to the Government is estimated at Cr$ 1.5 billion (US$1.00 equals approximately Cr$ 320.00) per family to provide necessary social and technical services. In the contemplated sources of financing, however, one can easily see the difficulties of implementing the program. The Government, it was officially announced, counts on the financial support of the official State and private banks, the National Bank for Economic Development, and last but not least the Inter-American Development Bank.

2. Conservative Reaction to Agrarian Reform Proposals of the First National Congress of Farmers and Agricultural Workers -- Of the resolutions passed by the First National Congress of Farmers and Agricultural Workers, none were as controversial as those which called for expropriation by the Federal Government of all idle lands over 500 hectares in area to be paid for with long-term, low-interest government bonds on the basis of the values assessed for tax purposes, which are notoriously low. The main purpose of the First Regional Meeting of Farm Owners, held on December 22, was to combat these two resolutions. They objected in the first place to expropriation of private land when the Government still had vast tracts of idle lands. They contended, too, that if many landowners were not using their land economically and efficiently it was largely for lack of adequate financial and other assistance by the public authorities. Above all, they argued, expropriation without just compensation was unconstitutional.

GPO 902867

consequently more paralysing. With elections for deputies scheduled for October of 1962, hopes of a modus vivendi are considerably narrowed, at least for the time being. Nevertheless, the conservatism of the ruling classes and of the Church remain a strong stabilizing force on the side of law and order.

I. The Battle for Agrarian Reform

The problem of agrarian reform, more than any other single factor, dominated the political scene during the period under review. First, the leftist-controlled First National Congress of Farmers and Agricultural Workers, which was held in Belo Horizonte during November 15-17, discussed the problem from the premise of revolutionary solutions. Then, immediately following the Congress and evidently under its influence, several hundred landless families moved into vacant lots throughout the Belo Horizonte area. As a counterbalance to these two events, the Governor launched on November 23 a project of limited social and technical assistance to farmers and farm workers in the State. Shortly before Christmas, two other meetings, one of the State's Catholic bishops and the other of the State farm owners, gave their non-revolutionary versions of agrarian reform.

Of these events none overshadowed the First National Congress of Farmers and Agricultural Workers insofar as publicity, size, and big-name attendance were concerned. An estimated 10,000 delegates from almost every State in Brazil were present. The big names included those of the President of the Republic, the Prime Minister, the Governor of the State, the Mayor of Belo Horizonte, and the leader of the Peasant Leagues, Federal deputy Francisco JULIÃO. The slogan of "Land or Death" gives an accurate picture of the prevailing frame of mind among the delegates.

1. President Goulart's and Governor Magalhães Pinto's Views on Agrarian Reform -- In sharp contrast to Francisco Julião's fire-breathing pronouncements, the speeches of President João GOULART and Governor MAGALHÃES PINTO at the First National Congress of Farmers and Agricultural Workers were sober in tone and fairly objective in content. They were, however, emphatic on the urgency of agrarian reform. President Goulart, after describing the depressed living conditions in which the agricultural worker lives, called on the wealthy classes to support a realistic agrarian reform. He chastised them indirectly when he said that "there are people who fear words. What is surprising, however, is that these people do not lose any sleep over the country's social plight..." He was critical of those provisions in the 1946 Constitution which deal with property. Although the Constitution recognizes the social importance of property, he contended, it prevents the practical application of this principle by demanding that all expropriations be preceded by just compensation in money.

Agrarian reform has always been a subject close to the Governor's heart. One of the main themes in his campaign for Governor was the improvement of living conditions among the rural population. His preoccupation with the social aspects of this problem is brought out time and again in his frequent public statements. The main idea is that the man in the interior is desperate and in a rebellious mood, and that if he loses all hope of getting

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XR 832.00
832.16

FOREIGN SERVICE DESPATCH

FROM : AMCONSUL, Belo Horizonte

NO. 14

TO : THE DEPARTMENT OF STATE, WASHINGTON.

DATE January 23, 1962

REF : -

24 JAN 1962

22 For Dept. Use Only	ACTION	INFO	DEPT	RM/R	REP	AF	ORM	EUR	FE	NEA	CU	INR	E	P	IO	AID
	ARA-4			2	1		1					5	3			7
			OTHER	AGR	COM	FRB	INT	LAB	TAR	TR	XMB					
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	REC'D 1/24/62			AIR	ARMY	CIA	NAVY	OSD	OCB	USIA	NSA					
				3	6	11	3	3		8	3					

SUBJECT: POLITICAL SUMMARY FOR NOVEMBER-DECEMBER 1961 - STATE OF MINAS GERAIS

File - no action
EST/B - JW Wilson
2/3/62

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2. Conservative Reaction to Agrarian Reform Proposals of the First National Congress of Farmers and Agricultural Workers

II. Dismissal of Political Appointees

III. Attitudes Toward Proposals for The Adoption of the Parliamentary System in the State

IV. Reactions to the Reestablishment of Diplomatic Relations with the USSR

DEPARTMENT OF STATE
BUREAU OF
INTER-AMERICAN AFFAIRS
FEB 1 1961

732.00/1-2362

The months of November and December were marked by an underlying restlessness that threatened at times to break through to the surface (Consulate despatches No. ARA 11 of January 5 and No. ARA 13 of January 11, 1962). Public order was maintained, but at times one had the impression that it was precariously maintained. Discontent, stemming largely from the Government's inability to move forward, became more widespread. The rift between the Administration and the Legislative Assembly grew wider, and

Copies to:
Pol. Section/Embassy
Couns. for Cons. Affairs

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FEB 5 4 58 PM '62

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0609

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Control: 12638
Rec'd: Jan. 22, 1962 11:15 p.m.

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RMR

FROM: Recife

TO: Secretary of State

NO: 212, January 22, 4 p.m.

732.00
XR 737.00

ACTION RIO DE JANEIRO 201, DEPARTMENT 212.

Crowd of 600 cheered and applauded ~~Rabida~~ rabid anti-US, Pro-Cuban Pro-Communist declaration at Pro-Cuban meeting held Recife last night.

Speakers included Vice Governor Pelopides Silveira, Federal Deputy Josue de Castro (PTB), and local Communist leader David Capistrano. Enthusiastic response to repetitious harangues which included bountiful praise of USSR and Red China clear indication of audiences leanings and affiliation ideologically, Petitions to President, Prime Minister, and Foreign Minister demanding Pro-Cuban position at Punta del Este where distributed and signed.

Anti-Communist plants attempted break up meeting by smashing glass vial sulphuric acid, emitting thick sulphuric fumes in meeting hall (main theater one block from Palace). Over fifty persons moved in on spectator mistakenly thought to be culprit and might have harmed him seriously but rescue made by squad military police with fixed bayonets.

RABIDA

MCM-1

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Recife 212

ARA/EST/6 Jun 2/12/62

732.00/1-2262 XR 737.00

0608

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FOREIGN SERVICE DESPATCH

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JAN 29 1962
732.00/1-2262

FROM : Amcongen, RECIFE. — NO. 150

TO : THE DEPARTMENT OF STATE, WASHINGTON. — DATE: January 22,1962

REF :

22 For Dept. Use Only	ACTION	ARA-4	INFO	DEP	RM/R 2	REP	AF	ARA	EUR	FE	NEA	CU	INR 5	E	P	IO	ICA
				OTHER	AGR	COM	FRB	INT	LAB	TAR	TR	XMB					
	REC'D 2/2/62				AIR 3	ARMY 3	CIA 11	NAVY 3	OSD 3.	OCS	USIA 8	USIA 3					

SUBJECT: POLITICAL: Burning of the Cane Fields.

Pernambuco, in the last month, has seen a recrudesence of the cane field fires which come annually to plague the area's sugar planters. Within the past week alone over ten fires have been reported in the vicinities of Nazaré da Mata, São Lourenço da Mata, and Pesqueira. Specific figures are unavailable but on the basis of the fragmentary reports in the local press it is estimated that more than 100 tons of cane have been destroyed by fire this season.

The outbreak of fires had led to speculation by some politicians, journalists, and cane planters that an organized conspiracy is acting to drive the cane planters from their lands. Without mentioning names, the speculative finger points to the Ligas Camponesas as the source of the incendiary destruction. "Confirmation" of the suspicions of an organized conspiracy was furnished by a report that a fire at São Lourenço da Mata on Saturday, January 13 had been set off by an incendiary bomb dropped by a mysterious airplane. (Those who found confirmation of their suspicions in this report noticed or cared not that the sole witness was an eleven year old boy.)

No responsible person would discount the possibility that the Ligas Camponesas could be responsible for some of the fires on sugar properties. However, the outbreak of fires on sugar lands at this time of year in an annual occurence dating back to the pre-Ligas period. A more tenable conclusion is that some fires are started accidentally by careless smokers during the dry season, some by cane planters themselves seeking to force rivals to sell their properties at low prices, and some by grudge-bearing field workers wishing to avenge themselves of real or imagined injuries suffered at the hands of the cane planters.

Albert A. Rabida
American Consul

2cc: Embassy

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ACTION ASSIGNED TO:		ACTION TAKEN	
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0607

do if he is content to serve out his Presidential term in relative comfort but with the probability that his powers may be gradually cut back by a new Congress bearing a mandate more recent than his own. If he intends to put his popularity to the test in the future, he may find it more natural and more expedient to resume his role as the vociferous champion of the laboring classes, since that role will certainly be filled by someone.

For the Ambassador:

Harry Weiner
Second Secretary of Embassy

APPROVED:

Philip Raine
Counselor of Embassy
for Political Affairs

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

0606

the Directing Council of Rio's Commercial Association, Gomes de Almeida reported favorably on the meeting with the President. He called Goulart a man of the center and a disciple of Getulio Vargas. "If Mr. Goulart follows the footsteps of Getulio Vargas, he will have the cooperation of industry."

When a fellow director chided him with the fact that Goulart had, on the very same day he had met with the businessmen, given a demogogic harangue on the occasion of the installation of officers of the National Confederation of Industrial Workers, Gomes de Almeida replied that Goulart had not had time to revise his prepared speech to the unionists in the short period following his meeting with the businessmen. "I am hopeful that the future pronouncements will narrow the gulf between this man of the center and democrat who now knows the thoughts and the willingness of the men of the producing classes to serve the nation."

Another indication that Goulart is seeking to change his image as the mouthpiece of labor is the fact that one of his principal assistants told an Embassy officer in mid-December that the President had been very lenient in granting labor demands in the early months of his administration (increasing the minimum wage perhaps too soon and perhaps too generously) because he did not believe the regime could survive violent social disorders. However, the Embassy's informant said, labor would have to be content with virtually nothing for the next year and a half. Although the statement must be taken with a healthy-sized heap of salt, when taken in conjunction with the President's wooing of business, it may presage action which would ease inflationary pressures.

The kind of success achieved by Goulart with Gomes de Almeida can be swept (or thrown) away as quickly as it came. Nonetheless, there is little doubt that public acceptance of (if not complete confidence in) the administration (the fate of which is now inextricably interwoven with Goulart's personal success) has climbed from its nadir of a few months ago when it was widely felt that the administration might die a-borning and would not, at any rate, make old bones. There have been reports, attributed to close advisers of former President Juscelino Kubitschek, that he would desist from his intensive criticism of the administration and of parliamentarism, since the great majority of his party (PSD) are said to oppose a return to presidentialism. This may be according too much success to Goulart.

The durability of Goulart's "all things to all men" approach depends to a great extent on Jango's hopes for himself. It will

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To the workers, Goulart promised that he would never become indifferent to their just and legitimate claims. This promise is coupled with an appeal to them to transcend their own special interests.

"The President of the Republic, to be loyal to Brazil and to retain his ability to serve the workers, needs, more than ever before, their cooperation, understanding, help and comforting friendship. For this, it is only necessary for the workers to be loyal to the constituted order and to show immunity to hysterical agitation or the disturbances of those who would falsely transform just movements to serve their illegitimate ambitions."

To business he said, " . . . there is no better way to safeguard your rights than to use them with social and humanitarian vision, recognizing that those rights are the fruits of a legal order that would not survive without correcting the spoliation suffered by millions of Brazilians."

Goulart called inflation Brazil's most serious problem. On stemming the rising cost of living "depends the very survival of our democratic institutions."

With regard to economic underdevelopment, Goulart called for careful national planning that would ameliorate regional imbalances as well as raise the general economic level.

On international affairs, his statement has something for everyone. "Brazil will not flee from its commitments as a peace-loving nation . . ." (read OAS commitments) but "Our foreign policy has obeyed the unalterable principle of respect for the sovereignty of other peoples . . ." (read no sanctions for Cuba).

Two weeks after his speech, the President continued this theme of conciliation (and wider acceptance for himself) when, in Rio de Janeiro's Laranjeiras Palace, he met with thirty representatives of business, led by Rui Gomes de Almeida, President of Rio's Commercial Association. Goulart listened to a presentation of their concern over Communist infiltration throughout the country and of their intention to form an organization to take part in the coming Congressional campaigns.

Even this apparently minor gesture of Goulart had its effect. After the meeting Gomes de Almeida told newsmen " . . . the doors have been opened for the removal of barriers between the producing classes and the Government." A few days later, at a meeting of

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FOREIGN SERVICE DESPATCH

FROM : Amembassy BRASILIA Office

587
NO.

TO : THE DEPARTMENT OF STATE, WASHINGTON.

January 22, 1962
DATE

REF :

JAN 25 1962

22 For Dept. Use Only	ACTION	ARA-4	INFO DEPT	RM/R 2	REP 1	AF	ARA	EUR	FE	NEA	CU	INR 5	E	P	IO	ICA
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	RECD 1/26/62			AIR 3	ARMY 3	CIA 11	NAVY 3	OSD 3	OCB	USIA 8	NSA 3					

SUBJECT: The "New" Goulart Faces 1962

File no action
EST/V JWW 2/5/62

Summary

As shown by his New Year's message, and other recent actions, President João Goulart has, for the moment, adopted a policy of conciliation among classes. Put aside is the "demon" approach to national problems he was voicing a few months ago in which he demanded sacrifices only from the business classes, justified by the "squeezed-dry" condition of the masses. Goulart's objectives are several. In addition to wanting to win public confidence for the administration, in which he wields considerably more than nominal power, he would like to extend his political base beyond the workers who form the core of PTB power. He is trying to win the confidence of the conservative business classes or at least to mollify their strong distrust of him. He appears to have met with some initial success. It remains to be seen whether in the long run Goulart can do without the demogoguery that has been his principal political asset.

The theme of President Goulart's New Year's message was conciliation. He appealed for a clearing of the political atmosphere so that Brazil can " . . . press forward on its journey to its destiny."

"It is to everyone that I, with an open heart, appeal. Not an appeal to the tranquility of crossed arms or the serenity of inertia, but to the combining of worthwhile endeavors, and harmony among diverse opinions that characterize the democratic process."

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

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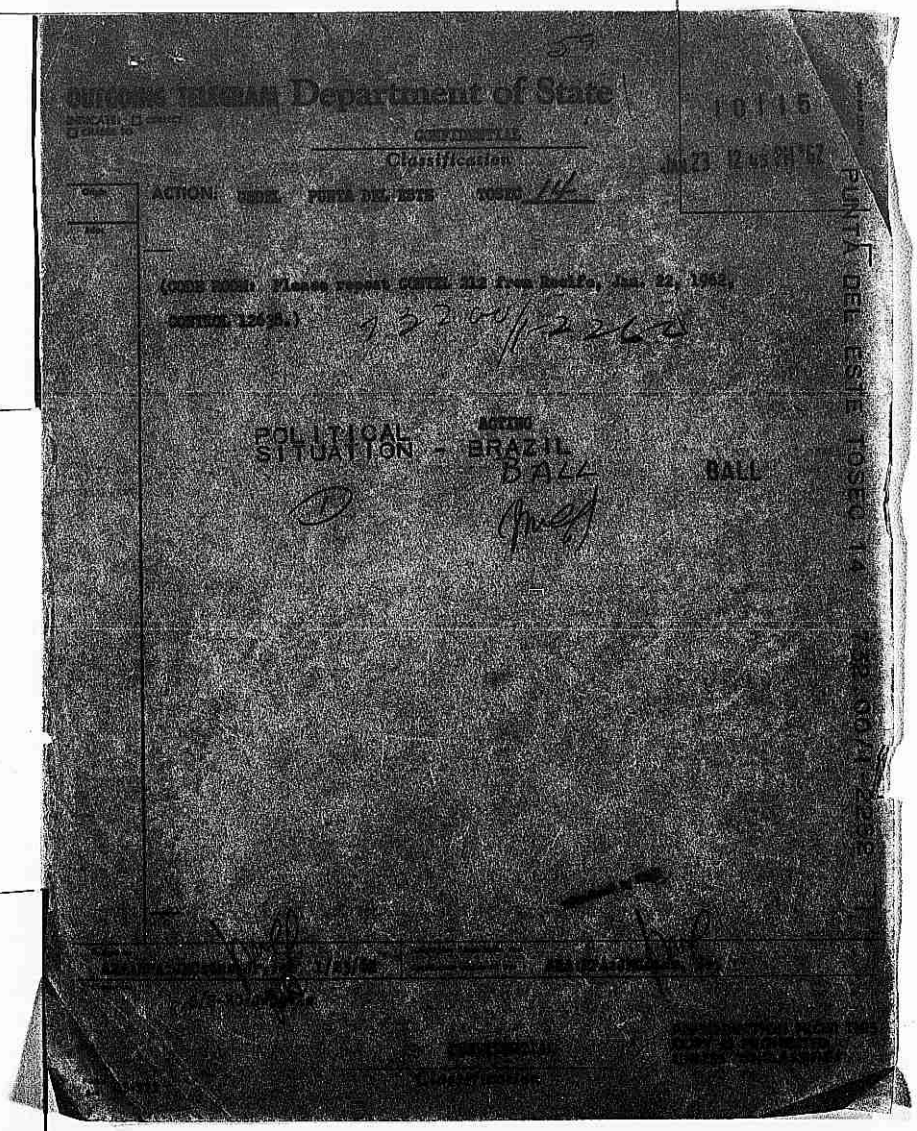
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Classification
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JAN 23 1962
732.00/1-2262

FOREIGN SERVICE DESPATCH

FROM : Amconsgen, RECIFE. 150 NO.

TO : THE DEPARTMENT OF STATE, WASHINGTON. January 22,1962 DATE

REF :

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22 For Dept. Use Only	ACTION	ARA-4	INFO	DEF	RM/R 2	REP	AF	ARA	EUR	FE	NEA	CU	INR 5	E	P	IO	ICA
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		REC'D 2/2/62			AIR 3	ARMY 3	CIA 11	NAVY 3	OSD 3.	OCB	USIA 8	NSA 3					

SUBJECT: POLITICAL: Burning of the Cane Fields.

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Albert A. Rabida
American Consul

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end of the present Brazilian way of life. He was very conscious of the need for the government to show progress before the October elections if the Brazilian voter was to return non-extremists to public office and agreed with the Senators that activities in connection for the Alliance for Progress (which he emphasized must have meaning to the masses) would have to be under way by June if they were favorably to influence the electorate to vote for democratic representatives. In this connection, he assured the Senators that, while there would be a great deal of agitation in the campaign period and a great deal of noise from the leftist-nationalists, no significant change would take place in the complexion of the Congress--presuming that all went reasonably well on the economic front. A few additional leftist deputies might be expected to win office, but, he asserted, the number would be small.

The interview--when supplemented by recent private utterances of the Prime Minister--is felt to rather accurately reflect his considerable political skill and peculiarly "Mineiro" methodology of behind-the-scenes negotiation and compromise which are often overlooked by most political observers and the Brazilian public which has become accustomed to strong leadership at the top.

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 Attaches, AMB, USIS, Econ (2), Pol II, Labor, CF (3) POL-Rio (5), POL-Bras (5)

however, that Neves, like the skillful "Mineiro" politician he is, has cast an anchor to the windward, by divorcing himself from the more extreme critics of ex-President Quadros.
is

The Prime Minister's public statements, however, while in some instances incisive and unequivocal, do not give a faithful reflection of the man as he works behind the scenes where apparently he is more effective than he is in creating a public image as an effective leader of the government. Thus, during a meeting in Brasilia on December 13, with U.S. Senators McGee, Moss, Young and Engel, when queried regarding the profits remittance bill then pending in the Senate, Neves stated that he was working on setting up a joint Senate-Chamber committee to work out an acceptable bill. This initiative, which was announced publicly only some days later, seems still to offer the best means, short of clear rejection (probably politically dangerous), for settling this vexatious problem, which continues to disturb Brazilian and foreign political and business circles.

In general during this meeting, the Prime Minister talked frankly, intelligently and with real knowledge of and sensitivity to Brazil's major short and long-term problems. He told the Senators inter alia that Brazil today faces perhaps the most serious problems of its history. He said that it was necessary for the government to push development to the extent that a million new jobs are created every year in order to prevent the country from becoming progressively poorer because of the population explosion, and that failure to do so would inevitably lead to a social and political explosion. (The 1960 census figures, still not final, indicate a total population of nearly 71 million) He went on to say that Brazil needs help from its best friend and ally, the United States; without adequate help the United States would have neither a friend nor an ally of use to it.

The Prime Minister went on to explain to the Senators that Brazil is a traditional society today under serious attack from leftists. The Communists themselves, he said, represent no real force or danger as an activist group. They are, however, the center of revolutionary ideas which infect people without hope and, he said, if the government cannot stop the march to pauperization, it will undoubtedly end up a socialist nation.

In discussing the Alliance for Progress Neves told the Senators that Brazil would do everything it could to make the Alliance effective since a failure would be the

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has received the largest amount of attention from political observers, most of whom interpret it as a coup de grace (at least until after the October elections) for this (already virtually moribund) movement--a judgment based on the belief that Neves would hardly have made such a statement without the concurrence of President Goulart, who was widely (and probably properly) believed to have been one of the driving forces behind this "source of agitation."

Neves' statements on the relationship between himself (and the Council of Ministers) and the President have, on the other hand, received very little attention, because they represent merely another public declaration of his (already notorious) inclination to avoid any public display of disagreement with the President. Nonetheless, Neves' open declaration of his presidential inclinations casts some light on the psychological motivations for this attitude.

Also interesting is the cold douche which Neves diplomatically directs at the idea of a constituent assembly--for, like his declaration with regard to a plebiscite, it probably reflects his basically conservative political orientation.

The statement on profit remittances, on the other hand, is an unequivocal public statement of the Prime Minister's intention (and doubtless that of the entire Cabinet) to see controls imposed on foreign capital--an intention which has previously been made clear both by the Government's refusal to kill the profits-remittance bill in the Senate (where, reportedly, it at one time had the votes to do so) and in a private conversation with Ambassador Gordon. It would seem clear, therefore, that this issue is hardly dead and buried, although the intention continues to be to get a law with which foreign investors can live, although they may dislike it.

Neves' declarations on agrarian and banking reform, however, would seem to connote a ~~distinctly perfunctory attitude~~. In these explosive fields, at ~~least~~, Neves probably will be content (as will many others) to see activity confined to declarations of good intent--a distinctly prudent attitude in what Neves himself describes as an agitated electoral year.

this is hardly surprising!

In this latter regard, Neves' somewhat soothing statement with regard to the forthcoming electoral campaign (and the hue and cry which will necessarily be attendant upon it) would seem, for the moment at least, to represent an accurate appraisal of the current situation. It is interesting to note,

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fications which would be explicitly and rigidly enumerated in the law . . . avoiding unlimited revisionism which could have subversive consequences."

(5) On the remittance of profits legislation recently passed by the Chamber of Deputies: ". . . I believe that regulation is imperative, not only of the remittance of profits on capital but of foreign investment itself in Brazil. Predatory and merely speculative capital must be banished once and for all from our economy, for we are no longer a defenseless colony but a nation conscious of its interests and destinies. It is necessary, however, in this regulation, that sight is not lost /of the fact that/ foreign capital directed toward the basic sectors of our economy is an indispensable factor in our economic development. This capital must be protected and encouraged."

(6) On the Financial Situation: Giving due credit for aid from the United States and Europe the Prime Minister said "In spite of the difficulties of the moment, Brazil owes nothing, is maintaining all its obligations current. There is a growing surplus in our balance of payments - . . ."

(7) On Agricultural and Banking Reform: "These are two problems which will be in the forefront of Congress' deliberations, as soon as the next legislative sessions are begun . . . The Government cannot remain aloof. It will participate actively in the studies and discussions . . ."

(8) On Janio Quadros: "I do not endorse the campaign of discredit which it has been intended, in certain sectors, to raise against him, but I neither understand nor justify his renunciation."

(9) On the Government's View of Communism: "Communism must not be underestimated. It is a greater error, however, to overestimate it."

(10) On the possibility of political disturbances in 1962: "We are going to have the agitations inherent in any election year, which, rather than being feared, should be esteemed, for they are the very raison d'etre of the regime."

Though difficult to summarize, the Neves interview is interesting (and significant) just because it does, in fact, touch on such a wide variety of topics. Headlined by Cruzeiro, Neves' denunciation of a plebiscite as equivalent to "agitation"

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Prime Minister Tancredo Neves has in recent weeks expressed himself publicly and privately on a number of subjects of particular interest to the Department from which it is possible to form a clearer judgment of his political and economic beliefs and his operating methods. Neves gave an exclusive interview to large circulation weekly O Cruzeiro published January 13, in which, inter alia, he gave his opinions on the following subjects:

(1) On the relative powers of the President and the Prime Minister". . . the President is exercising the functions for which he is competent /under the law/. The Council /of Ministers/ would be exceeding its rightful limits were it to attempt to interfere in these functions. If faults exist in the practice of the regime, they are the result of the text of the Constitutional Amendment itself and not of the conduct of the men who are charged with the responsibility of putting it into practice."

(2) On the Parliamentary system: "I was always an advocate of the presidential system . . . Nonetheless, I am obliged to recognize that the parliamentary experiment has been most useful."

(3) On holding a plebiscite (with regard to the question of return to the presidential system) in 1962: "A plebiscite would, at this time, be only a source of agitation . . . I am reminded, in this regard, of a phrase of Ortega e Gasset 'Every time they speak of a plebiscite I hear Caesar's sandals'".

(4) On convoking a constituent assembly: "The constituent power is inherent in any ordinary congress. For the basic reforms which Brazil needs, if what is desired is to avoid the special quorum of two-thirds which is required by the Constitution, the solution perhaps would be for the future Congress to attribute to itself constituent powers for a period of no longer than four months, for the modi-

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FOREIGN SERVICE DESPATCH

FROM : Amembassy, Brasilia Office — 579 NO.

TO : THE DEPARTMENT OF STATE, WASHINGTON. — January 19, 1962 DATE

REF :

			H	S/S	S/P	S/R	JAN 25 1962				
For Dept. Use Only	ACTION	DEPT	RM/R 2	REP 1	RF 1	AMB 3	EUR 3	FE 1	NEA 1	SCA 5	INR 5	E 3	P 1	IO 1	ICA 7
	ara-4	OTHER	AGR	COM 10	FRB 2	INT	LAB	TAR	TR 2	XMB					
	REC'D 1-26		AIR 3	ARMY 3	CIA 11	NAVY 3	OSD 3	CCS	USIA	NSA 3					

SUBJECT: The Prime Minister Speaks on National Problems

(1)

SUMMARY

Prime Minister Tancredo Neves, a mildly nationalistic, but basically conservative politico in an exclusive interview given to O Cruzeiro and in a recent meeting with U.S. Senators has expressed a number of thoughts on Brazilian national problems and U.S.-Brazil relations which give a clearer picture of his administration's objectives and also of the man and his operating methods. A "Mineiro"§ politician who apparently prefers the indirect approach for meeting problems of his office, he has, as a result of his unwillingness to insist on his prerogatives as chief of the government in competition with the more direct and strong-willed President Goulart, been harshly criticized by the press and other observers. In the interview the Prime Minister justifies his position by blaming the constitutional amendment which established the parliamentary system of government. In his meeting with the Senators, Neves gave impressive evidence of understanding of Brazil's economic and political problems and of factors underlying relations with the United States. Evidence was also given of his effectiveness in behind-the-scenes activities designed to solve some of the country's more pressing problems: these activities are not generally understood or appreciated by the public which has become accustomed to strong leadership from Brazil's Chief Executives.

but see items (6) and (9), page 3 & p. 4

§ Native of the State of Minas Gerais, whose politicians and statesmen are traditionally famed for the suavity of their methods and penchant for working behind the scenes, avoiding open conflict with opponents.

HQuinn/PRaine/jhm
REPORTER

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U.S. GOVERNMENT PRINTING OFFICE: 1961 O - 612216 (17)

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of disrespect for having reoccupied his position before the Ministry had an opportunity to study the report of the investigative committee. Later he ordered Rodrigues suspended for thirty days for this "disrespect," an order which Rodrigues immediately had nullified by court action. Minister of Education Oliveira Brito declined to take a public stand but sent his representative, Domerval Trigueiro, for a five day visit to study the situation and devise an acceptable solution. All sides are now waiting for his recommendations to be made public.

The only solution likely to be acceptable to the law students would be the resignation of Soriano Neto. Neto, however, is not likely to resign under pressure. He will, he has made clear, resign after he feels the principles of order and authority have been established at the Law School but the students appear not to be willing to give him this opportunity. Unless Minister of Education Oliveira Brito can find a way out of this dilemma, the resumption of classes at the University in mid-March could mark the beginning of a student strike potentially as serious as the strike of last spring.

Students at the Rural University appear to be less organized than their counterparts at the Law School and less capable of launching, independently, an effective strike. Thus, they are likely to follow whatever lead is taken by the law students.

Albert A. Rabida
American Consul

Two cc: Amembassy, Rio de Janeiro.

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JAN 21 1962
732.00/1-1962

FOREIGN SERVICE DESPATCH

FROM : AmConGen, RECIFE. 149 NO. XR 832.432

TO : THE DEPARTMENT OF STATE, WASHINGTON. January 19, 1962. DATE

REF : None

For Dept. Use Only	ACTION	INFO	DEPT	RM/R	REP	AF	ARA	EUR	FE	NEA	CU	INR	E	P	IO	ICA
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	REC'D 1-27			AIR 3	ARMY 3	CIA 11	NAVY 3	OSD 3	OCB	USIA 8	NSA 3					

SUBJECT: POLITICAL: TROUBLE THREATENS ANEW AT UNIVERSITY OF RECIFE LAW SCHOOL.

Last spring's student strikes at the University of Recife Law School and the Rural University were resolved temporarily by the voluntary suspensions of Law School Director Soriano Neto and Rural University Rector Manuel Rodrigues. The voluntary suspensions were a compromise solution offered by the two administrators to settle the strikes and were to remain in effect pending the completion of an investigation by a special committee appointed by President Janio Quadros.

On December 13, the "Diario Oficial" published the investigative committee's report, exonerating Neto and Rodrigues of the student-leveled charges of "improper practices" and recommending they return to their positions immediately. On the same day, Neto and Rodrigues assert, they were instructed by Prime Minister Tancredo Neves to reoccupy their positions. The announcements of their reinstatement brought an immediate and predictable reaction from the student organizations concerned. The "Diretorio Academico" of the Law School called a general assembly of students to determine what steps should be taken to counter Soriano Neto's "immoral and illegal" action (87 out of 800 students attended--the University was closed for summer vacation). Signs of protest were hung around the campuses, law school buildings were draped in black, picket lines set up, and firecrackers and smoke bombs set off. Telegrams were dispatched to the Prime Minister and to Minister of Education Oliveira Brito and Minister of Agriculture Armando Monteiro Filho. Finally, a Central Command for Moralization was organized to coordinate the actions of the protesting students from the two schools.

Minister of Agriculture Monteiro Filho answered the telegrams with a quick visit to Recife where he accused the Rector

732.00/1-1962

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

0593

INCOMING TELEGRAM

Department of State

ACTION COPY

PERMANENT RECORD COPY

40-42
Action
ARA
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CONFIDENTIAL

Control: 9018
Rec'd: January 17, 1962
1:08 a.m.

FROM: Rio-de-Janeiro

TO: Secretary of State

NO: 1642, January 16, 5 p.m.

732.00

ARA/EST/G - [illegible]
2/12/62

Rio de Janeiro 1642

On January 12 I met at his request with General Edmundo Macedo Soares and two representatives of an incipient political movement calling itself Brazilian Democratic Action (ADB). The group is alarmed by the alleged leftward drift of the country and particularly what they regard as the Communist ties of Goulart. They presented copies of a program for Legislative and executive action and explained the purpose of the ADB is to unite as many candidates as possible behind the program in an effort to win an electoral victory next October. Should there be no elections on account of a military coup which the group deems a substantial possibility, the ADB will present General Macedo Soares as best qualified to lead a transition government. The Embassy will keep in discreet touch with the ADB and will report further developments.

GORDON

DMJ

732.00/1-1662

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0592

Up to this point the story in all the newspapers did not differ materially, but O Diario added some details that made it evident that the correction could not be taken at face value. A photographer and a reporter from O Diario had gone to the headquarters of the 12th Infantry Regiment to take a picture of the truck and to get a story from the Officer of the Day. The newspaper's brief account of what took place was that the Officer of the Day had not only denied the photographer permission to take pictures of the truck but also refused to see the reporter. Instead, the account went on, a sergeant came out, placed a triggered machine gun on top of his desk, and refused to give any clarification or elaborate further on the truck story.

The incident is being dealt with in great secrecy. The Consulate has learned from the Department of Transit only that the seized truck carried used military equipment and that the police have two communist suspects involved in this case. The Consulate will report all further developments on this incident that are deemed of sufficient importance.

Edmund A. da Silveira,
American Consul

0591

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HANDLING INDICATOR

For Department Use Only

732.00/1-1162

FOREIGN SERVICE DESPATCH

FROM : AMCONSUL, Belo Horizonte

13
NO.

TO : THE DEPARTMENT OF STATE, WASHINGTON.

January 11, 1962
DATE

REF : --

For Dept. Use Only	ACTION	INFO	DEPT	RM/R	REP	AF	ARA	EUR	FE	NEA	CU	INR	E	P	ID	ICA
19	ara-4			2								5		1		
			OTHER	AGR	COM	FRB	INT	LAB	TAR	TR	XMB					
	REC'D 1-17			AIR 3	ARMY 3	CIA 11	NAVY 3	OSD 5	OCB	USIA 6	NSA 3					

SUBJECT: SEIZURE OF TRUCK LOADED WITH CLANDESTINE MILITARY EQUIPMENT

no action file
ARA/EST/B - JWW 2/19/62

Local newspapers reported on January 4, 1962 that the police had seized the day before a truck carrying an estimated ten metric tons of firearms and ammunition. In view of the sporadic acts of violence with political implications that are taking place in some parts of Brazil, the Consulate deems the reporting of this occurrence to be of interest to the Embassy and the Department.

The truck, a Mercedes Benz, was found parked, without anyone inside, in a street in Belo Horizonte, its cargo covered with a canvas as shown in a picture accompanying the news item. The license plates were from Barbacena, a small city in the State of Minas Gerais near the highway between Belo Horizonte and Rio de Janeiro. According to the newspaper accounts, the traffic police had been informed about the truck, but the informer was not identified. The vehicle was then taken to the yards of the 12th Infantry Regiment quarters.

On January 6, the newspapers carried a correction to the effect that the truck was loaded not with firearms and ammunition but with boxes containing insecticides and floor wax, and that the truck had been returned to the owner, a man by the name of José Aniceto COSTA. The merchandise was withheld, however, the correction informed, because State taxes in the amount of one hundred thousand cruzeiros (US$ 1.00 equals approximately Cr$ 320.00) had not been paid on it. Other information was that the truck had come from Rio. The fact that the truck, having been seized by the traffic police was taken to Army quarters, was explained as the consequence of lack of adequate space in the Department of Transit.

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2 52 PM '62

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Political Section

EAdaSilveira:kfk
REPORTER

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FORM 8-51 FS-439 GPO 912596

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CLASSIFIED FILE

0590

"Diário de São Paulo" (the local Chateaubriand paper) continued to support Portugal and Portuguese policies strongly. (End UNCLASSIFIED)

Miscellaneous

9. List of Substantive Despatches

182 São Paulo Summary No. 28

Eugene Delgado-Arias
Consul

Contributors:

Proper, Liebof, Mason

Distribution:

INS/RAR, Amembassy Rio 3, Amembassy Brasilia 2, Amcongen Recife, Amconsulates Belem, Belo Horizonte, Curitiba, Porto Alegre, Salvador, Santos, Amembassy Lisbon.

0589

Magaldi-Gatto-da Silva group would prefer to continue the current rather informal arrangement of basing MSD action on mutual consultation between all MSD leaders.

COMMENT: This tendency towards polarization apparently does not result from any weakening in the anti-Communist position of any of the leaders involved, but rather stems from personality conflicts among a group of strong individualists. However, a definitive split for whatever cause among São Paulo MSD leaders (representing the only coordinated anti-Communist labor grouping with significant action capabilities on a national scale) would be a serious setback for democratic trade unionism in Brazil, already under severe pressure from the Communists, President Goulart and employer groups. While a definitive split is not imminent, it remains a distinct possibility. (End LIMITED OFFICIAL USE)

Local Press Reaction

7. Fidel Castro and OAS Conference (Unclassified)

Moderate São Paulo papers urged that Brazil withdraw all remaining support of Castro. For "O Estado de São Paulo" the question to be examined at Punta del Este was quite simple: "There is an American state which has officially proclaimed that it no longer belongs to the inter-American system, but which for tactical reasons, even after entering the Soviet bloc, wants to remain in the OAS." "Correio Paulistano" finds the shadow of former President Janio Quadros still haunting the Brazilian Foreign Ministry: "Either we follow Argentina's position or Brazil will be left in a situation of no glory, no support, no logic. Mr. Janio Quadros' Cuban obsession has dragged Brazil down to a secondary position in the Hemisphere's politics." "Diário de São Paulo" said: "No one in good faith can deny that the Castroite regime in Cuba threatens the peace of our continent."

8. U. N. and Portugal (Unclassified)

In an editorial on India and Goa, "Folha de São Paulo" predicted that "the United Nations will face a difficult year in 1962, trying to justify its own existence after being impotent to face colonialism and agression." Though most papers objected to India's use of force, many were still unsympathetic to the present Portuguese government. "O Estado de São Paulo" retained its anti-Salazarist tone. "Only someone like Salazar, completely out of (touch with) world reality, would be able to think of the defeat suffered by his politics as 'a sign of a tremendous catastrophe to the world'." The Beja rebellion, on the other hand, is considered by both "O Estado" and "Folha de São Paulo" as a symptom that the time is ripe for a change of regime in Portugal. "O Estado" said: "The rebellion of Beja has failed. But others undoubtedly will come."

GPO 902667

4. Moral Rearmament Group Popular in São Paulo (Unclassified)

Two hundred and fifty of the Moral Rearmament members who recently held a Congress in Petropolis (Rio de Janeiro Despatch 465 of December 8) have spent a busy week in São Paulo. They saw the Governor, Mayor, and other high local officials (including Senator Benedito CALAZANS, a priest) and held well-attended public shows. Americans figured prominently in the cosmopolitan group. Some moderate papers gave very favorable coverage to the visit, "Estado de São Paulo" being especially impressed. The São Paulo "Ultima Hora" -- most important local leftist newspaper -- confined itself to derision.

5. Santo André Mayor Impeached (Unclassified)

The Municipal Chamber of Santo André -- important industrial suburb of São Paulo -- voted unanimously to impeach the city's Mayor after an open, much publicized trial. The Mayor was charged with peculation in taking a commission on all public works contracts and refusing to pay city debts to private parties except upon receipt of a ten per cent kick-back. (End UNCLASSIFIED)

COMMENT: (Official Use Only) The incident's political significance is its strong reminder to the public that there is a remedy for the most flagrant cases of public dishonesty. Discussions of impeachment became the vogue after the possibility of applying the measure to keep João GOULART from office came up in August. Since then, threats of impeachment have been waved even at such responsible officials as São Paulo Mayor Prestes MAIA. Usefulness of the measure, perhaps weakened by irresponsible threats, has been reinforced by the popular action of the Santo André Chamber. (End OFFICIAL USE ONLY)

Labor

6. Possible Rift in Movimento Sindical Democrático (Limited Official Use)

Since the beginning of the new year there have been indications of a possible eventual split between the São Paulo democratic union leaders spearheading the Movimento Sindical Democrático (MSD). The division seems to focus on the MSD internal structure rather than on the MSD objective of promoting effective trade unionism free from government and political control. Olavo PREVIATTI, Domingos ALVARES and Orlando COUTINHO (respectively presidents of the São Paulo State Federations of paper workers, metal workers, and road transport workers) apparently wish to set up a formal organization with Coutinho as President and Antonio Pereira MAGALDI as Secretary-General. On the other hand, Magaldi, Dacyr GATTO and Lourival Portal da SILVA (respectively presidents of the São Paulo State Federation of Commercial Workers, São Paulo State Federation of Clothing Workers, and São Paulo Union of Oil Refinery and Filling Station Workers) regard Coutinho as a Johnny-come-lately and are opposed to his assuming the Presidency of the MSD. The

GPO 802867

0587

2. Carvalho Pinto Predicts Difficult '62 (Unclassified)

In brief holiday messages to the public and press, São Paulo Governor Carvalho Pinto predicted that 1962 would be one of the most difficult years of his administration: "political questions will agitate the climate and, certainly, the economic situation will bring us difficulties." He thought, however, that he had sufficient popular support to maintain "the order, balance, and tranquility which the habitual exploiters of the people and eternal enemies of democracy put constantly in risk." The local press applauded this line, several moderate papers contrasting it favorably with the optimistic pronouncements of the President of the Council of Ministers and, to a lesser degree, with the longer and less clear comments of the President. (End UNCLASSIFIED)

COMMENT: (Official Use Only) The Governor's assessment seems realistic. The political problems facing him are two: Those left over from the crisis caused by President Quadros' resignation, and those to be caused by the campaign for the October elections. Economic problems are those resulting from inflation and from the federal government's transfer from states to municipalities of two real estate taxes (São Paulo Despatch 152 of November 28). The Governor's assessment of popular support also appears sound. Perhaps because of the immense popularity he enjoys, he has come to feel that he can attack Communist agitation with increasing frankness, as in the above and other recent speeches. (End OFFICIAL USE ONLY)

3. Galvão Takes Credit for Beginning but not End of Beja Revolt (Unclassified)

In statements to the São Paulo press, Portuguese rebel Henrique GALVÃO saw the military revolt of Beja as a "step forward" and a "logical development of a revolutionary process begun with the capture of the 'Santa Maria' and carried forward without interruption ever since." Its failure he attributed as an "error of command" in choosing to defend a militarily indefensible location. He announced that he would remain in São Paulo another few weeks to confer with other anti-Salazar leaders. The press reported the arrival from Portugal of Aristides José da MOTA, escaped member of the Beja revolutionaries, to talk over further plans with Captain Galvão. (End UNCLASSIFIED)

COMMENT: (Official Use Only) Galvão did not make his part in the Beja Revolt clear. There is no evidence in his remarks that he knew of even the preliminary plans for it, though he tried to leave the impression that he was in on the planning up to the stage where the mistakes were made. (End OFFICIAL USE ONLY)

GPO 902567

0586

A public opinion poll (apparently responsible) by an independent organization has eighty-five per cent of the Paulista population wanting direct election of the governor, nine per cent opting for the parliamentary system of election by Deputies, and only six per cent with no opinion. (A recent São Paulo poll by "Cruzeiro" magazine also showed a strong preference for direct election.) Governor CARVALHO PINTO delivered a strong speech against premature state parliamentarianism. Several regional party headquarters are visibly embarrassed by their Deputies' pro-parliamentary stand. Most violently opposed, however, are the newspapers. The leftist and moderate papers have rarely been in such total accord. All accuse the State Deputies of a conspiracy to assume illegal powers. The controversy has naturally been reflected on the floor of the Assembly. Deputies have been almost unanimous in supporting Assembly President Abreu SODRE (who would be in an excellent position to be elected governor by the Assembly) against criticism and in denying the motives attributed to them by the press, but from that point on feelings explode in all directions. Argument on the floor built up until Deputy Cid FRANCO (a left-wing member of the Brazilian Socialist Party -- PSB) landed a kick on lady Deputy Conceição da COSTA NEVES, a conservative member of the Social Democratic Party (PSD). The former is opposed to adopting the parliamentary system; Costa Neves is in favor of it. Franco was attacked and beaten by unidentified assailants while leaving his home the same night. These incidents forced temporary postponement of the debate, but the press attack on the Assembly's parliamentary "conspiracy" continues unabated.

COMMENT: The significance of the debate is no longer so much in the subject itself as in the violent feelings which it has aroused. The Consulate General has several times reported on the state parliamentary bill and has never seen much reason to suppose that it could pass, unless in a watered-down form. That prospect has not altered. What is remarkable is the opposition which the bill has aroused in the public, press, and many political circles. This is the first full debate on the desirability of the parliamentary system to be held in Brazil, and it will be studied by a country anticipating a similar debate on a national scale. Conditions in São Paulo are, perhaps, extreme, but some have national parallels. The São Paulo executive is progressive and very popular: the current national presidency arouses less enthusiasm, and there may be less public interest in keeping it strong (or strengthening it). The State legislature, on the other hand, has no more than the lukewarm popular support of the national congress. Many Deputies in each expect to be unemployed after the October elections. This accounts in part for the almost fanatical determination of the São Paulo State Deputies to persevere in an unpopular cause: they must count on trading their gubernatorial votes for State Cabinet seats or other juicy jobs with the governor they elect. (End LIMITED OFFICIAL USE)

0585

AIR POUCH
HANDLING INDICATOR

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FOREIGN SERVICE DESPATCH

FROM : Amcongen, São Paulo

182
NO.

TO : THE DEPARTMENT OF STATE, WASHINGTON.

CONSULATE GENERAL OF THE UNITED STATES OF AMERICA
JAN 10 1962
SÃO PAULO, BRAZIL

REF :

INR-3 P-1 USUN-1

For Dept. Use Only	ACTION	INFO	DEPT	RM/R	REP	AF	ARA	EUR	FE	NEA					IO	ICA
55	ARA-4			2	1			3		2					2	
			OTHER	AGR	COM	FRB	INT	LAB	TAR	TR	XMB					
								8								
	REC'D 1/12			AIR	ARMY	CIA	NAVY	OSD	OCB	USIA	NSA					
				3	3	11	3	5		5	3					

SUBJECT: São Paulo Summary No. 28, Week Ending January 6, 1962

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Political
1. Attempted Adoption Parliamentary System Stirs Violent Controversy
2. Carvalho Pinto Predicts Difficult '62
3. Galvão Takes Credit for Beginning but not End of Beja Revolt
4. Moral Rearmament Group Popular in São Paulo
5. Santo André Mayor Impeached

Labor
6. Possible Rift in Movimento Sindical Democrático

Local Press Reaction
7. Fidel Castro and OAS Conference
8. U.N. and Portugal

Miscellaneous
9. List of Substantive Despatches

DEPARTMENT OF STATE
BUREAU OF
INTER-AMERICAN AFFAIRS
JAN 12 1962

File
no action
EST/B
1/26/62
J W Wilson

Political

1. Attempted Adoption Parliamentary System Stirs Violent Controversy (Limited Official Use)

An attempt to extend the new parliamentary system of government to São Paulo has given the State Legislative Assembly its worst days in years. Tension has been increased by reason of the recess of the national congress and the general year's-end calm, focusing undiverted public and press attention on the local legislature. The parliamentary bill under discussion in the Assembly would give the right of electing the next governor to the present State Deputies, but it could be amended to allow the 1962 gubernatorial choice to be made either directly by the people or by the Deputies to be elected next October.

See last page/lfw

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FORM 8-61 FS-439 GPO 912596

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0584

CONFIDENTIAL

-2- 1581, January 8, 7 p.m. from Rio de Janeiro

Public Security, have arrived Rio for personal inquiry.

Attack on UNE was succeeded on evening same day by attempt masked rightist band in Porto Alegre seize radio Farroupilha reportedly with objective broadcasting anti-Communist Manifesto. This effort possibly suggested by MACs exploit but no evidence any direct connection. It being used by left however to suggest concerted "Fascist" terrorist movement.

GORDON

HC/3

CONFIDENTIAL

0583

INCOMING TELEGRAM *Department of State*

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47 (6)

CORRECTED

CONFIDENTIAL 1/9/62, 1:25 p.m. FH

Action ARA

Control: 3918

Rec'd: Jan. 9, 1962 4:14 AM

Info SS SR G SP AID P USIA SCA NSC INR CIA NSA OSD ARMY NAVY R C R

FROM: Rio de Janeiro - CORRECTED PAGE 1

TO: Secretary of State

NO: 1581, January 8, 7 p.m.

ARA/EST/6 gwm 2/12/62

INFO: RM/R FILES file

Members extremist Movimento Anti-Communista (MAC) early morning January 6 sought unsuccessfully break into headquarters National Students Unio , fired 7 or 8 revolver shots at building, painted on the wall slogan "house of lackies Moscow. MAC". Incident is latest and most violent manifestation by relatively small group Guanabara anti-Communists including police and military officers who for some months have been seeking embarrass and thwart Communists by actions consisting mostly slogan-painting but including also "tarring" of Prestes home and seizure petitions for registration PCB as legal party.

Armed violence against UNE though resulting no personal injuries has stirred entire left to action and led not only ULTIMA HORA but also CORREIO DA MANHA to call for federal intervention Guanabara on ground direct or indirect responsibility Governor Lacerda, who indeed may have some connection with MAC. UNE and other student organizations have issued strongly anti-Lacerda notes of protest and have called mass meeting downtown Rio tomorrow which press reports may be attended by Governors Brizola and Borges Teixeira and Recifes Mayor Arraes, who all have expressed solidarity UNE. Federal Deputy Celso Brant (PR-Minas Gerais), fellow-traveling member nationalist Parliamentary front, reportedly seeking convene congress in special session to consider subversive activities extreme right.

President Goulart has expressed to UNE directors indignation over occurrence and directed civil and military "cabinets" maintain closest contact competent authorities for investigation origin terrorist manifestations. Minister Justice Nasser and Lt. Col. Carlos Cairoli, Chief Federal Department Public Security,

Rio de Janeiro 1581

732.00/1-862

XR 732.001

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0582

oral campaign to harass and destroy for personal pique Governor Cid Sampaio and to support Mayor Arraes in the personal-political vendetta between them (until his wife died of cancer this year Arraes was a brother-in-law to Sampaio, their wives having been sisters; Sampaio supported Arraes, who could not have won without that support, for Mayor in 1959; the Sampaios consider that Arraes treated his wife badly, contributing through neglect to her death; in addition, Sampaio now considers that the biggest blunder of his career was to support Arraes in 1959). When Quadros resigned on August 25, 1961, Arraes rallied to his support, pushing action in the Municipal Council to make Quadros an honorary citizen of Recife, and losing no opportunity to praise him. Sampaio on the other hand committed a serious blunder by castigating Quadros in a TV attack on September 3, 1961 (see D-62), losing a lot of popularity as a result and no doubt incurring the further animosity of Quadros.

A major hurdle for Quadros, if he is planning on returning, is the military. It is doubtful that he would be welcomed by General Artur Costa e Silva, the Commander of the IV Army at Recife. However, if he tries to return and shows up at Recife or other port of entry, public opinion probably would make it necessary to grant freedom of movement to him.

Neither Arraes nor Sampaio yet have announced their plans for the election campaign. Each is playing a cat and mouse game, with Arraes likely to win as Sampaio is being pressed by Joao Cleofas to support his candidacy for the governorship. Sampaio does not want to give support to him, but may be maneuvered into doing so. He would prefer a younger, more dynamic, and untainted candidate without sugar connections or great personal wealth. He has considered Paulo Maciel, his Secretary of Treasury, in this regard but has received very little support from other political leaders. Arraes himself probably is awaiting definite word concerning the possible Quadros return, and welcomes the hesitancy of Sampaio in announcing his candidate. When and if Quadros returns to Brazil, therefore, is a matter of great concern both to Sampaio and to Arraes, both of whom are probably holding their breath.

Albert A. Rabida
American Consul

cc: Amemb Rio de Janeiro (2)

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FOREIGN SERVICE DESPATCH

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732.00/1-462
JAN 9 1962

FROM : Amcongen Recife — NO. 140

TO : THE DEPARTMENT OF STATE, WASHINGTON. — DATE: January 4, 1962

REF : ARA D-122 of December 11, 1961

22 For Dept. Use Only	ACTION	ARA-4	INFO	DEPT	RM/R 2	REP	AF	ARA	EUR	FE	NEA	CU	INR 5	E	P	IO	ICA
				OTHER	AGR	COM	FRB	INT	LAB	TAR	TR	XMB					
	REC'D 1/12/62				AIR 3	ARMY 3	CIA 11	NAVY 3	OSD 5	OCB	USIA 5	NSA 3					

SUBJECT: Great Expectations: Janio and the Elections

Refs - no action
EST/B - SW Wilson 1/13/62

Rumors, many no doubt planted, continue to circulate widely in the press and political circles heralding the "imminent" return to Brazil and more specifically to Pernambuco or Paraiba of former President Janio Quadros. In the past week these have scheduled his return for January 5, January 9, February 15, and "definitely" February 25. Others think it will be in June. These are probably intended to probe public and particular opinion on the prospects; to confuse the opposition; and to keep the magic name of Janio in circulation. There are some appearances to suggest that plans actually are in preparation, however, for his return. Luiz Sampaio Quentel, his scout and agent, and Jose Cavalcanti de Moura, ex-governor of Amapa and also a Quadros agent, having apparently ample funds, have not only been talking up the return of Quadros throughout the area but also reportedly have been looking for a house in Recife to rent for him.

There is speculation as to his intent if he does return. Federal Deputy and former Minister of Mines and Energy in the Quadros Government, Joao Agripino of Paraiba, was reported in the press on this date as having entered Quadros as a candidate for Federal Senator from Paraiba in the forthcoming elections. At the same time, he announced that Quadros would return "during the latter part of February or early March". Others have suggested that he may run as a Federal Deputy either from Pernambuco or Paraiba. Yet others suggest that he will not run for office himself but will campaign for those candidates for governorships and the federal and state legislatures whom he favors.

Environmental factors may encourage him to return to the Northeast. The general political framework here including the national and international interest in the area, the position of the leftist movement as personified by Mayor Miguel Arraes and Vice Governor Pelopides Silveira, and the opportunity for organized mass agitation offer inducements to one in his position. In addition, he may have some motivation in wishing during the crucial elect-

AARabida/aar — Confidential
REPORTER

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

CLASSIFIED FILE

732.00/1-1062

Mr. Nicholson: Thanks for EST/B

Mr. Wilson thought you might like to read the enclosed letter before he drafts an acknowledgment to the Congressmans.

dhh

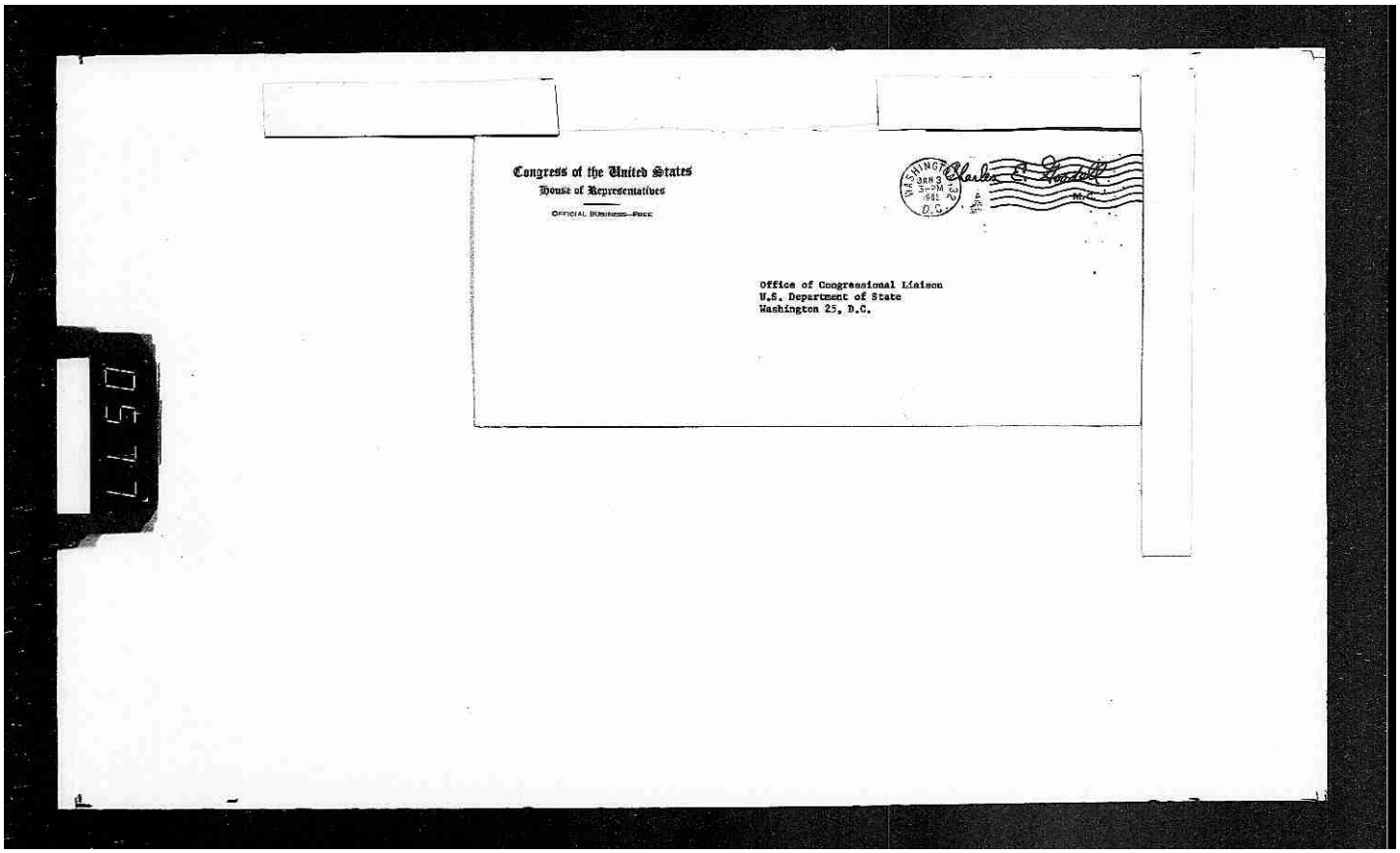
0579

January 16, 1962

[redacted]

[redacted]

[redacted]

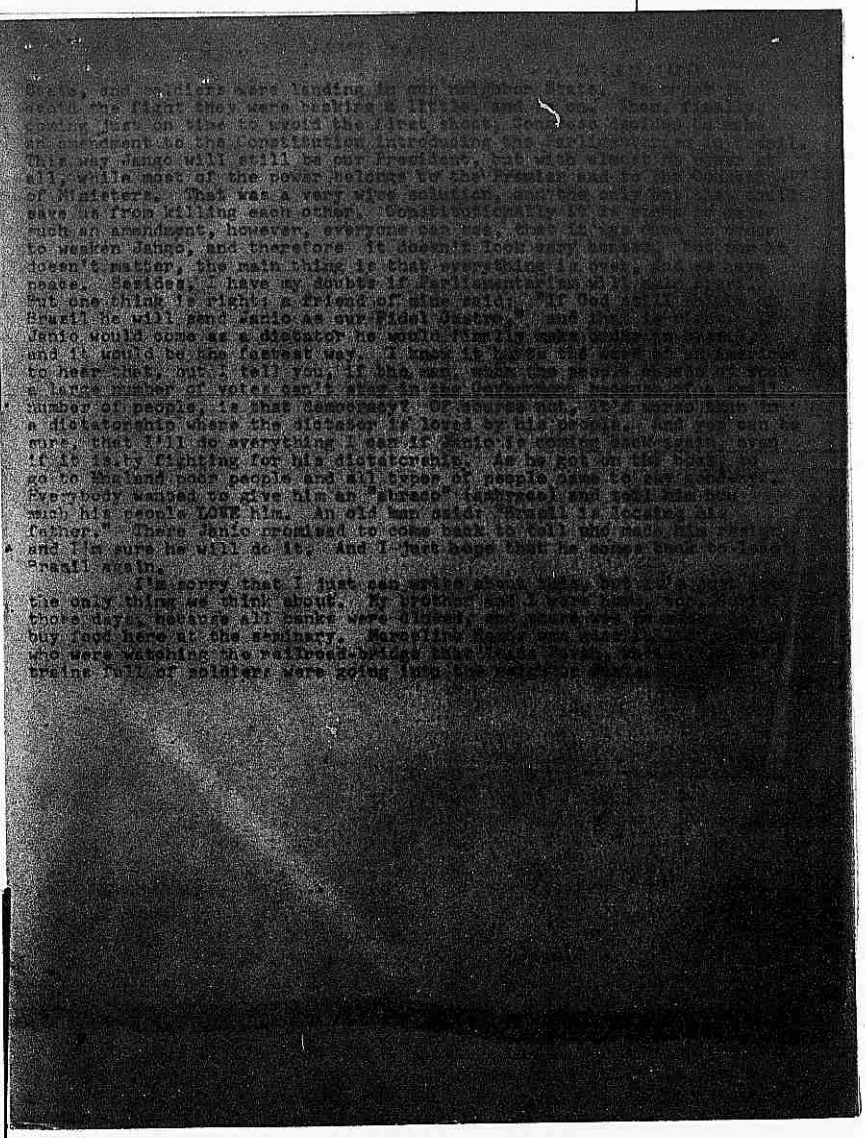


Congress of the United States
House of Representatives
OFFICIAL BUSINESS—PENALTY

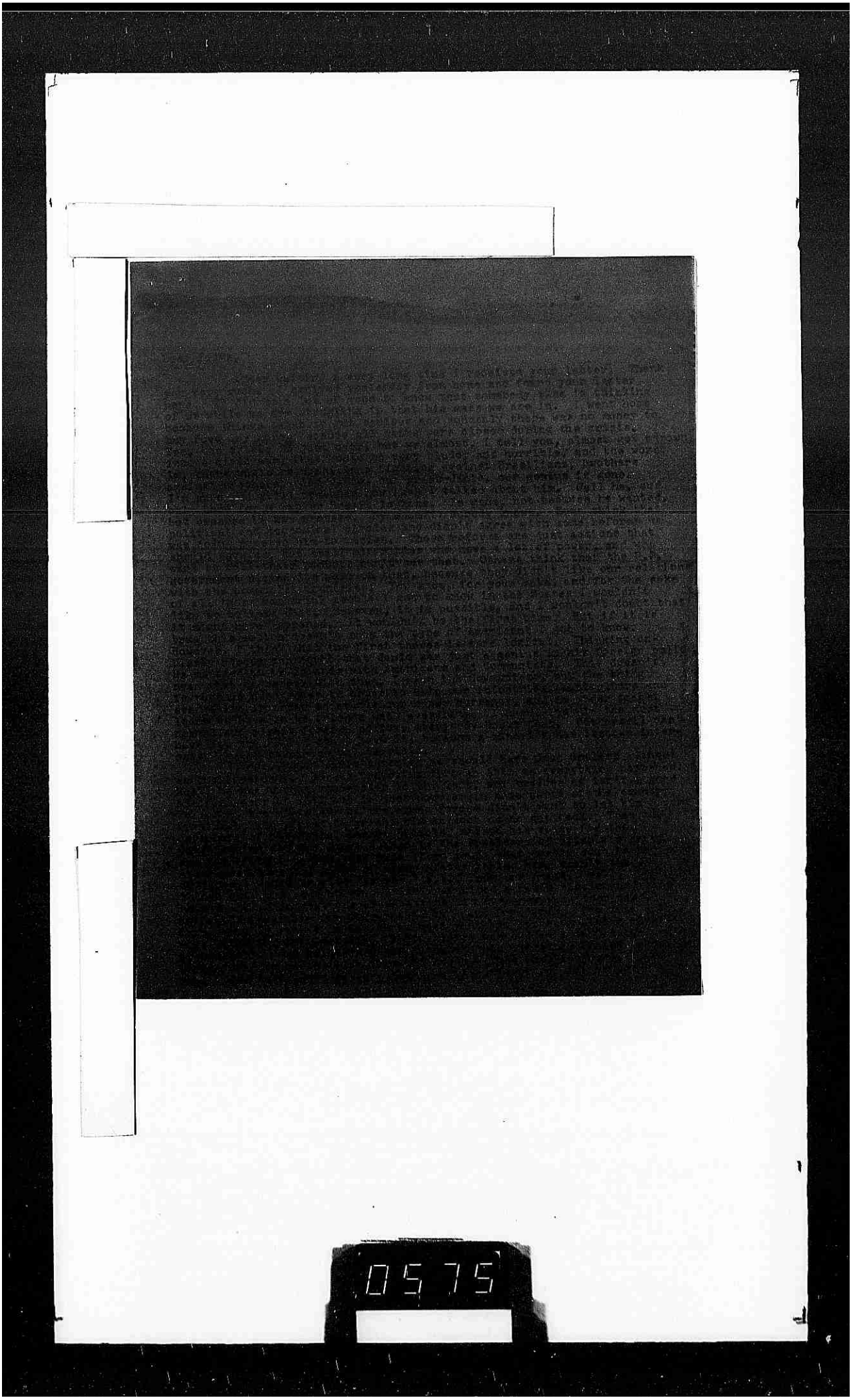
Charles E. Goodell
M.C.

Office of Congressional Liaison
U.S. Department of State
Washington 25, D.C.

0577



0576


0575

Received 1-4-62 (38)

CHARLES E. GOODELL
45D DISTRICT, NEW YORK

COMMITTEE ON
EDUCATION AND LABOR

Congress of the United States
House of Representatives
Washington, D. C.

ACTION
is assigned to

January 3, 1962

Interim Reply
drafted by
ARA/EST/B - M Glaum
1-9-62

Goodell, Charles E., M.C.

732.00/1-362

Regarding situation in Brazil and President of Brazil.

XR 732.11

FEB 5 2 15 PM '62

Office of Congressional Liaison
U.S. Department of State
Washington 25, D.C.

Gentlemen:

Congressman Goodell has directed me to forward to you, for comment by the Department, a copy of the enclosed letter, sent by a son of a constituent, from Brazil.

The constituent made the letter available to the Congressman with the hopes it would be of some value to your Department.

Your comments on the letter are earnestly invited.

Very truly yours,

William L. Gifford

William L. Gifford
Administrative Assistant

8

File
final reply drafted 1/29/62
EST/B - J W Nelson

Enc. ✓
1/4/62

472620

... enclosures, if any
Microfilmed by RM/R

0574

in meeting the crisis and in promoting Brazil's economic development under conditions of financial stability. The United States Government took the lead in arranging, along with U.S. private institutions and international and Western European entities, a program of financial aid, including the rescheduling of some $530 million of payments due the Export-Import Bank and the commitment of new credits from the U.S. Government agencies totaling $338 million. Among other U.S. assistance were loans and grants for economic development of the cruzeiro equivalent of some $94 million from the proceeds of sales of surplus agricultural products to Brazil under PL-480 and a commitment made by President Kennedy last July to assist Brazil in its efforts to promote social and economic progress in the poverty stricken Northeast area of Brazil.

While the foreign policy of President Quadros embraced the concept of friendship and trade with all countries, including the Sino-Soviet bloc, there is no evidence that the Quadros administration sought assistance from communist countries in the way of loans to support its stabilization program or for economic development in general.

The United States followed with friendly concern the developments surrounding the resignation of President Quadros last August and the ensuing political crisis over the succession of Vice President Goulart to the Presidency of Brazil. However, as stated by President Kennedy at the time, we considered the events in Brazil to be the internal affairs of that country, and we believed that Brazil should be allowed to work out the solution to its political crisis within the framework of its democratic institutions without outside interference.

If I can be of any further assistance in providing you information concerning this matter, please feel free to write me again.

Respectfully,

Frederick G. Dutton
Assistant Secretary

Enclosure:

Letter from your constituent.

ARA:EST/B:JWWilson,MJGlavis:am
1/29/62

H-JK

0573

32

ARA
RMA

January 31, 1962

Dear Congressman Goodell:

As I wrote you on January 16, 1962, the letter from Brazil which your office forwarded to the Department on January 3, 1962, was referred to appropriate officials of the Department for consideration. I am pleased to send you at this time the comments of these officials.

The writer of the letter from Brazil sets forth the view that President Quadros was forced from office last August by those who were opposed to his reform measures and to his policy of friendship and trade with all nations, with the implication that pressures from this country were involved. This view is undoubtedly held by some Brazilians but it is by no means a predominant opinion. It is true that there was opposition in Brazil to President Quadros' program, but most Brazilians do not appear to believe that the President was under pressure to resign. At the time of his resignation President Quadros alluded to pressures, domestic and foreign, but he did not then identify them and has not since given any explanation to clarify or substantiate his allegation. The Department does not know of any real basis for his statement. There has been great speculation in Brazil as to the President's reasons for resigning but no completely satisfactory explanation has been offered.

Any allegation of U.S. pressure on Quadros, of course, is completely without foundation. Quadros had in fact only a few days before his resignation accepted an invitation from President Kennedy to come to this country on a State visit.

The writer of the letter seems to be unaware of the extent of U.S. assistance to the Quadros administration. Soon after President Quadros took office, we made known to him our appreciation of the serious financial difficulties of Brazil and our willingness to help

The Honorable
Charles E. Goodell,
House of Representatives.

(2)
2-1-62 ARA:EST/B

microfilmed by RMA

732.00/1-362

0572

DEPARTMENT OF STATE

DIVISION OF RECORDS MANAGEMENT

2-1-62

TO: ARA:EST/S: JWWilson

FROM: RM/R

Please mark this paper "File" (with the date, office symbol and initials) if action has been completed, and return to RM/R. This is required under Section 183.24, Manual of Regulations and Procedures, December 7, 1956.

Thank you.

32
RM/R

M-189
12-11-56

0571

Air Pouch — Confidential
HANDLING INDICATOR

For Department Use Only
732.00/1-262
JAN 3 1961

FOREIGN SERVICE DESPATCH

FROM : Amcongen Recife — NO. 139
TO : THE DEPARTMENT OF STATE, WASHINGTON. — DATE January 2, 1962
REF :

For Dept. Use Only	ACTION	INFO	DEPT	RM/R	REP	AF	ARA	EUR	FE	NEA	EU	INR	P	IO	ICA
	ara-4			2			3	1	1	1 DEPARTMENT OF STATE					
			OTHER	AGR	COM	FRB	INT	LAB	TAR	TR	XIM	BUREAU OF INTER-AMERICAN AFFAIRS			
	REC'D 1-8			AIR 3	ARMY 3	CIA 16	NAVY 3	OSD 5	OCS	USIA	NSA	JAN 31 1962			

SUBJECT: Military Estimate of Peasant Leagues

During a recent visit with General Artur Costa e Silva (just promoted to four stars), the Commander of the IV Army with jurisdiction ranging from the State of Maranhao to that of Bahia, he said that his military intelligence section estimated at maximum total membership of the Peasant Leagues in Northeast Brazil as about 60,000 persons, most of whom probably are not aware of the potentially subversive political and para-military capability of the leagues, tending to regard them more as innocent community welfare organizations. The General said that most league members pay dues averaging about 20 cruzeiros per month and that part of this helps to finance the activities of Francisco Juliao. He had me escorted into his intelligence headquarters to see a wall map indicating with pins the locations of leagues. These were clustered heavily in the states of Pernambuco and Paraiba, with perhaps 60 in the former and 10 to 20 in the latter. There was only one pin in Alagoas, and a few in each of the states of Bahia, Sergipe, Rio Grande do Norte, Ceara, Piaui, and Maranhao. Efforts are underway to obtain a copy of this map. The General said that the largest, best organized, and most volatile league is the one at Sape, Paraiba, with membership reportedly in the vicinity of 5,000. This is being watched closely by the intelligence section of the IV Army. Most of the other leagues, he said, range in membership from 100 to 500. The General considers that many persons probably would be attracted away from the leagues and into democratically oriented competitive organizations if the latter could be made available with dynamic leadership. The leagues have little appeal, for example, in Rio Grande do Norte, where Bishop Eugenio Sales is providing organizational frameworks for community welfare under his own inspired leadership.

Albert A. Rabida
American Consul

cc: Amemb Rio de Janeiro (2)

AARabida/aar — Confidential

REPORTER

FORM 6-61 FS-439 GPO 912596

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

CLASSIFIED FILE

TRC

anti-communist campaign "is not sponsored by the US Government". (LACERDA is not even too pro-American). As could be expected, certain labor and student groups publicly sounded their approval of establishing relations with the USSR.
UNCLASSIFIED

Sources: all local newspapers.

4. MISCELLANEOUS

(a) Argentina Transfers Paraná Consulate

The Argentine consulate in the port of Paranaguá, Paraná, with career diplomat Hugo Enrique FORTUNATO as principal officer, was transferred to the tourist (and contraband) attractive fluvial port of Foz do Iguaçú, near to the Brazilian-Paraguayan-Argentine boundaries.
UNCLASSIFIED

Source : "Estado do Paraná", Dec. 7, 1961.

(b) Santa Catarina Floods

A federal decree was passed granting a one-year moratorium to farmer victims of the November floods in Santa Catarina. The ministry of public works allotted 2.9 billion cruzeiros for flood control devices. The federal government also provided a 50 million cruzeiros extraordinary credit for immediate relief to flood victims. The Santa Catarina state government officially thanked the US Navy for its contribution of medical supplies.
UNCLASSIFIED

(For further information on Santa Catarina floods see Curitiba despatches nº 33 of Nov. 14, nº 37 of Nov. 30, and nº 38 of ~~Nov~~.Dec. 11, 1961).
OFFICIAL USE ONLY

Sources: Paraná and Santa Catarina press.

Hugh D. Kessler
American Consul

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by two hundred dissatisfied small farmers who insist on an immediate land reform - one of the Liberation Front's issues. Also the Curitiba Union Of Secondary Students published a manifesto of approval and support to the Front and its program.
UNCLASSIFIED

Sources: "Diário do Paraná", Dec. 10, 1961.
"Estado do Paraná", Nov. 25, 1961.

(c) Communism

A national campaign to readmit the registering of the PCB, and the restoration of diplomatic relations between Brazil and the Soviet Union provoked several critical editorials in the Paraná and Santa Catarina press. One moderate Curitiba editorial writer is frankly in favor of Brazilian-USSR relations. He doubts that they can contribute to increasing and strengthening of domestic communism, but recommends that the Soviet diplomatic posts be surrounded by the same kind of precautions as those of Western countries in Moscow. Another Curitiba editorial praises the firm attitude of the federal and state governments in reacting to and combatting communist-inspired strikes (general strike in São Paulo in mid-December). Two Santa Catarina editorials point out that true nationalism has nothing in common with communism. According to these editorials, (nationalist and laborite) federal President João GOULART turned out to become the Brazilian communists' number one obstacle.
UNCLASSIFIED

Sources: Paraná and Santa Catarina press.

3. PSYCHOLOGICAL - REACTION ON INTERNATIONAL DEVELOPMENTS

(a) Soviet-Brazilian Diplomatic Relations

The restoration of diplomatic relations between Brazil and the USSR turned out to be the number one issue of public and press commenting on international affairs. The public in general is in favor of diplomatic relations "with all countries". The press is also in favor of renewing relations with Russia although there is some criticism and even rebuke. Criticizers believe that Brazil's demand for new potential foreign markets does not justify relations with Russia. This point of view is also maintained by the Paraná Commercial Association. University teachers, and prominent lawyers sustain that diplomatic facilities for the Soviets obviously include facilities for the propagation of the communist creed in Brazil. A fierce campaign against restoring diplomatic relations with Russia is being waged by Curitiba attorney Manoel Linhares de LACERDA, an active member of the (formerly fascist) PRP, who cleverly defends his point of view in press and television interviews by emphasizing that his

Sources: "Diário do Paraná", Nov. 21, 1961.
"A Noticia", Dec. 12, 1961.

(i) PDC Abandons Santa Catarina Government

The PDC national party headquarters urged its Santa Catarina regional section to withdraw from the party-political alliance with the regional PSD and PTB which has been in effect since before the October 1960 elections. Consequently, regional PDC party chairman Martinho CALLADO Junior resigned as education & culture secretary. The Santa Catarina PSD-PDC alliance was unique in Brazil. The growing leftist orientation of PDC may be a reason for breaking up the alliance with PSD, which is traditionally a right-of-center party in Santa Catarina. However, PDC is still weak in Santa Catarina, and the remaining PSD-PTB alliance is strong enough to impose itself parliamentarily.
UNCLASSIFIED

Sources: "Estado do Paraná", Dec. 6, 1961.
"A Noticia", Dec. 9, 1961.

2. PSYCHOLOGICAL - REACTION ON NATIONAL DEVELOPMENTS

(a) Limitation Of Royalty Remittances

Local number one reaction on national developments during the reporting period referred to the federal bill-project which would regulate and restrict the remittance of royalties to foreign countries. As could be expected, Curitiba student associations and the Paraná section of the Brazilian Nationalist Movement were in favor, whereas the Paraná Commercial Association, the Paraná Trade Federation, the Paraná Cpuncil Of Economic Groups, and some of its outstanding leaders and members individually sounded their dissapproval based on the just presumption that existing foreign investments are not encouraged to stay and prospective foreign investors are liable to cancel any future plans which would have helped to foster Brazil's economic progress. The latter associations sent telegrams to Paraná senators and federal representatives urging them to vote against the bill. Local press reaction was normal: moderates in favor, leftists against disapproval of the bill. UNCLASSIFIED

Sources: all local newspapers.

(b) National Liberation Front

The National Liberation Front, founded by prominent Brazilian leftists in Goiás shortly after the federal crisis of August/September 1961, continues to receive relatively small local repercussion. During the reporting period, the first "committee of support" was founded in Northwest Paraná's Paranavaí

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Paraná state police chief Italo CONTI has long shown an interest in the Police Agreement. Also governor Ney BRAGA was pleased to see Point IV interest in his state. The governor has long expressed a desire that Point IV provide assistance to Paraná, and it is felt that this agreement will serve to prove that United States is interested in Brazil as a whole and not just in the northeast section. OFFICIAL USE ONLY

(f) Paraná State Finances

In mid-November, governor BRAGA held a meeting with his administration's financial, economic, and technical advisors on matters relating to the state's financial situation. After the meeting, it was revealed that the financial situation is serious and that measures will have to be taken to cut down expenses and reduce the 12 billion cruzeiros deficit of the recently approved 1962 budget. BRAGA's hopes are that he be able to carry out the governmental roadbuilding and electrification program. UNCLASSIFIED

Sources: "Diário do Paraná", Nov. 17, 1961.
"Estado do Paraná", Nov. 17, 1961.
"Gazeta do Povo", Nov. 17, 1961.

(g) Paraná Development Fund

Governor BRAGA has suggested the creation of a mixed state-private economic development fund under the name "Investimentos e Financiamentos do Estado do Paraná S/A." This fund is expected to provide the state with 19.2 billion cruzeiros over the next five years and to allot 7.3 billion cruzeiros for electrification, 6.4 billion to other financing of public works, and 5.5 billion for private loans. The fund, if approved by the legislative assembly, will be the first of its kind in Brazil. UNCLASSIFIED

Sources: all local newspapers.

(h) Santa Catarina Development Bank

The federal government has authorized registering of the Santa Catarina Development Bank (Banco de Desenvolvimento de Santa Catarina). Its initial capital will amount to 300 million cruzeiros, 51% of which will be state investment. Sales of the remaining 49% of shares to the public started on December 11. By the end of 1962, the registered capital will be increased to 2 billion cruzeiros. This banking establishment, almost totally state-controlled, is supposed to foster Santa Catarina's economic development through financing of governmental enterprises and public works. UNCLASSIFIED

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(c) Paraná Governor Promoted To Brigadier

Governor Ney BRAGA, a professional army officer, was recently promoted to coronel and, on requesting retirement from the armed forces, automatically promoted to brigadier. - BRAGA has been in civil service since 1951 and was subsequently Paraná state police chief, mayor of Curitiba, Paraná federal deputy, and Paraná state governor. - BRAGA's long-time friend since military days, Paraná state police chief Coronel Italo CONTI, is also expected to withdraw from active military service as a brigadier. UNCLASSIFIED

Sources: "Diário do Paraná", Nov. 29, 1961.
"Estado do Paraná", Nov. 29, 1961.
"Ultima Hora", Nov. 29, 1961.

Comment: BRAGA's retirement from military service at the age of 43 is a strong indication that he feels his political future is assured and that his hopes for a high political office in the federal government are good indeed.
OFFICIAL USE ONLY

(d) Brazilian Fascist Leader In Curitiba

Brazil's fascist leader, Plinio SALGADO, national party chairman of PRP (Partido de Representação Popular) and federal deputy for Paraná, spent two days in Curitiba at the end of November to preside over his party's regional meeting. Some of his comments made in press and TV interviews were: 1. Land reform is harmful without teaching the new landowners how to cultivate the land. 2. PRP neither supports nor opposes the federal and state governments, but he personally understands that the present Paraná administration is a capable one. 3. The Brazilian Communist Party should not be permitted to register "because it receives orders from a foreign power". 4. The National Liberation Front is not at all original and is clearly communist. UNCLASSIFIED

Sources: "Diário do Paraná", Nov. 19, 1961.
"Estado do Paraná", Nov. 19, 1961.
"Gazeta do Povo", Nov. 22, 1961.
"Ultima Hora", Nov. 20, 1961.

(e) Point IV Assistance To Paraná Police

On December 5, 1961, an agreement was signed between the Paraná government and Point IV providing for material and technical aid to the state police. The event received ample press coverage. UNCLASSIFIED

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alliance, but oppositional PSD was definitely doomed to remain a weak opposition without immediate chances of favorable alliance possibilities with other parties. - Press reaction to the agreement indicated a strong possibility that PTB's MACULAN will get an important federal job, most likely the presidency of the Brazilian Coffee Institute; that regional PTB deputy chairman state deputy Amaury SILVA has good chances for senator during the 1962 elections; and that the PTB will maintain the Curitiba mayorship also in 1962. UNCLASSIFIED

Sources: all local newspapers, personal conversations.

Comment: The PTB-PDC accord (not a party merger) in Paraná appears to be strong, sincere, and desired by both parties. PDC under the leadership of governor Ney BRAGA has gained power in Paraná. PTB, while a strong party, held off reaching an agreement with PDC until last October at which time the overwhelming success of PDC in local municipal elections convinced PTB it would be to its advantage to "get on the band wagon". The agreement makes Paraná's PDC stronger than ever and a party with much more voice in the federal government. This also strengthens Governor BRAGA's position in state politics and increases his chances of moving on to a high federal position after the 1965 elections. OFFICIAL USE ONLY

(b) Possible Alliance Of Paraná Small Parties

Several parties of lesser importance in Paraná are maneuvering towards a coalition for the 1962 elections. The parties are Partido Trabalhista Nacional, Partido Republicano, Partido de Representação Popular, Partido Social Progressista, and Partido Social Trabalhista. Dissidents from the other, larger, parties are invited to join this frail group which will be named the Christian Labor Front (Frente Trabalhista Cristã). Promoters of this alliance expect to get at least one federal deputy and eight state deputies elected in the October 1962 polls. This, however, appears tobe very doubtful. The alliance is unquestionably an emergency move to guarantee the survival of its members in Paraná politics in the light of the Christian Democrats' and the Laborites' overwhelming advantages of numeric growth and ideological definition. UNCLASSIFIED

Sources: "Diário do Paraná", Nov. 24, 1961.
"Gazeta do Povo", Nov. 19, 1961.

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FOREIGN SERVICE DESPATCH

FROM : American Consulate
Curitiba, Brazil

41 Bisc
NO.

JAN 3 - 1962

TO : THE DEPARTMENT OF STATE, WASHINGTON.

January 2, 1962
DATE

REF :

B/F-AC-5 AED-7

55 For Dept. Use Only	ACTION	ARA-4	INFO	DEPT	RM/R 2	REP	AF	ARA	EUR 3	FE	NEA	CU	INR 3	E 3	P 1	IO	ICA
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	REC'D	1/9			AIR 3	ARMY 3	CIA 11	NAVY 3	OSD 5	OCB	USIA 5	NSA 3					

SUBJECT: NEWS SUMMARY (NON-ECONOMIC) FOR PERIOD NOVEMBER 16 - DECEMBER 15, 1962

File - no action
EST/B - J.W. Wilson
1/30/62

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1. State Politics
2. Psychological - Reaction On National Developments
3. Psychological - Reaction On International Developments
4. Miscellaneous

DEPARTMENT OF STATE
BUREAU OF
INTER - AMERICAN AFFAIRS
JAN 12 1962

732.00/1-262

1. STATE POLITICS

(a) Paraná PTB-PDC Agreement

The outstanding event in Paraná state politics during the reporting period was the finalizing of a political accord between the leading governmental minority party (PDC) and the second strongest Paraná opposition party (PTB). After much debate, an accord was finally reached between Governor Ney BRAGA (PDC) and regional PTB party chairman senator Nelson MACULAN. The agreement between the two parties signifies: 1. The Paraná state administration is considered trustworthy and successful and will henceforth have the support of the majority of the state assembly. 2. Ney BRAGA has proved to be not only a successful administrator, but also an able politician. 3. The economic progress of Paraná and the state's stronger position in federal matters seems to be guaranteed. 4. PDC definitely went left and found ideological congruence with the laborites, which fact may lead to a national-wide agreement of these party-political trends. 5. Apart from a PDC party-political strengthening, important for forthcoming elections, the Paraná PTB will encounter improved electoral and administrative positions for its highly ambitious politicians. 6. The regional UDN, a weak party but BRAGA's ally since the 1960 pre-electoral campaign, was not offended or even thrown out of

cc.: American Embassy, Rio de Janeiro (2)
HDKesseler:jk
REPORTER

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FORM 5-61 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

0563

FORM FS-499a
6-1-59

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Miscellaneous
7. List of Substantive Despatches

178 Bi-Weekly Economic Review, Dec. 15 - 28, 1961
180 São Paulo Summary No. 27

Scott C. Lyon

Scott C. Lyon
Consul

Contributors:

Proper (Political)
Mason (Local Press Reaction

Distribution:

INS/RAR, Embassy Rio 3, Amcongen Recife, Amembassy Brasilia, Amconsulates Belem, Belo Horizonte, Curitiba, Porto Alegre, Salvador, Santos.

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GPO 902867

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(see Despatch 172, Dec. 20, 1961), has decided to act more resolutely against the worst of leftist attempts to disrupt order. (B) Conservative citizens of Goiás, at least, are fighting back more effectively against the leftist State government. While it is hardly surprising that cattle raisers should object to Julião's idea of agricultural reform, the above is only one of several recent indications that the conservative and small middle classes of Goiás are no longer willing to roll over and play dead at Borges Teixeira's command. (End OFFICIAL USE ONLY)

Local Press Reaction

4. OAS Meeting (Unclassified)

"A Hora" thought that Brazil should not change her position in regard to Cuba: "The Brazilian government tries to preserve continental unity. That is Brazil's traditional role: a peace maker." "Diário de São Paulo" took a completely different view: "The recent speech by the Soviet mouth-piece in the Caribbean... reflects Moscow's purpose of influencing Latin America....The democratic governments to be represented at the Conference, therefore, must strongly re-affirm the ideals of democracy....The free governments....like the Brazilian government...can no longer temporize with their enemy...." Many moderate papers have similar views. "O Estado de São Paulo" praised Argentina for snubbing Castro's special envoy Olivares and asked: "How long will Brazil persist in her wrong foreign policy?"

5. President Goulart's Visit to the U.S. (Unclassified)

"O Estado de São Paulo," reflecting a general mood, commented: "The information (announcing Goulart's visit) was received with great pleasure in all circles. Thus the President reestablishes an old Brazilian tradition: friendship with the North American people." "O Estado" hoped that the meeting between Presidents Kennedy and Goulart would be the beginning of a new phase, in which the Brazilian people would see their hopes for the "Alliance for Progress" materialize.

6. Kennedy Administration (Unclassified)

Using the forthcoming first anniversary of President Kennedy's inauguration as subject for an editorial on American foreign policies, "O Estado de São Paulo" found the new administration "positive and dynamic." "When the 'Alliance for Progress' yields its first results, they will be no drastic measures against Cuba, but rather strong steps to assist American democracies in general and in favor of really revolutionary governments, such as Lleras Camargo's or Betancourt's."

Senator Auro MOURA ANDRADE of the Social Democratic Party (PSD) has the distinction of being the only officially nominated candidate (São Paulo Despatch 162, Dec. 13, 1961). So far, his own opinion of his chances seems to be much higher than anyone else's, but he would be taken more seriously if rumors of Social Progressive Party (PSP) support should materialize. On the surface, such support would be logical, but PSD-PSP cooperation has not usually worked out in the past. PSP leader and perennial candidate Adhemar de BARROS, moreover, may not be able to resist the temptation to run for the governorship, though he claims to be interested only in the Federal Chamber. If both Adhemar de Barros and Auro Moura Andrade run, it would be more difficult for either to compete with Carvalho Pinto's candidate.

There is talk of another candidate, to be supported by the Brazilian Labor Party (Partido Trabalhista Brasileiro - PTB), the Christian Democratic Party (PDC), and perhaps other labor and/or socialist-inclined parties. Most likely name would be that of Renato COSTA LIMA, ex-President of the Brazilian Coffee Institute. This seems like a case of confusing national and state politics, however. President João GOULART of the PTB has a Paulista PDC Labor Minister -- Franco MONTORO -- but on the state level, the PDC has usually supported the Governor as strongly as the PTB has opposed him. A joint gubernatorial candidate thus seems unlikely, and the PTB has little local strength.

Finally, ex-President Quadros' intentions will remain enigmatic at least until after his return to Brazil. Having lost all local press support and much popular confidence, he would find the race for the governorship very risky. His candidacy would almost surely involve fireworks with former protégé Carvalho Pinto. So might entry of an outright Janista candidate. There is so much to lose that chances of a Janista entry are being discounted, but logic has been of so little help in predicting Quadros' intentions in the past that wise money prefers to wait and see. [illegible]

3. JULIÃO's Goiânia Gambit Countered (Official Use Only)

Justice Minister Alfredo NASSER -- himself from Goiás -- has declared illegal the proposed "March on Congress" of Francisco Julião, leftist leader of the "Peasant Leagues." The march of what Julião hopefully referred to as a "mass of people" was to descend on Brasilia from nearby Goiânia, pressuring for congressional approval of leftist legislation (see São Paulo Despatch 162, Dec. 13, 1961). Julião's agitation in Goiânia appears to have aroused local concern also. The Goiânia Cattle-Raisers' Society handed leftist Governor Mauro BORGES Teixeira a strong, widely publicized complaint at the welcome he extended to Francisco Julião.

COMMENT: The inferences are that: (A) The national government, perhaps heartened by its easy victory in the attempted São Paulo general strike

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to these terms as part of a general bill regulating fiscal procedures for 1962, but several provisions of the bill aroused objections in the Legislative Assembly (see São Paulo Despatch 176, Dec. 27, 1961). The agricultural provisions were among them. The opposition bench, and especially its more leftist members, complained that there was no time to examine the proposed reform. State Secretary of Agriculture José Bonifacio COUTINHO NOGUEIRA therefore removed the agricultural provisions from the bill, planning to ask for separate legislation before the Assembly's expected adjournment on January 15. (End UNCLASSIFIED)

COMMENT: (Official Use Only) As usual, leftist politicians, whose favorite topic is the urgency of agricultural reform, have managed to delay accomplishing it. In this case the delay is probably of little importance. Two political factors were more important than leftist maneuvers:

(A) The State Secretary of Agriculture, who stands to reap most of the political harvest from the proposed agricultural reform, is the front-running candidate for the 1962 gubernatorial elections (see item 2). His opponents' distress is understandable.

(B) The State Executive tried to push too much through the Legislative Assembly too late. The Deputies had reason for irritation.

It is likely that legislation enabling acceptance of the IDB loan will pass soon. [redacted]

2. Gubernatorial Entries Confused on Eve of Race (Official Use Only)

Entrants are jockeying for position in the race for what may be the most important of the many elections to be held in Brazil next October: that for the São Paulo governorship. Part of the candidates' confusion is explained by the fact that they are not sure what they are running for or against. In the unlikely event that the State Legislative Assembly does manage to introduce the parliamentary system (see São Paulo Despatch 172, Dec. 20, 1961), the governorship (or state presidency) would lose much attraction, and potential candidates might opt for a more easily obtained seat in the Federal Chamber of Deputies. If ex-President Janio QUADROS should run (also unlikely -- but no one claims to understand him nowadays), the situation would again be altered. The names of the candidates, at least, will become known soon, when twelve of São Paulo's thirteen legal parties begin nominations in January.

José Bonifacio Coutinho Nogueira, State Secretary of Agriculture, is still the front-funner. He is the apparent favorite of most of the parties supporting popular Governor CARVALHO PINTO. His campaign has for all practical purposes started, and Carvalho Pinto is proving an effective campaigner for him.

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FOREIGN SERVICE DESPATCH

FROM : Amcongen, São Paulo — 180 (NO.)

TO : THE DEPARTMENT OF STATE, WASHINGTON. — January 2, 1962 (DATE)

REF :

5/S -3 WPR-1 B/FAC-5 AID-7

55 For Dept. Use Only	ACTION	ARA4	INFO	DEPT	RM/R 2	REP 1	AF	ARA	EUR	FE	NEA	CU	INR 3	E 3	P 1	IO	ICA
				OTHER	AGR 10	COM 4	FRB	INT	LAB 4	TAR	TR 2	XMB	DEPARTMENT OF STATE BUREAU OF INTER-AMERICAN AFFAIRS				
	REC'D 1/6				AIR 3	ARMY 3	CIA 11	NAVY 3	OSD 5	OCB	USIA 5	NSA 3					

JAN - 8 1962

SUBJECT: São Paulo Summary No. 27, Week Ending December 30, 1961

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Political

1. IDB Aid for Agricultural Reform Obstructed in State Legislature
2. Gubernatorial Entries Confused on Eve of Race
3. JULIÃO's Goiânia Gambit Countered

Local Press Reaction

4. OAS Meeting
5. President Goulart's Visit to the U.S.
6. Kennedy Administration

Miscellaneous

7. List of Substantive Despatches

file no action EST/B JW Wilson 1/10/62

Political

1. IDB Aid for Agricultural Reform Obstructed in State Legislature (Unclassified)

"Alliance for Progress" help for São Paulo agricultural reform -- via an Interamerican Development Bank loan -- has been unexpectedly obstructed in the State Legislature. The loan terms are admitted to be excellent: twenty-six million dollars for a period of thirty years, with two per cent interest. Even the leftist press has not criticized it. Acceptance of the loan would, however (according to the State Secretary of Agriculture), require (a) re-codification of existing State agricultural reform legislation; and (b) the State's agreement to devote one per cent of its tax income to matching support of agricultural reform in the period 1963-1973. (The former source of funds for this purpose was lost when rural real estate taxes were recently transferred from states to municipalities. See São Paulo Despatch 152, Nov. 28, 1961.) The State executive attempted to obtain legislative agreement

See last page/lfw
REPORTER

FORM 5-61 FS-439 GPO 912256

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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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Encl. No.
Desp. No. 112
From

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FOREIGN SERVICE DESPATCH

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DEC 19 1961
DEC 19 1961

FROM : Recife, BRAZIL — 180 NO.

TO : THE DEPARTMENT OF STATE, WASHINGTON. — December 23, 1961 DATE

REF : Despatch 125; Contel 181

For Dept. Use Only	ACTION	INFO	DEPT	RM/R	REP	AF	ARA	EUR	FE	NEA	CU	INR	E	P	IO	AID
19	Ara-4			2				5				7		3		11
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	RECD 12-29			AIR 4	ARMY 4	CIA 11	NAVY 4	OSD 5	OCB	USIA 10	NSC 4	DEPARTMENT OF STATE BUREAU OF INTER-AMERICAN AFFAIRS				

JAN - 2 1962

SUBJECT: POLITICAL: Cid Sampaio Metalliste Against Local Opposition

(1)

Angered by the successful demonstration against him during the December 3 pro-Sudene rally, Governor Cid Sampaio has lashed out twice since at his political opposition. In a television address on December 15 and again at a "pro-democracy" rally on December 19, Sampaio denounced his critics, "the enemies of the people," especially the organizers of the December 3 incident. Even important was Sampaio's implied renunciation at the rally of his 1958 and 1962 electoral campaign concessions to communists and other leftists.

The television address followed a week-long barrage of pro-Cid propaganda, mostly in the form of expressions of support (much of which was inspired) from press throughout the state published daily as declarations in the local press. The T-V address was scheduled at the last moment and its announcement gave rise to speculation that Sampaio intended to follow up Secretary [illegible] Government Manuel Borborodo's proposal of a White Crusade to combat Communism. Instead, in a deliberate yet forceful presentation, Cid first outlined the constructive accomplishments of his administration, then proceeded to attack his detractors. Special condemnation was reserved for the unnamed organizers of the December 3 incident who "sought to sow dissension, distrust, and confusion with the goal of undermining the foundations of democracy." To "prove" that they did not represent the people, Sampaio issued a call for a "pro-democracy" rally to be held on December 19 at Recife's Independence Plaza, the site of the incident of December 3.

Eight thousand people (many state employees) responded to the call and gathered at Independence Plaza anticipating that Cid would name Mayor Miguel Arraes, Vice Mayor Artur Cavalcanti and Vice Governor Peloponides Silveira as the "enemies of the people." Sampaio supplied no names. He did, however, come forth with a well-reasoned exposé of communism, contrasting life in a communist society with life in a democratic society, and using the Berlin Wall as an example of the contrast between the two. Conceding that the people of the Northeast suffered from many problems, he denied that solutions could be found by recourse to communism. He cautioned all to guard-

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File 120 action E.S.T/B SW 2/16/62 1/9/62

FORM FS-439 6-61 GPO 912596

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INCOMING TELEGRAM *Department of State*

CONFIDENTIAL

Rio — 1494

Control: 14588
Rec'd: DEC. 24, 1961
2 a.m.

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FROM: Rio de Janeiro

TO: Secretary of State

NO: 1494, December 23, 3 p.m.

From conversations I had yesterday with Santiago Dantas and Moreira Salles appears GOB finally activating planning mechanisms. Moreira Salles said explained to Goulart, in presence Neves, that while President's trip to US should not directly focus on aid matters, success trip greatly depended on US impression about seriousness GOB efforts along lines Punta del Este charter, on which little yet done. Said Goulart much impressed and requested Neves take necessary action soonest to be able show considerable progress in planning effort before visit to US. Impression is that with Goulart now taking more centrist line and cooperating with, rather than fighting Cabinet, agreements being reached on appointments, breaking long-standing deadlock as between financial groups stressing technical competence and Rio Grande do Sul-Goulart group favoring controllable political appointees. Precise nature agreement not yet clear, but appears entail acceptance by Goulart of preponderant position for technical people favored by Cabinet, in return definite role in planning process for his appointees, particularly Antunes, president BNDE.

BNDE technicians will do main sectoral planning work in such fields as power and transport; Foreign Office will have responsibility contacts external financing agencies. Labor Ministry may handle housing. Understand following steps already taken or in process:

1. Special group emergency and short-term programs and projects. Neves chairman, Moreira Salles, vice-chairman, Santiago

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(3)

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0554

Santiago Dantas, Antunes (BNDE) and probably Franco Montoro (Labor Minister) other members. Each principal will designate working deputy. Bulhoes Pedreira to be chairman working level. Other names not yet available to us. Foreign Office searching for competent member within ranks. Joao Pinheiro apparently not available since reportedly to be named chief Cabinet for Neves; Miguel Ozorio de Almeida leaving for Washington; Maciel is under consideration.

2. National Planning Commission established Quadros' decree August 5 (TOICA A-393) being activated. Bulhoes Pedreira has definite appointment as technical director and now looking for office space and staff. He link between emergency planning and long-term planning activities. Seems first-class man with good judgement, and very friendly US.

3. According Moreira Salles, board directors BNDE to be re-organized. Mentioned no names but said "good people" will be appointed.

4. Moreira Salles establishing group screen 1962 budget to establish priorities and formulate drastic economy plan reduce huge deficit now in prospect. He also reported talking large number congressional contacts with view apparently to some form emergency action secure additional revenue during 1962, but did not disclose what possibilities in mind.

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INCO..... TELEGRAM *Department of State*

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Rio de Janeiro 1494

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Asked about the possibility that Quadros might return to Recife in January or February (see CAS Salvador No. 9 of December 18, 1961, F-8), General de Almeida said that Quadros would probably go to Lisbon before returning to Brazil, and that his return might not be until mid-February. He said that he did not believe that Quadros would attempt anything by force. Had Quadros been willing to use force, he could have used it at the time of the 1961 crisis, since all of the military ministers asked that he remain in power.

C. Dirck Keyser/olb

0551

SECRET
(Classification)

Page 1 of 3
Encl. No. 1
Desp. No. 30
From Salvador, Bahia

MEMORANDUM OF CONVERSATION

December 20, 1961

SUBJECT: Protocol call - Consul C. Dirck Keyser

PLACE: Office of the Commanding General, Sixth Military Region, Salvador, Bahia

PARTICIPANTS: Brigadier General Pedro Geraldo de Almeida, Commandante da Sexta Região Militar;
C. Dirck Keyser, American Consul;
Paul B. McCarty, American Vice-Consul;
Capt. Thomas H. Davis, USAF, Joint Brazilian-United States Military Commission

---

General de Almeida said that he was a Carioca and graduated from the Military Academy four years before retired Major-General Juracy M. Magalhães, Governor of Bahia. An artillery officer, he said he spent most of his military career in Rio de Janiero and São Paulo prior to his promotion to brigadier general, when he was given an artillery command in Rio Grande do Sul. Subsequently, he was transferred to command of a military school in Rio de Janiero.

It was from this command that he was called by President Janio Quadros in early 1961 to be Chefe da Casa Militar da Presidencia da Republica. He said that he had not known President Quadros prior to this assignment, and that his admiration for Quadros thus stemmed from no political presuppositions. Quadros habitually worked twelve and fourteen-hour days, he said. General de Almeida's duties as Chefe da Casa Militar included responsibility for the personal safety of the President; he also acted as secretary of the National Security Council. In this latter role, he said, he was always called upon by President Quadros to provide a security name-check on all presidential appointees, the President being particularly unwilling to appoint any Communist to any position. General de Almeida said that when he reported to the President that an official was a Communist, the President always dismissed the official concerned.

Asked about the decoration of Che Guevara, the General said that Quadros had explained this to his personal staff as having been motivated by the desire to "butter up" Fidel Castro in connection with an attempted commercial agreement between Brazil and Cuba, whereby Quadros hoped to move into the commercial vacuum created by the American rupture of relations with Cuba.

Asked about

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blameless in the 1961 crisis by an overwhelming majority of the ten or fifteen thousand persons voting. On December 16, the conservative newspaper A Tarde published a column by Mario Piva entitled "A Falta de Janio Quadros", in which Piva emphasized the economic hardships worked on the poor by the inflation, and the belief of the poor that Quadros' return is called for to solve the problem.

A confidential December 18 economic report by J. J. Borgatti (please protect source), manager of the Salvador branch of the National City Bank of New York, includes the following paragraph on political matters:

> "There is concern in local political circles that with Janio Quadros no longer on the scene the Northeast is once more being relegated to the role of poor cousin. Such pet local projects as SUDENE (Superintendência do Drsenvolvimento Econômico do Nordeste) and the continuance of Bahianos in the presidencies of Petrobrás and the CNP (Conselho Nacional de Petróleo) are in danger of being torpedoed by southern majorities in Congress and the Cabinet."

There is little doubt that the Brazilian Communist Party (PCB) is seeking to capitalize on the economic distress felt in the states of Bahia and Sergipe as a result of the inflation on the one hand and the severe drought on the other. The drought has been the worst in at least two decades, and has caused serious crop losses, which have ranged from 40 to 80 per cent in some crops and have been total in certain cases. In a predominantly agricultural region, this is having a particularly serious effect on the economy in general, and is causing considerable hardship.

Under the impact of these events, the people of Bahia and Sergipe may well be increasingly favorably inclined toward solutions offered by the Communists, the Ligas Camponesas as a variant of the Communist theme, or an authoritarian national socialist solution led by Quadros. Ligas Camponesas are increasingly being reported active in the interior of Bahia state.

cc: Polit. Counsellor, Amembassy
DISTRIBUTION: Recife, Military Attaché, Rio, Brazil Desk, RAR, ACSI & Counselor of Embassy for Consular Affairs, American Embassy, Rio.

C. Dirck Keyser
American Consul

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FOREIGN SERVICE DESPATCH

FROM : Amconsul, Salvador, Bahia

TO : THE DEPARTMENT OF STATE, WASHINGTON

DATE: December 21, 1961

REF : Salvador Despatch No. 19 of December 18, 1961.

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DEPARTMENT OF STATE
BUREAU OF
INTER-AMERICAN AFFAIRS
JAN 2 1962

SUBJECT: POLITICAL: Interview with the Commander of the Sixth Military Region; Bahian support for Quadros

There is enclosed a memorandum of conversation between Brigadier General Pedro Geraldo de Almeida, Commander of the Sixth Military Region (States of Bahia and Sergipe), and Officers of this Consulate. It will be noted that General de Almeida is an enthusiastic supporter of former President Janio Quadros, whom he described as having been strongly anti-Communist. General de Almeida said that he personally had been charged by President Quadros, in his capacity as Quadros' Chief of Military Household, with security clearances for presidential appointments, and that Quadros always dismissed appointees who were found to have Communist connections.

General de Almeida said that Quadros will probably go to Lisbon before returning to Brazil, and indicated his expectation that he would return about mid-February. He said that he did not believe that Quadros would attempt to seize power by force.

It has been anonymously reported (see CAS Salvador No. 9 of December 18, 1961) that Quadros will return to Recife on February 2, and that the three military commanders of Salvador (including General de Almeida, Rear Admiral Walfrido Quintanilha dos Santos, and Air Force Colonel Mário Calmon Eppinghaus) would support an attempt by Quadros to establish a dictatorship. This same source has alleged that the military in other districts would support such an attempt on the part of Quadros.

In fact, there does appear to be some popular support for Quadros in Salvador, although the reporting officer has not yet had time to appraise it. It is worth noting that in a recent mock-trial staged by a Salvador radio station, Quadros was found

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13. Situation in Brazil and the Profit Remittance Bill (Unclassified)

Referring to Brazilian Communist leader Luiz Carlos Prestes' statement that his Party is going to change Brazil into a new Cuba, O Estado de São Paulo said: "We don't believe that the decadent and behind-the-times Communist leader has enough forces under his command to change Brazil into a new Cuba. But this does not mean that we don't find it possible. Corruption, deception, and cowardice are the factors that can change Brazil into a new Cuba." A Gazeta considered that "Present events aggravate the conditions of living of the poor classes... Economic and financial policy is inoperative, and this generates disagreements that take the country into social tumults without parallel in the past." A Hora said that "If the situation is serious, let's work in order to overcome it. We don't have to lose faith in the future." Augusto Frederico Schmidt wrote in Folha de São Paulo: "The Bill, which does not discipline the remittance or profits, is an infernal machine. Everything is foreseen, included, and prepared for chaos and disorder. We are near the last chapter of a dramatic story of collective suicide." The same columnist wrote in another article for the same paper: "After the approval of that inequity by a great majority in the Chamber of Representatives, we see, at last, how this nation is abandoned. There is no kind of vigilance. The sentinels are sleeping; nobody is watching us, the agents of Brazil's destruction speak with smiles and murmurs!"

Miscellaneous

14. List of Substantive Despatches

163 Investment Climate - Reaction in São Paulo to Federal Bill to Limit Remittance of Profits
169 Bi- Weekly Economic Review, Dec. 1 - 14
170 Titanium Bioxide Production in Brazil
172 São Paulo Summary No. 172

Eugene Delgado-Arias per DCP

Eugene Delgado-Arias
Consul

Contributors:
Proper (Political), Liebof (Labor), Mason (Press Reaction)

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Although a few plants in the city of São Paulo were closed down on December 14 as a result of the strike, the great bulk of industrial plants, all commercial establishments, and local transport lines continued normal operations. Of those plants closed down, most resumed work on December 15, and the remaining ones on December 16. The State authorities estimated that a maximum of from 8 to 10 percent of São Paulo workers went out on strike on December 14, and that most of these reported for work on the following day. In Santos the proposed strike call was postponed and then quietly dropped, and in most interior São Paulo cities the strike flopped completely. By December 16 the State authorities obviously believed the danger was past, as they released the strike leaders and pickets who had been detained.

COMMENT: (Limited Official Use) The failure of the attempted general strike was due to a combination of the energetic police measures, the withdrawal of the democratic union leaders, and the widespread cynicism of workers towards their union leaders. At this time it seems that the democratic union movement emerged from the strike with enhanced prestige, while the Communist union leaders suffered a serious reverse. A detailed report will be submitted when it becomes possible to analyze the subject more thoroughly.

Local Press Reaction

12. President Kennedy's Trip to Latin America (Unclassified)

Editorials in moderate papers before the trip praised President Kennedy's initiative but were apprehensive as to his reception. O Estado de São Paulo said: "President Kennedy's visit...denotes the extraordinary importance that the President of the United States gives to the role of Latin America in this dramatic moment of the evolution of international relationships. The young and courageous President of the United States accepted the challenge of those who obey instructions from Havana and Moscow and decided to demonstrate how important he considers the success of the Betancourt and Lleras Camargo governments, as well as his decision to go on with the plans of Alliance for Progress." The same newspaper added: "Since he (President Kennedy) takes a message of the 'peaceful revolution of hope' with him, we expect that the Latin American peoples will offer him a reception in accordance with his sincere and enlightened intentions." O Dia thought that "President Kennedy's visit to Venezuela will not be a test of the prestige of democracy, but it will be an opportunity for the professionals of communism to agitate the mob... Kennedy may and should come to Latin America, but he must not be deluded as to what is awaiting him." O Diário de São Paulo said: "President Kennedy's trip to countries of Latin America had particular significance for the economic progress of Latin America and for a greater hemispheric unity. These are the reasons why the agents of Moscow are engaged in producing an atmosphere of animosity towards the United States."

GPO 902667

Luis Menossi, President of the São Paulo State Federation of Construction Workers, who supported the victorious Pellacani-Riani slate in the CNTI election, told the Labor Officer that he had been nominated for the post of Minister of the Superior Labor Tribunal. Needless to say, such nominations are made by the President of the Republic.

11. Timetable of Events in Attempted General Strike (Limited Official Use)

Agitation in favor of a general strike to force Congress to approve legislation granting a Christmas bonus equal to one month's pay began in São Paulo in late November. While the principal union figures promoting the strike were Communists or fellow-travellers, several prominent democratic union leaders publicly supported the proposed strike action. The Christmas bonus issue seemed to appeal to a considerable number of workers, and at that stage the democratic leaders felt they could not afford to buck the tide. On December 13, the day before the proposed strike call, the Federal Government declared the proposed general strike illegal, and it became apparent that the São Paulo State authorities were ready, willing, and able to break any attempted general strike. The Labor Officer is reliably informed that President Goulart sent Dante Pellacani, newly elected President of the National Confederation of Industrial Workers and a leading Paulista trade union figure, to São Paulo on the evening of December 13 to persuade the strike leaders to postpone the strike for 48 hours (see item 2). Such postponement in effect would have meant the cancellation of the strike. However, when Pellacani found that the Communists and their allies were determined to go through with the strike as originally planned for 12:01 A.M. on December 14, he decided to join forces with them in what he must have known would be a lost cause. Also, during the evening of December 14 the Movimento Sindical Democrático issued a manifesto which attacked the proposed strike as subversive and Communist-inspired, while defending the unions' claim to a Christmas bonus.

A strike call was actually issued as planned, and pickets were despatched to various factories during the early morning of December 14. Among the São Paulo unions actively participating in the strike were those in the printing, chemical, metal, advertising, paper products, glass, textile, and cabinet-making industries. The police acted promptly to arrest most of the strike leaders and hundreds of pickets. Dante Pellacani was among those strike leaders detained by the police, and on his release claimed to have been beaten and kicked by the arresting officers. However, the Labor Officer tends to give credence to various reports that Pellacani actually first provoked and then resisted his arrest so as to appear the victim of police violence and thereby minimize his share of the blame for the failure of the strike.

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able to come up with any plausible reasons for his resignation, prefering to let each of his followers decide on the explanation he likes best.

Labor

9. Labor Judges on Strike! (Unclassified)

The judges of the Regional Labor Tribunal, with jurisdiction over the states of São Paulo, Paraná and Mato Grosso, and the judges of the 19 Boards of Conciliation and Judgment (labor courts of first instance) of São Paulo City slowed down the processing of labor cases on December 11 in an attempt to win higher salaries. As the reason for their action, the judges cited the rejection by the Justice Committee of the Federal Chamber of Deputies of proposed legislation granting a 50 percent salary increase to judges of the regional labor courts, in contrast to the approval of legislation increasing the compensation of judges in Brasilia by 150 percent. At first the judges only consented to handle routine administrative matters and would not hear cases, thus paralyzing the São Paulo labor courts. They subsequently resumed hearings, but on a slow-down basis. In a rare reversal of roles, many local labor leaders declared their support of the judges' actions. After the President of the Regional Labor Tribunal brought the judges' claims to the attention of the Federal authorities in Brasília, the judges agreed to renew their normal activities on December 14.

COMMENT: (Unclassified) The paralyzing of the labor judicial processes was an unusual precedent and a rather alarming symptom of the times.

10. Aftermath of CNTI Election, Part II (Unclassified)

Labor Minister André Franco Montoro explicitly denied to the São Paulo press on December 15 the accusations brought by O Estado de São Paulo that his Ministry had intervened in favor of candidates supported by the Communist Party in the December 9 elections for the directorate of the CNTI (National Confederation of Industrial Workers) in Rio. The Minister added that "he was informed that both slates competing in the election, including the winning slate, are composed predominantly of democratic elements."

COMMENT: (Limited Official Use) While the Labor Officer has heard from various reliable sources accounts of the successful attempt to influence the results of the recent CNTI election by representatives of President Goulart, he has not heard any reports of intervention by the Labor Minister. The latter is undoubtedly aware of the red-tinged political coloration of the newly-elected directorate, but may prefer not to take a public position of opposition in the hope of persuading the new CNTI leader to accept what he believes is his moderating influence. Confirmation of Goulart's meddling in the election by promising lucrative government jobs to union leaders who voted "right" was not long in coming.

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7. São Paulo Industry Partially Responsible for Nationalistic Profit Remittance Bill (Unclassified)

When the Federal Chamber of Deputies passed a nationalistic profit remittance bill, there were rumors -- promptly denied -- that at the São Paulo Federation of Industries had encouraged the measure's progress rather than hindered it. On December 10, Rio de Janeiro newspaper Correio da Manha published the text of what was claimed to be a confidential memorandum sent to the President of the Republic by the São Paulo industrialists. Important points were: (1) "...(foreign capital investments) are inadvisable when directed to sectors already covered, even partially, by national investments..." (2) "... an Investment Selection Commission should (absolutely oppose) investments" in the fields of consumer goods, extractive industries proposing export of ores, and fields where there is production -- even if it is insufficient -- resulting from the investment of national capital.

COMMENT: (Limited Official Use) As the press has pointed out, the above points are markedly protectionistic. They are perhaps not nationalistic in the restricted modern sense of the term, but it is easy to see how they could have encouraged the passage of nationalistic legislation. They would presumably have reached the Chamber of Deputies via the Brazilian Labor Party (PTB), of which the President is a member, and which would certainly have known how to make best use of them. The Consulate General's private contacts seem to confirm the accuracy of the press report on the confidential message. Its most unfortunate feature was perhaps not its exaggerated protectionism but the fact that it was kept under the table and could thus be distorted into supporting something quite different from what its authors must have had in mind. Some unsuspected sectors of the population, then, must shoulder part of the guilt for the irresponsible profit remittance bill. The result, when it broke, caused an uproar in São Paulo, and this State's weight will be on the other side of the balance when the measure comes up for more mature consideration.

8. Quadros "Manifesto" Disappoints São Paulo "Widows" (Limited Official Use)

On December 11, the President of the "Janio Quadros Popular Movement" (MPJQ) divulged to the São Paulo press a document billed as a "manifesto" from the ex-President of the Republic. Central phrase: "To the patriots who have still not understood the imperious reasons for my gesture of resignation, I assure that very soon, in the course of events, they will understand them." Quadros' (political) "widows," who are concentrated in São Paulo, gave an almost audible groan at the triviality of the message. Noises from the press were less polite.

COMMENT: Janio Quadros' "widows" point out that this is not the manifesto which has been so long awaited. While this could be the explanation for the message's fiasco, there is another hypothesis: Quadros may not have been

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COMMENT: (Limited Official Use) The São Paulo press is not enjoying its rare chance to hold the national congress up as a model to the state body, rather than vice versa. It seems unbelievable that the State Legislative Assembly will persist in pushing through the bill in the face of opposition from the press, the public, and the rest of the State Government, although the proponents of the measure have so far gone ahead with determination. Cruzeiro's poll is of interest not only in this connection but as an indication of how the vote might run in a plebiscite on retention of the national parliamentary system.

sumed willingness to "save" Brazil frightens many of his Paulista ex-supporters into moderation. Golpismo (thinking in terms of a coup) is prevalent, however, with various rightist organizations springing up to combat the other political extreme. As leftist newspaper Ultima Hora puts it: "The truth of the matter is that if the present Prime Minister falls, we have a good chance of getting another with more stability in his function. Stability for, say, ~~then~~ ten or fifteen years." The low point in São Paulo opinion of the national government perhaps came two days before the attempted general strike (see item 1), when it seemed that the government might take that issue as lightly as other recent ones. Senate action on SUDENE and Federal Chamber action on remission of profits had seemed highly irresponsible in moderate São Paulo circles. Tension was eased on the eve of congressional recess, however, by action on the "complementary law" modifying the new parliamentary regime and by an eventual stand on the Christmas bonus question. If the political climate continues unhealthy in São Paulo, it has at least improved a little.

5. Branches of Bank of São Paulo Inaugurated in Other States (Unclassified)

During the week under review, branches of the Bank of São Paulo were inaugurated in the capital cities of Minas Gerais, Pernambuco, and Bahia. One of the principal functions of the new branches of the Bank -- the largest in the country after the Bank of Brazil -- is intended to be the expansion and easing of local credit facilities. Governor Carvalho Pinto had intended to open the branches personally but was forced to stay home by the threat of a general strike and other problems.

COMMENT: (Official Use Only) Paulistas consider this important as a proof that they are not "imperialists" as sometimes called by their poorer fellow citizens.

6. Parliamentary System Still Pushed for State Despite Opposition (Unclassified)

Taking advantage of the general strike attempt as an effective decoy for public opinion, the Justice Committee of the São Paulo Legislative Assembly last week passed favorably on the bill to extend parliamentarianism to the State. The bill would allow the present State Deputies to elect the next Governor. The São Paulo Bar, however, released a detailed study opposing the measure on several counts. National magazine O Cruzeiro took a poll of some seven thousand residents of the city of São Paulo, in which the Paulistas apparently proved eager to cooperate. Eighty-seven per cent of them were reported as opposing state adoption of the parliamentary system.

GPO 802867

3. Kubitschek's São Paulo Actions Amount to Break with Government (Official Use Only)

Ex-President Juscelino KUBITSCHEK visited the Second National Automobile Show in São Paulo on December 10, avoiding President João Goulart, who was in town on the same day (item 2). In a long and detailed speech, Kubitschek attacked the nationalistic profit remittance bill which recently passed the Federal Chamber of Deputies, using terms strong even in São Paulo (which has strongly condemned the bill). His own policy of "developmentism" (desenvolvimentismo) stood out in contrast. Kubitschek preached receiving "with open arms all types of collaboration, both national and foreign." He stressed that Brazil was the principal benificiary of this capital collaboration. "The problem is essentially political. Either Brazil counts on the collaboration of foreign capital for its development process or it will have to fall back on domestic savings, impossible in view of the very low standard of living of the Brazilian people." The ex-President criticized the slow-down in development since he left office in terms that seemed directed as much at Goulart's regime as at Quadros'.

COMMENT: (Limited Official Use) The Automobile Show, full of the shiny products of foreign capital investment, was an excellent forum for this speech. There had been rumors that Kubitschek's appearance was to be the start of a new campaign to recover his dwindling political (as opposed to popular) support. If intended as a campaign kick-off, the speech did not arouse enough interest, but it did appear to presage a new line. Kubitschek's apparent separation from the current government must be based on his estimates of two factors which are not entirely coincident: his own chances and those of the current government. President Goulart, wisely, took no public notice of Kubitschek's criticisms.

4. São Paulo Tense on Eve of Congressional Recess (Limited Official Use)

Since the resignation of President Janio QUADROS on August 25, the state of tension in São Paulo has been so nearly continuous as to make further comment difficult. Principal ingredient of the tension has been distrust of the national government. The local press refers constantly and without overstatement to the "crisis of authority." Embassy Rio de Janeiro has very aptly termed it the "crisis of confidence." It is a crisis in more than words, deriving less from any given action than from apparent lack of governmental action and authority. Under normal circumstances, it would seem sufficient to bring about the fall of the cabinet. The principal support of the present government still seems to be fear of what will follow if it should collapse. The fear is that instead of being succeeded by another and hopefully better cabinet, it could be followed by a rightist or leftist dictatorship. Janio Quadros' pre-

strike. The question mark was in Brasília, not São Paulo. It will take time to see how much damage the failure did the Communists, but right now it is difficult to understand why they stuck their necks out so far. In addition to losing prestige, they have forcefully reminded the forgetful Brazilian public of their goals. One other possible loser: President João GOULART, who was widely suspected of having given the strike movement early encouragement, though if so he backed off in the last days (see following item).

2. Goulart Cautious in São Paulo (Limited Official Use)

President João Goulart made three speeches and gave one tumultuous lecture in São Paulo on December 10, four days before the unsuccessful general strike attempt. The principal characteristics of each talk were caution and moderation. The President had significant words of praise for Paulista Governor Carvalho Pinto. The other interesting topic brought up was, inevitably, the nationalistic profit remittance bill passed by the Federal Chamber of Deputies, which has agitated São Paulo to an unusual degree. Goulart's pronouncements on this were a marvel of circumlocution. Somewhere in his sentences was a goodie for everyone, but he resolutely avoided talking in terms of the bill which has already been passed. His principal points: it is necessary to discipline foreign investment, keeping out those who come to "prosper at the price of the people's misery"; but barriers should not be put in the way of the right kind of investment; Brazilians, not foreigners, decide what is right; and "foreign capital is just an element and not the key to development." One phrase cropped up several times, sounding as if it might become a new theme or slogan: "the national reality" (said not to be widely understood; laws need to be passed in accordance with it, etc.).

COMMENT: Goulart's courtship of Carvalho Pinto should strengthen him with the moderates but will not please brother-in-law Leonel BRIZOLA, Governor of Rio Grande do Sul. Goulart's São Paulo image was weakened more than it was strengthened during the week under review, however, by his suspected role in the attempted general strike (see item 1). What his role really was is not known. Paulistas automatically suspect him of a part in any leftist machination. In this case, their suspicions seemed (perhaps incorrectly) to be confirmed by the presence in São Paulo of Dante PELLACANI, the recently elected -- with Goulart's help -- President of the National Industrial Workers' Confederation, who was arrested for helping to stir up the strike (see item 11). When asked about the government's delay in declaring the strike movement illegal, Goulart is reported to have thrown the blame on Paulista Labor Minister Franco Montoro, who as promptly denied it. The central question which seems to underlie current São Paulo comment on Goulart is: has he matured in office or just grown more cautious?

GPO 902687

involved in the strike, the measure, if passed, would inevitably have affected all of Brazil eventually. The strike was a near total failure. Its repercussions in the labor movement are discussed in item 11 below. Its political and economic implications are equally important. Some São Paulo employers customarily pay large Christmas bonuses, but many others -- to say nothing of those in the poorer states -- cannot afford to do so. Had a law requiring payment of the bonus been passed, a huge government loan program would have been required to avoid a disastrous wave of bankruptcies. The loan program could only have increased the already disturbing Federal deficit, constituting yet another inflationary pressure. It nevertheless seemed very possible for a time that the National Congress -- whose recent record had not been encouraging -- would pass at least the sort of "compromise" measure pushed by Labor Minister Franco MONTORO, requiring a partial bonus this year and a full month's salary for future Christmases. On December 12, however, the Chamber of Deputies agreed by 131 votes to 66 not to consider the matter "under constraint." Pressure on the Chamber had undoubtedly been heavy. São Paulo was undergoing a radio and television strike, and the lack of up-to-date news allowed circulation of many serious rumors, the most persistent being that the Cabinet had fallen. The truth was that the Minister of Justice had also acted firmly on December 12, declaring the proposed strike illegal. This was the turning point. São Paulo Governor CARVALHO PINTO was already completely prepared for the strike, and the National Government's actions filled out his hand. São Paulo's large police force was poised to act, and local army contingents stood ready to back it up. Now that the strike movement was illegal, democratic trade union leaders were able to withdraw from it gracefully (in the beginning, they had thought it necessary to go along). The Communist-influenced unions went ahead. On the eve of the December 14 strike, leaders of the movement were arrested in mass, and when pickets appeared at some factories, they were carted off by police. The strike attempt lasted only two days and never affected the work of more than a small fraction of São Paulo industries.

COMMENT: At this date, immediately after the strike attempt, it seems clear that both the State and the National Governments have been strengthened and the Communists weakened. The State Government -- the most conspicuous victor -- already had a reputation for firm action, but the Federal Government needed to win this battle. The Cabinet had been hanging by a thread. Had the thread broken, the result could have been simply another Cabinet, but it could also have been something more to the liking of the Communists. The Reds obviously thought the prize worth the risk. When their chances of success with the strike are analyzed, however, the risk looks much more foolish. While São Paulo's important industrial classes gave the movement maximum potential effect, everything else about the local scene made it an unfavorable battlefield for the Communists. The strong and popular State Government obviously had the ability and the will to combat the strike. Full stomachs and a relatively educated electorate gave no chance for the local popular support so necessary to a general

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FOREIGN SERVICE DESPATCH

FROM : Amcongen, São Paulo 172 NO.

CONSULATE GENERAL OF THE UNITED STATES OF AMERICA
December 20, 1961
DATE
DEC 20 1961
SÃO PAULO, BRAZIL

TO : THE DEPARTMENT OF STATE, WASHINGTON.

REF :

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	REC'D 12-23			AIR	ARMY	CIA	NAVY	OSD	OCB	USIA	NSC	NSA				
				6	4	11	4	5		5	2	4				

SUBJECT: São Paulo Summary No. 25, Week Ending December 16, 1961

File no action
EST/B
JW Wilson
1/9/62

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2. Goulart Cautious in São Paulo
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6. Parliamentary System Still Pushed for State Despite Opposition
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8. Quadros "Manifesto" Disappoints São Paulo "Widows"

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DEPARTMENT OF STATE
BUREAU OF
INTER-AMERICAN AFFAIRS
DEC 26 1961

Political
1. Failure of General Strike Strengthens Government (Limited Official Use)

Communist dominated labor unions scheduled a general strike for the State of São Paulo on December 14, attempting to pressure the National Government into legislation requiring employers to pay Christmas bonuses of one month's salary to each employee. Though other states were not

See last page/lfw LIMITED OFFICIAL USE

REPORTER
FORM 8-61 FS-439 GPO 912596

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Control: 12774

Rec'd: December 21, 1961

Action

ARA
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FROM: Guatemala City

TO: Secretary of State

NO: 242 December 20, 4 PM

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Ydigoras assertion last sentence Embassy telegram 237 apparently based on report (copy given Embassy yesterday by Roberto Alejos) from Guatemalan Ambassador to Argentina (Coronado Lira) who wrote he received information from Argentine Foreign Minister. Coronado observed information reliable because Argentina Ambassador Cuba (Dr. Amoedo) known to be intimate friend Castro. Coronado added Argentine Foreign Ministry believes Castro armed to teeth and military overthrow now would require "total war".

CORRIGAN

RMR

DLW

Guatemala - 242

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-3- 1441, December 16, 2 p.m. from Rio de Janeiro (SECTION THREE OF THREE)

USOM recommendations. Effective handling Goulart visit also vital potential importance in his proper orientation. More detailed recommendations these various fields will be forthcoming.

GORDON

RGD

Note: Relayed to CINCARIB 12-17-61.

0534

shaken group economic, financial technicians led by Finance Minister Moreira Salles, who however have not lost hope some progress possible next year. Instead of helping this group in its stabilization effort, congress has placed further burdens on groups administrative powers. Unless profit remittance law rejected or passed in form acceptable foreign investors early next year (we consider one of these highly probable) and unless cabinet able support serious administrative actions for stabilization, financial group will probably resign or otherwise abandon any serious attempt implement government's announced economic program.

16. A rallying of center political support could still permit cabinet make at least modest progress toward its economic, financial objectives. Outlook foreign exchange position not unfavorable for 1962, aside psychological factors. Large cash budget deficit appears unavoidable next year, but monetary measures, credit controls, economies and elimination or reduction subsidies (railroad rates) all of which require political courage and strength, could conceivably achieve same reduction rate of inflation from present 45 percent-50 percent to perhaps pre-August crisis level 25 percent-30 percent.

17. In this difficult situation, Embassy believes our strategy should seek support center forces by all appropriate means, including strengthening hand government and bearing in mind critical importance October elections. On aid front, effective long-term planning not to be expected soon, but concentration on projects visibly assisting relief or solution most urgent economic and social problems, especially projects which can be dramatized in months before election, should be energetically pursued, self-help criteria being enforced project by project. Bohan northeast program aimed squarely in this direction, as are other Embassy/

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Control: 10521
Rec'd: December 18, 1961
11:27 a.m.

FROM: Rio de Janeiro

TO: Secretary of State

NO: 1441, December 16, 2 p.m. (SECTION THREE OF THREE)

INFO: file
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2/12/62

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13. Prospect thus that while considerable unease and dissatisfaction will continue through much of fabric Brazilian national life, activity immediately dangerous to stability regime still dependent on further economic deterioration. Most likely prospect, should conditions in Brazil approach unmanageable, would be military take-over which would be able hold extremes in check until new civil solution could be developed.

14. Still unpredictable factor is Quadros whose chances return to power measurably improved by deterioration described above. Fate these chances depends further deterioration or improvement basic situation. Time and manner attempted come-back not predictable although plausible hypothesis is major campaign secure congressional supporters with view exercising full powers Prime Minister under parliamentary amendment. Despite disillusionment caused by resignation, greater receptivity to possibility Quadros return evident many quarters because sentiment favoring stronger rule.

15. With respect economic program, government, in spite generally well conceived statements of policy (as in programa de governo of September 28 and Prime Minister Neves November 14 speech), has lacked political strength act energetically on stabilization (e.g., credit control, railroad rates, or secure congressional approval tax increases or on programming economic development projects.) Profit remittance bill and congressional failure approve administrations tax reform or bank reserve increase proposals or a better balanced budget for 1962 have severely

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-3- 1441, December 16, 2 p.m. from Rio de Janeiro (SECTION TWO OF THREE)

12. With congress out of session capability of left for indirect action creating confusion and lack confidence should decrease considerably. Although recent statement Prestes to effect Brazil should be Cubanized could foreshadow more activist PCB role, their tactics may dictate continuing allow ultra-nationalists carry ball to forestall military move. Extreme right capability still considered small unless left shows plainly visible signs moving toward effective take-over or dangerous infiltration.

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Note: Passed CINCARIB 12-17-61.

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nationalistic legislation such as profits remittance bill in order reduce foreign competition.

9. While some beginnings visible attempt to mobilize centrist forces which continue represent large majority electorate and congress under leadership some prominent figure Kubitschek reluctant and other candidate national status still to be found. This movement only beginning and these elements still exerting inadequate influence in situation which calls for strenuous effort prevent polarization extreme tendencies.

10. Embassy had indications military seriously preoccupied with deteriorating situation and knowledgeable source reports have warned President, Premier and congressional leaders dangers to regime if present trend continues.

11. Embassy sees little possibility consolidation parliamentary regime on firm authoritative political base although good chance to wobble through to next October simply because constitutional change mechanically difficult and no clear cut preferable alternative in sight. Executive which has built-in structural weaknesses inherent parliamentary amendment as well as weaknesses deriving nature its human components, has not provided firm coherent leadership. Congress not representative rapidly emerging forces insistent on structural reforms and unless held in check by military, electioneering likely render increasingly recalcitrant to executive direction and prone to irresponsible measures deleterious in economic effect and conducive political unrest. Congress however, has recessed and little serious legislative work likely be done February session. Campaigning likely occupy deputies attention in new session beginning March 15 sufficiently to limit effectively ability bring quorum together, although many demagogic speeches can be expected.

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Control: 10520
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11:26 a.m.

FROM: Rio de Janeiro

TO: Secretary of State

NO: 1441, December 16, 2 p.m. (SECTION TWO OF THREE)

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6. Party leadership in congress is weak and both houses seem responsive principally to pressures regional and personal political interests curbed occasionally by vigorous expression public opinion and by fear military reaction. While some solid legislation passed during last few days session such as Sudene enabling law, a basic education law, and arrangements apparently set in motion to draft reasonable profits remittance bill for FEB consideration fact remains aberrations can be expected in 1962 election year when entire chamber--two-thirds of senate and half of governors to be elected.

7. In this atmosphere extreme left is actively promoting destructive legislation, encouraging an anti-anti-Communist offensive and apparently attempting mold somewhat amorphous and disparate labor and rural elements into cohesive force for use when time is ripe.

8. Right continues reluctant cooperate with President because lack confidence his true objectives and disapproval foreign policy especially renewal Soviet relations. Church has refrained from criticizing government (except individual members on subject renewed relations) and in fact at end November, Rio cardinal stated church would not create difficulties for Government which needs unite all forces solidify position. Extreme right continues attempt (efforts undoubtedly known government) attract enough strength either effectively counter left move or upset regime. Some large influential industrialists, notably from Sao Paulo confusing picture by efforts probably coordinated with leftist-nationalists encourage congress and executive enact

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is profoundly worried about nations social problems but has no desire for Communist or other extremist solutions. He will not however, easily abandon leftist labor and populist ties. Including Communist elements therein (as long as he believes this group a principal force and protection against possible rightist moves to overthrow him.

GORDON

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Note: Relayed to CINCARIB 12/17/61

military dictatorship. Increased talk possibility successful Quadros campaign regain power reflects general dissatisfaction with present situation. Two week period unrelieved gloom somewhat brightened latter part this week however by (A) indication much more responsible attitude in Congress where majority centrist forces (believed "encouraged" by military warnings) got backs up against leftist blackmail and (B) firm attitude State and Federal Governments against general strike called in Sao Paulo to support 13th month bonus bill. Defeat of bill and strike failure have strengthened Cruzeiro notably and lessened talk fall of government.

4. Continued weakness government especially of Premier is incontrovertible fact underlined by opinion expressed to me recently by Ex-President Kubitschek that present tri-headed authority (President, Prime Minister and often autonomous cabinet Ministers) incapable making Parliamentary system work since Congress needs strong guiding hand. While he has strong reservations regarding abilities and intelligence Goulart, Kubitschek still favors giving him full responsibility under close military supervision. Moreira Salles likewise deeply troubled by Neves failure assert himself more vigorously and sees some merit in restoration full Presidential responsibility to Goulart.

5. Goulart position equivocal in this process deterioration. Disliking Parliamentary regime, he has at best withheld support and often deliberately undermined governmental leadership. He has not used potential authority as PTB leader to discipline extreme left party group which is major agent in disruptive Congressional tactics. He was not unhappy effort emasculate Sudene and only swung around to firm support after overwhelming demonstration Northeastern backing (in order maintain his own political control). Also played substantial part unfortunate CNTI election results. On other hand there is some evidence he himself frightened by pace deterioration, strong press and public reaction profits bill and rapid depreciation Cruzeiro. Basically appears opportunistic anxious accumulate more power but not clear how exercise such power. In four hour talk with Salles last week Goulart emphatically declared himself as a "bourgeois" who

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Control: 10490
Rec'd: December 18, 1961 SWW
11:25 a.m.

FROM: Rio De Janeiro

TO: Secretary of State

NO: 1441, December 16, 2 p.m. (SECTION ONE OF THREE)

ACTION: ~~EST/B~~
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2/12/62

Rio de Janeiro - 1441

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1. My purpose this message is to call attention substantial deterioration political situation here since my first-hand reports in Washington three weeks ago.

2. Passage by Chamber Deputies profits remittance bill (EMBTEL 1326) and Senates crippling amendments to Sudene bill were striking public exhibition weakness executive and irresponsibility Congress and have deepened widespread public impression non-~~availability~~ present semi-Parliamentary regime. Executive being strongly censured in most moderate-conservative sectors for failure forestall these Congressional actions. Although administration has expressed opposition extreme provisions profits bill and has stimulated establishment informal joint Congressional committee to work out acceptable bill, delay in assuming clear-cut position before Congress closed December 15 to reopen February have done little to restore confidence domestic or international business interests, as evidenced fall Cruzeiro and local stock exchange quotations symptomatic flight capital abroad. Fortunately, chamber with some executive support quickly moved strike out Senate amendments Sudene bill and pass it in original form, but significant this action taken only after overwhelming protest of Northeast in public manifestations in which all elements political spectrum represented.

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3. Reports continue reach Embassy of extreme uneasiness among elite elements fearful either leftist take-over or rightist counter measures including military coup possibly leading to

-military-

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0526

uma viagem tranqüila

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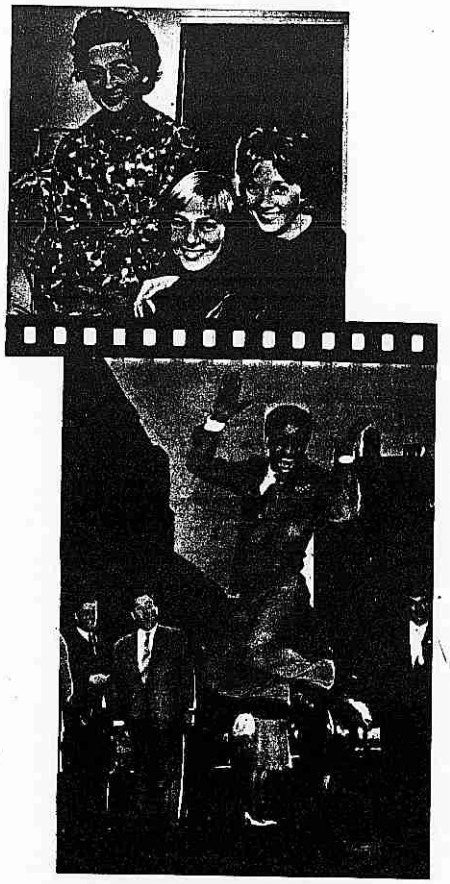
34

SAMMY PULA E MAY VISITA A SUÉCIA



SAMMY Davis Júnior continua a ser uma atração em qualquer cidade em que se apresente com seus números de "homem-show". E sua espôsa, a loura May Britt, cada vez mais bonita e mais dona de casa. Agora, os dois se afastaram por alguns dias. May Britt foi levar seu "baby" para a vovó ver. May estêve na Suécia numa breve visita e foi muito abraçada pelo pessoal de sua família. Na foto, ela, entre sua mãe e sua irmã Margot. Enquanto isso se passava em Estocolmo, o irrequieto Sammy Davis Jr. preparava seus novos números de canto e mímica. 14 mil espectadores já tinham comprado bilhetes para irem vê-lo no Palace Theatre, de Manchester, Inglaterra. O título do "show" era: "Uma noite com Sammy Davis Júnior". Mas Sammy deu uma amostra de seus saltos, na rua.

0529

"A Igreja não quer esmolas. Deseja a revolução de base."

ou êle nos devora. Em tôrno disso, nos entenderemos.

PADRE — Podemos fazer um acôrdo das fôrças sem ideologia.

JULIÃO — Sua tese é correta. Minhas ligas não têm ideologia. Lutam por seus direitos.

PADRE — Tenho de discutir isso com o bispo.

JULIÃO — Sua vantagem, Padre, é a batina. Não queime a sua batina. Acho que o senhor é muito môço. Devia ser menos môço, menos impulsivo. Os velhos, apesar de tudo, estão comprometidos.

PADRE — Por que você não procura o bispo? Êle é tão compreensivo.

JULIÃO — Se fôr, êle não me recebe, está mal informado sôbre meu movimento.

PADRE — É porque dizem que você agula o povo à revolução. Nós queremos a fraternidade.

JULIÃO — Padre, aqui no Cabo nasceu Nabuco. Estamos completando a obra de Nabuco. Êle dizia que abolir a escravidão implicava também em proteger o camponês.

PADRE — Poderemos fazer isso, se a reação não nos esmagar. Mas você manda — segundo dizem — invadir propriedade privada, e isto não é certo.

JULIÃO — Não é verdade, Padre. A única propriedade privada que foi invadida foi a minha, e logo pelo Governador do Estado. A única propriedade que invadimos foi do Estado, que é do povo. E assim mesmo porque os camponeses haviam sido enxotados de suas casas.

PADRE — Por que você não diz isso para que se torne conhecido? Diga isso. Você não vai à Assembléia?

JULIÃO — Não vou há seis meses, mas tenho um bom suplente. Eu vivo no Mundo, Padre. Tenho mais de 60 convites para fazer conferências no Brasil inteiro. Tenho de ir dar a minha experiência e trazer experiência para o meu camponês, Padre.

PADRE — Mas, Julião, eu não entendo por que você votou no Cid. Você fêz campanha para elegê-lo. Como?!

JULIÃO — Havia, na ocasião, um mal maior. Havia Etelvino Lins, com seu candidato. Tive boa-fé. Esperava que êle não viesse fazer o tanto, mas o quanto. Cid fêz pior, pois Etelvino nunca mandou latifundiário organizar polícia própria contra o camponês.

PADRE — Com isso você mostra que é de muito boa-fé. Ou de muito má fé, Julião.

JULIÃO — Com Cid nós derrubamos uma oligarquia, Padre, uma baraúna. Vamos derrubar o pé de mamão, que é o Governador.

PADRE — Vá ver o bispo, Julião.

JULIÃO — Vou, sim, tão logo volte do Sul. Sou até muito amigo de um sobrinho dêle.

PADRE — Aproxime-se dos padres, Julião.

JULIÃO — Estou aqui, Padre Melo. O senhor foi um homem positivo e autêntico. Se o senhor fôsse comprometido com os latifundiários eu não estaria aqui.

PADRE — Venha sempre.

JULIÃO — Sua luta foi bonita, Padre. Conte ela a seus amigos do clero, através de cartas, a todos.

PADRE — Isso mesmo eu já estou fazendo.

OS CAMPONESES da região do Padre Melo morem em casas que foram antigas senzalas do tempo da escravidão. O padre conseguiu que êles não fôssem expulsos. "Não tenho notícia de que alguém tenha pedido tão pouco quanto eu" — diz êle. — "A expulsão da miséria seria a penúria, e eu prefiro ainda a miséria."

"A paz cristã sem justiça social cria monstrengos"

O PADRE MELO, mal saído dos bancos do Seminário, é hoje uma das frentes de Igreja no barril de pólvora do Nordeste. É pela organização dos camponeses sem qualquer sentido ideológico. Conseguiu já sua primeira vitória. Sua voz é hoje uma esperança em tôda a região.

feita pacificamente, então teremos de enfrentar a realidade da luta". Para o Padre Melo, a Igreja está desenvolvendo no Nordeste um dispositivo de ataque justamente para amparar a revolução, do modo que ela venha. E diz: "— Quando botamos um carro para correr na estrada, não podemos dizer, por antecipação, qual a marcha que vamos usar. A estrada é que escolhe a marcha, como a reforma agrária vai escolher seus meios. Se fôr necessário um tapinha, daremos o tapinha — como daremos o murro, se preciso".

O perigo onde está

— Onde está seu perigo? — pergunto ao Padre Melo.

E êle:

Meu perigo está nos camponeses. Eu venho pregando junto a êles uma revolução pacífica. É como se eu desse um aval para o regime que vivemos. Se o regime demorar na solução eu poderei ser esmagado. Basta que, enfadados pela demora, êles venham a ser atiçados contra mim. Se essa reforma não vier logo eu tenho de largar tudo ou entregar-me ao sacrifício.

No dia em que estivemos com êle, assistimos a uma conferência do Padre para o Seminário Maior de Olinda, na presença do Reitor do Seminário. Cada ponto de vista que expendia, merecia dos quase-padres uma chuva de aplausos. Depois da conferência, reunidos conosco no refeitório do Seminário, os rapazes de batina branca nos cercaram — a mim e ao padre. Perguntaram-me o que eu achava do Melo. Disse-lhes o que qualquer um diria: "Se a Igreja tivesse no Nordeste uns 50 Melos, a reforma seria feita — e pacificamente". Os rapazes nos responderam, num compromisso, assistido pelas paredes centenárias do famoso Seminário: "— Daqui sairão os novos Melos".

Melo x Julião

Assistimos ao encontro de Padre Melo com Francisco Julião — e fomos o único repórter que assistiu a êle. O homem das "Ligas Camponesas" foi à casa do Padre, no Cabo, com uma missão a que se impôs: dar-lhe um abraço de congratulações pela vitória obtida contra o Govêrno. O padre o recebeu, "pois em sua casa recebe qualquer pessoa". "— Não vim aqui antes, durante sua luta, Padre, para não queimá-lo", disse-lhe Julião. Durante o encontro, dentro de um clima de respeito mútuo, o Padre estabeleceu os têrmos dos choques entre ambos: "1 — os camponeses não podem ser organizados em tôrno de partidos, ideologias ou religião, e os camponeses de Julião, segundo dizem, estão sendo organizados dentro da ideologia bolchevista; 2 — os camponeses não devem ser organizados para a briga, mas para a defesa de seus direitos e deveres, e só as circunstâncias vão determinar o que deve ser feito; e 3 — a propriedade privada, dentro dos limites do bem comum e de sua função social, deve ser respeitada. Dizem que as "ligas" invadem propriedades privadas". (Veremos, através do diálogo — quase na íntegra —, que daremos em outro local desta reportagem, como Julião se comportou diante dessas observações.)

Sindicatos da Igreja

Enquanto o Padre Melo luta por seus pobres no Cabo, Monsenhor Emerson Negreiros estabelece uma ponta de ataque cristão nos contrafortes da Borborema, na cidade de Santa Cruz, já no Seridó, no Rio Grande do Norte. Êle é o mais nôvo monsenhor do clero brasileiro. Tem 37 anos. "— Fui nomeado", diz êle, brincando modestamente, "por uma injustiça: erraram o endereço." Nascido na região de Paus-dos-Ferros, é de uma família de "sangue quente", de agricultores, dos Maia, do Deputado João Agripino, de quem é primo. Ninguém o pode tirar da sua paróquia, apesar das tentativas feitas nesse sentido, sobretudo pelo Deputado Federal Teodorico Bezêrra, grande latifundiário da região. É que, como vigário colado, só pode ser afastado pelo Papa, dentro de um processo canônico. Com essa garantia, êle vem há anos fazendo seu trabalho pelos camponeses, a esta altura auxiliado por uma ordem de prioridade de sindicalização ditada pelo bispo de Natal. Já conseguiu sindicalizar — ainda que extra-oficialmente, pois não há sindicalização rural legal — com auxílio de funcionários do Ministério do Trabalho, cêrca de 900 camponeses. Dentro de 2 meses, acredita, estará com 2 mil camponeses sindicalizados, numa área de 65 mil habitantes, "sem qualquer comunista ou esquerdista". Para êsse trabalho tem de agir escondido porque "os patrões correm com os camponeses sindicalizados". Cinqüenta famílias já foram corridas (expulsas) por êsse motivo: e tôdas mandadas para se queixar ao padre, que as mantém, auxiliado por comestíveis fornecidos gratuitamente pelos americanos. Diz êle: "— Enquanto êles perdem êsses camponeses, eu ganho braços". Ao mesmo tempo em que sindicaliza, dá assistência. Para conseguir dentista, foi uma luta. O próprio padre começou a arrancar dente de camponês. Era o botica de Deus. Ante a denúncia de que exercia "clandestinamente a medicina", de vez que o dentista, único da região, na qualidade de deputado estadual, não aparecia, Monsenhor Negreiros não teve outro jeito: foi a Natal e conseguiu um dentista de lá para trabalho nos fins-de-semana.

Idéias do Monsenhor

Monsenhor Emerson Negreiros faz seu trabalho dentro do ponto de vista de que a "Igreja deve se tornar mais corajosa e mais cristã, combatendo o latifúndio". Acha que a Igreja não pode perder o trabalhador rural e nem os dos centros urbanos. Considera que o objetivo é conseguir uma eqüidistância "entre o Comunismo e o Capitalismo", condenando os excessos de cada um. Êle confessa que, com essas idéias, já está passando "por comunista". E acrescentou: "— Eu fui para a praça pública e adverti: se continuarem a me chamar de comunista, eu compro um lenço vermelho e ponho no pescoço!" Diz que os capitalistas pensam que contam com a Igreja, mas já não contam mais. "— Êles dão esmola à Igreja e eu sou contra a mera assistência. Porque caridade cristã sem justiça social é tóxico: criam-se monstrengos." Êle acha que as reformas de base poderão ser feitas "com o regime atual, mas, para isso, tem-se de arrancar muita coisa".

Monsenhor Emerson diz que foi para a região sabendo que sua luta pelo Camponês poderá custar-lhe a vida, e já teve várias ameaças. Uma delas — e estranhíssima — foi a do latifundiário Teodorico Bezerra, de mandar "chamar Julião para fundar a Liga contra o Padre"! "— É o veneno contra êle mesmo", observa Negreiros, lembrando que o próprio deputado já lhe ponderou certa vez que êle poderia "acabar" a qualquer instante. Convicto de que está certo dentro da doutrina cristã e articulado com seus superiores, Monsenhor Negreiros observa: "— Tenho de levar esta gente para dias melhores. Os camponeses daqui são muito frouxos porque estão acostumados a apanhar. Aos poucos êles vão despertando. Sei que esta luta poderá me custar a vida ou um pouco menos?. Que menos? Êle acrescenta: "— Alguns antecessores meus saíam daqui correndo com mêdo de serem capados. Eu estou fazendo fôrça para não sair de jeito nenhum".

Diálogo Melo Chico Julião

JULIÃO — Vim dar-lhe meu abraço pela vitória, Padre.

PADRE — Foi difícil.

JULIÃO — Nós temos um inimigo, meu e da Igreja: o latifundiário. Ou o combatemos

O PADRE ANTÔNIO MELO DEFENDEU A REFORMA NO SEMINÁRIO DE OLINDA. AO SAIR, OUVIU DOS SEMINARISTAS: "DAQUI VÃO SAIR OS NOVOS MELOS".

MONSENHOR EMERSON Negreiros leva a pregação revolucionária da Igreja aos canaviais do Borborema. O processo é o da sindicalização. É ate dentista para seus camponeses.

por cima dêle, Padre, mas os camponeses não se deixariam esmagar. No meio tempo, convencia aos trabalhadores a resistência "ao que viesse". Relembra para o repórter as suas dificuldades: "— Os camponeses, acostumados a sofrer, temiam a Polícia". Diziam ao Padre: "— Seu Padre, a gente tem mesmo de ir embora, senão a Polícia vem aqui e vai baixando o pau". E êle, com as armas da Igreja: "Não se importem. Eu excomungo a Polícia". "— Só assim" — disse-nos — "êles concordavam".

O certo foi que venceu. O Governador terminou por dobrar-se às exigências e anunciou, por escrito, que os camponeses ficariam nas suas casas até que fôssem instalados convenientemente nos lugares a êles destinados.

Melo nos observou: "— Venci, mas é como se a vitória tivesse sido uma derrota. Eu não reclamava uma reforma agrária ao Governador. Exigia que continuassem como estavam. E estavam na miséria! Vivendo em prédios que antigamente eram senzalas". Acrescentava: "— O que eu não podia era deixar que se cometesse um crime. Numa região de êxodo, temos, pelo menos, de auxiliar a quem fica na terra".

As idéias do Padre Melo

Êsse método de resistência — de quase revolta — não é, contudo, o que o Padre Melo prega para o Nordeste, pelo menos por enquanto. Isso êle nos diz e faz questão de reafirmar. Seu ponto de vista é o de que "não se pode partir de um preconceito". "— É tão errado se começar a organizar camponeses dentro da teoria bolchevista quanto da teoria católica" — diz êle. Para acrescentar: "— O camponês não tem nada com as brigas ideológicas, êle tem é que reclamar o seu direito e de cumprir os seus deveres". Defende o ponto de vista de que se deve organizar a classe dos homens do campo, como se organizou a dos operários e deixar que cada um vá fazer a catequese que desejar, livremente. Lembrou êsses aspectos, para reafirmar que êle não é, não quer ser e ninguém deverá ser o Anti-Julião católico, espírita ou protestante. "— Não tenho o que dizer do homem Julião" — diz êle — "mas condeno em Julião o sentido eleitoral como destaco como positivo o despertar de consciência que êle provocou no camponês". Acha que se reclama contra uns e outros porque hoje, falar-se em organização de classes é um perigo: "— Perigo para a classe que está organizada, a burguesia capitalista". Prega a organização de classe como uma preparação para "as circunstâncias históricas". "— A revolução agrária tem de ser feita" — defende — "mas não devemos partir do preconceito que deve ser feita pacificamente, como dizem os capitalistas; ou na briga, como querem os comunistas. A forma da revolução são as circunstâncias históricas que vão dizer. Se ela não puder ser

CONTINUA

O Monsenhor Emerson é o boticão de Deus na extração sem dor da Reforma Agrária do Nordeste brasileiro

COM O REPÓRTER POR TESTEMUNHA, JULIÃO FOI ABRAÇAR O PADRE PELA VITÓRIA ALCANÇADA.

O CLERO do Nordeste é o mais avançado do Brasil — a maior nação católica do Mundo, como se sabe. E o nôvo clero do Nordeste é o mais avançado da região. A explicação mais racional é a que os próprios padres do nôvo clero do Nordeste oferecem: êles são filhos da região e se acostumam, desde a infância, a tomar conhecimento dos problemas, como filhos de camponeses ou de senhores de terra, de pequenos proprietários ou de classe média. A presença dos problemas e o trato com as coisas de Cristo aguçam-lhes a sensibilidade e os levam a examinar a região à luz dos ensinamentos da Igreja.

Daí se explicar a facilidade — a enorme facilidade — com que se pode encontrar padres, monsenhores e bispos nordestinos com declarações e atos que parecem revolucionários e até mesmo esquerdistas extremados — se os examinarmos com rigor demasiado conservador. Sobretudo, essa facilidade se tornou tanto maior, depois da Conferência de Bispos do Nordeste, quando os assuntos da região foram tratados em têrmos objetivos. Em têrmos de solução cristã; e não meramente assistenciais; em têrmos de previsão e não de pronto-socorro. Firmam-se, para isso, não sòmente nos ensinamentos da Bíblia — já por si indicativos dos caminhos da realidade social em todos os tempos — mas, sobretudo, nas últimas encíclicas, como a "Rerum Novarum" e a recentíssima e realística "Mater et Magistra". Um repórter que vá ao Nordeste poderá, sem esfôrço, obter opiniões "avançadas" de bispos, como o de Petrolina, como o de Garanhuns, como o de Natal, de São Luís, de Sergipe; e de padres, como os de Caruaru, os dois de Campina Grande — e muitos do Recife.

Para esta reportagem, contudo, escolhemos o Padre Antônio Melo, coadjutor da Cidade do Cabo (Pernambuco), e o Monsenhor Emerson Negreiros, de Santa Cruz, no Rio Grande do Norte. Não se trata de uma escolha arbitrária; mas cautelosa, para evitar as tão comuns explorações que venham a prejudicar o trabalho viril e cristão que praticam. É que êles estão resolvendo problemas, estão dentro de problemas reais, debatendo-se com obstáculos e levantando a voz e a ação em favor de uma legião imensa de desamparados. Enquanto outros padres poderiam falar do asfalto em têrmos gerais, Melo e Negreiros podem exibir uma experiência conseguida à custa de coragem e de sacrifício. E mais: perfeitamente afinados com seus superiores dentro da hierarquia católica. Ao invés de serem vozes pessoais e isoladas, representam as pontas-de-lança de um ataque que a Igreja faz, com amplos resultados, para a cruz de Cristo numa região infestada de agitadores, de profetas inoculados pelo vírus da demagogia e da cobiça eleitoral. Tudo indica que agora, realmente, a Igreja Católica está voltando suas vistas para o Nordeste, usando não um dispositivo de defesa — que tem bem preparado e imbatível — mas um esquema de ataque ao encontro de uma massa que poderia perder o sentido da religião. Esse olhar da Igreja chega na hora desejada para ser recebido pela imensa carga de esperança que é o Nordeste. E para dizer, com a autoridade cristã de milênios, que não pode entregar a ninguém o estandarte da solução humana e da justiça social.

O Padre Antônio Melo

O Padre Antônio Melo tem 28 anos, feitos recentemente. É filho de agricultores de Sergipe. Seus estudos foram feitos em Aracaju (Seminário Menor), Olinda (Filosofia) e Salvador e Rio (Teologia). Está como coadjutor da Paróquia do Cabo, há apenas 6 meses. Sua designação se deu em têrmos de um ataque. O arcebispo o chamou e disse-lhe que, com êle, a Igreja queria chegar primeiro no Cabo, onde um problema poderia se armar. O bispo via longe: o Governador do Estado, Sr. Cid Sampaio, havia comprado a "Usina José Rufino" (que enfeixava três engenhos) para ali instalar a Companhia Pernambucana de Borracha Sintética (COPERBO). Segundo o plano exposto publicamente pelo Governador, a região deveria ser dividida em três partes: a) uma destinada à Cooperativa dos Usineiros de Pernambuco, para fins experimentais agrícolas; b) outra para a COPERBO instalar sua fábrica e para criação de um setor industrial, a exemplo do que foi feito em Belo Horizonte; e c) o restante para abrigar, racionalmente e protegidamente, os camponeses de tôda a região. Prevendo um possível atrito para a execução dêsse programa, o bispo mandava um padre para auxiliar o padre da cidade — formada, na verdade, por três paróquias: a da cidade propriamente dita, a do campo e a dos trabalhadores (industriários) da usina. "— Queremos que você seja pioneiro" — disse o bispo a Padre Melo. "— Temos de chegar primeiro" — acrescentou. Ao nos relembrar êsse encontro, o Padre nos confidencia que passou a ter "muitos problemas íntimos". Raciocinava que ser pioneiro é ser um sacrificado e que o sacrificado deveria ser êle, ainda sem a grande experiência de longos anos de pastor. "— Cheguei a temer pela minha fé" — relembra. Mas a Igreja saiu vencendo, nessa luta íntima: Melo fêz retiro, confessou-se — e se decidiu, sobretudo por ver que o padre da paróquia era um seu ex-professor e amigo pessoal.

No Cabo, o Padre Melo começou a se interessar pelos problemas dos camponeses, auxiliando inclusive as "Ligas Camponesas" fundadas por Chico Julião no ex-engenho Tiriri, propriedade abandonada da Rêde Ferroviária do Nordeste. Quando alguém observava a origem daquela "Liga", o Padre respondia: "— Não importa, êsses camponeses são meus paroquianos e meu dever é ajudá-los". E foi auxiliando a todos, sem preconceito, sòmente com uma recomendação: "— Sejam autênticos". E mais: "— Nada de política ou de ideologia, sòmente a reclamação dos seus direitos".

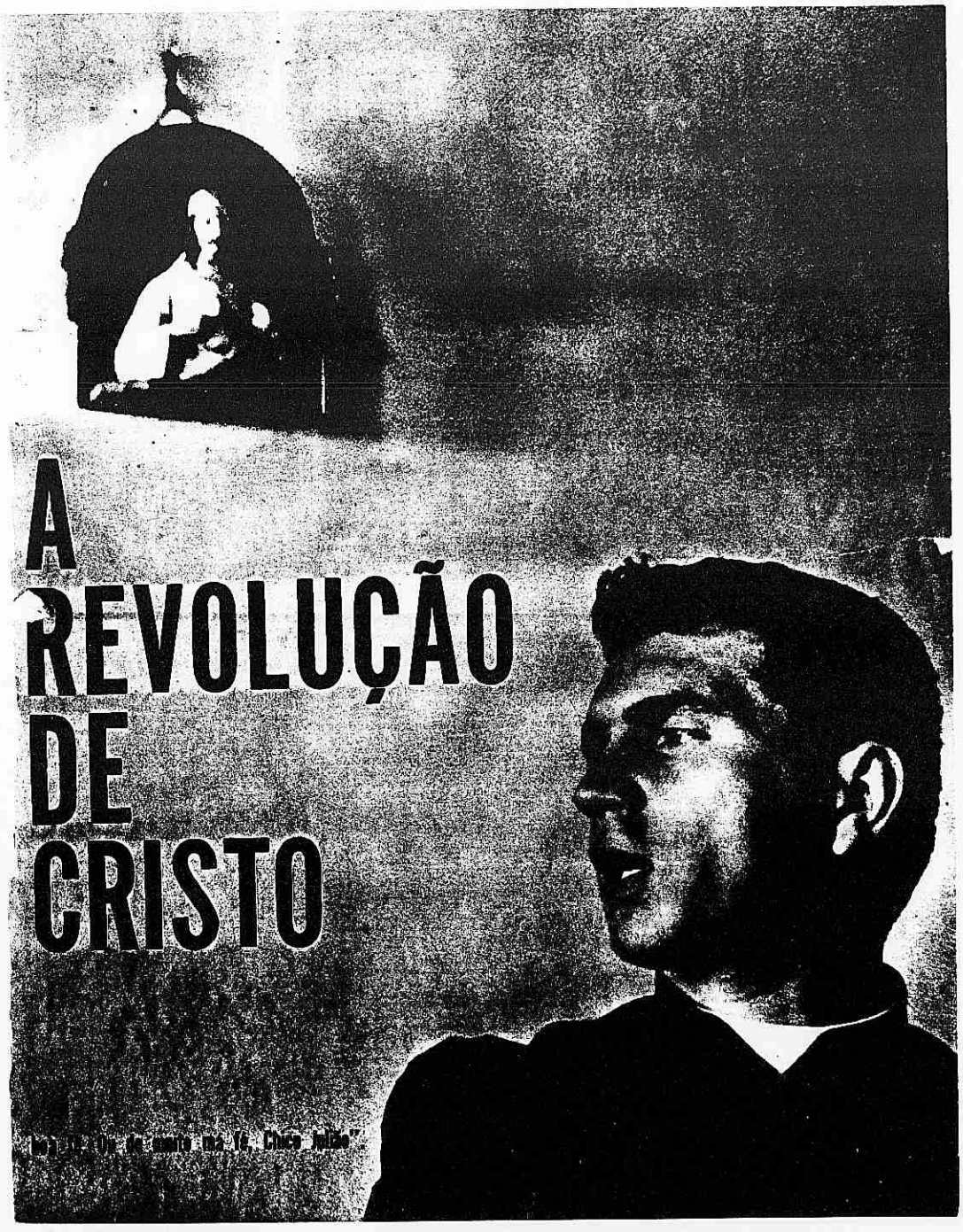
A ajuda do Padre foi mais longe e com grandes resultados. No aniversário, recebeu Cr$ 30 mil de seu pai, como um presente, e passou a financiar o camponês do Tiriri, emprestando mil cruzeiros a um; a outro um pouco mais, de modo a incrementar a produção. Tentou conseguir crédito maior, mas as portas lhe foram fechadas. "— Se tivesse pelo menos Cr$ 100 mil, eu e meus camponeses abastecêramos tôda a cidade". Mas não tenho e nem onde conseguir importância "tão grande".

Começo da briga

Entregava-se o Padre a êsse trabalho, quando o programa do Governador foi interrompido. A parte da Cooperativa dos Usineiros e a da COPERBO foram entregues; a dos camponeses, não. Ao invés disso, a perseguição e, logo depois, a expulsão. Era uma expulsão diabólica: o govêrno chegava a um camponês de uma região mais dois de outra e um terceiro de outra mais e ia expulsando. Nunca de conjunto, para evitar uma reação coletiva. Quando se reclamava, a resposta parecia lógica: o govêrno estava indenizando. Mas é que a indenização se fêz sòmente para os que trabalhavam na parte industrial da usina, trabalhadores regidos pelas leis trabalhistas. Êstes representavam... 5% do total da massa! Os outros 95% eram camponeses, sem qualquer lei que os amparasse. Em troca de plantações, de pequenas casas e da ausência, o govêrno oferecia ao camponês a quantia irrisória de Cr$ 30 mil.

Para atender a apelos dos camponeses que o procuravam, o Padre Melo passou a rezar e examinar o problema. Terminou por entrar na luta, em favor de sua gente: cêrca de 2 mil pessoas. Firmou um ponto de vista no sentido de que a luta não poderia ser contra a COPERBO, organização industrial, que tratava do assunto em têrmos estritamente comerciais. Sua luta, pois, passou a ser contra o Governador, porque era um assunto social que o Governador — eleito pelo povo — tinha de resolver. Estabelecido o ponto de vista e os objetivos, o Padre seguiu "os meios democráticos": procurou o prefeito da Cidade, o deputado mais votado no Cabo, foi à Assembléia Legislativa do Estado, andou pelas redações dos jornais. Nada conseguia de positivo, além das promessas que lhe chegaram a ser feitas até mesmo pelo Governador — êste acusando a auxiliares de descumprirem ordens. Quando se encontrava na fronteira do desespêro, o Padre resolveu agir de modo revolucionário: inundou a cidade de faixas e, já agora auxiliado por organizações católicas — "como essa fabulosa Juventude Universitária Católica (JUC)" —, anunciou que iria para o meio dos camponeses, disposto ao supremo sacrifício. Se a Polícia fôsse expulsar os camponeses, êle se anteporia à Polícia e crusaria os braços. Sabia que a Polícia poderia passar

(Vicente Dáuya)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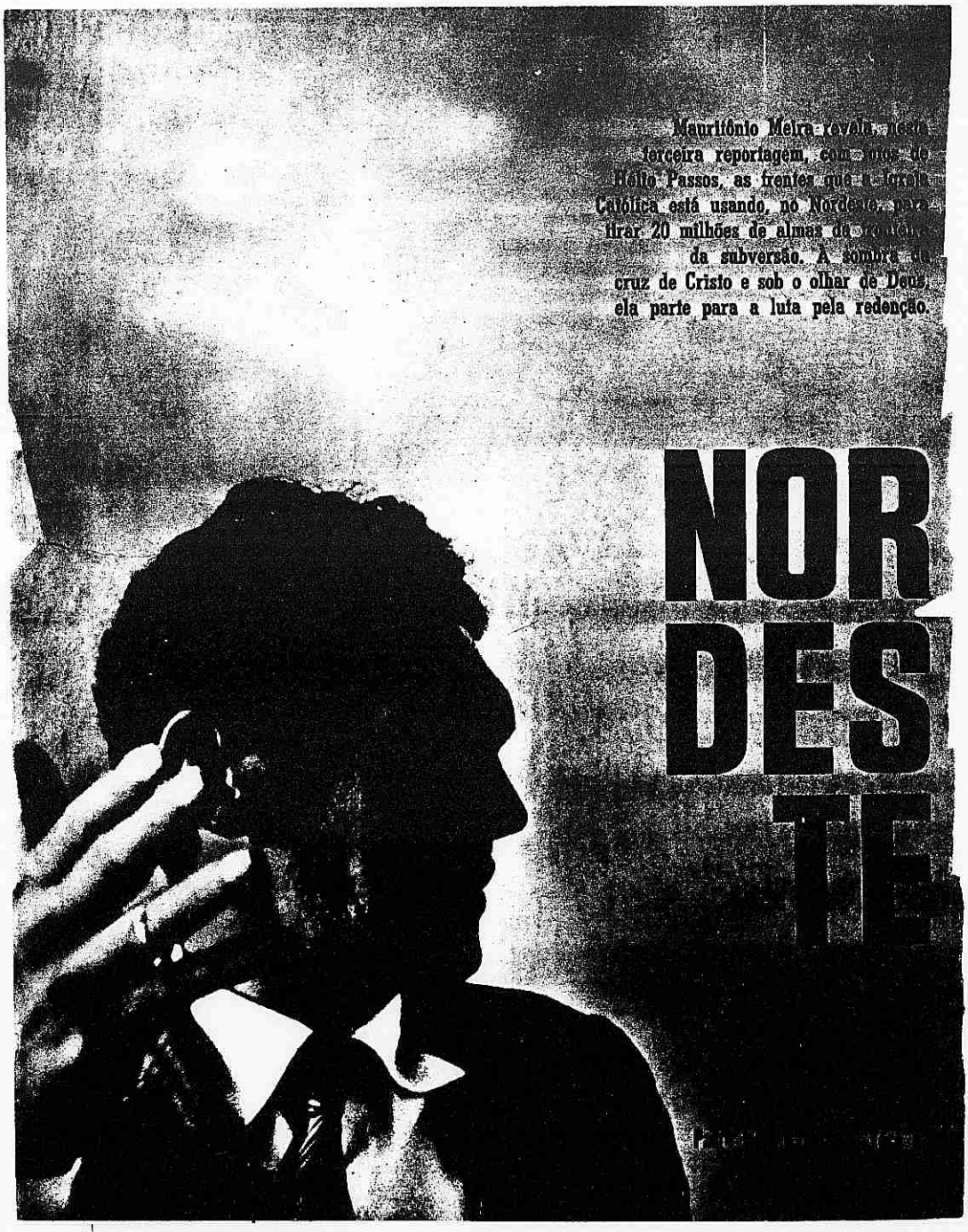
Mauritônio Meira revela, na
terceira reportagem, como uma
Hélio Passos, as frentes que a Igreja
Católica está usando, no Nordeste, para
tirar 20 milhões de almas da
da subversão. À sombra da
cruz de Cristo e sob o olhar de Deus,
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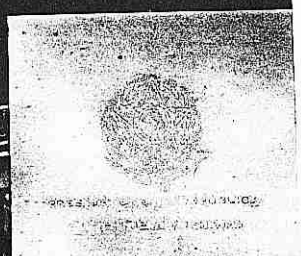

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Recife 12-15-61
Ara

Brasilia, 14 de Novembro de 1961

Jornalista
Leão Gondin de Oliveira

Quero destacar o magnífico trabalho de sua corajosa O CRUZEIRO que, através de objetivas e oportunas reportagens do vibrante repórter Mauritônio Meira, vem fazendo honesta análise do grave problema da terra e do homem do Nordeste. A tradicional serenidade de O CRUZEIRO confere ás aludidas reportagens um tom de séria advertência a que não pode ficar alheio um Governo identificado com os problemas nacionais e empenhado em soluções justas e humanas.

Ressalto ainda a colaboração que O CRUZEIRO presta ao país, trazendo a debate assunto de tanta atualidade, e dando ás classes dirigentes a consciência de sua gravidade.

Nesta oportunidade, reafirmo o meu empenho de, no exercício do meu mandato, por todos os meios, adotar e [illegible] medidas para que os brasileiros do Nordeste se integrem [illegible]

0518

as a leading and effective proponent of basic reforms. Don Eugenio Sales, Bishop of Natal, whose bishopric extends over all of the State of Rio Grande do Norte, is the initiator of the Catholic rural worker organization program, which he claims to include over 5,000 workers in the state. Sales is also the person behind the effective radio education program which broadcasts out of Natal utilizing donated radio receivers and trained village monitors to teach reading, writing, agricultural technology and home economics. Known to believe that Francisco Julião and the Ligas Camponesas do not constitute the threat that is popularly imagined, Sales nevertheless speaks out strongly and frequently against the present land distribution pattern and social structure. Sales also is a strong and effective opponent of communism. During the recent IV Latin American Students Congress at Natal he demonstrated his political potency by organizing a rally of 5,000 persons to protest the presence of communist delegates at the Congress.

Other instances of participation of the clergy in the struggle for social and economic justice exist but are not plentiful. It is expected that in the coming months under the leadership of Bishop Sales the clergy will come increasingly to recognize the political influence inherent in its position and exercise that influence in a concerted drive for reform.

Albert A. Rabide
American Consul

cc Amembassy, Rio (2)

enclosures: Two copies of article entitled "Nordeste: A Revolução de Cristo" clipped from Dec.2, 1961 issue of O Cruzeiro.

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TO : THE DEPARTMENT OF STATE, WASHINGTON. December 15, 1961 DATE

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DEPARTMENT OF STATE
BUREAU OF
INTER-AMERICAN AFFAIRS
JAN - 2 1962

SUBJECT: POLITICAL: The Catholic Clergy: Voice for Progress in the Northeast?

A recent article in the nationally-distributed magazine O Cruzeiro points up the role played by the Catholic clergy in the drive for social progress in Northeast Brazil. Announcing that one finds in the Northeast "fathers, monsignors, and bishops with declarations and acts which seem revolutionary and even extreme leftist" the article goes on to illustrate its thesis by recounting the individual efforts of two members of the Church in this area: Monsignor Emerson Negreiros of Santa Cruz, Rio Grande do Norte and Father Antonio Melo of Cabo in the State of Pernambuco.

Padre Melo's successful struggle with the officialdom of the State of Pernambuco over the fate of the peasants at Cabo (See Congen Despatch # 93) and his subsequent meeting with Francisco Julião during which Julião offered congratulations for the Padre's grand fight, constitute the major part of his contribution to the article's content. Melo has become somewhat of a local celebrity owing to his successful defense of the peasants at Cabo and, possibly in greater degree, to the publicity he sought and obtained. In any event, as the article testifies, Melo is now known as a fighter for the rights of the common man.

Monsignor Negreiros' organizing activities among rural workers together with some of his more outspoken declarations serve better, perhaps, to bear out the article's implied assertion that the clergy is playing a leading part in the current drama of the Northeast. Negreiros seems to be a true revolutionary intent on changing the social-economic stucture of the rural Northeast. As the article relates, Negreiros has organized a Catholic counterpart to the Ligas Camponesas which eventually will be expected to force the large land owners to choose between an equitable agrarian reform or total surrender of their properties. Both Melo and Negreiros claim authority for their activities from mandates of their superiors and, ultimately, from the recent Papal encyclicals, Rerum Novarum and Mater et Magistra.

Only one other Catholic figure in this area outranks Melo and Negreiros

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As stated in the opening paragraph, this despatch is submitted on pure speculation. But it is felt that recent political developments call for an evaluation of possible future developments.

The foregoing is the consensus of opinion of the officers at this post.

Paul B. McCarty
American Vice Consul

cc: AmEmbassy, Rio
Counselor of Embassy for Consular Affairs

Distribution: All Consulates in Brazil.

to the political and economic developments of recent months and wish to present the following as a possible answer to Janio's plan.

He was not satisfied with the powers of the President. The Congress made things too cumbersome for him and he is a man of action - his own action. He planned that his renunciation would create a popular demand for his continuing as Head of State. He would then eventually by-pass Congress towards a dictatorship... which it is believed he ultimately wants. When the popular demand did not materialize at the time of his renunciation, he went ahead with the second phase of his plan - to leave the country in the hands of Joao Goulart, calculating that the political situation would deteriorate to such a state that the people would eventually beg him to return. In conjunction with this, he established an alliance with certain parts of the military (it is known that he transferred many officers to strategic command positions in the country) - for instance, shortly after his election to the Presidency he assigned Airforce Col. Mario Calmon Eppingheus to the Airbase at Salvador. It is known that he is a Janio man. Also recently the Military Commander of the District was changed. We now have General Pedro Geraldo de Almeida, who is outspoken in his backing of Janio and was his Military Aide during the Presidency. We also have a new Naval Admiral, Walfrido Quintanilha dos Santos whose political leanings are not yet known but possibly also a Janio man. If this same pattern has been followed throughout other parts of Brazil, Janio will have the majority backing of the military upon his return to Brazil.

Finally, how will he return. Again, this is speculation, but it is felt that the following could take place.

The country is rapidly going down hill. Economically things are getting worse every day. The cruzeiro is losing its value so fast that during the course of one day it has dropped as much as 20-30 cruzeiros to the doller. The drought in the Northeast is further aggravating the situation. Unless things change within the next 60-90 days, the starving people in the Northeast interior will have reached the end of their tether and may well revolt, invading the towns and cities in search of food. This may be the crucial moment when the military will take over the country. As pointed out above, if key Janio military men have been planted in the most strategic spots, as it is believed here, then the country could be occupied by Janio's military. Under these conditions, he would merely have to return to Brazil and step in as Dictator - his ultimate goal.

As

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FOREIGN SERVICE DESPATCH

FROM : AMCONSUL, SALVADOR, BAHIA. - 28 - NO.

TO : THE DEPARTMENT OF STATE, WASHINGTON. December 14, 1961 DATE

REF : Consulate's Despatch No. 26 of December 4, 1961

DEPARTMENT OF STATE
BUREAU OF
INTER-AMERICAN AFFAIRS
DEC 28 1961

20 For Dept. Use Only	ACTION	ARA-4	INFO	DEP	RM/R 2	REP	AF	ARA	EUR	S/P 1	S/S 3	INTER-AMERICAN AFFAIRS 7		ICA
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	REC'D 12-23-61				AIR 6	ARMY 4	CIA 11	NAVY 4	OSD 5	OCB	USIA 10	NSA 4		

SUBJECT: POLITICAL: Speculation on Janio Quadros' Re[illegible]

DEPARTMENT OF STATE
BUREAU OF
INTER-AMERICAN AFFAIRS
JAN - 4 1962

Introduction.

Recent political developments in Brazil have brought forth a rash of ideas on who is doing what and where the country is going politically. Newspaper reports are more indicative each day that the situation in Brazil is deteriorating. There is the possibility of planned action behind all this. Officers of the Consulate have been speculating on the possibilities of what may be forthcoming and present the following as purely food for thought.

Background.

Janio's departure has never really been fully clarified. He left under a cloud of statements such as "...terrible forces..." etc. pushed him out. Other insinuations have been bantered around for months. Many people think he is eccentric and that his renunciation simply stems from this. Others feel that he is an extremely cunning man and that his renunciation was a carefully planned affair which may have partially aborted in the early stages. But the end result will be the same as his assumption of power under a dictatorial type government. This brings up a question. What type of dictatorial government does Janio want? During his few months as President, he showed many signs of leaning towards the left. However, he may only have been trying to establish himself as a neutralist. He also showed signs of being friendly with the United States Government.

Opinion.

Officers of the Consulate have given considerable thought to

Paul B. McCarty:pbm LIMITED OFFICIAL USE
REPORTER

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FORM FS-439a
6-1-50

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Encl. No.
Desp. No. 162
From São Paulo

Miscellaneous
12. List of Substantive Despatches

162 São Paulo Summary No. 24

Scott C. Lyon
Consul

Contributors:

Proper (Political)
Liebof (Labor)

Distribution:

INS/RAR, Embassy Rio 3, Amcongen Recife, Amembassy Brasilia, Amconsulates Belem, Belo Horizonte, Curitiba, Porto Alegre, Salvador, Santos, Amembassy Lisbon, Amembassy Montêvideo, Amconsulate Luanda.

GPO 902667

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strikers and police which might have led to generalized violence. The Secretary of Labor said that while he believed the journalists' union leaders and the majority of strikers were non-Communist, there was a small but active and vociferous group of Communist agitators, mainly from outside the journalists' union, who did everything possible to provoke the police into using force against the strikers. According to the Secretary of Labor, agitators of this type controlled the group of strikers who blocked the exit to the O Estado plant. The Secretary seemed relieved that the strike was finally settled with nothing more than verbal attacks against the government from both sides.

11. Aftermath in São Paulo of CNTI Election (Limited Official Use)

Paulista democratic union leaders are somewhat demoralized by the 29 - 23 victory of the Pellacani-Riani Communist-leaning slate in their December 9 election of officers in the National Confederation of Industrial Workers (CNTI) in Rio. The São Paulo democratic leaders apparently did not expect this result, and attributed it to the surprising lack of coordination among the non-Communist union federation presidents and to the behind-the-scenes activities of President Goulart, whose trade union advisers reportedly offered large amounts of cash and well-paying government jobs for votes in favor of the Pellacani-Riani slate.

COMMENT: (Limited Official Use) Although the CNTI election was by secret ballot and the actual voting of federation presidents therefore unknown, from conversations with local labor leaders the Labor Officer deduces that the São Paulo federations probably voted as follows:

For the victorious Pellacani-Riani Communist-influenced slate:

Textile workers (President Artur AVALONE and Secretary-General Antonio CHAMORRO are respectively a fellow-traveler and a Communist Party member); chemical workers (President Floriano Francisco DIZEM is a Communist); food industry workers (President Luiz Tenorio de LIMA is a Communist); glass workers (President José CHEDIAK is a frequent fellow-traveler); and construction workers (President Luiz MENOSSI, a fence-straddler, was probably bribed by offers of a lucrative government job).

For the defeated Wagner-Cavalcanti non-Communist slate:

Paper and cardboard workers (President Olivo PREVIATTI); clothing workers (President Dacyr GATTO); public utility workers (President Antonio Navas MARTINS); and metallurgical workers (President Domingos ALVAREZ).

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reason for the relative lack of violence the actions of the São Paulo Labor Ministry Delegate and the São Paulo Regional Labor Tribunal in respectively arranging and awarding wage settlements following the 45 percent increase. While the Labor Officer believes that the rise in the cost of living certainly justified substantial wage increases, in his opinion the Government actions in bringing about the recent wage settlements were motivated not so much by economic considerations as by the political desirability of avoiding widespread labor agitation at any cost.

10. Accusations Against Government Following Journalists' Strike (Unclassified)

A 3 1/2 day strike of São Paulo journalists and TV and radio news broadcasters ended on December 5 when the Regional Labor Tribunal awarded the journalists a 45 percent wage increase and a minimum wage of 22,000 cruzeiros per month. The strike effectively prevented the circulation of all São Paulo newspapers. Two papers claimed that, previous to the strike, they had already voluntarily given the employees increases approximating the strikers' demands. According to one of them, O Estado de S. Paulo, its personnel did not wish to strike but in fact published an edition of December 2 which was prevented from circulating by striking pickets who blocked O Estado's delivery wagons from leaving the plant by sitting down en masse across the plant exits. O Estado claimed it appealed to the police for help and when this was not soon forthcoming, abandoned all further attempts to circulate. In its first editorial following the strike settlement O Estado roundly castigated the authorities for failing to disperse the pickets preventing the paper's circulation, while carefully endorsing as justified the wage demands of journalists working for other papers. O Estado, however, refused to join local papers including Diario de São Paulo, Diario da Noite, Folha de São Paulo, A Gazeta, A Hora and others (usually friendly to the governor) which published a manifesto attacking government tolerance of strikers' violent acts directed at the newspapers. The São Paulo State Government replied in a communiqué that it had acted to maintain order, protect the right to work and the property of the newspapers without prejudicing the journalists' constitutional right to strike, or resorting to methods offensive to human dignity. On the other hand, the left-wing press, including extreme leftist Ultima Hora and the Communist Novos Rumos, accused the government of having used water hoses and other measures of violence in an unsuccessful attempt to force the strikers to abandon their legitimate interests. In its post-strike editorial referred to above, O Estado repeated the widely-heard claim that certain smaller unnamed São Paulo papers actually desired and fomented the strike in order to pressure the Federal Government into restoring the former preferential exchange rate for the importation of newsprint, abolished by SUMOC Instruction 204 of June 1961.

COMMENT: (Limited Official Use) After the strike settlement the São Paulo State Secretary of Labor told the Labor Officer during the latter's initial call that the State authorities took extreme care to avoid incidents between the

GPO 802667

Popular Para Libertação de Angola" ("Popular Movement for the Liberation of Angola") and the "victims of the war of genocide unleased by Salazar in Africa."

COMMENT: São Paulo has many anti-regime resident Portuguese but anti-colonial Portuguese have been conspicuous by their absence. The Consulate General has no information on the "Unidade Democrática Portuguesa." It could be (1) genuine, (2) an invention of Angolans or other anti-colonialists, or (3) a group of, for example, idealistic students who have grown braver in the absence from São Paulo of Messrs. GALVÃO and DELGADO.

Labor

9. Recent Round of Wage Increases (Unclassified)

The Brazilian Government decree increasing minimum wages by 40 percent effective October 16 immediately generated increasing pressure for a substantial raise in other than minimum wages among virtually all categories of workers in the São Paulo area. This pressure has resulted in wage increases in collective contracts signed since October 16 covering workers in the following fields: meat packing, paper and cardboard, glass, textile, cabinet-making, printing trades, metallurgical, airline (ground personnel), toy and musical instrument making, and dairy products. Other classes of workers who have received increases are journalists, radio and TV news announcers, bank workers, commercial workers, cartage and warehouse workers, and São Paulo municipal employees. The percentage of wage increase was 45 percent in all of the cases mentioned except the cartage and warehouse workers, who received 46 percent, and the bank workers and municipal employees, who each received 40 percent. In most cases the unions initially demanded a raise of 60 percent or thereabouts, the employers offered from 30 percent to 42 percent, and the Labor Ministry Regional Delegate in effect engineered a settlement at the figure of 45 percent. An estimated 750,000 workers in the State of São Paulo were affected by the foregoing wage increases. In all the fields listed above wage settlements were reached without recourse to strikes with two exceptions: bank workers and journalists. The former went out on strike for two days (November 7-8) and the latter for 3 1/2 days (December 1-4).

COMMENT: (Official Use Only) Because of the soaring cost of living and of the fact that the large majority of collective wage contracts expired during October and November, most observers of the São Paulo labor scene expected a considerable amount of labor unrest, with the possibility of unsatisfied wage demands leading to bitter strikes which in turn might be fanned by ever-present Communist agitation into outbursts of violence. However, local labor developments during the two months mentioned were if anything characterized by the relative absence of lengthy strikes and labor violence. The Labor Officer would like to give credit for this apparent restraint to the undoubtedly increasing maturity of São Paulo's labor leaders. Unfortunately, objectivity requires that he report as the main

COMMENT: (Limited Official Use) The unanimous approval, though a formality, postpones the danger of a violent party split. If it becomes clear (as it probably will) that Moura Andrade's chances are very poor, however, there would be a strong temptation for some local Social Democrats to quit the sinking ship. The PSD by itself has not the strength to accomplish much in a state election, and no other party seems to be joining forces with it.

6. Municipal Chamber Elections Surprisingly Quiet (Official Use Only)

In elections which were called the calmest in years, Helio MENDONÇA of the Social Progressive Party (Partido Social Progressista -- PSP) was elected President of the São Paulo Municipal Chamber, to take office in January 1962. With him were elected the rest of the slate of officers decided upon three weeks ago, all by a large majority. Councilman Gouveia FRANCO's report of attempted bribes (São Paulo Despatch 151 of November 21) apparently caused no trouble to anyone but himself.

COMMENT: (Limited Official Use) The Municipal Chamber may be growing up, though later than the State Legislative Assembly and the state and municipal executives. Despite the encouraging air of responsibility surrounding the election of officers, it remains to be seen whether chances for mutually profitable cooperation between the Municipal Chamber and the Mayor have improved.

7. Santos Mayor to Remain in Office (Official Use Only)

The Superior Electoral Tribunal has upheld the right of Santos Mayor José GOMES to remain in office. As Vice Mayor Elect, he had assumed office upon the death of the Mayor Elect. His battles with the opposition parties (PSP, UDN, PRT, PL, and PSD) in the courts and in the Municipal Chamber were described at length in Santos Despatch 27 of October 2 and previous. The opposition parties have announced their determination to appeal to the Federal Supreme Court, but Mayor Gomes' chances of remaining in office are said to be good.

COMMENT: Chances for a progressive administration in Santos seem to be looking up. Consulate Santos has reported that Mayor Gomes has filled his important administrative posts by non-political "technicians." He has been opposed by the Communists, who are influential in this important labor and shipping center.

8. Portuguese Opposition Group Makes Anti-Colonial Statement (Unclassified)

An organization called the "Unidade Democrática Portuguesa" ("Portuguese Democratic Unity") has come out with a strongly anti-colonial statement carried in the São Paulo press. The statement expresses "solidity" with the "Movimento

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problems for his "Plan of Action." (2) Threat of a general strike on December 14, by workers demanding a Christmas bonus of one month's pay, makes a firm hand at the reins necessary. The Governor is being criticized for his action in last week's journalists' strike (see Item 10). (3) Carvalho Pinto undoubtedly wishes to avoid appearing to join the ranks of the governors (mostly of leftist convictions) who are accused of doing more work outside their states than in them. (4) He may feel that it is too early to open an informal electoral campaign either for his hopeful successor or for his own possible national goals. (5) Carvalho Pinto simply does not like public appearances and seems eager to take advantage of any excuse to avoid them. This shyness may hinder any national aspirations he might have.

4. HAEDO in São Paulo Criticizes Empty U.S. Promises (Unclassified)

Eduardo Victor Haedo, President of the National Council of Uruguay, stopped off in São Paulo for the day of December 9 on his return from visits to Rio de Janeiro and Brasília. His comments during a press interview seemed more critical of American financial aid than similar ones reported from elsewhere in Brazil. He was quoted by a responsible paper as saying that "Uruguay left the Punta del Este Conference very satisfied but hopes that the promises made by the United States will, this time, really be fulfilled. May what happened with the five hundred million dollars promised in the Bogotá Conference not be repeated. Uruguay, at least, has not seen a penny of them," in spite of putting in a request "every day." "Latin America is fed up with grandiloquent sentences and wants positive facts." Haedo also: (1) Repeated his convictions on "self-determination" and "non-intervention"; (2) emphasized the importance of the Latin American Free Trade Zone and praised Brazil's role in it; and (3) discussed Uruguayan interest in purchasing industrial goods from São Paulo.

COMMENT: (Official Use Only) The best two São Paulo papers -- Estado and Folha -- seem to have understood the principles of the Alliance for Progress and might have been expected to examine Haedo's criticism of American aid. Their silence to date is worth some concern.

5. Auro MOURA ANDRADE Confirmed as PSD Gubernatorial Candidate (Official Use Only)

The Social Democratic Party (Partido Social Democrático -- PSD) in full regional convention "ratified" Senator Auro Moura Andrade's candidacy for the state governorship in the election of October 1962. The PSD Regional Directorate had named him in a surprise maneuver on October 9 (São Paulo Despatch 128 of October 17). Many Paulista members of the PSD were irritated then and are still discomfited, but there was little they could do about it. The candidacy was approved unanimously by the convention.

GPO 902867

to expand his influence outside of the Northeast. His latest attempt is in Goiás, which has been tempting leftists from all of Brazil. Julião's actions in Goiânia, the capital, seemed only distantly connected with the National Liberation Front and not connected at all with the pro-Quadros movement, both of which have been important there. He announced -- reportedly to large audiences -- that Goiânia would be the center of a "historic peasant movement" beginning with a conference of agricultural workers, laborers, and students to be held there in 1962. He plans for the "thousands" attending the conference to march to Brasília to extract "revolutionary reforms" from Congress. From here on, press reports (often inadequate from Goiânia) diverge. O Estado de São Paulo, which can usually be trusted to report accurately even on events of which it disapproves, quotes Julião as saying "What I want, in truth, is revolution, the transplanting of the Cuban and Russian regimes to Brazil. I am a Communist and do not care who brands me as one." The Brazil Herald confirmed the substance of this report, but several other papers did not. Julião promptly denied the quotation. At a minimum, however, it seems sure that he preached "transplanting the Cuban regime to Brazil." The public apparently did not object to this, but an audience broke up a speech in which he criticized ex-President Janio Quadros.

COMMENT: Goiás' leftist-leaning state government, combined with Goiânia's proximity to the national capital, makes it a natural forum for agitators. A saving factor is that, even more than the moderates, the leftists seem to find it hard to get together. Julião, the Communists, the National Liberation Front, and the Janistas are all busy in Goiânia, often for the same expressed purpose but seldom in concert. Goiás Governor Mauro Borges TEIXEIRA, who did not seem to know quite what to do with Francisco Julião, apparently lent at least moral support to him. Whether or not Julião actually confessed publicly to being a Communist, as reported by O Estado, his programs make the Reds seem almost stodgy by comparison. They must dislike being outdistanced in preaching radical "reforms," but their effectiveness and public tolerance would suffer if they were as violent as the leader of the Peasant Leagues.

3. CARVALHO PINTO's Trip Cancelled (Unclassified)

São Paulo Governor Carvalho Pinto at the last minute cancelled his trip to Minas Gerais, Bahia, and Pernambuco, where he had intended to open new branches of the Bank of São Paulo (Despatch 152 of November 28). He excused himself on grounds of "supervenient administrative and social problems" and sent a delegation from the Bank in his stead.

COMMENT: (Limited Official Use) Possible reasons: (1) The one given has some validity. Carvalho Pinto has always emphasized work at the expense of politics. The trip would have been largely political, being the first time since taking office that the governor had left the state for any length of time. Federal financial measures did present him recently with some serious and unexpected

GPO 902667

for his return. Among them: ex-Chief of Civil Household Quintanilha RIBEIRO, ex-President of the National Bank for Economic Development and gubernatorial hopeful Faria LIMA, ex-Justice Minister Pedroso HORTA, ex-Labor Minister Castro NEVES, and ex-Private Secretary José Aparecida de OLIVEIRA. When in office, these men were thought to be generally oriented toward the political center, but Quadros' resignation swung Janismo to the left, and how far they have swung with it is unknown. José Aparecido de Oliveira has been making statements in Goiânia equating the goals of Janismo with those of the leftist National Liberation Front but indicating that the two movements are parallel, not coincident. The rest have given explanations of Quadros' resignation in terms which, rather than clarifying the mystery, have deepened it. The São Paulo press and public have usually greeted the explanations with sarcasm. In Goiânia, however, press reports indicate that the ex-President has retained real popularity. A visit to Goiânia by Francisco JULIÃO, otherwise apparently successful, is reported to have been shaken by violent boos when he included Quadros in his attacks (see Item 2).

COMMENT: The center of Janio Quadros' popular appeal now seems to be in the leftist-inclined regions of Brazil rather than in his old stronghold of São Paulo, though it may turn out that the less articulate Paulista classes still have faith in him. In any case, his (political) "widows," as they are called, appear to believe that he must rebuild his base here before going on to bigger things. They have a good point. An attempted political return in moderate São Paulo would be calculated to impress the rest of the country that Quadros is not so dangerously rabid as the press has called him. If this is the idea of the Janistas, the question will be whether they have properly assessed their leader's support in the state which used to be his bulwark. The entrance of Janio himself or a strong Janista candidate in the 1962 gubernatorial race could turn it into a free-for-all. Much of his strength would be subtracted from José Bonifacio COUTINHO NOGUEIRA, the candidate (so far front-running) of the current governor. This in turn would give Adhemar de BARROS strong encouragement to jump in. Before the plans and platform of the Janistas can be deduced, however, several developments will have to be observed. A declaration to the nation explaining the ex-President's resignation has long been awaited, and the Janistas have spent long hours trying to puzzle out what the explanation is. Results to date have been unconvincing. The declaration, when it comes, will probably be either an empty exercise in semantics or -- if it contains anything new enough to be convincing -- a bomb, whose explosion could reverberate in the United States. The performance of the Paulista general staff since Quadros' resignation indicates that a dud is as likely as a bomb.

2. Francisco JULIÃO: Fertile Field in Goiás? (Limited Official Use)

Federal Deputy Francisco Julião of Pernambuco -- best known for his organization of the "Peasant Leagues" -- has often tried, with spotty success,

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FOREIGN SERVICE DESPATCH

FROM : Amcongen, São Paulo 162 NO.

TO : THE DEPARTMENT OF STATE, WASHINGTON. December 13, 1961

REF :

CONSULATE GENERAL OF THE UNITED STATES OF AMERICA
DEC 13 1961
SAO PAULO, BRAZIL

2 For Dept. Use Only	ACTION	INFO	DEPT	RM/R	REP	AF	ARA	EUR	FE	NEA	CU	INR				
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			OTHER	AGR	COM	FRB	INT	LAB	TAR	TR	XMB					
	REC'D 12-15			AIR	ARMY 4	CIA 11	NAVY 4	OSD 5	OCB	USIA 10	NSA 4					

SUBJECT: São Paulo Summary No. 24, Week Ending December 9, 1961

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6. Municipal Chamber Elections Surprisingly Quiet
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9. Recent Round of Wage Increases
10. Accusations Against Government Following Journalists' Strike
11. Aftermath in São Paulo of CNTI Election

Miscellaneous
12. List of Substantive Despatches

Political

1. Janistas Still Hard at Work (Limited Official Use)

São Paulo has come to be the administrative (as opposed to the popular) center of Janismo (the movement for political resurrection of ex-President Janio QUADROS). Several of the political figures who were prominent in Quadros' regime are holding frequent meetings to make plans

See last page/lfw LIMITED OFFICIAL USE

REPORTER

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Action ARA

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7:27 AM

Info

FROM: Mexico City

SS
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INR

TO: Secretary of State

NO: 1690, December 13, 10 A.M.

File no action
EST/B - JWWilson 1/9/62

FILED MAR - 7 1962

MEXICO 1690

ACTION DEPARTMENT 1690, INFORMATION BRAZILIA 3.

RMR

LIMIT DISTRIBUTION

Brazilian Ambassador Pio Correa informs me he just returned from Rio where he was offered post of Brazilian Ambassador to Canada, an effort of left wing elements to "get him out of the way". He said he found all doors in Rio and Brazilia closed to him until Castro made his public admission of leading Cuba down the road to Communism. When questioned by the Brazilian press about the Castro speech, he said this did not come as a surprise to him since he had been saying this for two years. He said the climate in official circles in Rio changed sharply as a result of Castro's speech and he has now been returned to Mexico. He said statue should be erected to Castro for his help at a critical time and that as a result of Castro's speech it was now necessary for Brazilian political elements to choose between democracy and Communism. He added that as result of his urging, Brazilian Foreign Minister plans to visit Mexico City probably on weekend beginning December 16. When asked whether the Brazilian Foreign Minister would be a helpful or harmful influence on Mexican vote in MFM on January 10, he said he thought his Minister would be constructive.

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RMC

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FOREIGN SERVICE DESPATCH

FROM : Amconsulate, BRISBANE, AUSTRALIA — 25 DESP. NO.

TO : THE DEPARTMENT OF STATE, WASHINGTON. — December 13, 1961 DATE

REF :

2 For Dept. Use Only	ACTION	DEPT.
	AAA 4	AM/12-2 FE. 2 INR. 3 VO-1 EUR. 3
	REC'D 1-21	INFO OTHER CIA. 11 USIA. 5 ARMY. 3 NAVY. 3

SUBJECT: Dr. Janio QUADROS, Former President of Brazil NSA 3

Dr. Janio Quadros, former President of Brazil, and his wife and mother, all of whom bore diplomatic passports, applied at the Consulate today for visas and were issued diplomatic B-2 visas.

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

Dr. Quadros and his family expect to leave Brisbane today on the Blue Star Line's "English Star" and to arrive in Auckland on December 27. They expect to leave Auckland on December 20 on the Matson Line's "Mariposa" and to arrive in Honolulu on December 29. They hope to leave Honolulu on January 4 on the U.S. President Line's "President Cleveland" for Yokohama and Hong Kong. Dr. Quadros told me that it was not definite whether he would continue on the "President Cleveland" back to Honolulu and on to San Francisco and then to New York before returning to Brazil. He said that he hoped to be able to go to the United States and was particularly anxious to visit Governor Rockefeller, whom he described as a great personal friend and one of Brazil's best friends. He said that he and his wife were both distressed over Governor Rockefeller's recent misfortunes. He said that whether he would proceed to the United States en route from Hong Kong to Brazil could be determined only after he received mail from his country, which would be waiting for him in Hong Kong.

While in Brisbane, Dr. Quadros avoided newspaper reporters and declined all social invitations, including one from the Governor of Queensland.

Knox Lamb
American Consul

He meant "only if he received a check in the mail"

Copies to:
Canberra and Auckland

DEC 31 10 15

KLamb/jc
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Letter sent Action Post/3 R 30/62 JW Mehan

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(36)

INCOMING TELEGRAM *Department of State*

36

CONFIDENTIAL

Control: 8491
Rec'd: Dec 14, 1961
12:24 pm

Action ARA

Info SS G FE PR P USIA VO INR CIA NSA RMR

FROM: Brisbane

TO: Secretary of State

NO: 57, December 13, 5 p.m.

Re your 8 033.3200

Quadros and wife and mother bearing diplomatic passports issued diplomatic B-2 visas expect arrive Auckland December 17 ENGLISH STAR Honolulu December 29 MARIPOSA depart Honolulu January 4 for Hong Kong PRESIDENT CLEVELAND hopes continue on ship to San Francisco February 9 sending despatch number 25 dated today.

732.00/12-1361 LAMB

DT

Brisbane 57

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0501

Simonsen when he learned that in an alarmingly large number of instances sergeants and other non-commissioned officers had virtually imprisoned their officers or at least seriously inhibited their freedom of action, he decided to accept the solution found by the Congress instituting the parliamentary system of government and limiting the powers of the presidency. This position was taken despite strong objections by Brizzola and his followers, and despite his own conviction that if he had held out longer he could have assumed the Presidency without these limitations on his power.

Comment: I am not sure whether the initiative to promote a meeting between the Ambassador and Mr. Simonsen originated with the latter or with Marzagão. Nevertheless the Ambassador may find the contact useful.

POL:PRaine:jw

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MEMORANDUM OF CONVERSATION

DATE: October 4, 1961

PLACE: Office of Mr. Mario Simonsen

SUBJECT: The Present Administration

PARTICIPANTS: Sr. Mario Simonsen
Augusto Marzagão (for part)
Philip Raine

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(Augusto Marzagão, see Memorandum of Conversation dated October 2, 1961, entitled "Janio Quadros and the Political Scene in Brazil", called me October 4 to say that he had been talking to Mario Simonsen who would very much like to speak to me that day around noon if possible. Since I was on my way to the Foreign Office and had an early luncheon engagement I suggested a later time. He said, however, that Mr. Simonsen was going to Sao Paulo shortly after 1:00 and if I could come to his office even for only a few minutes it would be appreciated.)

Marzagao referred to his suggestion regarding the desirability of Mr. Simonsen meeting the Ambassador. I said I would be happy to bring the matter to the Ambassador's attention after his arrival. Mr. Simonsen said that he would be happy to meet with the Ambassador since he supposed the Ambassador would want to get as accurate and complete a picture as he could of the situation in the country and he would be happy to make such contribution as he could. He went on to say that he had been in Paris at the time of Quadros' resignation and had talked to Goulart both during his stay in Paris and after taking office. He said that while he is no supporter or follower of the President, nonetheless he is convinced that Goulart is a reasonable man and that he would not encourage a leftist administration. He said that Goulart had recently told him that when he arrived in Porto Alegre he had been surprised by the tremendous popular reception he had received. When he looked closer at the crowd, however, he turned to Brizzola saying, "It looks like every Communist in Brazil is here today." Brizzola replied, "Not only is every Brazilian Communist here today but every Communist in South America" and then went on to justify himself by saying that every possible aid was needed to make sure that he, Goulart, got into the Presidency. Later, Goulart told

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Comment: The Embassy has heard of one or two other instances of willingness on the part of sources very close to the President to accept financial encouragement to expedite government business legally or illegally.

4. Julio Mesquito Filho on Quadros and the New Government

Julio Mesquito Filho, publisher of O Estado de Sao Paulo, according to Heller, continues to suffer from remorse because he holds himself and the paper partly responsible for Quadros' ascension to the presidency. He said that Mesquito believes that he had it in his power to obtain the election of Juraci Magalhaes (he could have swung the UDN to nominating Juraci whose candidacy was also sought by Kubitschek) and now feels he shares responsibility for the disservice to Brazil which Quadros did. He said that Mesquito opposes the present administration but is coming around to the view that it must be supported and felt that Tancredo Neves' recent message to Congress on tax and financial reform was very good. He did, however, complain to Heller because Heller had devoted a whole page to the speech including laudatory comment on the Prime Minister.

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Comment: The suggested Brizzola-Quadros alliance appears to be a logical one and would explain the movements of Quadros' lieutenant Jose Aparecido, Quadros' private secretary, who has been traveling, sometimes publicly, sometimes secretly, to Porto Alegre, Goias and other parts of Brazil including the Northeast, presumably in the interest of preparing the way for Quadros' return. If the alliance proves to exist, in fact, it would confirm the Embassy's concern over the potential of the recently created National Liberation Front with Brizzola, Borges, Arraes, et al as its leaders. The Front might well prove the instrument of the "revolutionary wave" on which Janio is said to hope to return to power. The effectiveness and success of the Front would nevertheless still seem to depend on the present Government's ability to meet the economic-financial problem and its corollary, the rising cost of living.

2. Magalhaes Pinto's Support of Quadros

On the subject of public support of Quadros which the Governor of Minas Gerais, Magalhaes Pinto, continues to give to Quadros or at least the Quadros objectives, Heller states that this is a "logical" position based on Magalhaes Pinto's belief that Quadros, if he returns to Brazil to enter the political arena, will run for the Governorship of Sao Paulo, leaving him, Magalhaes Pinto, free to run for the presidency.

Comment: It is difficult to believe that Magalhaes Pinto really thinks that Janio Quadros would bow out of the running for the top job in Brazil. However, it may be that Quadros, to retain his support, has led him to believe that this will be the case, probably through Jose Aparecido who, before becoming Quadros' private secretary, was political adviser to Magalhaes Pinto.

3. Corruption in the Quadros Government

Heller stated that several instances have come to light indicating that corruption was becoming a fairly common characteristic of the Quadros administration near the end. He mentioned specifically a particularly flagrant instance involving shipments of coffee made by the large industrialist, Mario Simonsen, which benefited not only the Simonsen group but also high officials in the Quadros administration and presumably, Quadros himself.

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MEMORANDUM OF CONVERSATION

DATE: November 24, 1961

PLACE: Restaurant, Rio de Janeiro

SUBJECT: Impressions on the Activities of Janio Quadros and his Present Supporters

PARTICIPANTS: Sr. Frederico Heller, Economics Editor, O Estado de Sao Paulo
Philip Raine, Counselor of Embassy for Political Affairs

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Mr. Marelius

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1. Quadros-Brizzola Alliance

Sr. Heller, who had called from Sao Paulo to make the luncheon appointment was interested in exchanging impressions on the activities of Janio Quadros and his present supporters. He said that he had recently talked at some length with Sr. Selmi-Dei, a wealthy Sao Paulo industralist, who has known Quadros for many years and has supported his political activities over the years with what Heller called altruistic motives. (Heller says that Selmi-Dei is one of the few if not the only person close to Janio who is not seeking to further his own personal or business interests. He believes he obtained the following information from some of Quadros' closest political advisers.) According to Sr. Selmi-Dei a more or less formal alliance exists between Janio Quadros and Governor Leonel Brizzola of Rio Grande do Sul. The alliance is said to be justified from Quadros' point of view on the basis that having lost a sure political base in Sao Paulo because of his resignation and subsequent activities, Quadros feels that he needs to have a political base in another part of the country. Quadros was proved to be very popular in Rio Grande do Sul in the past election. In addition, Quadros would find the Brizzola alliance useful since the Governor apparently has access to large sums of money which have been made available for his government from the Bank of Brazil and which could be used for electioneering and other political purposes. Janio is also said to believe that the expanded Forca Publica (militarized police) of Rio Grande do Sul might some day prove a useful instrument.

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to make of Brazil a real force in the concert of nations and not only a humble lackey enslaved by alien interests or begging for help which it will not need on that day when it will have consciousness of its force and absolute confidence in its destiny.

Signed: Leonel Brizzola
Mauro Borges Teixeira
Bento Gonçalves
Barbosa Lima Sobrinho
Oscar Gonçalves Bastos
Miguel Arraes
Aldo Arantes

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groups or those that manifest solidarity with the FLN, reporting to the national executive organ for the most perfect coordination of the movement throughout the country and taking into consideration not only the authenticity of the group but the expansion and strengthening of the movement.

(5) The representatives of all professional, social or ethnic groups, associations or syndicates when making affiliation with the FLN must constitute its group as part of the movement in order to insure the legitimacy of representation.

(6) There will be no party discrimination in the formation of the groups referred to in the previous item with the exception of political parties themselves.

(7) We vehemently appeal to the state deputies and elected representatives throughout Brazil for the creation in every assembly of representatives of the people joined with the supporters of the ideas and promises of the Declaration of Goiania to establish legislative or municipal fronts of national liberation in the states and in the cities.

(8) The Executive Secretariat of the FLN will function in Brasilia with an office in Rio de Janeiro charged with the work of coordinating the movement, the elaboration of its national statutes as well as the editing of its draft program to be submitted to the national convention of the FLN.

(9) What characterizes the National Liberation Front are the objectives of affirmation of Brazilian independence and the authenticity of its democratic inspiration in the creation of the resistence forces to oppose golpismo and the suppression of constitutional guarantees.

We repudiate every species of tutelage although accepting the cooperation of all progressive currents, partisan or non-partisan.

Our position with regard to Communism and imperialism is defined in the Declaration of Goiania: not a satellite of the Soviet Union nor a colony of the United States.

Nationalism represents, above all, the affirmation of self-determination, repudiation of subordination or dependence of any kind from any sources. Economic and political independence are imperatives of true nationalism, of the nationalism which seeks

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Statement of Basic Organizational Principles
(Translation from press report Correio da Manhã, November 12, 1961)

The Provisional Executive Committee of the National Liberation Front has examined the state of the nation and heard representatives of diverse sectors of Brazilian life as well as leaders of the nationalist movement, including students of our basic problems, and has decided to adopt the following directives:

(1) The Provisional Executive Committee will coordinate and direct on the national level the FLN until the date of the opening of the convention to be convened for the purpose of elaborating and approving the statutes and program of the movement as well as the election of its officers. The convention will be composed of members of the national congress, state and municipal delegations and representatives of associations and syndicates in accordance with instructions to be promulgated later.

(2) The Provisional Executive Committee is composed as follows:

President of the Committee--Governor Leonel Brizzola;
Secretary General--Governor Mauro Borges;
Coordinating Secretaries--Deputy Bento Gonçalves, Deputy Barbosa Lima Sobrinho, Mayor Miguel Arraes, Colonel Oscar Gonçalves Bastos, Secretary General of the Brazilian Nationalist Movement, academician Aldo Arantes, President of the Nationalist Students Union, and a representative of the working classes to be designated later who will represent organizations of that class.

(3) Executive Committee:

The Provisional Executive Committee is empowered to promote the formation in the Federal District and in the city of Rio de Janeiro of consultative committees with membership consisting of representatives of groups incorporated with the FLN movement and technicians and parliamentarians to comprise the advisory group of the movement until the opening of the national convention. The working groups of the First National Congress of Brazilian Studies will be utilized as technical advisers to the FLN.

(4) In the states and municipalities there will be organized provisional executive committees composed of nationalistic movement

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we are submitted.

We refuse to accept any tutelage in our internal or foreign policy. We shall not be a colony of the United States nor a satellite of the Soviet Union.

Our choice will be a foreign policy of absolute independence, with the objective before and above all, of the sovereignty of our people and the autonomous development of our country. The labor of Brazilians is a national patrimony and exploitation of the richness of Brazil must be to the benefit of our people.

The National Front of Liberation is the Brazilian emancipation movement, open to all patriots, mobilized in the common fight for growth. The union of the people around the flag unfurled here today is of fundamental importance for the destiny of the Country.

Workers, factory owners, farmers, businessmen, intellectuals, students, men and women of all regions of the country, let us join in the National Front of Liberation. In defense of democratic liberties, of the Constitution of the Republic, and of the economic independence of Brazil.

Let us be worthy of the moment in which we live, transmitting to the coming generations a united, free, and sovereign country.

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Thus, exhausted, the country stagnates, prevented from overcoming the barrier of underdevelopment and from assuring work and well-being; added to this are the deep differences between the various regions of the country, some like the North and Northeast showing the lowest rates of income in the world. The despair enveloping these regions endangers national unity, which we must defend, whatever the sacrifices.

The distortion of national economic development, putting the wealth of the country in a few hands, characterized by latifundia, and the ostentation of privileged classes, causes deep revulsion among the poor. Inflation, by fattening same economic and financial groups, pauperizes the middle class and starves the proletariat.

The system of privileges and favors to foreign industry strangles, progressively, national private initiative. Firms with concessions for public services, such as "Light" and "Bond and Share", exploit Brazilian consumersincreasing profits incessantly, to the loss of our capital and investments. Nationalization of them is an urgent and imperative measure.

This is the most serious crisis that our Country has gone through in all its history. And no solution will be found for our problem by keeping the present out-of-date and anachronistic structure.

Agriculture reform, regulation of foreign capital, including control of remittance of profits and the nationalization of deposits in foreign banks, the law of confiscation of illegal fortunes, and other basic measures can be achieved, legally, through the general elections in 1962, with the victory of nationalist currents in all States of the Federation. Without majority representation in the Parliament, progressivist and active, these reforms that the people claim will not be voted. The reactionary forces which at this stage of the political process pretend to defend the reforms, in truth intend to steal and disfigure them, treating them as a simple expedient whose objective is to anesthesize the legitimate national aspirations. This is what happens to agriculture reform when they submit the interpretation of the constitutional text to the convenience of the latifundia. The existence of this condition obliges amendment of the Constitution, allowing indemnification for expropriated lands to be made by public bonds payable over a long period.

The plan of action of the National Front of Liberation will present Brazilian solutions for the Brazilian problems. It will be given to every compatriot as his most powerful weapon in the fight for national emancipation. It will awaken the creative energies of the popular masses, this time pledged against hunger, backwardness, ignorance, sickness, and the colonial exploitation to which

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Declaration of Goiania
(Translation from press report
Ultima Hora, October 24, 1961)

Men from the four corners of the country meet today in this heroic city of Goiania and from here summon the people for the decisive struggle, through the National Front of Liberation (Frente Nacional de Libertacao). We have chosen, for this national appeal, the Central Plateau, axis of inspirations from all points of the country and source of the currents which feed all Brazilian watersheds: the Amazon, the Atlantic, and the region where the Rio da Prata symbolizes continental unity.

The outcome of the last crisis has proved that we are mature for this fight. The Brazilian people no longer accept tutelage and can defend, even at the price of greater risks and dangers, democratic liberties and the Constitution of the Republic. The mobilization of popular forces, strengthening the resistance of the Congress and allied to the legalist spirit of the majority of the military, crushed one of the most dangerous plots of the reactionary forces. However, plotting (golpismo) continues openly. It is a new drive by the reactionary forces to prevent the structural reforms that the people impatiently demand. It must be exposed: it might materialize at any moment, raising barriers to the popular conquest.

Democracy arms the people for their economic liberation. We do not fight for a legality which only allows millions of Brazilians the right to starve. We fight for an authentic legality which will safeguard the masses' rights of expression in defense of fundamental reforms.

The parliamentary regime in itself does not solve the problems of the nation. It is only a type of government, and its orientation depends on the composition of the Parliament. The economic and financial policy of today is that of yesterday, unsuited to the national reality and subservient to plundering international groups, especially the North Americans.

The unrestrained increase in the cost of living is the most direct and noticeable result of this policy of exploitation of the people's labor which is drained to foreign countries through the constant and uncontrolled remittance of profits, royalties, and dividends. The picture is made more alarming by the systematic decline in the prices of primary products we export and the permanent high cost of the industrial equipment we import.

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For the Ambassador

Philip Raine

Philip Raine
Counselor of Embassy
for Political Affairs

Enclosures: As n.

1. Declaration of Goiania, Translation from press report Ultima Hora, October 24, 1961.

2. Statement of Basic Organizational Principles, Translation from press report Correio da Manha, November 12, 1961.

3. Memorandum of Conversation dated November 24, 1961, Impressions on the Activities of Janio Quadros and his Present Supporters.

4. Memorandum of Conversation dated October 4, 1961, The Present Administration.

DISTRIBUTION: All Consulates in Brazil, Service Attaches, USIS, Econ (2), POL II, Brasilia, Labor, CF (3), POL (5).

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dominant PCB group led by Luis Carlos Prestes changes from seeking power through peaceful means to more violent. This again presupposes increased political instability in the country from deteriorated economic conditions.

As to the present regime's relationship to the FLN, the closest link is, of course, that between President Goulart and Governor Brizzola and the fact that members of the FLN, some holding relatively important positions, have ready access to Goulart as they do to other members of the Government.

There is reason to believe (see Memorandum of Conversation attached dated October 4, 1961, and also note fact of appointment of anti-Brizzola, Goulart friend, pro-American General Penha Brasil to head the key III Army in Rio Grande do Sul) that Goulart has a healthy understanding of the danger to himself from his violence-inclined brother-in-law. On the other hand, for a number of reasons (e.g., some of its declared goals coincide with his own; he may think of it as potentially useful to his own political objectives) he is not likely to take a public position opposing it, or even to indicate his distaste for it as might the more conservative Cabinet. (An eventual Goulart-Quadros-Brizzola working understanding if Goulart sees no other way out to hold his position, cannot be entirely discounted.) In any event, the FLN would be a poor substitute for the growing, popularly founded Brazilian Labor Party which Goulart already controls effectively and there is no reason to believe that he is not fully aware of this fact. At most it could be anticipated that he might be interested in adding the FLN to his present support.

Conclusion

The Embassy thus sees the FLN today as a conglomeration of disaffected politically ambitious, leftist politicians with very little support nationally which is unlikely to grow unless political and economic conditions deteriorate to the extent to make Brazilian soil more fertile than at present for violent solutions for its problems. It is unlikely to be able to increase its potential under present leadership (it would not even be taken seriously in less troubled times than the present) but is a ready made vehicle for more talented leadership to seek to agglutinate that part of the discontented popular electorate not wedded to traditional political parties.

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Furthermore, evidence accumulates that a species of alliance exists between Brizzola and Quadros (see enclosed Memorandum of Conversation dated November 24, 1961). In addition to the evidence of the visits of Quadros supporters to Rio Grande do Sul, can be added the fact that Brizzola was one of the few who enjoyed Quadros' favor (personal eulogy, attention and funds) during the latter's short-lived term as Governor.

What is not yet clear is whether Quadros would find the FLN in its present or a somewhat better organized form more satisfactory than his own "Movimento Popular Pro-Janio Quadros" as the principal instrument for his bid to return to power. Should he decide on the first course and the FLN's present leaders permit him to control the organization (some of the leading figures in the organization, particularly the deputies, still strongly oppose Quadros) there is little doubt that his efficient staff could make an effective organization of it in short order. It would, then, of course, no longer be Brizzola's FLN but a Quadros instrument. And while its potential would under such control be increased enormously, it is still true as the Embassy has noted elsewhere, that Quadros' chances of a return to power are probably in inverse proportion to the ability of the present government to establish a viable political arrangement in the present unstable situation and to slow down inflation to a tolerable level.

Quadros' control of the FLN would not necessarily mean Communist control or even a strong Communist voice in its operation. Quadros has his own brand of radical leftism which can be likened more to the national socialism of the Third Reich than to the Moscow brand.

The Communist role in the FLN is still not clear despite the lavish praise given it in the PCB press.* Most evidence indicates that the Party had no hand in its formation, except by virtue of whatever direct or indirect control it may exercise over individual members--a highly uncertain element. Some of the members, notably the deputies, would clear out of the organization if it became apparent that it was Communist-controlled. The Communists, for the time being at least, can serve their objectives best by infiltering the organization (which they are doubtless already doing), working behind the scenes to build an effective organization in preparation for (1) the coming elections, and (2) agitation and direct action if the present policy of the

*Recently decreased, probably not to give it the kiss of death.

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mass support. Several of the Deputies attached to it have reported serious disagreement among the organizers. But possibly the most telling weakness is that of the principal "big name" organizers, Governors Leonel Brizzola and Moura Borges Teixeira. Brizzola has frittered away much of the prestige he built up during the August-September crisis as the standard bearer of "legality" with radical, ill-chosen and ill-made attacks on the wrong people (Sao Paulo Governor Carvalho Pinto, Archbishop Sherer of Porto Alegre and the U.S.--in terms Brazilians expect only students to use, not responsible men in high public office). Although somewhat of a rabble rouser, he has none of the charismatic qualities which make attacks on the U. S. from a man like Janio Quadros effective. He has virtually no standing nationally and is very unlikely to attain any since his kind of irresponsible demagoguery coupled with a poor record as Governor awakens distrust in most Brazilian voters. Sao Paulo reports that he was coldly received at a rally arranged for him in a city in the western part of that state.

As for Mauro Borges Teixeira, he gives no evidence so far of being more than a "two-bit" Caboclo radical. He may increase his following as time goes by if cleverer managers than his present take charge, but he has failed so far to show any talents larger than those needed to play leftist politics in the far-west atmosphere of Goias.

The FLN, however, is in one sense a natural development on the Brazilian political scene. As the urban population grows with progressive industrialization, some grouping of leftist-nationalist character, a counterpart of the small but noisy and sometimes influential Frente Parlamentar Nacionalista, is almost certain sometime to catch hold. Several previous ones such as the Movimento Nacionalista Brasileira were founded, made some noise and fell dormant. It is likely that the FLN, despite its wider and stronger support (at the top; little is evident at the base) would suffer a similar fate were the times less uncertain and the government stronger.

Given its potential as a vehicle for carrying along a large number of Brazilians dissatisfied with their present existence, who may become even more dissatisfied in the not too distant future, it may well attract some more talented leaders than its present. Of the known leaders the FLN seems to fit Janio Quadros best as the "leftist revolutionary wave" on which some observers believe he intends to return to power in Brazil. It is leftist, it is "popular" in concept and has no ties to any political parties, which factors would make it attractive to Quadros.

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the twenty-fifth anniversary celebration of the founding of that city. Its provisional Executive Board, which includes some of the principal organizers, is made up of Governor Leonel Brizzola of Rio Grande do Sul, Governor Mauro Borges Teixeira of Goias, Federal Deputies Bento Gonzalves and Barbosa Lima Sobrinho, Recife Mayor Miguel Arraes, Colonel Oscar Goncalves Bastos, President of the Brazilian Nationalist Movement, and Aldo Arantes, President of the National Students Union and an as yet unnamed labor representative.

The objectives of the FLN as outlined in the manifesto (translation enclosed) issued at the time the organization was established are (1) to work to elect an ultra-nationalist Congress in October, 1962; (2) to push through the Congress "basic reform legislation", including (a) agrarian reform, (b) a statute of foreign investment which, inter alia, would limit profit remittance; (c) nationalization of foreign banks, and (d) an absolutely independent foreign policy.

Since its founding one more or less formal meeting has been held in Rio de Janeiro at which the provisional Executive Board was designated and a statement of basic organizational principles issued (translation enclosed); offices were reportedly opened in Rio de Janeiro and Brasilia and a national campaign to establish branches throughout Brazil announced.

Reliable reports indicate that the Goias launching was far from a festive one with some of the founders stomping off in disagreement either with other founders or the manifesto. The original draft (Barbosa Lima Sobrinho was the draftee) was said to be sophomorically radical and had to be completely revised and still pleased so few that the original intention to attach important signatures to it was abandoned. Bento Gonzalves told friends that the meeting had been a failure and that he had walked out. (He apparently subsequently settled his differences.) The second meeting in Rio de Janeiro received so little press attention that the organization had to publicize its objectives through paid advertisements. Reports of organizing difficulties and failures continue to reach Rio de Janeiro but no information is available on such progress as the FLN may have been able to achieve. Sao Paulo reports (Despatch 161 of December 6, 1961) that the ripples made by the FLN in that area after its founding are fast disappearing.

Evaluation

While insufficient time has elapsed to gather definitive evidence of present effectiveness of the FLN, such evidence as is available indicates that it is yet attracting little or no

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FOREIGN SERVICE DESPATCH

FROM : Amembassy RIO DE JANEIRO

473
DESP. NO.

TO : THE DEPARTMENT OF STATE, WASHINGTON.

December 12, 1961
DATE

REF :

DEC 13 1961

	ACTION	DEPT.
20 For Dept. Use Only	ARA-4	RM/R-2 INR-7 P-3
	REC'D 12-16-61	INFO OTHER C/A-11 USIA-10 NSA-4 OSD-5 ARMY-4 NAVY-4

SUBJECT: The National Liberation Front--An Evaluation AIR-6 NSC-2

Gde - no action
EST/3 - info action
11/30/62

(2)

Summary

The National Liberation Front (FLN) purports to be a supra-party species of popular front of nationalistic bent whose declared objective is to elect to Congress in October, 1962, as many kindred elements as possible. Its principal national officers, Rio Grande Governor Leonel Brizzola, Goias Governor Mauro Borges Teixeira, Recife Mayor Miguel Arraes and Deputy Bento Gonzalves, are a collection of ambitious, leftist, ultra-nationalist political adventurers of varying degrees of ability and repute. The latest of a number of ultra-nationalist organizations of far-leftist inclination none of which to date have been able to make much impression on the Brazilian electorate, the FLN in less agitated times than the present would have probably passed virtually unnoticed. However, because of (1) the weakness of the present "hybrid" government which has been unable yet to fill the power vacuum left by the retirement of Janio Quadros from the presidency; (2) serious deterioration in economic conditions through galloping inflation; and (3) the aura of national hero and savior of the constitution with which the principal leader Governor Brizzola was able to surround himself during the crisis period, political observers came early to regard it as having a significant potential. While it is too soon to make definitive judgments, the FLN appears to be making little headway beyond its first impressive enough launching. Brizzola's prestige has tended to decline sharply as recent excursions into various parts of Brazil reminded people of his radical, violent and opportunistic temperament. Organizational problems and differences among the founders have served to dispel the first impression of strength. The immediate capabilities of the FLN thus seem to be small because of lack of capable leadership. If the situation deteriorates, even with limited leadership, its possibility for growth still exists. These possibilities would, in such a deteriorated situation, be greatly enhanced if captured by Quadros or the Communists.

Antecedents

The Frente de Libertacao Nacional (FLN) was launched October 24, 1961, in Goiania, capital of the state of Goias, during

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6-1-50

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Encl. No. ...
Desp. No. 18
From: Consulate, Curitiba

of President Coulart and is also said to have attended the May Day celebration in Habana this year at the invitation of the Cuban Government. The latter observation is probably another reason Governor Ruros did not wish to discuss the Cuban situation.

Hugh D. Kessler
American Consul

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One city official, during a conversation with the reporting officer, said damages suffered in the Brusque municipality were slightly less than 1/2 billion cruzeiros. He added that Brusque was the only municipality to have an absolutely complete and honest report of damages suffered and promised to furnish a copy of the report to the Consulate. He said other municipalities had incomplete reports and he suspected that they were exaggerated in order to obtain assistance adequate to meet their needs. He wistfully said he wished the Brusque report was exaggerated, too. So far, he continued, the municipality had received only one-tenth of the aid needed from the Federal government.

Call on Santa Catarina Governor:

On December 5, the reporting officer made a courtesy call on Governor Celso Ramos in Florianopolis, the capital of Santa Catarina. The visit lasted approximately 25 minutes and the following subjects were discussed:

Flood damage: The Governor thanked the reporting officer for the telegram sent to him (see despatch n° 33, of November 14, 1961). He did not request aid and did not indicate that a request would be forthcoming. He also praised the people of the flooded area for their industry in effecting a rapid recovery.

Leader Grant: In early January, 1961, permission was received to offer a leader grant to Governor Celso Ramos. At that time, Ramos said he was unable to go to the United States due to pressure of work, adding that he hoped it might be possible for him to go next year. During the conversation with Governor Ramos on December 5, he again mentioned the subject. He said he would like to go to the United States but had no idea when it would be possible. He said he was finishing out his first year in office - a hard year - and the resignation of Quadros, the floods, and other factors made it appear unlikely that he would find the time to go. He expressed hope that pressures would subside during his tenure and he would be able to accept our offer.

Cuba: When the governor learned that the reporting officer's last post was Cuba, he appeared to have regretted asking the question and did not pursue the subject. As a test of reaction, the subject was again broached a few minutes later and again the governor avoided comment. His reluctance to comment on the Cuban situation was either that he did not want to reveal his feelings on such short acquaintance, or else he wanted to follow the official Brazilian policy.

The visit with Governor Ramos was friendly and cordial. After the visit terminated inside his official residence, the governor personally escorted the reporting officer on a tour of the gardens.

Comment: The Vice Governor, Doutel de ANDRADE, also a Federal Deputy, is reportedly trying to undermine Ramos' hold over the labor unions, students, and other groups with a political voice. Another possible reason Governor Ramos does not not want to leave for a visit to the United States is the fear that he will lose control during his absence. Andrade is said to be a close friend

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speed is impossible. Service facilities are not available except in cities. The roads are deserted except for other traffic and occasional small farms by the roadside. (The Federal highway (Bk-2) running from São Paulo to Porto Alegre, and traversing Santa Catarina is the only paved highway of any consequence in the state.)

Top Management Productivity Seminar, Brusque: The seminar opened in Brusque on December 4, one month behind schedule due to heavy floods. The objective of the program was to stimulate and increase top management's knowledge and experience in the field of scientific modern management technique and thus to encourage greater productivity for the benefit of owners, workers and the buying public.

The seminar, under the auspices of the National Confederation of Industry, was conducted by the National Center of Productivity in cooperation with the Point IV Technical Assistance program in Brazil.

The Brusque seminar was enthusiastically attended by over 100 Brazilian businessmen and managers. It was well organized and directed. The reporting officer did not attend the full seminar, but only the opening session in order to show the interest of the United States in helping promote better understanding in the field of top management.

Flood damage: During the first week of November 1961, the Valley of Itajai suffered considerable flood damage due to heavy rains. This area reportedly has yearly floods, but of a nature that can be controlled to a certain degree. The annual floods also serve to irrigate the farm area of the valley. Unfortunately, the flood this year was late in arriving (after crops had been planted and beginning to mature) and was also reported to be much heavier than in the past 40 to 50 years. Therefore, crop damage was suffered. Also, many tobacco warehouses were destroyed together with various types of factories and industrial sites.

Evidence of flood damage is hard to note with an untrained eye. However, once it is pointed out, the enourmous damage suffered is obvious. Rivers running peacefully through the mountain valleys rose as much as 50 feet in places thus flooding vast areas under cultivation. Most farms are small and independently owned by the farmer. The independent farmers are facing hard days ahead as they are unable to qualify for bank loans.

Brusque lies in the Valley of Itajai. The Itajai Mirim River runs through the city. At its normal level the river is placid with high banks about 30 feet above water line. There is a slight slope running from each side of the river up into the city - a total distance above normal water level of about 50 feet. Yet, hotels, stores, and homes in the city have well defined watermarks as much as five feet high. This, one month after the flood subsided, is ample evidence of the great power of the flood and damage incurred.

The Mayor of Brusque, Cyro Gevaerd, gave 100% of the credit for recovery to the people of his municipality. He praised their industry and faith in the future. He said that after the flood subsided, the people immediately began to clear away the damage and plan for the future instead of bemoaning their losses.

0481

HANDLING INDICATOR

FOREIGN SERVICE DESPATCH

732.00/12-1261

VR 832.00

FROM : American Consulate, CURITIBA — 38 NO.

DEC 12 1961

TO : THE DEPARTMENT OF STATE, WASHINGTON. — December 11, 1961 DATE

REF :

SCS CU B/FAC

19 For Dept. Use Only	ACTION	INFO	DEPT	RM/R	REP	AF	ARA	EUR	~~SD~~	~~NEA~~	~~CU~~	INR	E	P	IO	~~AID~~
	Ara-4			2	1				2	5	3	7	3	5	4	11
			OTHER	AGR	COM	FRB	INT	LAB	TAR	TR	XMB					
				10	10		7			3						
	REC'D 12-20			AIR	ARMY	CIA	NAVY	OSD	OCB	USIA	NSA					
					4	11	4	5		10	4					

SUBJECT: CONSULAR VISIT TO SANTA CATARINA

SUMMARY:

During the period December 4 through December 6, 1961, the reporting officer made an official Consular visit to Santa Catarina. The purpose of the visit was to pay an official call on the Governor of Santa Catarina, Celso Ramos, to attend the opening ceremony of a USOM sponsored Productivity Seminar at Brusque, and to inspect personally the area recently damaged by heavy floods.

There are four main regions in the state. Each region has its own typical economic pattern, population stocks, and traditional political patterns. The region visited from Dec.4 to 6 was the Northeast consisting of the coastal area from Florianópolis north to the Parana border, and the river valleys (Itajaí and Tijucas) leading to the coast. This region contains an industrial complex which produces mainly textiles, wood products, china and crystal-ware. Poverty exists but not on the same scale as found in the Northeast part of Brazil. The bulk of the population is of central European (mostly German) stock. The present state government is controlled mostly by this region. About 40% of the state population (802,844 of 1,961,161 at last count) is in this region. The Consulate plans to visit all four of the regions of Santa Catarina and subsequent reports on the Southeast, Central, and Western regions will follow in due course.

Distance travelled and cities visited: Total mileage for the consular visit was 545 miles. The cities of Joinville, Blumenau, Brusque, Florianópolis, Tijucas, and Itajai were visited.

Road conditions: About ninety-eight percent of the Santa Catarina roads are unpaved and primitive. They are passable in dry weather. The only paved stretch encountered during the visit was a 44 kilometer highway leading from Itajai to Blumenau. Most of the roads run through mountainous areas and

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

0480

responsibility." The reporting officer interprets that Moscoso, although not actively seeking the jbb of governor on the surface at this time, will not refuse a popular demand for him to run. In that case, he too would have to resign his Vice Governor position on April 2 and the control of the State would pass down to the President of the State Assembly. This poses further complications. In March of each year, a new President of the State Assembly is elected. At the present time Adelmario Pinheiro (PR) holds that position. However, by the time the present Governor and Vice Governor incumbents must make their declarations, there will be a new man in the Presidency and it is rumored that Arnaldo Silveira (PTB), now a State Deputy, is high on the list for that position. From what we have been able to observe of Silveira in the past, he is not exactly pro-American and could be considered at least an ardent Nationalist.

Conclusion:

It is more or less certain that Governor Magalhães will be a candidate for some office during the next election. Therefore, he will be out of the Governor's Palace by April 2, 1962. It is believed that Moscoso is still feeling out the ground and will probably wait till the very last minute to declare his intention as to whether he is a candidate for the governorship or not. If he does not show his intention by April 2, he will automatically assume the governorship for the remainder of the year.

In view of Vice Governor Moscoso's political potential in this State, it is considered that the Leader Grant offered to him is extremely timely. He will either return directly from the U. S. to the Governor's Palace, or will announce his intention to be a candidate for Governor in the 1962 elections. The Vice Governor closed his visit with the statement "... you may always call on me and be assured of my friendship with your government".

Paul B. McCarty
American Vice Consul

cc: AmEmbassy, Rio de Janeiro
Political Section

0479

POUCH
HANDLING INDICATOR

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732.00/12-1261
XR 732.111

FOREIGN SERVICE DESPATCH

FROM : AmConsul SALVADOR, Bahia, Brazil -27- NO.

TO : THE DEPARTMENT OF STATE, WASHINGTON. December 12, 1961 DATE

REF :

DEC 1 2 1961

20 For Dept. Use Only	ACTION	ARA-4 CU-5
	INFO	REC'D 12-16-61

DEPT	RM/R	REP	AF	ARA	EUR	FE	NEA	CU	INR	E	P	IO	ICA
	2								7		3		
OTHER	AGR	COM	FRB	INT	LAB	TAR	TR	XMD					
	AIR	ARMY	CIA	NAVY	OSD	OCB	USIA	NSA					
	6	4	11	4	5		10	4					

SUBJECT: Political - Advance Political Jockeying in the State of Bahia.

During the course of an interview with Vice Governor Orlando Moscoso (PR) today concerning a Leader Grant offered him by the United States Government, he indicated his desire to visit the United States during the months of February and March, 1962. He specified that he must be back in Bahia by April 2. In clarifying this point he indicated that Governor Juracy Magalhães (UDN) has declared his intention to be a candidate for Federal Senator for the State of Bahia. I stated that I had heard rumors to that effect but no word has been mentioned in the press as yet. The Vice Governor said that it is quite certain. He further added that Juracy's son, Magalhães, Jr. (UDN) will be a candidate for Federal Deputy. It is also rumored that the Governor's older son, Jutahy Magalhães intends to run for State Deputy presumably under the UDN ticket. Jutahy is a sucessful industrialist and this is the first interest he has shown in politics.

Since Governor Juracy will run for Federal Senator, it will be necessary for him to officially declare his intention by April 2, 1962, the day of "desincompatibilizaçao". Also, on that day he will have to resign his position as governor of the State. For this reason, Vice Governor Moscoso must be on the scene in Salvador to take over the position of Governor.

During an earlier conversation with Moscoso, after he had served for a month as governor when Juracy was absent in Rio, he said "I would never ask to be governor ... there is too much responsibility ..." (it was during the period of a bus strike in the city and a pending butcher's strike). He then added "if I was elected to the governorship, I would not refuse my

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

0478

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of President Goulart and is also said to have attended the May Day celebration in Habana this year at the invitation of the Cuban Government. The latter observation is probably another reason Governor Ramos did not wish to discuss the Cuban situation.

Hugh D. Kessler
American Consul

766

0477

One city official, during a conversation with the reporting officer, said damages suffered in the Brusque municipality were slightly less than 1/2 billion cruzeiros. He added that Brusque was the only municipality to have an absolutely complete and honest report of damages suffered and promised to furnish a copy of the report to the Consulate. He said other municipalities had incomplete reports and he suspected that they were exaggerated in order to obtain assistance adequate to meet their needs. He wistfully said he wished the Brusque report was exaggerated, too. So far, he continued, the municipality had received only one-tenth of the aid needed from the Federal government.

Call on Santa Catarina Governor:

On December 5, the reporting officer made a courtesy call on Governor Celso Ramos in Florianópolis, the capital of Santa Catarina. The visit lasted approximately 25 minutes and the following subjects were discussed:

Flood damage: The Governor thanked the reporting officer for the telegram sent to him (see despatch n° 33, of November 14, 1961). He did not request aid and did not indicate that a request would be forthcoming. He also praised the people of the flooded area for their industry in effecting a rapid recovery.

Leader Grant: In early January, 1961, permission was received to offer a leader grant to Governor Celso Ramos. At that time, Ramos said he was unable to go to the United States due to pressure of work, adding that he hoped it might be possible for him to go next year. During the conversation with Governor Ramos on December 5, he again mentioned the subject. He said he would like to go to the United States but had no idea when it would be possible. He said he was finishing out his first year in office - a hard year - and the resignation of Quadros, the floods, and other factors made it appear unlikely that he would find the time to go. He expressed hope that pressures would subside during his tenure and he would be able to accept our offer.

Cuba: When the governor learned that the reporting officer's last post was Cuba, he appeared to have regretted asking the question and did not pursue the subject. As a test of reaction, the subject was again broached a few minutes later and again the governor avoided comment. His reluctance to comment on the Cuban situation was either that he did not want to reveal his feelings on such short acquaintance, or else he wanted to follow the official Brazilian policy.

The visit with Governor Ramos was friendly and cordial. After the visit terminated inside his official residence, the governor personally escorted the reporting officer on a tour of the gardens.

Comment: The Vice Governor, Doutel de ANDRADE, also a Federal Deputy, is reportedly trying to undermine Ramos' hold over the labor unions, students, and other groups with a political voice. Another possible reason Governor Ramos does not now want to leave for a visit to the United States is the fear that he will lose control during his absence. Andrade is said to be a close friend

0476

speed is impossible. Service facilities are not available except in cities. The roads are deserted except for other traffic and occasional small farms by the roadside. (The Federal highway (BR-2) running from São Paulo to Porto Alegre, and traversing Santa Catarina is the only paved highway of any consequence in the state.)

Top Management Productivity Seminar, Brusque: The seminar opened in Brusque on December 4, one month behind schedule due to heavy floods. The objective of the program was to stimulate and increase top management's knowledge and experience in the field of scientific modern management technique and thus to encourage greater productivity for the benefit of owners, workers and the buying public.

The seminar, under the auspices of the National Confederation of Industry, was conducted by the National Center of Productivity in cooperation with the Point IV Technical Assistance program in Brazil.

The Brusque seminar was enthusiastically attended by over 100 Brazilian businessmen and managers. It was well organized and directed. The reporting officer did not attend the full seminar, but only the opening session in order to show the interest of the United States in helping promote better understanding in the field of top management.

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0475

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VR 832.00

FOREIGN SERVICE DESPATCH

FROM : American Consulate, CURITIBA

38
NO.

DEC 12 1961

TO : THE DEPARTMENT OF STATE, WASHINGTON.

December 11, 1961
DATE

REF :

SCS CU B/FAC

For Dept. Use Only	ACTION	INFO	DEPT	RM/R	REP	AF	ARA	EUR	SS	NEA	CU	INR	E	P	IO	AID
19	Ara-4			2	1				2	5	3	7	3	5	4	11
			OTHER	AGR	COM	FRB	INT	LAB	TAR	TR	XMB					
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	REC'D 12-20			AIR	ARMY	CIA	NAVY	OSD	OCB	USIA	NSA					
					4	11	4	5		10						

DEPARTMENT OF STATE
BUREAU OF
INTER-AMERICAN AFFAIRS

SUBJECT: CONSULAR VISIT TO SANTA CATARINA

JAN - 2 1962

File no action
EST/B
JW Wilson
1/30/62

SUMMARY:

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732.00/12-1161

JAN 30 1962
2 PM '62

cc: AmEmbassy, Rio de Janeiro (2)

HDKessler:bb
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NAME OF OFFICER & OFFICE SYMBOL	DATE OF ACTION	DIRECTIONS TO RM/R

0474

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DEC 11 1961
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732.00/12-1161

FOREIGN SERVICE DESPATCH

FROM : Amcongen, RECIFE — 122 NO.

TO : THE DEPARTMENT OF STATE, WASHINGTON. — December 11 1961 DATE

REF : Despatch 113, November 28, 1961

ara

20 For Dept. Use Only	ACTION	ARA-4	INFO	DEPT	RM/R 2	REP	AF	ARA	EUR	FE	NEA	CU	INR 7	E	P	IO	ICA
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	REC'D 12-20-61				AIR 6	ARMY 4	CIA 11	NAVY 4	OSD 5	OCB	USIA 10	NSA					

DEPARTMENT OF STATE
BUREAU OF
INTER-AMERICAN AFFAIRS
DEC 19 1961

SUBJECT: POLITICAL: Recife to be Center of "Janio Come Back" Movement?

Luis Quentel, formerly aide and adviser to ex-President Janio Quadros, stated last week in a press interview that Quadros would return to Brazil early next year, and that Quadros "shall go directly to Recife from where he will issue an important manifesto to the Brazilian people." Quentel added that the campaign for the return of Quadros would be initiated in early January and would be centered at Recife.

Although statements, predictions, and rumors concerning the return of Quadros are rife, this is the first time that Recife has been mentioned locally as the possible center of the anticipated Janista movement. Quentel's statement, if true, portends a further strain upon the political situation in Recife and the Northeast, and suggests the cooperation of Recife Mayor Miguel Arraes.

Albert A. Rabida
American Consul

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INCOMING TELEGRAM *Department of State* ACTION COPY

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37-H

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Rec'd: Dec 14, 1961
10:31 am

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Info
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NAVY
AIR

RMR

FROM: Rio de Janeiro

TO: Secretary of State

NO: 1412, December 12, 5 P. M.

ACTION:
INFO:
RM/R FILES: file
ARA/EST/B JWW
2/12/62

Rio de Janeiro-1412

In what appears be carefully timed and worded message designed maintain suspense and high interest in his return to Brazil, Quadros issued following "manifesto" December 2 at Melbourne released today Rio after week-end build-up:

"I wish salute all Brazilians, especially workers field and city and students, with great emotion.

To patriots who have not yet perceived compeling reasons my resignation I assure that very soon and through events they will understand them.

To followers (companheiros) wherever they may be in national drama, fruit of inepitude, dishonesty, and criminal appetites of individuals and groups, I recommend they remain united. Union at this time is great force of people and this force will prevail victorious and invincible in end."

GORDON

732.00/12-1261

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MAR 19 9 39 PM '62

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Note: Delayed in transmission.

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0472

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HANDLING INDICATOR

FOREIGN SERVICE DESPATCH

For Department Use Only
DEC 13 1961

FROM: Amcongen, RECIFE — 125 NO.

TO: THE DEPARTMENT OF STATE, WASHINGTON. — December 11, 1961 DATE

REF: Congentel 181 to Dept, 166 to Amembassy, Rio

2 For Dept. Use Only	ACTION	ARA-4	DEPT	RM/R 2	REP	AF	ARA	EUR	FE	NEA	CU	INR 7	E	P	L	SA
	INFO		OTHER	AGR	COM	FRB	INT	LAB	TAR	TR	XMB					
	REC'D 12-15			AIR 6	ARMY 4	CIA 11	NAVY 4	OSD 5	OCB	USIA 10	NSA					

SUBJECT: POLITICAL: Aftermath of the Pro-Sudene Demonstration: Governor Carvalho Pinto Cancels Visit to Recife

Following the pro-Sudene demonstration held in Recife on December 6 and the political defeat suffered there by Governor Cid Sampaio, Governor Carvalho Pinto, at the last moment, cancelled his planned visit to Recife. Carvalho Pinto was to have been Cid Sampaio's guest during the visit which was scheduled to begin on December 11. While Carvalho Pinto gave "administrative problems" as the reason for the cancellation it seems more likely that it grew out of the embarrassment suffered by Sampaio during the demonstration. Carvalho's visit would have demonstrated for local audiences the "unity" of moderate forces in Brazil. However, the success of the organized agitation against Sampaio on December 6 may have persuaded Carvalho that further identification with Sampaio at this particular time would be politically unwise, especially with Governor Brizzola still scheduled to arrive soon to give support to Mayor Miguel Arraes.

Other repercussions to the calculated slap at Sampaio during the December 6 demonstration are worthy of note. Sampaio has had published numerous messages (many of which he probably had originated) of support and messages of condemnation of the organizers of the incident. Sampaio's right-hand men, Secretary of Government Manuel Brotherhood, condemning the communist's abuse of democratic liberties, has called for a "white crusade" in defense of democracy and christian civilization and against communism. A meeting of the Commercial Association of Pernambuco on December 10 was devoted almost exclusively to a discussion of the December 6 incident and the threat posed by subversive elements in the area. A group of local businessmen, having published for four days running a message of support of Cid Sampaio, has called a general meeting of merchants and industrialists for the purpose of defining their positions on "current issues of importance to the nation and the Northeast." All of this suggests that rightist and moderate elements may be preparing to abandon their timid approach to politics and to draw the lines for open political battle with the area's communists and other leftists.

cc Amembassy, Rio

Albert A. Rabida
American Consul

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REPORTER

FORM 6-61 FS-439 GPO 912598

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

CLASSIFIED FILE

0471

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

RG: 059 TAB #: 4

ENTRY: CDF60-63 1 / 2 / C /
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BOX: 1577

ACCESS RESTRICTED

The item identified below has been withdrawn from this file:

Folder Title: 732.00/12-761

Document Date: 07/12/61

Document Ser.#:

TEL 181 FR RECIFE 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 01577 00004

0470

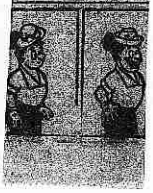
TERÁ PROSS
A MUDANÇA

Seleção de Professôres

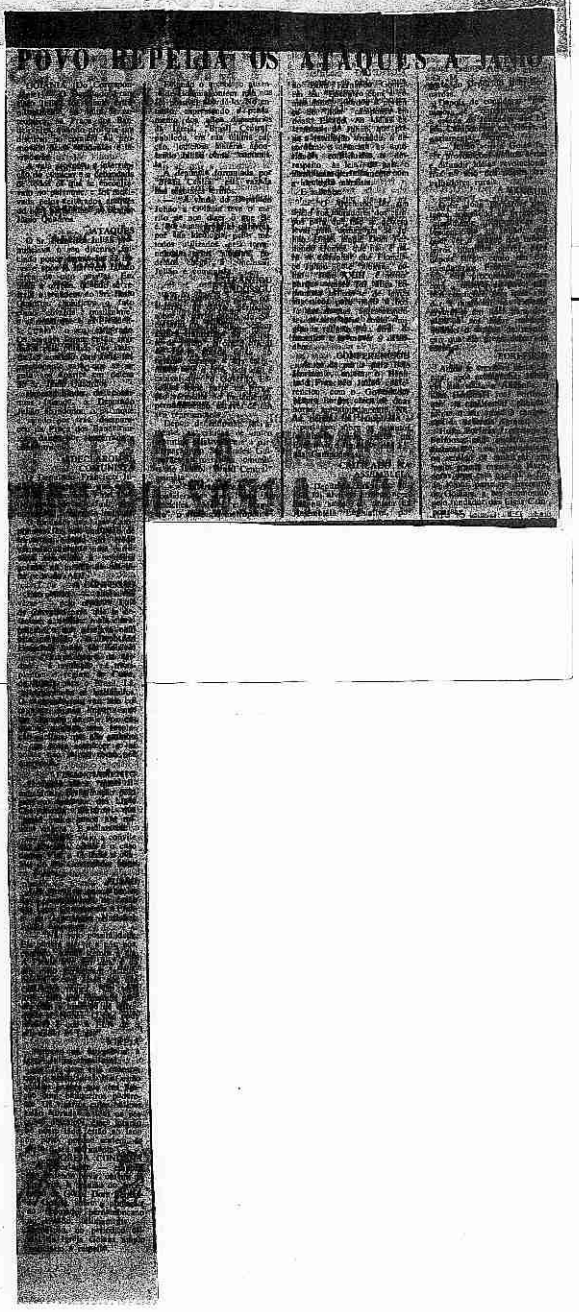
Entrevista de Sette Câmara

CORRESPONDÊNCIA DE GOIANIA

NOVACAP ABASTEC
COM ARROZ DO BAN



Correio Braziliense, December 6, 1961 ARA Enclosure 1
Despatch 479
Brasilia, D. F.



POVO REPELIA OS ATAQUES A JANO

[illegible]

0468

did not have the authority to promise aid, since he was only making an inspection trip in order to prepare a report and recommendations to be submitted to Washington for consideration. This seemed to come as a distinct surprise and disappointment to those present, who had been under the misapprehension that he had it in his power to respond to their stated needs with immediate assurances of help.

This may have added to the Governor's efforts to seek aid from leftist elements, including Julião. In a highly conservative society such as Goiania, under the present circumstances, it is not strange that Janio Quadros may appear as the least of several evils, thus explaining increasing support for his return.

For the Ambassador:

Eugene Delgado-Arias
Officer in Charge

Enclosure:

Clipping from Correio Braziliense
dated December 6, 1961.

APPROVED:

Philip Raine
Counselor of Embassy
for Political Affairs

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

0467

AIR POUCH — CONFIDENTIAL

HANDLING INDICATOR

FOREIGN SERVICE DESPATCH

For Department Use Only: 732.00/12-761

FROM : Amembassy, Brasilia, D.F. — 479 (NO.)

TO : THE DEPARTMENT OF STATE, WASHINGTON. — December 7, 1961 (DATE)

DEC 13 1961

REF : DIEAC-5 AID-11

55 For Dept. Use Only	ACTION	ARA-4	INFO	DEPT	RM/R	REP	AF	ARA	EUR	FE	NEA	CU	INR	E	P	IO	ICA
				OTHER	AGR	COM	FRB	INT	LAB	TAR	TR	XMB					
	REC'D 12/16				AIR	ARMY	CIA	NAVY	OSD	OCB	USIA	NSA					
					6	4	11	4	5		10	4	7	3			

SUBJECT: Political Developments in the State of Goias

As reported in the press, the recent appearance of Francisco Julião before the public of Goiania was less than successful. At an open air meeting in which he addressed some 1500 persons, Julião attacked Janio Quadros for his "cowardice" in abandoning Brazil to its fate. At this point a heckler in the crowd took exception to this remark, and the cries of protest against Julião became so generalized that he had to abandon any further efforts to continue the meeting and withdrew. As a result of this experience Julião is reported by local sources to have given up his plan to make of Goiania his national headquarters, counting on the proximity of the capital of Goias to Brasilia, from where pressure could be maintained on the Congress and the Executive, and to step up his campaign to spread the Ligas Camponesas throughout Goias. This remains to be seen. It is significant that Julião revealed that he had come to Goiania at the invitation of Governor Mauro Borges. It is also significant that it was at this same meeting that Julião admitted to being a Communist. (See attached clipping from the "Correio Brasiliense".)

Other reports indicate that Governor Mauro Borges is not having the success he had expected in tying in with Janista forces, which appear to be gaining strength in the state. He is also encountering difficulties in carrying out his ambitious plans for a program of improvements in the state. There appears to be increasing feeling of disappointment at the lack of American aid, through Point IV. At the recent meeting between the Governor and some of his aides with Ambassador Bohan, an observer present at the dinner given the Ambassador claims to have noticed ill-concealed disappointment in the Governor's face when the Ambassador announced that he

EDelgado-Arias/jhm — CONFIDENTIAL

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FORM 8-61 FS-439 GPO 912596

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Contributors:

Proper, Mason

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orientation in the future: that of reconciliation or that of provocation."

9. Communism in Brazil (Unclassified)

The Communists have been catching it in São Paulo. A Fôlha de São Paulo remembered how tragic was the Communist uprising of 1935 in Brazil and said: "An armed coup, similar to that of 1935, could not be tried by the Communists now. Even if they wanted to try, the Armed Forces wouldn't permit it, for the several statements made by the nation's highest military authorities leave no doubt that they are vigilant against the Red danger." Diário de São Paulo thought that the Brazilian Foreign Minister's speech on the 26th anniversary of the Communist uprising "interpreted clearly the government's position in the universal fight between Communism and Democracy." Floriano LIMA de TOLEDO wrote an article ("Communism in Latin America") for A Gazeta in which he said: "There's no doubt. Many of those who come to terms with communism and make its actions easier in order to blackmail the United States, are sure that the U.S. will prevent Communists from taking the power in Brazil or will throw them out in case that they succeed. The truth, however, is quite otherwise." Then he went on to discuss the Communist revolution in China and the reasons why the U.S. couldn't save Nationalistic China, quoting ex-President Truman. At the end he wrote: "One cannot trust too much in U.S. aid keeping Brazil out of the domain of International Communism." Commenting on the statement made in East Germany by Brazilian Communist leader Luiz Carlos PRESTES that "Brazil would be another Cuba," A Gazeta said: "It must be delirium or something much more calamitous. Brazil will never be a Cuba because its people abominate that enslaving dictatorship."

Miscellaneous

10. List of Substantive Despatches

154 Finance - FIESP Officer Concerned at Credit Restrictions
156 FIESP Suggests to President of Republic Measures to Combat Inflation
157 Bi-Weekly Economic Review, Nov. 17 - 30
158 Investment Climate - Reaction at São Paulo to Federal Bill to Limit Remittance of Profits
159 Department's Information Program on Political Developments
161 São Paulo Weekly Summary No. 23

Scott C. Lyon
Consul

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COMMENT: (Confidential) CAS has long reported the dissent between Party leftists and rightists (which is now filtering into the press) but has no confirmation of the plans of any dissidents to form a "Radical Socialist Party."

Local Press Reaction

7. Brazil and USSR Renew Diplomatic Relations (Unclassified)

The timing, but not the substance, of the renewal in diplomatic relations has been widely criticized. Fôlha de São Paulo thought that "The renewal of diplomatic relations with the USSR four days before the 26th anniversary of the Communist uprising in Brazil was an unhappy coincidence." The same newspaper said, however, that "The renewal is necessary because the USSR has become the world's second power and no nation which wants to be really important should avoid diplomatic and commercial relations with the powerful countries." Diário de São Paulo editorialized: "Let's insist, however, with the greatest vigor and determination, that the Soviet agents keep themselves clear of other purposes, especially that of contaminating our people and establishing in Brazil a base for promoting ideas which our moral and religious formation condemns. Russia, yes. Communism, no." Maurício LOUREIRO GAMA wrote in Diário da Noite: "Brazil will continue faithful to itself, to its devotion to freedom, have no doubt. The greatest danger here is the government's misgovernment." Wilson RAHAL, paraphrasing Brazil's Foreign Minister, wrote in leftist Ultima Hora: "The renewal of diplomatic relations with Russia is going to be an excellent business deal for Brazil and, perhaps, a very bad business deal for the Communists." According to Meira MATTOS in Correio Paulistano "Public opinion in Brazil is divided concerning the renewal of diplomatic relations with the Soviet Union. One cannot say that the re-establishment of relations was a surprise. The surprise was when it was done (referring to Thanksgiving Day and the 26th anniversary of Communist uprising in Brazil)."

8. Kennedy's Interview with "Izvestia" (Unclassified)

Comment was overwhelmingly favorable. Diário de São Paulo referred to President Kennedy's interview with the Russian newspaper "Izvestia" as "A document of high value to the interpretation of the events of international politics..." "Obviously" -- added the paper -- "this pronouncement which interprets a position of intransigent defense of freedom cannot please the Soviets." A Gazeta said that the interview "demolished the Soviet hypocrisy" and added: "Point by point, Kennedy pulverized Moscow's provocations." Referring particularly to Kennedy's denunciation of the USSR's intention to dominate the world as the greatest threat to peace, A Hora said: "There's nothing more certain." O Estado de São Paulo said that the fact that the interview was published uncut in the Soviet Union "was Kruchev's gesture of reconciliation, that pleasantly contrasts with the new farce of the Geneva Conference and with the provocations he allowed his German puppet Ulbricht to make. We'll have to know what will be Kruchev's

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(i.e., Cuba) indicate that most of its members do not know what the base is. The Christian Democrats have great potential for expansion in Brazil (which often brags of being the largest Catholic country in the world) but are currently strongest in São Paulo. Paulista Governor Carvalho Pinto is known to lean strongly toward the PDC, but the Christian Democrats' inability to settle their internal problems impedes their progress and would probably push him to the National Democratic Union (UDN) in the unlikely event that he were forced to become a member of an individual party in the near future. Paulo de Tarso is a member of the party's anachronistic left wing who, in spite of his youth, is a problem child of longer standing than Ney Braga.

6. Communist Legality Campaign Faltering? (Official Use Only)

Brazilian Communist newspaper Novos Rumos is now claiming that forty thousand signatures have been collected throughout the nation by its legality petitioners, thirty thousand of them in São Paulo. This might be taken to mean that the campaign is well along in São Paulo but only starting elsewhere. As of a month ago, however, the Communists were claiming eighteen thousand signatures in São Paulo out of a total of thirty thousand. Their arithmetic is obviously faulty somewhere, but the deduction is that practically the entire gain in the last month has been in São Paulo. No explanation is offered for the slow-down elsewhere, but the possibility of public sales resistance is worth considering. This thesis is reinforced by a detailed article in the latest Novos Rumos on how to collect signatures, in which several techniques which have proved ineffective are described. It seems that a house-to-house foot-in-the-door "hard sell" is the only one which has paid off. In the same article, a plug is again put in for "double or triple the fifty thousand signatures required by law." The Communists made this a point of prestige from the beginning, and it can only be considered a sign of weakness if they give up after fifty thousand (which still seem attainable). A large fraction of the total must clearly come from São Paulo, with its concentration of electorate and workers. Internal Party conflict between leftists and rightists has unquestionably hindered the signature campaign, which risks losing the essential momentum if it continues much longer. Last week's summary (Despatch 152 of November 28, 1961) mentioned two Party splits which have been discussed in the press. Another paper has since confirmed the plans of a dissident wing to split off and merge with part of the Brazilian Socialist Party (PSB) to form a "Radical Socialist Party." The latest report also mentions that some members of the Brazilian Labor Party (PTB) are interested in this new grouping and that it is planning to begin a campaign for signatures soon. Its principal significance, if any, is very likely as a nuisance to the Brazilian Communist Party. If it does get so far as to start its own signature campaign while the Communists are still working on theirs, it could be a nuisance indeed. One other speculation: there is only the Communists' word for the fact that forty thousand signatures have been obtained, and any error is not likely to be in the direction of understatement.

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successor. He will apparently be travelling through the Northeast at nearly the same time as São Paulo Governor Carvalho Pinto and probably feels that he can risk trying to undo what Carvalho Pinto accomplishes. If proof of Adhemar de Barros' continued national ambitions were needed, this trip would furnish it.

4. Legislative Assembly Wishes Extraordinary Session (Limited Official Use)

The São Paulo Legislative Assembly has all but decided definitely to convene in extraordinary session for a period of up to one month after the expiration of its regular session on December 15. Odd as it would seem to voters in the United States, this move has aroused a distinctly unfavorable public reaction. It is widely claimed that the deputies are thinking principally of the extra financial allowances which they would receive for attending the extra session. Informed sources say that all of the important items on the agenda could be disposed of before December 15 if the will to do were stronger. It is expected that many of the items considered in the extraordinary session will be high in electoral appeal if not in actual value.

COMMENT: This raises the possibility that there will be a spate of "nationalistic" legislation, which always has many fans in spite of the fact that São Paulo owes much of its fantastic growth to the lack of it. The nationalistic electrical energy bill described in São Paulo Airgram 217 of October 5, 1961 could be revived, for example, instead of dying in the Justice Committee where it is presently pigeonholed.

5. Controversy in the Christian Democratic Party (Official Use Only)

Antonio de QUEIROZ Filho, State Secretary of Justice and national President of the Christian Democratic Party (PDC), has come out strongly contrary to merger with the Brazilian Labor Party (PTB). The merger was the principal of several controversial suggestions recently made by Paraná Governor Ney BRAGA, a member of the PDC. (Braga's suggestions were considered to have been one of the main splinters in the "Governors' Movement.") In replying to Paraná governor's initiative, Queiroz Filho accepted the propriety of working agreements with the PTB (as in Paraná) but stressed the unique ideology of the Christian Democrats as impeding fusion with any other Brazilian party. As to the reforms (political topic number one nowadays) which the PDC should sponsor, Queiroz Filho specified those in agriculture, business (an unusual one), banking, taxation, and electoral law. He mentioned -- but did not endorse -- ex-Mayor of Brasilia Paulo de TARSO's campaign to extend the vote to illiterates.

COMMENT: (Limited Official Use) The split with Braga may well be repaired without harm. The PDC is always worth watching. Of the several moderate Brazilian parties, it has the most solid ideological base, but its frequent splits and continual internal strife on important ideological issues

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2. National Liberation Front Criticized in Goiás (Limited Official Use)

There are reports that the National Liberation Front is not entirely a hero in its home town. Goiás State Secretary of Finance José ALMEIDA has informed the press that the state will end 1961 with a deficit of at least one billion cruzeiros (U.S.$2,800,000), representing more than a quarter of its total expenditures. He said that the deficit could only be covered by long-term loans from the national government. The local press has attributed much of the problem to Governor Mauro Borges Texeira's prominent role in the FLN, whose "crypto-Communist" character frightens off potential investors. High taxes are reported to be forcing existing small businesses out of the state into the neighboring "triangle" of Minas Gerais, turning the financial situation from bad to worse. Goiás politicians, too, are reported to be having second thoughts about the Front: so many leftists from all over Brazil are considering running for Congress from Goiás that natives are worried for their own seats.

COMMENT: The records of leftist Governors Borges and Brizola in their home states will inevitably weaken the leadership of the National Liberation Front. Without the crisis provoked by Quadros' resignation, it is difficult to see how these governors could have attained national prominence in the first place. Perhaps the most important saving factor is the contrasting picture presented by the accomplishments of the São Paulo government. This contrast may be expected to receive increasing attention from the national press.

3. Adhemar Returns (Unclassified)

Adhemar de BARROS, ex-Governor of the State and ex-Mayor of the city of São Paulo, is back. He returned on December 2, smaller physically, having lost much of his excess weight during his stay (since April) in Europe. His immediate plans are to make a tour of the northern and northeastern states, to see how São Paulo can help them. According to the Social Progressive Party (PSP), of which he is the central figure, he will run for Federal Deputy in the elections of October 1962.

COMMENT: (Limited Official Use) It remains to be seen whether Adhemar has lost in political as well as physical size. The Consulate General will not venture to predict what an old politician like Adhemar clearly does not know himself. If he thinks he can make it, he will run for governor rather than Federal Deputy, but his more lucid supporters do not think that he or his party can stand to lose another election. He probably still has much of his famous popular appeal: more than his most serious opponent for the governorship, present State Secretary of Agriculture José Bonifacio COUTINHO NOGUEIRA. On the debit side, he faces determined opposition from an extraordinarily popular and progressive state government, and the scandals of his mayoralty are being aired by his

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the pro-Quadros movement in São Paulo has remained inconspicuous and uncomfortable. At the same time that the National Liberation Front (FLN) may be considering playing up to Quadros, however, it also seems to be giving more encouragement to the Communists. By far the heaviest publicity seen for the FLN in São Paulo has been in official Communist paper Novos Rumos, and Borges Texeira has made the ambiguous statement that he prefers to leave anti-communism to the professional reactionaries. Novos Rumos reports that the FLN has installed branches in several São Paulo interior cities (Ribeirão Preto, São Caetano, and Campinas), but this is to be taken with more than the usual dose of salt: Novos Rumos has it that the inauguration of the Campinas branch was dignified by the presence of Rio Grande do Sul Governor Leonel BRIZOLA, whose visit to Campinas was in fact cancelled because of his chilly reception in Presidente Prudente (São Paulo Despatch 152 of November 28, 1961). If it is to be of national importance, the FLN must in some way expand into the state of São Paulo, Brazil's industrial center. Brizola's cave man-style wooing having had negative results, Borges Texeira is making a more subtle attempt. He arrived in São Paulo for a brief visit on November 30 -- just in time for the journalists' strike to reduce his publicity. Paulista Governor CARVALHO PINTO thought to extract more of the teeth from the visit by arranging for Borges to attend the inaugural showing of a film on the São Paulo "Plan of Action" just after his arrival. (The "Plan of Action" is often contrasted with the plans of the leftist-nationalists, not especially because of its political orientation, but because it has accomplished a maximum of progress with a minimum of demagogy.) Borges did not attend, apparently having arrived in São Paulo late. The Goiás governor has probably received useful publicity from his visit, though not from the São Paulo papers. He cancelled a press interview in expression of "solidarity" with the striking journalists (it would not have been printed in any case). During a speech to students at the University of São Paulo Law School, he preached revolution by arms if it could not be obtained by peace; extended cautious praise to ex-President Quadros; supported election of a constituent assembly in 1962; and repeated most of the usual leftist slogans.

COMMENT: Janio Quadros and the Communists would be strange bedfellows indeed, though it now seems likely that the leftists would have to furnish his principal support if he should manage a political return. If the National Liberation Front could effect a Janio/Communist working agreement, it would have brought off an important and ominous tour de force. It seems more probable that the FLN will eventually be forced to choose one or the other -- or neither -- of communism or Janismo. In the meantime, the obvious Communist embrace is as likely to suffocate the newborn leftist movement as to succor it.

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AIR POUCH
HANDLING INDICATOR

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FOREIGN SERVICE DESPATCH

CONSULATE GENERAL OF THE UNITED STATES OF AMERICA
SÃO PAULO, BRAZIL

FROM : Amcongen, São Paulo — NO. 161 — DATE: December 6, 1961

TO : THE DEPARTMENT OF STATE, WASHINGTON.

REF :

			RM/R	REP	AF	ARA	EUR	FE	NEA	CU	INR	E	P	IO	ICA
55 For Dept. Use Only	ACTION	ARA-4	2				5				7		3		
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DEPARTMENT OF STATE
BUREAU OF INTER-AMERICAN AFFAIRS
DEC 11 1961

SUBJECT: São Paulo Summary No. 23, Week Ending December 2, 1961

INDEX:

Political

1. National Liberation Front Widens Search for Popular Support
2. National Liberation Front Criticized in Goiás
3. Adhemar Returns
4. Legislative Assembly Wishes Extraordinary Session
5. Controversy in the Christian Democratic Party
6. Communist Legality Campaign Faltering?

Local Press Reaction

7. Brazil and USSR Renew Diplomatic Relations
8. Kennedy's Interview with "Izvestia"
9. Communism in Brazil

Miscellaneous

10. List of Substantive Despatches

file
no action
EST/B
JW Wilson
1/11/62

Political

1. National Liberation Front Widens Search for Popular Support (Limited Official Use)

The rings radiating from the National Liberation Front's splash in Goiás on October 24 seem to have been disappearing faster than the leftist movement's leaders expected, and some new approaches are being tried to strengthen the Front's appeal. Goiás Governor Mauro BORGES TEXEIRA, for example, appears to be having second thoughts on Janismo (resurrection of ex-President Janio QUADROS). He has had two quiet meetings with José APARECIDO de OLIVEIRA, Quadros' former private secretary. Regresso sem Congresso (return -- of Janio -- without Congress) signs are reported to have cropped up in numbers around Goiânia, whereas

See last page/lfw
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According to Djalma there are, basically, only two political parties in Brazil: The right and the left. He admitted that to answer the needs of the people it was necessary for him to be a leftist. He declared that he had inherited the political mantle of Cafe Filho (former President of Brazil) in Rio Grande do Norte. As the political heir of Cafe Filho, he was following the same strategy of espousing the strong leftist cause. This, according to the Natal Mayor, was the reason for the continuing weakness of the Communist Party in Rio Grande do Norte -- i.e., because of masses' following his leadership rather than the communists. In contrast, he reported that in Recife the Communist Party is one of the strongest in Brazil.

Comment:

Whereas there is some reason to believe that Djalma MaranhÃo is not a communist (although he has utilized the Party effectively), there is little doubt that his brother, State Deputy Luis MaranhÃo, is one of the key communists in the State.

MaranhÃo, in his 40's, about 5' 7" and quite stocky now, was a former physical education teacher before he entered politics as a State Deputy, the Mayor of Natal (appointed), Federal Deputy, and finally Mayor (elected) again. He has displayed physical courage and a cool nerve in numerous wild west political campaign incidents. His political adversaries respect his abilities. It is obvious that he is an effective and popular mayor.

Although Governor Aluisio Alves recognizes Djalma as a dangerous leftist, their political honeymoon -- although somewhat uneasy -- continues.

From all outward appearances, they seem to be good and casual friends.

Albert A. Rabida
American Consul

EW/js
cc: AmEmb Rio de Janeiro (2)

0457

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FOREIGN SERVICE DESPATCH

FROM : AMCONGEN, RECIFE 119 NO.

TO : THE DEPARTMENT OF STATE, WASHINGTON. December 5, 1961 DATE

REF :

D/FAC-5 AID-1

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SUBJECT: Political Leaders: A Day with Djalma Maranhão WH-McG-1

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WWilson
12/20/61

On Saturday, December 2, 1961, a Consulate official was afforded the opportunity of observing Djalma Maranhão, leftist and nationalist Mayor of Natal, Rio Grande do Norte, in action. The occasion was the visit to Natal of Ambassador Merwin Bohan of the Northeast Study Mission to Rio Grande do Norte for consultations with Governor Aluisio Alves.

Following a complete exposition of Rio Grande do Norte's economic problems and program by Governor Alves, Mayor Djalma had risen to compliment the Governor and express his concurrence with the Governor's pessimistic analysis of the present situation. However, he added the threat that any forthcoming U.S. aid should not be in the form of excess foodstuffs and/or U.S. private capital ("Trusts") investments. He said that, as a result of his recent trip to the U.S. and his American acquaintances, he -- as well as most Brazilians -- liked and respected the American people, although he was aware that the country was controlled by a few large corporate entities. He warned that Food for Peace aid ("injurious to local agriculture") would cause him to go to the streets to lead the people in a strong protest against any such American programs. He noted that some of the persons present would criticize him for such frankness which he considered necessary to preserve U.S.-Brazil relations.

Later, in conversation, Djalma, one of the founders -- in Goias -- of the Frente Nacional de Liberação (National Liberation Front) stated that neither Recife's Mayor Miguel Arraes or Rio Grande do Sul's Governor Lionel Brizzola are communists. He also said that he was not a communist. He added, however, that continuing pressure from the right -- with the promiscuous labeling of such leftist leaders as communists -- might well drive many of them into the communist fold -- after having been cut-off from all other effective political support.

DEPARTMENT OF STATE
BUREAU OF
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DEC 1 1961

Ed Walters CONFIDENTIAL

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INCOMING TELEGRAM

Department of State

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Control: 1389
Rec'd: December 3, 1961
3:10 p.m.

AC
INFO:
RM/R FILES

FROM: RIO DE JANEIRO

TO: Secretary of State

NO: 1332, DECEMBER 3, 11 AM

PRIORITY

SAW PRESIDENT GOULART FIRDAY FOR ONE-HOUR CONVERSATION OF WHICH FOLLOWING PRINCIPAL POINTS:

1. GOULART OPENED CONVERSATION BY APPLAUDING PRESIDENT KENNEDY FOR IZVESTIA INTERVIEW AND ALSO FOR RECENT STATEMENTS AGAINST JOHN BIRCHISM; LATTER STATEMENTS HE SAID HAD BEEN PARTICULARLY WELL RECEIVED IN LABOR CIRCLES.

2. RE TIMING OF PROJECTED VISIT TO US, GOULART SAID JANUARY WOULD BE BIT TOO EARLY BUT PERIOD FEBRUARY 1 TO 15 WOULD BE ACCEPTABLE. DETERMINATION SPECIFIC DATES HE SAID HE WOULD LEAVE UP TO PRESIDENT KENNEDY.

ALTHOUGH CANADIAN AMBASSADOR HAD APPARENTLY RAISED WITH HIM POSSIBILITY OF VISIT TO CANADA IN CONJUNCTION TRAVEL TO US GOULART APPEARED HAVE LITTLE INTEREST IN CANADIAN VISIT WHICH HE DESCRIBED AS OF SECONDARY IMPORTANCE.

3. GOULART MADE NO EFFORT CONCEAL HIS CONCERN OVER CONTINUINGLY INSECURE POSITION PRESENT GOVERNMENT, WHICH HE SAID WAS DIVIDED WITHIN AND UNPOPULAR WITHOUT. IN LATTER CONNECTION HE CITED PRELIMINARY RETURNS CURRENT PUBLIC OPINION POLL (INCLUDING GUANABARA, SAO PAULO AND RIO GRANDE DO SUL) WHICH SHOW 84.2 PERCENT OF PEOPLE NOT SATISFIED WITH PRESENT REGIME. HE ADDED THAT WHILE QUESTION DESIGNED PRIMARILY TO ELICIT REACTIONS TO NEW SEMI-PARLIAMENTARY SYSTEM, RESPONSE ALSO UNDOUBTEDLY REFLECTED WIDE-SPREAD DISSATISFACTION WITH IMMOBILISM OF GOVERNMENT. HE SAID CHARGES OF COMMUNISM WHICH HAVE BEEN LEVELED AGAINST

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c. Santa Catarina Floods

Unusually heavy rains in Santa Catarina during the first five days of November caused floods with considerable material damage and loss of life.

Flood damage was concentrated in the Valley of Itajai. Approximately 25,000 people (5,000 families) were affected, 74,000 hectares of land damaged with an estimated crop loss of Cr$1,100,000,000.00 (one billion, one hundred million cruzeiros). See Curitiba Despatch n°33 of November 14, 1961.

Sources: All Paraná and Santa Catarina newspapers
Personal conversations.

Hugh D. Kessler
American Consul

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5. CULTURAL

a. Curitiba Journalist Returns from U.S.

After fifty days in the United States on a grant visit, journalist Constantino VIARO returned to Curitiba and began publishing a series of articles regarding his impressions of the United States. He announced that he will hold a press conference and is reported to be writing a book concerning his visit. When asked what had impressed him most, VIARO replied, "The perfect mechanism of the American defense system". UNCLASSIFIED

Sources: "Estado do Paraná" - Curitiba, Oct.27
"Tribuna do Paraná" - Curitiba, Oct.27

b. Rhode Island University Professor in Curitiba

Brown University professor and Fulbright lecturer Dr.Albert D.Van Nostrand visited Curitiba from November 12 to 15, He held a lecture on "Self-expression in the United States Today" before a Paraná faculty of philosophy audience. Professor Van Nostrand's visit received wide press coverage and was considered a success. UNCLASSIFIED

6. MISCELLANEOUS

a. Leftist Curitiba Newspaper Out of Business

After thirty years of existence, the leftist Curitiba newspaper "O Dia" ceased to exist. For several years and until it ceased to exist, the newspaper was owned by former Paraná State Governor Moysés LUPION (PSD) and managed by his son-in-law, PSD State Deputy Ruy GANDARA. Although the owner and manager are not anti-American, "O Dia" had a surplus of leftwing writers who frequently attacked the United States.

The newspaper is now being sued by its former employees for lack of payment of overdue salaries and by social security institutes for non-payment of obligatory contributions. UNCLASSIFIED

Sources: "Gazeta do Povo" - Curitiba, Nov. 9
"Última Hora" - Curitiba, Nov.10

b. Japanese Consulate for Curitiba

Local press reported that the Japanese Ambassador is supposed to visit Paraná by the end of November 1961. The purpose of his visit, according to the press, is to explore the possibilities of opening a Consulate in Curitiba. The State of Paraná has a large Japanese colony, especially in the north. There has not been a Japanese Consulate in this district since 1940.

Source: "Gazeta do Povo" - Curitiba, Oct.29

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The alleged statement by Army General Cromar OSORIO that LACERDA had received 32 million dollars while in the United States to finance a Brazilian coup d'état was fuel for the leftist newspaper "Última Hora" editorials. After consulting with the Consulate's BPAO, the same newspaper published a retraction. UNCLASSIFIED

b. Equador

All local newspapers covered fully the political events in Equador. All stories published were factual accounts. A leftwing newspaper, "Última Hora", endeavored unsuccessfully to obtain statements regarding "socialism in Equador" from the Dutch, Arab, and German consuls in Curitiba. UNCLASSIFIED

c. Polish Consul's Press Interview

On November 3, 1961, the Polish Consul in Curitiba, Pietr GLOWACKI, in an interview published by "Ultima Hora", stated that Poland, after the damage suffered during World War II, wishes to see the United Nations as an instrument capable of avoiding war and eliminating the last remainders of fascism. He emphasized that the admission of new member nations to the U.N., particularly African nations, will provide for a "favorable change in the balance of powers". UNCLASSIFIED

d. Nuclear Bomb Tests

Number one item in the international development field during the reporting period was the Soviet nuclear bomb tests. The general tenor was one of fear and indignation. The press dedicated numerous and long editorials to the negative material and moral effects of the tests. Moderate newspapers considered them a gross error because they make sense neither scientifically nor politically. Although used as a means of pressure , the result in the political field is overwhelmingly negative and turns eventual sympathies for the Soviet regime even less probable. "Estado do Paraná" believes that any present and future bomb tests show lack of responsibility of the world's strongmen; both the U.S.S.R. and U.S.A. are held responsible for the state of affairs. Other editorial writers, also in Santa Catarina, regret that the less powerful nations are unable to do anything to stop the nuclear bomb competition. Very significant was the statement in "Ultima Hora" that the bomb explosions and some other recent Soviet errors earnestly dimished the psychological advantage which the Soviets held over the United States.

The Paraná University rector condemned the bomb tests from the material and moral point of view. Almost all Paraná labor unions, the workers-students alliance, and some nationalist and party-political groups published manifestos protesting against the tests. A protest rally in downtown Curitiba was scheduled. For some unknown reason it did not take place.

Sources: All Curitiba newspaper:
"Estado" - Florianopolis, Oct.25
"Noticia" - Joinville, Nov.8

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Press reaction in the Consular district was weak save for a statement by Santa Catarina's PTB Vice Governor Doutel de ANDRADE who called the "Front" a complete failure. The Curitiba law school students' center, however, enthusiastically hailed the "Goiania Charter" and published a manifesto of support to its issues of ultra-nationalist traits. Also, "Ultima Hora", a leftwing Curitiba newspaper, dedicated a favorable editorial to the "Front". UNCLASSIFIED

Sources: All local newspapers and "Estado", Florianópolis, Oct. 24.

COMMENT: Miguel ARRAES, Mayor of Recife and aspirant to the governorship of Pernambuco, made an unofficial visit to Curitiba in October. He called on the Mayor of Curitiba, General Ibere de MATOS, and is reported to have seen several other local officials. He did not, however, call on Governor Ney BRAGA. The purpose of his visit was most likely in connection with forming the "National Liberation Front". ARRAES is also reported to be a bitter enemy of Cid SAMPAIO, Governor of Pernambuco, and his visit to this area also served to strengthen his platform for election to the governorship of Pernambuco.

During the time ARRAES was in this area, Governor Ney BRAGA visited São Paulo (week of October 22- 28) where he is reported to have conferred with Cid Sampaio and Carvalho Pinto, the latter the Governor of the State of São Paulo and possible candidate for President in 1965.
OFFICIAL USE ONLY

c. Paraná Governor & National Developments

The position of Paraná State Governor Ney BRAGA in the light of national developments is one of independence. As a Christian Socialist of the newest brand, he continuously warns the Federal administration that no solution for Brazil's problems, especially no political solution, can be reached without immediately and vigorously attacking the social question through basic reforming. This includes land reform, bank reform, and limitation of remittances. He fears that the people might take over by force and illegal actions to solve their problems. UNCLASSIFIED

Sources: All local newspapers.

4. Psychological - Reaction on International Developments.

a. US-Brazilian Relations

Comments on US-Brazilian relations during the reporting period focussed on the arrival in Brazil of Ambassador Lincoln GORDON and the visit to the United States of Guanabara State Governor, Calos LACERDA.

The moderate press emphasized the Ambassador's desire to make "Alliance For Progress" the platform of his activities, and one Curitiba newspaper published the full text of the Ambassador's speech of November 1, 1961, before the American Society of Rio de Janeiro.

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editorials emphasized that the existing private bank establishments were unable to keep pace with the regional credit necessities and that this new, non-lucrative official establishment will contribute to Santa Catarina's economic development.

Sources: "Estado" - Florianópolis, Nov.7

h. New Commandant of 5th Brazilian Naval District

Rear Admiral Jurandíde Costa MULLER replaced Rear Admiral Luiz Clovis de OLIVEIRA as Commander of the 5th Brazilian Naval District (Parana and Santa Catarine, with headquarters in Florianópolis).

Rear Admiral OLIVEIRA supported the DENYS side against the three South Brazilian states during the political crisis in August of this year.

UNCLASSIFIED

Source: "Estado" - Florianópolis - Nov. 4.

3. Psychological - Reaction on National Developments.

a. "Ação Democrática Parlamentar"

Former Paraná state governor (1951-55), and now PR Federal Deputy, Bento Munhoz da ROCHA is one of the leaders of the so-called "Ação Democrática Parlamentar" (Democratic Parliamentary Action), formed by a group of the more conservative Brazilian congressmen. The "Action's" and particularly ROCHA's recent statements on the Brazilian national situation received wide press coverage in Curitiba. The "Action" and ROCHA believe that, especially of the QUADROS administration, Brazil is ideologically composed of two groups:Communist extremism and anti-Communist extremism. This state of affairs came into being due to Communist activities and inspiration with the starting point being the policy of QUADROS towards Cuba. The objective of the "Action" is avoidance of any extra-legal developments and for the maintenance of the country's democratic structure.

ROCHA, though relatively unsuccessful when governor is generally held in high regard for his personal qualities, and any public statement he makes receives wide local repercussions.

Sources: "Diário do Paraná" - Curitiba, Oct. 31.
"Estado do Paraná" - Curitiba, Oct.31
"Gazeta do Povo" - Curitiba, Oct. 31.

b. "Frente de Libertação Nacional"

Local students and labor circles closely observed the recent forming of a political grouping of the leftists which took place in Goiania and was sponsored by the Rio Grande do Sul and Goias state governors, the Mayor of Recife, and other Brazilian leftists. The group named itself the "Frente de Libertação Nacional (National Liberation Front)."

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Sources: "Diário do Paraná" - Curitiba - Oct. 28
"Gazeta do Povo" - Curitiba - Oct.28, Nov.11

COMMENT: Parliamentarianism is fast losing any appeal it ever had due to the present "do nothing" attitude apparently prevailing in Brasilia. Inflation, strikes, etc., are all blamed on the "parliamentarians" in Federal office. OFFICIAL USE ONLY

d. The "Food For Brasil" Program

The Paraná Secretary of Agriculture launched a program under the slogan "Food for Brasil", suggesting that, with Federal aid, the state will eventually be able to supply the whole nation with the essential quantities of basic foodstuffs. The condition for success under the program calls for guaranteed minimum prices, financing of means for transportation and storage, and specialized credits for professional training, research, machinery, fertilizers, seeds and insectides.

Though highly applauded by local press, it is believed the "Food for Brazil" proposal will receive little attention in the Federal sphere. UNCLASSIFIED

e. Paraná State Budget

After three years without a budget, the State Legislative Assembly approved the budget bill for 1962. The budget calls for an income of approximately 22 billion cruzeiros and expenditures of approximately 32.5 billion cruzeiros, leaving a deficit of 10.5 billion cruzeiros. The last budget approved by the State Assembly was in 1958.

The approved budget is apparently due to general trust in the present administration, the forthcoming political truce between the administration and PTB, and the fear of state deputies that to vote against the budget would diminish their chances for re-election. The government is now trying to reduce expenditures in order to improve state finances.

Sources: All local newspapers.

f. Santa Catarina State Budget

The Santa Catarina state budget was approved on October 23, 1961. It provides for 8.4 billion cruzeiros income and 8.4 billion cruzeiros expenditures. The budget of Santa Catarina apparently does not enter into the political picture.

Sources: "Estado" - Florianópolis - Oct. 25
"Noticia" - Joinville, Nov.9

g. Santa Catarina Development Bank

The Federal Government officially approved the creation of the Banco do Desenvolvimento do Estado de Santa Catarina (Sante Catarina Development Bank). This has been one of the goals of the present Celso RAMOS administration. Press

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2. State Politics:

a. The "Lupion Affair".

All papers continue to carry articles concerning the return to Paraná of the former Governor, Moyses LUPION (PSD - 1946 - 1951 and 1956 - 1961) who was charged with embezzlement after leaving office early this year. Lupion has been and is in exile in either Switzerland, Uruguay, Argentina, or somewhere in the vast Paraná countryside. He was recently granted a habeas corpus and apparently will not be detained should he return.

Signs painted on streets and walls favorable to Lupion have recently appeared and several newspapers reported he would soon be arriving in Curitiba at which time a vast celebration would be arranged. UNCLASSIFIED

It is evident that there is a movement in process to return Lupion to political office. His name is distasteful to the thinking people. However, the unthinking and illiterate remember him as a benefactor and it is possible Lupion will again return to political office sometime in the future. His tenure as Governor of Paraná may be likened to the Huey Long era - a chicken in every pot while he lined his and his friends pockets with public money. OFFICIAL USE ONLY

b. PTB Likely to Support Paraná Administration

The Paraná minority (PDC,UDN,PL) is now marching towards the long-expected and well-prepared broadening of its political and parliamentary basis. This is apparently a result of Governor Ney Braga's honest and efficient government and his having courted PTB (second strongest party in Paraná), the bride-to-be of the forthcoming political marriage. Braga and his PDC went socialist and somehow managed to loosen ties with the conservative UDN without offending it. This also made the situation agreeable to the laboritics by helping them to obtain federal jobs such as NEVES' appointment to the Board of Directors of the Banco do Brasil, and promising electoral positions for the 1962 elections. UNCLASSIFIED

Sources: "Diário do Paraná" - Curitiba - Oct. 26, 29.
"Estado do Paraná" - Curitiba - Nov. 12.
"O Dia" - Curitiba - Nov. 1
"Gazeta do Povo" - Curitiba - Oct.24, Nov.2,4,7.
"Tribuna do Paraná" - Curitiba - Oct. 25.
"Ultima Hora" - Curitiba - Nov.3,6,7,8

c. State Parliamentarianism:

As a consequence of the introduction of the parliamentary system in the Brazilian government, several of the Brazilian states seem to be inclined to amend their constitutions towards parliamentarianism. Studies in this direction have been made in Paraná. If approved by the State Legislative Assembly, parliamentarianism may be introduced in Paraná by the end of the BRAGA administration (January 1966). For the time being, an amendment of this kind would not receive public support. UNCLASSIFIED

0448

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FOREIGN SERVICE DESPATCH

FROM : American Consulate, CURITIBA

NO. 37

TO : THE DEPARTMENT OF STATE, WASHINGTON.

DEC 1 1961
November 30, 1961
DATE

REF :

AID-11 BIEAC-5

55 For Dept. Use Only	ACTION	ARA-4	INFO	DEP	RM/R 2	REP 1	AF	ARA	EUR 5	FE 4	NEA	CU 5	INR 7	E 3	P 3	IO 4	ICA
				OTHER	AGR 10	COM 10	FRB 3	INT	LAB	MAR	TR 3	XMB 4	DEPARTMENT OF STATE BUREAU OF INTER-AMERICAN AFFAIRS				
		REC'D 12/6			AIR 6	ARMY 4	CIA 11	NAVY 4	OSD 5	OCB	USIA 10	4					

DEC 11 1961

SUBJECT: NEWS SUMMARY (NON-ECONOMIC) FOR PERIOD OCTOBER 16 - NOVEMBER 15, 1961.

File no action EST/B - dw Wilson 11/26/62

CONTENTS

1. Municipal Politics.
2. State Politics.
3. Psychological - Reaction on National Developments.
4. Psychological - Reaction on International Developments.
5. Cultural.
6. Miscellaneous.

1. Municipal Politics

Paraná PTB State Deputy Leo de Almeida NEVES was nominated for the Board of Directors of the Banco do Brasil. He was the laborites' promising candidate for Mayor of Curitiba in next year's municipal elections. He appears to be a young, personable, and ambitious leftist, and his candidacy had the sympathy of the working class, labor unions, and many students.

As a member of the Board of Directors of the Banco do Brasil, Mr. Neves is no longer a PTB candidate for the office of mayor and it is apparent that the PTB cannot easily produce another candidate with Neves' popularity.

Early speculation indicates that leftist circles, student associations, labor unions, and various politicians dissatisfied with the present party-political maneuvers are trying to produce a second-choice candidate. The choice appears to be PSB follower, AmilcarGIGANTE, a Curitiba physician with a long record of leftist and ultra-nationalist attitudes and activities in the past Paraná student politics. (See Curitiba Despatch n° 21 of September 29, 1961).

Sources: "Diário do Paraná" - Nov. 1[illegible], 1961
"Última Hora"- Nov. 9, 1961

FILED JAN 15 1962

cc: AmEmbassy, Rio de Janeiro (2)
AmConGen, Recife (1) - Attn: Item 3-B.

HDKessler:bb

REPORTER

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

0447

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(Classification)

possibilities. He commented that because of the anti-Western, pro-communist influence in the UN vote, economic aid could not be administered through the UN. Congo's recent initiative toward re-establishing diplomatic relations with Belgium and France was a hopeful sign, he said, for this would open the way to multilateral direct aid which would not be subject to communist control in the UN.

Twice during the conversation Dr. Schwegler mentioned that Swiss circles feel themselves rather distant from the Congo scene.

John B. Holt
John B. Holt
American Consul General

cc: AmEmbassies: Bern, Leopoldville, Rio de Janeiro

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0446

PRIORITY

LIMITED OFFICIAL USE
(Security Classification)

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XR 7709.00
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FOREIGN SERVICE DESPATCH

EUR INDEX KC

FROM : AmConGen, ZURICH

75
DESP. NO.

TO : THE DEPARTMENT OF STATE, WASHINGTON.

November 30, 1961
DATE

REF :

For Dept. Use Only	ACTION	DEPT.
	EUR-5	RM/R-2 ARA-4 FE-4 INR-7 IO-4 AF-5
	REC'D 12/5	OTHER CIA-11 USIA-10 OSD-5 ARMY-4 NAVY-4 NSA-4

USIA-3

SUBJECT: VIEWS OF PRESIDENT OF SWISS NATIONAL BANK ON BRAZIL, SOUTHEAST ASIA AND CONGO

During a call November 24 by the Principal Officer on Dr. Schwegler, President of the Swiss National Bank, Dr. Schwegler named Southeast Asia (Laos and South Vietnam) and South America (Brazil) as the two most precarious spots in the world for the West. An upheaval could occur in these two areas at any time. The Congo is less immediately critical; it being held together temporarily by the United Nations.

In Brazil the Castro fever has caught, he said. Former Bundesrat Streuli made a reconnaissance to South America. His recent comment was that Brazil was entering financial disaster, i.e., a spiraling inflation, multiple exchange rates, etc. Under Goulart key executive positions have been taken over by men who do not know the least thing about finance.

The Principal Officer outlined United States views on the necessity to support Adoula sufficiently to maintain a non-communist government in Congo willing and able to neutralize Gizenga, and on the necessity to effect a negotiated confederation with Tshombe to bring the strength of Katanga into the Congolese economy.

In response, Dr. Schwegler made the following points:

(1) The recent UN resolution was a victory for the Russians. Gizenga, the communist firebrand, has been spared. Now Congo is encouraged to attack Katanga, to force it to submit to the Congo government. Under Congo domination vital African assets in Katanga would be wasted or destroyed.

(2) The resolution reflects the pro-communist trend in UN voting. The new African members are anti-West and will be lenient with or help the communists.

The Principal Officer commented there was still means to bring anti-communist influence to bear through the UN, since the UN forces in the Congo did not include pro-communist elements. The Principal Officer stressed again the necessity to support Adoula to the fullest extent possible, at the same time endeavoring to effect a peaceful negotiation of a peaceful confederation with Tshombe in order to save the Katangan assets. This would provide the Congo government with strength enough to cope with Gizenga, who might otherwise take over.

Dr. Schwegler was interested in the idea. He seemed to know little of Adoula and to be cheered by the thought that Adoula provided non-communist leadership

JBright/mvb
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The action office must return this permanent record copy to DC/R files with an endorsement of action taken.

0445

LIST OF "DECLARATION'S" SIGNERS

VICE-GOVERNOR: Pelopidas Silveira

DEPUTIES: Edson Cantarelli; Souto Dourado; Didimo Guerra; Carlos Luiz de Andrade; Luiz Wilson; Paulo Viana; Antonio Cavalcanti Neves; Sergio Murilo; Cunha Primo; Emidio Cavalcanti; Jose Seixas.

ATTORNEY GENERAL OF THE STATE OF PERNAMBUCO: Luiz Gonzaga Arcoverde

JUDGES: Jose Pessoa de Oliveira Cavalcanti; Edgard Homem de Siqueira.

VICE-MAYOR: Artur Lima Cavalcanti

CITY COUNCILMEN: Miguel Batista; Evandro Guimaraes; Carlos Duarte.

PROFESSORS: Jerson Maciel Netto; Silvio Rabelo; Jose Otavio de Freitas; Armando Souto Maior; Gustavo Cintra Paahaus; Jose Angelo de Sales e Silva; Germano Coelho; Paulo Freire; Antonio Carlos Cintra do Amaral.

TRADE UNION LEADERS: Claudio Braga; Joao Barbosa de Nascòncelos; Gilberto Azevedo; Antonio Fausto do Nascimento; Cicero Targino; Jose Osvaldo Gomes; Virgilio Joao de Santana; Pedro Moura; Severino Francisco da Silva; Joaquim Pinheiro; Helio Araujo; Jose Augusto Castro; Severino Araujo; Adelino Francisco; Reginaldo Rego Barros; Joel Vasconcelos; Ramiro Justino; Analio Borges; Manuel Vicente; Jose Militao; Donato Sobrinho; Severino Jose Galdino; Jose Xavier; Ronildo Maia Leite; Gastao de Holanda; Joaquim Ferreira Lima; Epitacio Pessoa.

WRITERS: Paulo Cavalcanti; Mauro Almeida; Ascencio Ferreira; Vicente do Rego Monteiro; Olimpio Bonald Neto.

NEWSPAPER MEN: Reinaldo Camara; Clovis Melo; Ubirajara Cruz; Fernando Dias.

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LAWYERS: Plinio Carapeba; Jorge B. Carneiro da Cunha; Hilton Rios; Claudio de Holanda Cavalcanti; Jonas Ferreira Lima; Jose Guimaraes Sobrinho; Heleno Mendonça; Enoch Mendes Saraiva; Fernando Cruz; Marcelo Cordeiro; Francisco Moreira Souto.

ENGINEERS: Dilhermando Melo; Marco Botter.

ARCHITECT: Expedito Fonseca;

PRESIDENT OF P.S.B.: Newton Cardoso de Morais

PHYSICIANS: Frederico Rocha; Jose Bancowski; Miguel Ninton Arrais; Murilo Arrais, Rodrigues Calheiros.

ACTOR: Luiz Mendonça.

MUSICIAN: Geraldo Menucci

ACCOUNTANTS: Waldemar Figueiredo; Anibal Bezerra de Menezes.

BUSINESSMEN: Ruy Vasconcelos Freire; Alfredo Ferreira Filho.

STUDENTS: Fernando Teixeira; Marco Antonio Maciel; Joao Alfredo dos Anjos; Antonio Augusto Carneiro Leao; Jose Heleno Cardona Pereira; Fernando Barbosa; Mario Campos Mattos; Cesar Augusto Campos da Silva; Roberto Chabo; Marcionilo Lins; Fernando Gabriel de Melo; Francisco Eduardo Dantas.

0443

Encl to Disp #114
Recife 11-28-61 Gen

The Brazilian people and the other peoples of the Latin American community, united by the same ardent desire for self-determination, which is characterized by the effort to obtain political and economic liberty, bore witness a short time ago to the attempted invasion of Cuba and to the heroic resistance of people in preserving the gains of the revolution.

Representing the thought of the most diverse elements of the people of Pernambuco, the signatories hereby denounce the sly attempt, taken up through diplomatic channels, to retire Cuba from continental solidarity and to deprive her of her prerogatives and rights, which, as a Latin American nation, she possesses in the Organization of American States, which was created with the aim of fortifying this solidarity.

They denounce also the permanent warlike preparation organized on territory of the United States of America and of some Central American republics with the objective of repeating armed aggression against the Cuban nation.

Finally, they consider it necessary to denounce, by all possible means to world public opinion, to the United Nations, and to all other international organs that criminal plot which the imperialist interests in the American continent are attempting to repeat in order to take away from the Cuban people that which was gained at the cost of sacrificing their own blood, the right of tracing the course of their own policy and pursuing their own legitimate interests within the concert of American nations.

0442

FORM FS-459a
6-1-60

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together with a list of the "declaration's" signers.

Darnell C. Kilday for

Albert A. Rabida
American Consul

Enclosures: Translation of the "declaration";
List of "declaration's" signers.

cc: Amembassy, Rio de Janeiro.

0441

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FOREIGN SERVICE DESPATCH

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NOV 29 1961

732.00/11-2861

XR 737.00

FROM : AmConGen, RECIFE, BRAZIL. NO. 114

TO : THE DEPARTMENT OF STATE, WASHINGTON. DATE November 28, 1961.

REF : None.

20 For Dept. Use Only	ACTION	ARA 4	INFO	DEP	RM/R 2	REP	AF	ARA	EUR	FE	NEA	CU	INR 7	E		
				OTHER	AGR	COM	FRB	INT	LAB	TAR	TR	AMB				
		REC'D 12-7-61			AIR 6	ARMY 4	CIA 11	NAVY 4	OSD 5	OCB	USIA 10	NSA 4				

SUBJECT: POLITICAL: Declaration On Cuba Published In Recife.

Microfilm

In a "declaration" published as an advertisement in the local Jornal do Comercio on November 26, 1961, local communists and other leftists reiterated support for Cuba and decried the current attempt in the OAS to isolate Cuba from the inter-American system. The "declaration" also denounced the "permanent warlike preparation organized on territory of the United States of America and some Central American republics with the objective of repeating armed aggression against the Cuban nation." Finally, the "declaration" proclaimed the necessity of denouncing to world public opinion the "criminal plot imperialist interests... are trying to repeat in order to deprive the Cuban people of the right to trace the course of their own policy..."

The "declaration" was signed by some 100 politicians, legislators, trade union leaders, student leaders, lawyers, physicians, etc., many of them believed to be communists but probably including also some misguided innocents. Vice Governor Pelopidas Silveira headed the list of signers, which also included Vice Mayor Artur Lima Cavalcanti; Attorney General of the State of Pernambuco Luis Gonzaga Arcoverde; and eleven state deputies.

Curiously, the name of Recife Mayor Miguel Arraes did not appear on the list. Arraes, a staunch supporter of the Castro regime and a critic of the U. S. Government's Cuban policy, would not have been expected ordinarily to pass up an opportunity to identify himself with the anti-U. S. pro-Cuban elements in Recife. However, he is believed to be interested for political reasons in disassociating himself from too close affiliation with leftists groups in order to gain support on a broader basis.

There is enclosed a free translation of the "declaration".

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

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FORM 5-61 FS-439 GPO 912596

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FROM : AmConGen, RECIFE, BRAZIL. 113 NO.

TO : THE DEPARTMENT OF STATE, WASHINGTON. November 28, 1961. DATE

REF : None.

File Action

55 For Dept. Use Only	ACTION	INFO	DEPT	RM/R	REP	AF	ARA	EUR	FE	NEA	CU	INR	E	IO	ICA
	ARA-4			2								7			
			OTHER	AGR	COM	FRB	INT	LAB	TAR	TR	XMB				
	REC'D 12/7			AIR 6	ARMY 4	CIA 11	NAVY 4	OSD 5	OCB	USIA 10	NSA 4				

NO EST/B
J W Wilson
12/12/61

SUBJECT: POLITICAL: Former Aide To Janio Quadros Visits Northeast Brazil.

Joaquim Dias Menezes, former aide to ex-President Janio Quadros, spent last week in Paraiba and Pernambuco contacting various of Quadros' supporters, past and present. While no word is available on the substance of the discussions, It is understood that Menezes was taking soundings on what support Quadros might have should he return to political life in Brazil. In an interview with a local reporter, Menezes stated that he hoped to conduct a wide public opinion survey on the question of Quadros resumption of political activities. Menezes also confirmed previously published reports that Quadros would return to Brazil early next year, to "continue the execution of his ideas."

Menezes' companion during his visit to the Northeast was Jose Cavalcanti, former Governor of the Federal Territory of Amapa. Reportedly, Cavalcanti has been asked to attend meetings to be held soon in Rio de Janeiro and Sao Paulo with other leading Quadros supporters.

Lowell C. Kilday for

cc: Amembassy, Rio.
LCKilday/dvs
REPORTER

Albert A. Rabida
American Consul

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

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8. Crisis in Dominican Republic (Unclassified)

"Being now free of the Trujillo dictatorship," said A Hora, "the Dominican Republic is under the threat of a new danger: Communism. The presence of Castro's agents in San Domingos is clear." Diário de São Paulo said: "It doesn't matter whether President Balaguer is the right man to restore the democratic system in his country: a dictator, or rather, a family of slave-makers, fell down in the mud and blood and all those who love freedom should rejoice together with the Dominican people."

9. Crisis in Ecuador (Unclassified)

Correio Paulistano remembered President Arosemena's trip last June to the Soviet Union and said: "The truth is that Arosemena went to take a "bath of Communist culture" and when he came back became, apparently, more pleasing to the leftist groups in the Ecuadorian politics. That's why Ecuador's army tried to eliminate him too." O Dia said: "The crisis in Ecuador will have deep consequences in the political panorama of Latin America. One should not forget Castro's euphoria and the fact that he looked upon Arosemena's victory as an expansion of the Cuban revolution."

Miscellaneous

10. List of Substantive Despatches

152 São Paulo Weekly Summary No. 22

Scott C. Lyon
Consul

Contributors:

Proper (Political)
Mason (Local Press Reaction)

Distribution:

INS/RAR, Embassy Rio 3, Amcongen Recife, Amembassy Brasilia, Amconsulates Belem, Belo Horizonte, Curitiba, Porto Alegre, Salvador, Santos.

GPO 902667

COMMENT: No news on the signature campaign may well be good news. There is little doubt that it will be possible to collect the minimum number of signatures required by law for party legalization (50, 000 for all Brazil), but failure to collect significantly more than this amount might be interpreted as showing little popular support. As to the party split, it is natural that de-Stalinization in Russia -- reported widely and with disgust by the press - should intensify the split within the Brazilian Communist Party.

Local Press Reaction

6. Brazil and USSR Renew Diplomatic Relations (Unclassified)

"Nobody disagrees that relations with the USSR involve several dangers," said A Gazeta, adding: "Economic development demands new markets so that Brazil can export its goods." A Hora said that the renewal of relations "was, undoubtedly, an action of courage by this government." Leftist Ultima Hora said that "The absurd clamor which is being put out by a small and unsatisfied group follows a deliberate purpose of disturbance" and added: "The Brazilian government did nothing more than accomplish the will of the overwhelming majority of the nation's public." Maurício Loureiro Gama wrote in Diário da Noite that "the renewal of diplomatic and commercial relations with the Soviet Union is not -- as it could look to the malicious ones of the right and the left -- an ideological choice.... The country has matured politically and feels able to maintain relations with a nation whose regime does not fit the temperament, the Christian formation and the liberal spirit of the Brazilian people." Many moderate papers agreed that the timing and the manner of the renewal were unfortunate, however. A Fôlha de São Paulo stated that "Although expected, the renewal of diplomatic relations between Brazil and the USSR, at this moment, was a surprise to almost everybody." The same newspaper added that the action "is legitimate in itself and useful to the country's interests." O Estado de São Paulo stated that "What we can expect in the economic field...is too little (to warrant recognition of the USSR)." The same newspaper said that "This is interpreted as a political victory by all communist-nationalists." Diário de São Paulo said that "Brazil's political and administrative maturity is sufficient to prevent the future Soviet diplomatic representation/[illegible]ming itself into a center of Communist agitation."

7. Nuclear Tests and the Geneva Conference (Unclassified)

Referring to Russia's decision to return to the Geneva Conference, O Estado de São Paulo said: "Nobody has the right to feed illusions concerning Soviet intentions. Having detonated several nuclear bombs, the Soviet Union is, presently, interested in gaining time to study the results of the experiences and, eventually, to prepare a new series of explosions. Besides that, the Soviet Union is trying to prevent the West from beginning its experiments and regaining wasted time."

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was that he praised (1) São Paulo in general, (2) Governor Carvalho Pinto in particular, and (3) even the newspaper Estado de São Paulo (see Despatch 151 of November 21 for report of feud).

COMMENT: It is now clear that Brizola would like to erase his feud with São Paulo from the record. The memory of the public and the press is not so short.

4. Municipal Chamber Still Agitated (Official Use Only)

Councilman Gouveia FRANCO's claim that members of the Municipal Chamber had been heavily bribed to support Helio MENDONÇA for President of that body caused an unusually strong reaction. A police inquiry has been requested, and it is claimed by several of the Councilmen that either Franco's claim will be upheld or he will be evicted from the Chamber. The scandal has further slowed the work of the Chamber, but the Mayor's 1962 budget was nevertheless approved on November 23 -- with ninety-three amendments. Looking at it from another angle, three hundred and thirty-eight of the four hundred and thirty-one amendments offered were rejected. The most controversial of the amendments approved required the emission of city bonds in the amount of five billion cruzeiros (about U.S.$14,300,000) to provide for pay raises for city employees. The deficit over and above this amount is expected to be four billion cruzeiros (approximately U.S.$11,400,000 at current rates of exchange).

COMMENT: (Limited Official Use) It is remarkable how shocking scandals can develop during almost every Municipal Chamber election, cause brief horror, and be forgotten. The prompt and confident manner in which the police inquiry was started this time, however, may bode well for the Chamber and ill for Gouveia Franco. That remains to be seen. In the meantime, the day-to-day business of the Chamber is still conducted on a discouraging plane.

5. Communists' Problems (Official Use Only)

To judge from the local press, internal dissension in the Brazilian Communist Party is more pronounced than ever. The bulk of the Party is said to be following the Krushchev line, but there seems to be a strong left-wing Stalinist movement which is not in the least disposed to give up the struggle. In addition, there is one report that yet another wing of the Party is splitting off to join with a divergent wing of the Brazilian Socialist Party (PSB) to form a group called the "Radical Socialist Party" which would not be pro-Russian (this rumor cannot be evaluated). No reports on the signature campaign for Party legalization have been seen since the report (Despatch 146 of November 8) that 18,000 signatures had been collected within São Paulo.

GPO 802887

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reinforced when Air Minister Clovis TRAVASSOS -- also the target of fire from the left -- decorated him with the Aeronautical Order of Merit on November 21 for his "statesmanlike qualities and for his conduct and attitude as a defender of order and of the Constitution in the most critical moments of the national life." Carvalho Pinto, and hence also Coutinho Nogueira, have indeed refrained from noisy support of many of the "basic reforms" out of which leftists get much political mileage. On the other hand, José Bonifacio has gone on record as favoring agricultural reforms including expropriation of latifundia, reimbursable by long-term bonds. São Paulo has been outstanding among Brazilian states in making solid starts in many of the needed reforms. Capitalizing on this reputation, Coutinho Nogueira's slogan for the 1962 governorship campaign seems to be "more work, less talk (menos conversa, mais trabalho)." The two national reforms which will probably be preached in the 1962 electoral campaign are both political: a return to the presidential system at a convenient time (probably to be underplayed) and a general reform of the odd Brazilian electoral laws into something resembling the U.S. system of political districts (state and township officials currently run at large).

A sure sign that the 1962 campaign is due to begin is the news that Carvalho Pinto will leave São Paulo for the longest time in his term to inaugurate branches of the bank of São Paulo in Minas Gerais, Bahia, and Pernambuco. His speeches in these states will give him a chance to (1) emphasize São Paulo progress and (2) weaken the idea of "Paulista imperialism" by emphasizing Paulista aid to the Northeast.

COMMENT: While slogans have lately been received with ennui, the "less talk, more work" theme -- backed by an excellent record -- may do as much for Carvalho Pinto's national image as for José Bonifacio's chances in the state.

3. Brizola Visit Falls Flat (Limited Official Use)

A group of students in the São Paulo interior city of Presidente Prudente seem to have proved something when they invited Rio Grande do Sul Governor Brizola to address them on November 25 -- but not what they expected. Because of his attacks on the "Paulista imperialists" and their governor, Brizola has come to symbolize the far left and the antithesis of Governor Carvalho Pinto for Paulistas. His invitation stirred up violent protests from many students and from a labor group in Presidente Prudente, which put out a manifesto calling the Riograndense governor persona non grata. The local branch of the PTB (Brazilian Labor Party) declined participation in the visit, and the Mayor did not extend an official reception. Security precautions were taken. The visit went off quietly, but the press reported that police almost outnumbered the apathetic spectators. While Brizola is reported to have made the usual references to foreign economic "spoliation," the salient feature of his speech

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Social Democratic (PSD) Deputy Antonio Sylvio CUNHA BUENO pointed out that while the amendment prevented the states from collecting the taxes, the townships would not be able to take over until they had a chance to pass new tax laws. His attempt to delay publication of the amendment for this reason was overridden by Senate President Auro MOURA ANDRADE, a candidate for the governorship of São Paulo. As a result, there were days when both the state and the township (municipio) of São Paulo tried to collect the taxes and apparently a short while when neither collected. At the price of some hard feelings, however, the city is now receiving the (possibly illegal) taxes. The state expects to feel the loss severely. The São Paulo agricultural reform scheme -- one of the few really functioning in Brazil, despite all the conversation on the topic -- has been closely tied to the rural property tax, and São Paulo aid to the Northeast also depends on it. Governor CARVALHO PINTO is faced with trimming his "Plan of Action" (distasteful), refusing to give state employees a pay raise (impossible), and/or incurring a deficit (expensive, what with federal bonds competing in the money market at interests of more than thirty per cent). He is putting his weight behind a campaign to push through yet another constitutional amendment: this one to compensate the states for the omissions of the first.

COMMENT: While the fiscal sleight-of-hand in amendment number five was not dexterous enough to impress the residents of the state capital, it might gain Moura Andrade a few votes in the smaller towns. The general impression given by the Paulista press, however, is that the amendment was a rather pathetic attempt to show that the Senate is still good for something. One effect has been to polarize political groupings for the 1962 elections and strengthen one wing of the PSD in its preference for Carvalho Pinto's candidate rather than Senator Moura Andrade.

2. 1962 Gubernatorial Campaign Issues Emerge (Official Use Only)

To date, the only candidate of the first magnitude on the horizon for the 1962 governorship race is State Secretary of Agriculture José Bonifacio COUTINHO NOGUEIRA. While new on the political scene, José Bonifacio's advantage is that he has the enthusiastic support of popular Governor Carvalho Pinto, who was also a political unknown until becoming an effective State Secretary under then Governor Janio QUADROS. Carvalho Pinto's backing brings with it the support of several of the most important São Paulo political parties from the right, left, and center.

Carvalho Pinto still claims that he plans to devote his full energies to finishing out his term and campaigning for his chosen successor rather than accepting several invitations from other states to run for senator or federal deputy. He is practically exempt from criticism in São Paulo, but leftists in other states have often referred to him as a rightist. This thesis was perhaps

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FOREIGN SERVICE DESPATCH

FROM : Amcongen, São Paulo — 152 NO.

TO : THE DEPARTMENT OF STATE, WASHINGTON. — November 28, 1961 DATE

REF :

file
no actions
ARA/EST/IB
GW Wilson 12-11-61

55 For Dept. Use Only	ACTION	ARA 4	INFO	DEPT	RM/R 2	REP	AF	ARA	EUR	FE	NEA	CU	INR 7	E	P	IO	ICA
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	REC'D 12/4				AIR 6	ARMY 4	CIA 11	NAVY 4	OSD 5	OCB	USIA 10	NSA 4					

SUBJECT: São Paulo Summary No. 22, Week Ending November 25, 1961

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Political
1. Tax Changes Have Political Repercussions in São Paulo
2. 1962 Gubernatorial Campaign Issues Emerge
3. BRIZOLA Visit Falls Flat
4. Municipal Chamber Still Agitated
5. Communists' Problems

Local Press Reaction
6. Brazil and USSR Renew Diplomatic Relations
7. Nuclear Tests and the Geneva Conference
8. Crisis in Dominican Republic
9. Crisis in Ecuador

Miscellaneous
10. List of Substantive Despatches

Political

1. Tax Changes Have Political Repercussions in São Paulo (Limited Official Use)

Constitutional amendment number five, increasing the tax revenues of the townships, has been a two-edged sword in São Paulo (see Despatch 147 of November 14). It had the virtue of giving income from rural property and real estate transfer taxes to the townships, but the vice of taking exactly the same taxes from the states. Many Paulistas thought that the result was not spectacular enough to warrant the haste and publicity with which the amendment was pushed through the Senate. Mayor Prestes MAIA also claims that the measure was of little help to the city of São Paulo, whose finances are in worse shape than either the state's or the interior cities'. Additional shortcomings in the measure soon became evident.

See last page/lfw — LIMITED OFFICIAL USE

REPORTER

FORM 6-61 FS-439 GPO 912596

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SECRET

-3- 1280, November 24, 6 p.m., from Rio de Janeiro (SECTION TWO OF TWO)

and with as much show Brazilian initiative as possible, (see Embassy telegram 1264 for Brazilian position on Cuba). Brazil apparently being frank and open even when working against our projects, which is more than could be said for Quadros.

(8) First sentence fifth paragraph would be more descriptive past Quadros administration than present regime as indicated above.

(9) Embassy agrees with unfortunate aspects return to power of succession forces Vargas regime with significant elements corruption and irresponsibility and frustration of will Brazilian electorate which wanted change from Vargas et al. Nonetheless present group, with some exceptions (most important being weak President), is best we can expect or hope for in present circumstances in Brazil. Alternatives are military dictatorship, a Brizzola as Prime Minister, a return of Quadros with dictatorial powers and anti-US orientation. Country Team is presently preparing written estimate internal security situation for SAAT group which pertinent this entire subject.

(10) Re last part letter Country Team considers it highly desirable "explore value maintaining and strengthening relationship between Brazil and United States armed forces as factor equilibrium."

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SECRET

-2- 1280, November 24, 6 p.m., from Rio de Janeiro (SECTION TWO OF TWO)

Brazilians (not even including Lacerda) believe Goulart Communist and many thoughtful anti-Communists, including high church officials, believe he can be influenced to follow moderate course (as he appears at present to be doing).

(5) As indicated above, statements in third paragraph Williams' letter regarding armed forces bear little resemblance to facts as available to Embassy including service attaches and JBUSMC.

(6) Embassy alert to appointment of Communists and Communist sympathizers to important offices (see item 1 Embassy telegram 1165). Would add as point information that Attorney General of Brazil has no executive functions, being principal prosecutor government cases Supreme Court. Minister Justice, whose position more nearly comparable US Attorney General, is clearly non-Communist.

(7) Embassy believes foreign policy this government while not ideal from US viewpoint is vast improvement over that of Quadros. While we do not like over-all Brazilian position on Cuba, it is great advance (e.g., repeated condemnation Cuban non-democracy) over Quadros' position with its unwillingness consider any actions against Cuba. Dantas possibly over-sensitive to public opinion but there is no doubt Brazilian foreign policy as enunciated by Foreign Minister (more pro-western, pro-inter-American solidarity and pro-American than Quadros' policy) has support overwhelming majority Brazilians, e.g., even conservative O GLOBO does not criticize. Embassy convinced administration, at least Cabinet, is with few exceptions genuinely conservative and without exception anti-Communist in domestic and foreign policy orientation, but faced with and sensitive to ever-present spectre radical and often popular positions Quadros and pressures from other segments of left. Government not strong enough face these pressures frontally. We can expect Brazil to be with us on most important world and hemisphere issues but it will do so with as much show of independence (not hostility) as possible and with as

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Control: 15320 NUMBERED
Rec'd: November 25, 1961 5:26 a.m.

FROM: Rio de Janeiro

TO: Secretary of State

NO: 1280, November 24, 6 p.m. (SECTION TWO OF TWO)

ACTION: EST/B
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(4) Embassy does not question that PCB regards Goulart as man they can best work with and through whom they may ultimately reach power. He is weak, not overly intelligent (but shrewd politically), probably does not appreciate full danger to himself and Brazil from Communists, and has long been accustomed to working with them in his rise to power through playing to aspirations urban proletariat, partly Communist controlled, and seeking control labor unions where Communist strength concentrated. Goulart's activities in labor field still inimical democratic development and helpful to Communists. Goulart has himself said labor movement (and labor party), by claiming loyalties of masses who would otherwise seek more extreme solutions than offered by him, has limited effectiveness of PCB. Goulart probably sincere this intention even if his actions often help Communists more than inhibit them. That Communists attempted obtain his nomination by PTB for presidency in 1955 and 1960 does not in Embassy opinion indicate more than PCB hope expressed first sentence this paragraph. Goulart could have had PTB nomination for presidency in 1960 and probably in 1955 since he controls party pretty firmly; however he was undoubtedly aware he could not have won either time and chose instead to accept second place on ticket as best alternative way retaining present power and future prospects. Remains to be seen if PCB expectations are realized. Few Brazilians

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-3- 1280, November 24, 6 p.m., from Rio de Janeiro (SECTION ONE OF TWO)

(3) Earlier in regime lack decisive action Cabinet gave public impression Goulart exercising more than allotted powers and Cabinet by-passed. Goulart had few powers beyond important one of appointments. By speeches and calls for action Goulart maintaining appearance of initiative and dis-associating himself from failure Cabinet and Congress to meet situation. However, criticism for exercising powers beyond those given him under present imcomplete definition those powers has been minor; discussion has been on question of definition. In any event recent moves by Cabinet (see Embassy telegram 1213) have improved this atmosphere considerably.

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-2- 1280, November 24, 6 p.m., from Rio de Janeiro (SECTION ONE OF TWO)

potential with Goulart as President. This tendency strengthened after compromise worked out with Congress restricting Goulart powers was resisted by military leaders then in control. Other cause for concern is evidence breakdown in army discipline during recent crisis, (different from traditional political split in officer corps of army and disagreements between services) indicating Communist influence and infiltration at non-com level, although extent such influence not clear due involvement local issues. Nevertheless, result August crisis far less defeat suffered by anti-Communist leaders in Brazilian armed forces as indicated in letter (since armed forces continue anti-Communist) than replacement of one set of officers who enjoyed confidence of Quadros and worked against Goulart assumption of office, by another friendlier to present and past regimes before Quadros principally on political grounds. As Department is aware military leaders under Quadros were gravely concerned over evidences of pro-Soviet bloc, pro-Cuban orientation of Quadros but were in far less advantageous position control or influence such policies than is possible today under present regime.

(2) Governor Brizzola has emerged as aspirant to national leadership and head of potentially dangerous apparatus as reported by Embassy. However (a) Brizzola continues to have little popular following of his own; (b) he is distrusted as often irresponsible, hot-headed activist by most Brazilians, including majority in his own state; and (c) know Cabinet does not trust him and there is evidence President is himself fully aware of Brizzola's potential for trouble which could be a threat to Goulart himself. Embassy considers Brizzola now no more than remote threat to stability GOB which likely become serious only if economic situation deteriorates further. However, his potential for creating serious trouble greatly strengthened through recent founding national liberation front with other leftists.

(3) Earlier

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Action ARA

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TO: Secretary of State

NO: 1280, November 24, 6 p.m. (SECTION ONE OF TWO)

ACTION: EST/B14
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RIO 1280

PRIORITY

Defense

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Re Woodward letter November 15 enclosing letter from Deputy Assistant Secretary Defense for International Security Affairs, Embassy greatly disturbed at evident breakdown in communications among agencies US Government implicit in Williams' letter. Embassy has prepared number of reports based on best information available to it notably Embassy telegram 1065 and related communications which have apparently not been brought to Defense attention. Following is intended as comment on principal points Williams' letter. Ambassador who approved this telegram in draft hopes to supplement in oral consultation with appropriate officials Defense as well as other departments during current visit to Washington.

(1) It should by way of introduction be made clear that Embassy is fully aware of increased Communist infiltration and potential for serious trouble in Brazil. It is also aware of deep suspicion of certain aspects of present regime held by many Brazilians, many of them responsible, others not. Embassy equally concerned on number scores (as made clear in recent reports) such as opportunity for Communist infiltration and activity under present still inadequately defined division of powers between President and Cabinet and inflationary economic situation. Also a serious factor is armed forces loss of prestige with general populace as well as many of elite who considered constitutionality aspects of recent crisis more important than possible increase Communist potential

(3)

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suppression of the revolt in Hungary.

Dramatic radio, television and newsreel casts should be provided to realistically demonstrate what the communists are and how they live. Of the three Radio and newsreels reach by far the greatest majority of the mass.

All of these propaganda mediums naturally should be careful not to indicate that there is any reference to their origin or aid by the United States of America. They should be made by Brazilian Companies and distributed by Brazilian "organizations for democratic action".

III. MEDIUM AND LONG RANGE AID - I will not elaborate suggested programs for medium and long range aid in this report. I only wish to suggest a basis for AID participation. In the past we have suffered from participation in non-productive schemes.

Financial participation should be made on a unit basis. Approximately 10%-25% should be given during the course of the units completion. The remaining 75% should be paid only after the project has been completed. Thus, making the Brazilian Government responsible for "risk" capital.

The above five suggested areas for immediate action are made with an urgent request that they or similar programs be initiated immediately. Time is of utmost importance. Further details regarding any of the plans can be provided upon request. And the recruiting of responsible Brazilian and American personnel to help carry them out is assured.

Summary - The above five suggested emergency measures meet the urgent needs of the two groups most communistically vulnerable, namely the poverty-stricken urban and rural masses and the college-aged university students. They take advantage of our present resourses and should be relatively simple to implement.

Other measures should be considered that require a longer period to actuate, such as primary school education and literacy training, simple wind-mills for the small northeastern farmer, mass migration plans through colonization from the over populated arid northeast to the under populated virgin Amazon rain forests.

Finally, our present programs need to be improved strengthened, and enlarged, i.e. USIS, USOM - Agriculture Extension Services, etc.

Be assured that there are an adequate number of USA citizens and Brazilian nationals ready to cooperate to preserve Brazil's democratic government.

Respectfully submitted,
Pierre W. DuBose, Jr.

0426

As the number of teams and units are expanded other cities and rural areas should be included. Six teams should begin work not later than March 1962.

3. Education - A large group of Peace Corp trained English teachers can be placed immediately in the state and private Secondary and Junior College level teaching program throughout Brazil. Augmenting the relatively poor required program they would teach advanced students and in-service Brazilian teachers; also to encourage a "give and take atmosphere" they should study Portuguese. Furthermore, they could orient clubs and student groups interested in social and cultural information regarding the Americas. In a word they would "bridge the gap" of culture between the youth of the two nations.

Twenty-five to fifty English teachers should begin to teach in February 1962. This program can be broadened to include other areas especially the natural sciences which are characteristically weak throughout Brazil.

4. Agriculture - 4-H Club teams (Peace Corp ?) to cooperate under the already established USOM agriculture extension service can serve to stimulate interest in rural life improvement providing both technical information and serving as a cultural and social contact between the two nations.

Insecticide spraying units both domestic and rural would meet an urgent need to give "propaganda milage". Both American private and Brazilian public organizations have provided limited service in spraying domestic and urban areas. This program needs to be greatly strengthened. Furthermore, if insecticide equiped aircraft are provided they can serve the rural areas and during the "off seasons" serve the larger towns and cities in controlling common insects.

5. Propaganda - admittedly the most difficult phase in a crash program (to undertake), never-the-less important to the ever all understanding of the Brazilian; civic groups need to be established in all major urban communities throughout Brazil to promote "democratic action". Upon organization these civic groups should be provided with various types of effective propaganda materials to inform and educate the population. Since the Brazilians are great lovers of newspapers, perhaps one of the most important and simplest steps would be to establish a nationally printed newspaper that would have wide distribution throughout Brazil. It would carefully interpret both national and world conditions as they happen in light of responsible democratic action. Pamphlets to be distributed in cities and towns regarding specific subjects such as liberty, freedom, democratic responsibility, and against common practices of the communists as the building of the wall in Berlin and the

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the opinion that our aid is "too little and too late".

On the basis of these conditions I respectfully submit the following suggestions for immediate emergency measures to be undertaken by the United States Government in cooperation with the Federal Government of Brazil and various cooperating organizations within Brazil:

II: SUGGESTED IMMEDIATE AID - While we attempt to improve our present programs already in operation in Brazil, we must take certain measures as a "stop-gap" operation, to ease the present political and economic crisis, providing the democratic forces within Brazil more time and better conditions under which to stabilize the political and economic climate.

1. Surplus Food - that the United States Government enter into an emergency one year Title III food distribution agreement with the Federal Government of Brazil in which large quantities of surplus foods (especially powdered milk, corn-meal and wheat flour) are shipped to all major ports of the north and northeast Brazil from Belem to Recife and to the southern ports of Salvador and Rio de Janeiro. To facilitate movement the shipments should be made and cleared through customs to port warehouse location on a "government to government" agreement. At this point the responsible distribution organization should receive their respective quotas.

To insure the proper distribution and propaganda "milage" of these food stuffs to needy persons and institutions an agency made up of representatives of the various distribution organizations should supervise all distribution points. A further important propaganda milage factor is to mark all containers in Portuguese both as stating distribution conditions and to symbolize the effort with a distinctive colored emblem. Bulk shipments should begin in nine ports in January of 1962.

2. Health Teams - that emergency American medical teams (Peace Corp ?) equipped with mobile clinical units be provided to treat and educate the poverty stricken urban and rural masses. Each mobile unit should have two complete medical teams in order that they serve a total of twelve to sixteen hours daily. Each team should have a partial membership of Brazilian counterparts to coordinate the program. Each American team should include one medical doctor, two nurses, one X-ray technician, one laboratory technician, two public health nurses and one administrator.

Emergency license for operation under the Brazilian health code will require a government to government guarantee on a suggested three year emergency basis. The first units should be placed in the cities of Recife and Rio de Janeiro to operate in the tenament residencial districts. Extended assistance to the respective city welfare hospitals will be necessary to correlate the total program.

0424

REPORT

To: Ambassador Merwin L. Bohen
From: Rev. Pierre DuBose, Jr.

November 21, 1961
Re: Brazilian Crisis and Emergency Aid

I. DANGERS IN THE PRESENT CRISIS - The present economic and political confusion in Brazil can lead to a revolution that would result in a communistic dictatorship. I am of the opinion that the present Federal Government will not survive this crucial period. Within one to six months there will be a political revolution. If the revolution is mild and of short duration the rightest forces will govern as a military dictatorship. However, unless outside forces are able to contribute in a large measure to the stabilization of the economy, I believe the military dictatorship will fall in one to four years, depending upon the severity of economic conditions, disunity within the military ranks and the rate of growth of the communistic forces at the "grass roots".

The following emergency aid recommendations are based on the opinion that aid must be given to the two most susceptable groups to communist infiltration.

1. The economically poor and educationally ignorant urban and rural population. There are some 25 million undernourished, semi-literate, unskilled Brazilians. They are restless in the present deteriorating situation. Caught in an inflationary spiral in which their wages have risen 50%-100% while the cost of living has risen 300%-400% with no apparent hope for future improvement they serve as ready prey for the relatively few disciplined communist leaders. One thousand hungry men with one communist rabble-rouser, a steril e civil police and a divided army are the ingredients needed to begin a riot.

These general conditions exist throughout Brazil. Recife and Rio with their respective enviorus are, in my opinion, most critical.

2. The college and university students. Traditionally more vocal than their USA counterpart and always anti "status que"; these students are disillusioned with the present corrupt amoral and inefficient political system and its corresponding religious authorities. They are idealists, enchanted by Communism's discipline, dedicated disciples and premised reform. Through their strikes students are able to bring confusion to the already weak higher educational system of Brazil. Many are serving the communist organization as instructors and leaders in the urban and rural peverty-stricken areas. It is significant that many young communists are the sons of Brazil's wealthiest families.

At the risk of over symplifing the relationship of our various American programs presently under operation in Brazil, I am of

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FORM FS-429a
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Page 1 of
Encl. No. 1
Desp. No. 107
From Recife

November 21, 1961

The Hon. Merwin L. Bohen, Ambassador at Large
c/o The Hon. Albert A. Rabida, Consul General
Recife, Pernambuco

Dear Ambassador Bohen:

It was a pleasure to meet you and your staff in Recife November 15.

As requested by Dr. Fischer, I am enclosing two copies of the report previously presented verbally. I have emphasised the phases of the program that can be implemented immediately. Further details will be provided at your request.

I cannot over emphasise the urgency of Immediate action. These are crucial days.

As the Brazilians say, I am "at your orders".

Cordially yours,

Pierre W. DuBose, Jr.

PWD:rj

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	12-1-61			6	4	11	4	5		10	4					

SUBJECT: A Private View of Current Conditions

DEPARTMENT OF STATE
BUREAU OF
INTER AMERICAN AFFAIRS
DEC - 4 1961

Attached is a memorandum on "The Brazilian Crisis and Emergency Aid" submitted to Ambassador Merwin Bohan by Pierre W. DuBose, Jr., who is resident at Campina Grande, Paraiba, as a member of the Presbyterian Mission in North Brazil. Mr. DuBose is of the opinion that "The present economic and political confusion in Brazil can lead to a revolution that would result in a communistic dictatorship", and that "Within one to six months there will be a political revolution". While the views that are expressed are extreme, and in some respects, contradictory, the memorandum is submitted as indicative of the thinking of a concerned and conscientious individual.

Albert A. Rabida
American Consul

Enclosure: Memorandum

Concurrence: Dr. Paul Fisher, Bohan Mission

AAR/aar

cc: Amemb Rio de Janeiro (2)

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I want finally to make a small clarification with regard to the situation of Senator Juscelino Kubitschek. I have had occasion in my travels to observe that he maintains intact his popularity. I think however that his political destiny depends on he himself recognizing that the road and technique that brought him to the presidency no longer is suitable, and that his survival is conditioned on a new method of fighting, on attitudes quite different. The present parties have no prospects for him, nor will they give him shelter. Being in frequent contact with him I want to affirm that he is determined to fight for legality with all his strength and to combat all attempts at transformation by revolution or coup. He is a presidentialist but he wants peace in Brazil at any price, giving consideration to a return to the presidential system only within absolutely legal formulas. I am informed that he will return to defend his ideas on Brazil as soon as he has concluded his travels abroad.

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set our sights on Africa without taking care of Latin America. We cannot in the name of vague insinuation of disguised neutrality fail to assume our responsibilities to speak clearly and frankly to our friends and traditional allies. We cannot show favoritism to one class over another but must indicate the common road to the surmounting of antagonisms. We should not waste time with the battle against this or that ideology but we need to affirm in practice and in theory our convictions that only democracy, imperfect, non-utopian, human, finally can solve the problems of men and of nations.

To the United States we should say that we are ready to receive financial and technical assistance for which without a doubt we will pay. But we can also tell them that we are preparing to give something; not undue (sic) political consessions or things unacceptable to the people but to demonstrate the efficacy of democracy in the solution of the problem of underdevelopment. To Europe we should say that we are expecting a collaboration that she has the duty to give us with priority. To the socialist nations we should say that we are their political opponents but that we accept co-existence and that we want to negotiate with them on the basis of equality and in a manner that is cordial but correct.

Internally we have to fight against the temptations of extremists, against impatience, ignorance and inertia. We have to utilize all our strength to consolidate the gegime, to reinforce institutions, to reform the parties. We cannot waste time with this political duel between parliamentarians and presidentialists in a moment when the nation is unsteady on its foundations. I have in mind that authority means responsibility and I ask what justification and responsibility has been shown by this government? No Brazilian wants to diminish the authority of President Goulart nor rob the authority of Prime Minister Tancredo Neves. No one wants to disorganize the country with the exception of extremist minorities.

No one wants panic, coup or revolution. It is exactly because of this that everyone must make their voices heard with clearness and courage so that it will be known that democracy has its supportors and loyal defenders, but the gravity of the problems cannot be ignored, the disorientation of the government, of foreign policy, the perplexity of the entrepeneurs, the resentments of the wage earners, the misery of the great masses, the fomenting of the class struggle by political opportunists and the paralysis of the process of economic development of the country. Brazil has the right not only to know what is happening but to demand that the managing classes take the steps that they are obliged to take.

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Unfortunately our foreign policy is nowadays one of non-resistance to overwhelming power. For my part it is painful to say this. The Foreign Ministry is today in the hands of a very intelligent man and, apart from radical and irreconcilable differences and antagonisms that today separate us, someone from whom I expected so much and to whom I gave an impartial friendship. I knew him in the first moments of his youth when I was a man struggling through life and this at a time when differences of age meant a great deal.

To see this man, so talented and studious, who had the courage to fight against the current, executing a foreign policy so imprisoned by superficialities is saddening. I regret to say that the present Brazilian diplomacy, aside from the high quality of the men who form the leadership of Itamaraty, is basically demogogic and is not concerned with the real and permanent interest of the country. I certainly do not want collective action against Cuba and I am not opposed to the reactivation of relations with the Soviet Union, inasmuch as it was my task during the government of President Kubitschek to establish the first contacts in this direction. I believe that our foreign policy must be expanded.

I believe at the same time that mechanical reforms of Itamaraty and the preoccupation with having a position, original or not, with regard to all international problems, is not sufficient for the country to have a foreign policy. On the diplomatic plane, Brazil must struggle immediately to give stimulus and guarantees to all those who want to cooperate in its progress. We must attract investments and technicians from all countries of the world. We must demonstrate that Brazil is a nation which wants to be strong and modern, developed and civilized, that Brazil is disposed to be an island of democracy; true to the ideas of the West and to the legal obligations that it has assumed.

Only by demonstrating clearly what is our position will we be respected by everyone, even those who disagree with us. Times have changed. The United States has changed. The wall of silence around Brazil and Latin America has fallen. That mentality which could be seen in 1958 in Washington no longer exists. At least it does not predominate. Before, the Ministers of State of our country were received by subordinate officials of the Department of State. Today, Mr. Celso Furtado is received by President John Kennedy himself. It is clear that we should have an African policy but we must give priority to taking care of hemispheric problems, of our relations with the United States and with our neighbors, especially with Argentina.

We must internally and externally conform to our destiny. We must not speak of reforms; we must carry them out methodically. We must not

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reasoning but the truth is that poverty and misery are constantly generating more people who will not find a livelihood if we do not change our course.

And it is not the money of the rich which is going to solve this. The money of the rich may be a good deal for the rich but it is little for all the poor of the country. It paralyzes the activities of the country to speak demogogically of taking away what some have to give to others; it will result in the continuation of having nothing and is a clear signal that political leaders do not know how to solve the current problems of the country. Instead of reviving the Northeast we are on the road to making a Northeast out of the whole country. Orators make speeches ever more dense while the middle class lives in exile in the nation of misery and the workers of the city and of the farms lose confidence that their problems can be solved by democratic means. The demogogues of today are preparing the revolutionaries of tomorrow. They make inflamed speeches without understanding that they also have their backs to the wall. At the same time that this is happening men who should be taking the initiative (they are those who defend private initiative) remain silent.

Now my thesis is that the managerial class should assume leadership instead of losing itself in fear and brooding. It is their task to say to the politicians that the situation must be faced with realism and courage. I do not believe that the people will refuse to participate in a new attempt at economic development. Development that will bring inevitable profound changes in the social structure. Brazil will either develop or it will not survive. There are some who want to offer as a sacrifice to the gods the heads of the owners of industry thinking that thus will the ills of Brazil be conjured away and there are some who want to force the workers to bow their heads believing that all will be solved if there is re-established an absurd order (of the past). These are the ideas of the resentful and the disturbed, of the parasitic and unpredictable elements. Brazil must assert itself, democratically, as an industrial nation, an exporter not only of primary commodities but of all manufactures, possessor of a good internal market capable of absorbing increasingly the goods which she herself produces.

We can not continue, for example, with a foreign policy of attitudes and not of reality. The foreign policy of Brazil should concern itself with attracting capital and technology, about organizing a "pool" of nations interested in the development of Brazil, and in the strengthening of this great western country. It would be well to undo the ill-effects of the blunders that we committed on the internal plane to contribute to the country being respected abroad for what it does and not for what it claims to do.

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that such reforms more publicized that realized, have a political purpose rather than the legitimate interests of Brazil.

There has been invented now a novelty, that all will be saved if the remittance of foreign profits is limited or suppressed. The President of the Republic supports this idea. It is of no use that men of such quality as Mr. Daniel Faraco (PSD Deputy from Rio Grande do Sul) have proved that the question is not one of external bleeding but of internal hemorrage. That bleeding never existed and if it exists now it is because of the feeling of insecurity in the country. Capital does not leave a country when it feels secure but there is no doubt that capital flees from chaos.

The developed countries are saturated with capital. They are getting to fear the influx of it, as has happened in various European nations--Germany, Switzerland, Italy, Great Britain, etc. Here, what is sought is to close the door in the face of the investors who have contributed so much to national progress and who can contribute so much more. Brazil is a country with an expanding internal market. We need creative activities, foreign investments and the multiplication of national investments and stimulating activities by the state. We need to create wealth and not to re-apportion misery.

If there are reforms to be made, they must be with a view to the expansion of the internal market, the improved distribution of income and greater tax collection. The nation only reforms its structure when it is in action. When it is stopped, no one can do anything. It is clear that there are exorbitant profits, privileges and injustices. But no crisis can be solved with slogans. The people are fed up with slogans, with commonplaces and with clichés. What these politicians are succeeding in doing is to transform great ideas into pat phrases. I doubt that they will succeed in putting the country on the right path through irrelevant peroration. What is needed, and urgently, is a reform of mentality. It is absolutely necessary that new political policies come forth; that the coming election marks a period when public opinion, until now without a voice, makes itself heard; that the people find their true leaders and impose their will through the ballot boxes. Those politicians who fight over foolishness, over trivialities, who speak of reform with their eye fixed on the election are doing nothing more than afflicting the afflicted. At the same time the middle class is becoming a proletariat and the urban proletariat suffers even more. Not to mention the rural workers who produce less and less because they lack the basic conditions of a normal life. It is becoming a habit to speak of the population explosion. This also is transforming itself into a slogan. Everyone is aware of this but no one takes any action. There is a vicious circle in our

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thought it best perhaps that I should not add more pessimism to the reigning pessimism but then I realized that those who can speak should speak especially since what they say is what many people want to be said.

I have never seen in our country such pessimism and such anguish. Here and in São Paulo, a state that I have been visiting frequently, I have been able to observe that people live from day to day expecting the worse. The general impression is that Brazil is running dizzily and out of control toward the unknown. Wage earners, even while making demands, know that the paliative of higher salaries will not cure the illness. Holders of capital refuse to make new investments. Planners fold their arms. The nation is stopped.

In São Paulo and here I could observe that almost all investment previously planned was suspended. Industries, in the face of the emerging depression, restrict their activities. And Brazil is, because of this climate of insecurity and nightmare, tacitly excluded from investment projects from abroad. The paralysis endangers the financial assistance from the United States arranged at the conference at Punta del Este because we have not taken the initial necessary steps.

We are now in the midst of a tornado and we feel the air electrified. There is inquietude in the streets, in the homes, in the factories and in the barracks. A nation still under construction seems to have stopped its work and delivered itself to despair. The crisis is not only political and financial, it is also psychological. Currency is losing its value. Innumerable persons possessing resources are buying foreign exchange, purchasing precious stones and objects of value, as was pointed out in the recent article by the editor-in-chief of the Jornal do Brasil, Sr. Omer Mont'Alegre.

The little confidence that still exists in financial circles is due to the presence in the field of finance of a man who has always acquitted himself well in the jobs given to him. But I do not believe that the reputation of Noah alone is capable of stopping the flood, this flood of errors and incongruities that threatens the country. All Brazilians recently gave a vote of confidence to the President of the Republic but the President in Porto Alegre re-kindled the disconfidence of those who are in political power and consequently economic power.

The doctrine of President Goulart, of Governor Leonel Brizola, of Governor Mauro Borges, of such neo-leftists as the illustrious Governor Magalhães Pinto and the talented Professor San Tiago Dantas is that every thing can be resolved by means of undefined reforms which aim at taking from the rich to give to the poor. That such a thing is questionable, and we should say frankly--useless--, we are forced to conclude

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TRANSLATION OF INTERVIEW
WITH AUGUSTO FREDERICO SCHMIDT
IN JORNAL DO BRASIL, NOVEMBER 5, 1961

"The Brazilian crisis is of such gravity that public and individual liberties can from one moment to another be surpressed. Institutions run a real danger; the process of economic development is suspended and national unity itself is threatened. Furthermore the managing classes seem to have not yet understood in all its implications what is happening in the country," declared Ambassador Augusto Frederico Schmidt to Jornal do Brasil in an exclusive interview.

"The great lesson to be drawn from the Crisis," declared Ambassador Schmidt, "is that the people have more consciousness of all that is going on than do the representatives of the managing classes especially the politicians. We saw clearly after the resignation of President Janio Quadros that the people did not consent to the elimination of democratic institutions. They repelled the extremisms and got back to work with the greatest speed possible. I do not believe I am wrong in saying that disorder is unpopular.

"The Brazilian people identify themselves with the great ideas of economic development and they want removed from their path the archaic structures that impede them. But these same people refuse definitely to engage in a revolutionary process. They have faith in democratic institutions. They believe in them more than do the politicians themselves. The politicians deliver themselves of exercises in rhetoric at the moment of sharp crisis in which they should be committed with all their souls to the solution of the most urgent Brazilian problems."

"I hesitated a great deal before speaking," said Ambassador Schmidt, "Inasmuch as I do not occupy any public office nor do I engage actively in politics but inasmuch as I have been able at great pains all these years to have a voice, however weak, in these matters, I feel myself obliged to say what I think. I believe that all responsible men need to do the same. There is no doubt that the regime is in danger and that the very future of the country is threatened. To remain silent at this time signifies laying down one's arms.

"We must take advantage of the occasion to speak out. We know not for how long we will have freedom of speech and of opinion. This liberty could be surpressed, sadly, by a coup d'état. In the midst of a generalized confusion, words would lose any power or meaning. At first I

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That Schmidt has very much in mind the return to power of Kubitschek is shown by his lumping together under the label "neo-leftist" of President Goulart, Governors Brizzola, Borges and Magalhães Pinto and Foreign Minister Dantas. He makes clear that he favors a return to the unimpaired powers of the presidential system. He promises that Kubitschek will have things to say on this subject soon. (Kubitschek, from the beginning, has made no bones about his aversion to parliamentarism.) Schmidt's concluding thought, that the present party system holds no prospects for Kubitschek, seems to suggest that Schmidt, at least, believes that Juscelino will adapt to his own use the "above party" techniques of Janio.

The interview can be characterized as a candid statement requiring courage to make in the present political climate in Brazil.

For the Ambassador:

Harry Weiner
Second Secretary of Embassy

APPROVED:

Philip Raine
Counselor of Embassy
for Political Affairs

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0413

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FOREIGN SERVICE DESPATCH

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SUBJECT: SOBER ANALYSIS OF SITUATION IN BRAZIL BY AUGUSTO FREDERICO SCHMIDT

Com-10 TR-3 FAA-3 KMAT-4 air-6 NSA-4

Augusto Frederico Schmidt, who was a principal adviser on foreign affairs and economic development to former President Kubitschek, has called for Brazilians to speak out now on national problems, while there is still time. In an interview published in the Rio daily Jornal do Brasil on November 5 (translation attached), Schmidt urges a supreme effort to correct the rapid slide "toward the unknown."

Although severely critical of the government, Schmidt's views, coming at this time, serve as a counterweight on a scale that has been overbalancing toward demagoguery and sloganeering in explaining Brazil's current malaise. The bogey of insidious interests, foreign and domestic, is absent from his argument, making it a rare specimen these days. He even has some praise for the United States. This is heartening, since Schmidt has the deserved reputation of being a highly vocal and effective critic of U.S. policy toward Latin America, but is not inconsistent inasmuch as the Alliance for Progress meets many of the desiderata previously advocated by Schmidt.

He attacks the slogans of taking from the rich to give to the poor ("We need to create wealth, not re-apportion misery.") and blaming economic difficulties on foreign exploitation ("The question is not one of external bleeding but of internal hemorrhage.").

Demands for so-called "basic reforms" are, according to Schmidt, ill-defined attempts to catch votes rather than really to effect reforms.

Schmidt calls Brazil's foreign policy an unrealistic pose. Its purpose should be to attract technology and capital from abroad, and it should be built on a recognition of Brazil's links to the hemisphere and the United States, the latter having now changed its policy toward Latin America for the better. He points out that while Brazil is accepting U.S. assistance, it can also provide something valuable in return, namely, proof that the democratic system can be effective in meeting the challenge of underdevelopment.

HWeiner:jw
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9. Conference Between Foreign Ministers of Brazil and Argentina
(Unclassified)

O Estado de S. Paulo praised the speech delivered by Brazil's Foreign Minister in Buenos Aires but said: "Mr. San Thiago Dantas didn't analyse an important aspect of the economic situation with which Brazil and Argentina are confronted: the methods of application of the suggested solutions." The same newspaper, examining the ways in which Brazil and Argentina have handled similar situations, concluded in praise for President Frondizi.

Miscellaneous

10. List of Substantive Despatches

148 Bi-Weekly Economic Review, Nov. 3 - Nov. 16, 1961
151 São Paulo Weekly Summary No. 21

Scott C. Lyon
Consul

Contributors: 11

Proper (Political)
Mason (Local Press Reaction

Distribution:

INS/RAR, Embassy Rio 3, Amcongen Recife, Amconsulates Belem, Belo Horizonte, Curitiba, Porto Alegre, Salvador, Santos, Amembassy Leopoldville.

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6. Leftist Dominated State Agricultural Conference Fizzles (Limited Official Use)

An oft-postponed "First São Paulo Conference of Farmers and Agricultural Workers" was held on November 10-12, just in time to prepare for the national conference opening on November 15 in Belo Horizonte. An idea of its repercussions can be had from the fact that even the leftist press generally ignored it, although, to judge from the list of persons attending, it was slanted markedly to the left. Francisco JULIÃO of the "Peasant Leagues" reportedly attended and added his slogans to others of the same vein. Paulista Governor Carvalho Pinto (who has made a noticeable start at agricultural reform while most other politicians were talking about it) was criticized, as was his candidate for the governorship, State Secretary of Agriculture José Bonifacio COUTINHO NOGUEIRA. Of greater interest, perhaps, is the fact that the President and Prime Minister are also said to have been attacked. Practically all politicians attending were known Communists or pinks.

COMMENT: The principal scarcity seems to have been farmers.

7. LUMUMBA Death Discussed (Unclassified)

State Secretary of Justice QUEIROZ Filho was a member of the U.N. Commission appointed to investigate the death of Congolese Prime Minister Patrice Lumumba. On October 15, in a widely publicized press interview, he released and discussed his report to the United Nations. Conclusion: Lumumba was tortured and murdered at the orders of the Highest Congolese authorities, but there was little chance of ever bringing them to justice.

COMMENT: (Official Use Only) This, combined with the killing of Italian aviators in the same week, has aroused local opinion to the point where Brazilian policy on Africa could become a subject of debate. The press has been interested in the racial angle, stressing the fact that both black and white have been killed in the Congo.

Local Press Reaction

8. U. S. Economic Aid (Unclassified)

"The government's program would not be achievable without generous U.S. aid," editorialized O Estado de S.Paulo, adding that "The Alliance for Progress corrects an error made by Washington (leaving the development to free enterprise)." Demetrio Garzia said in A Gazeta: "Who is making the reforms that constitute the 'conditio sine qua non,' the indispensable basis of Alliance for Progress? Governments and ruling classes must start the march, beginning with internal reforms which cannot be postponed. There is only one other way: Castroism."

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4. Quadros' Lieutenant Announces Ex-President's Return (Official Use Only)

Quintanilha RIBEIRO, Chief of the Cam Civil (Civil Household) under Janio Quadros, has announced that the ex-President will return to Brazil in early February of 1962. The statement was made on November 15, the day of Quintanilha Ribeiro's return from a talk with Quadros in Europe. While neither predictions of return nor trips to Europe have been scarce among "Janio's (political) widows," this one attracted especial attention for the reason that the prophet had reportedly really had a chance to talk at length with Quadros. Not every Janista who has flown to Europe for this purpose has been granted an interview. Quintanilha Ribeiro had no comment on Quadros' plans or the long-awaited explanation of his reasons for resignation. The São Paulo press, though finally tiring of the topic, had a few raspberrys in reserve. Remark from Ultima Hora's humorist: "Good. I was afraid the '62 carnival would be dull."

COMMENT: (Limited Official Use) Quadros' plans could change six times before the return, but the above is of interest at least as a trial balloon. Most moderate local sources have ceased to discount the idea of a political (in addition to a physical) return. The possibility is a spectre which increases the support given the present government.

5. Municipal Chamber Opposition to Mayor Expected to Continue (Limited Official Use)

In a heated fight for the next presidency of the São Paulo Municipal Chamber, which the councilmen have tried to keep out of the press, the tentative winner is Helio MENDONÇA of the PSP (Social Progressive Party). Though Mayor Prestes MAIA had tried to soften Mendonça by offering him a city cabinet-level post as director of a new city bank, he continues to be one of the pillars of the opposition which has been making the mayor's work impossible instead of just difficult (São Paulo Despatch 100 of September 26). If the Council presidency election goes as expected, therefore, the mayor may well have to continue to get along on a poverty budget. Thirty-three councilmen from most important local parties were said to have agreed on Mendonça. Gouveia FRANCO of the PL (Liberator Party) managed to insert a wrench in the gears, however. He announced that the councilmen backing Mendonça had received some three hundred thousand cruzeiros ($850) each for their support. In the ensuing commotion, Franco was countercharged with having announced his intention to buy off Mendonça supporters with a thick packet of dollars (which the Yankees have so far not been accused of supplying). A police investigation has begun.

COMMENT: Chances for a progressive city government are not bright. In the coming election year, heavy pressures can be brought on the councilmen to behave, as most are running either for reelection or for chairs in the São Paulo Legislative Assembly. Unfortunately, the temptation to vote for un-progressive but sometimes popular measures seems even stronger in this case.

GPO 802667

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with appreciation the serenity, balance, firmness, and administrative capacity of the Governor of São Paulo..." Carvalho Pinto himself, inaugurating two hundred and forty-eight new low-rent houses built under his "Plan of Action," spoke with rare sharpness against enemies whose identities could be easily guessed: "The people are tired of promises, of the methods and processes of a lying demagogy, of the bad faith and sometimes criminal acts of those who place their interests above those of the population." Brizola tried another gambit: an attack on the influential Estado de S. Paulo, which that paper happily printed on November 18. Having been handed a story of such high public interest, Estado does not propose to let it go easily and is promising its readers a detailed report on Rio Grande do Sul, with special reference to the works of its governor.

COMMENT: Brizola's shifting of blame to American firms was so far-fetched in relation to his original topic that, fortunately, it had little impact locally. He may have taken on Carvalho Pinto under the impression that any publicity is better than none, but one judges from his reaction that his fingers were burnt. Estado de S. Paulo is a more vulnerable target, but here again Brizola has probably caught a Tartar. São Paulo was a poorly chosen field for this sort of publicity, for even the leftists (excluding outright Communists) can find little to criticize in Carvalho Pinto. The electoral outcome of this debate may be important.

3. Tension Eases in São Paulo (Limited Official Use)

Speeches made by President João GOULART and Council President Tancredo NEVES have noticeably eased tension in São Paulo, where a "something-must-happen-soon" atmosphere had become more noticeable than in the days preceding ex-President Quadros' resignation. The moderate press, which had been growing very unhappy with the national government, now has the kindest words ever for its principal figures. Reaction to Prime Minister Neves' speech before the Chamber of Deputies was especially favorable. Even Estado de S. Paulo, hitherto an implacable foe, was remarkably mollified by Neves' speech, but asked that words be followed by action. This caveat was stressed also by other moderate papers, especially Folha. The favorable reaction -- which amounted almost to an about-face by Estado -- extended in part to President Goulart, whose enemies seem cautiously willing to believe him maturing under responsibility. His two speeches in Belo Horizonte, one accepting the title of "Mineiro citizen" and the other to the "First National Congress of Farmers and Agricultural Workers," struck Paulistas as being surprisingly moderate.

COMMENT: The respite is definite but could be short-lived.

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Liberation Front (as reported by the November 25 issue of O Cruzeiro). The former germinated in mid-September (Despatch 100 of September 26), and so far as is known, no news of the National Liberation Front leaked out until a few days before the "Declaration of Goiânia" on October 24 (Despatches 136 of October 24, 137 of October 26, and 140 of October 31). If the governors learned anything from the leftists, it apparently was that no more political "fronts" were needed. The governors, like the leftists, could not agree on a "platform," though the governors presumably came closer. (2) The movement led by Carvalho Pinto should not be called rightist, as it has been by leftists, mistakenly reflected by some moderate newspapers. It is distinctly centrist in nature. Several of its members are deeply concerned with social reforms. Most of the participating governors were swept into office on the "broom" ticket of reformist ex-President Janio QUADROS, whose abrupt resignation made the creation of a governors' movement seem necessary in order to "preserve what the voters won." The inspiration of the movement was thus in a sense more leftist than rightist. Carvalho Pinto's ideas in many respects parallel those of the "Alliance for Progress," which has also been called both leftist and rightist. (3) The governors' movement is basically neither pro nor con the new national parliamentary government, although its decision to remain informal must have been a relief to the president and prime minister. The movement was conceived when the national political scene was nearly a vacuum. When there seemed to be a chance that the new government could fill the vacuum, the creation of a "front" was suspended. While probably not particularly happy with present national policies (he is reported to have refused the prime ministry), Carvalho Pinto does not wish to make the government's work more difficult. Herbert LEVY, president of the National Democratic Union (UDN), was also instrumental in keeping the movement in constructive channels, and his party stands to benefit from his work. (4) The leadership of the movement is confusing. Carvalho Pinto is its heaviest fraction. He would like to pass at least the nominal leadership of the movement to Juracy MAGALHÃES of Bahia. Principal proponent of establishing a "front" and issuing a declaration, however, was Cid SAMPAIO of Pernambuco. Magalhães PINTO of Minas Gerais, another key figure, appears to disagree with several of the other governors on important issues, notably Janismo.

2. BRIZOLA Feud with São Paulo Heats (Limited Official Use)

Rio Grande do Sul Governor Leonel Brizola's feud with the "Paulista Imperialists" continues, though there are some indications that he might prefer to forget it if the São Paulo newspapers would let him. From what can be seen in São Paulo, his attack has swung from the Paulistas and their governor to the American firms based locally, but the change was too late and too little. A group of seventeen Riograndense deputies sent a telegram to Carvalho Pinto on November 14, assuring him that "The attacks hurled at you by Governor Brizola on the 8th do not correspond to the thoughts of the Gaucho people, who watch

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TO : THE DEPARTMENT OF STATE, WASHINGTON. — November 21, 1961

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NOV 22 1961
SAO PAULO, BRAZIL

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SUBJECT: São Paulo Summary No. 21, Week Ending November 18, 1961

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3. Tension Eases in São Paulo
4. Quadros' Lieutenant Announces Ex-President's Return
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6. Leftist Dominated State Agricultural Conference Fizzles
7. LUMUMBA Death Discussed

Local Press Reaction

8. U. S. Economic Aid
9. Conference Between Foreign Ministers of Brazil and Argentina

Miscellaneous

10. List of Substantive Despatches

Political

1. "Governors' Movement": Explanations Explained (Limited Official Use)

The political movement of ten (more or less) state governors, of whom São Paulo's CARVALHO PINTO is the most influential, received its heaviest national press coverage only after it decided not to come into the open as a "front" (see São Paulo Despatch 146 of November 8). Several recent press comments on it have showed surprising lack of information. The movement remains sufficiently significant that the Consulate General wishes to correct misconceptions which could arise from these reports. (1) The governors' movement was never intended as a conservative answer to the leftist National

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public service, and regulate such areas of responsibility as may be assigned to it by Parliament (Congress).

Comment: These procedures seem somewhat rigid and formal. Setting time limits on speaking and requiring 48 hours prior notice on discussion on topics are hardly designed to facilitate the work of a policy-making body. Nonetheless, there appears to be enough leeway to allow the Council to work.

For the Ambassador:

Harry Weiner
Second Secretary of Embassy

APPROVED:

Philip Raine
Counselor of Embassy
for Political Affairs

Enclosure: As stated

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INFO DEPT. RMR-2 ENA-7 4-2 (4R-1*) REP-1

INFO OTHER C.I.A.-11 OSD-5 army-4 navy-4 air-4 DSA-4 4AB-8

SUBJECT: Bylaws Decreed for Council of Ministers

Attached are three copies of the Regimento Interno do Conselho de Ministros ("Bylaws of the Council of Ministers") as published in Correio da Manhã, October 22, 1961.

The bylaws were decreed by the President of Council, Tancredo Neves (generally referred to as the Prime Minister). The Council is to hold regular sessions once a week, at which additional sessions may be scheduled as necessary. Special sessions will be held for ceremonials. When judged advisable, the President of the Republic (João Goulart) will preside over meetings of the Council. (It is nowhere specified whose judgement must be exercised for the President of the Republic, rather than the President of the Council, to preside.)

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Each Minister is to meet with the President of the Council at least once a week. When discussing subjects of interest to more than one ministry, all the ministers concerned may meet jointly with the President of the Council. In case of disagreement on administrative problems between a Minister and the President of the Council, the question shall be submitted to the Council.

The Council may issue instructions, resolutions and decrees. Instructions and resolutions will concern the public service particularly with the purpose of adapting it to the parliamentary system. Decrees will promulgate regulations based on laws, issue regulations for the

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0404

Direito Penal mod
palavra de Nelson

Ao discorrer sobre a nova fase de critérios por que passa o direito penal, disse o prof. Nelson Hungria, em conferência pronunciada no Instituto de Criminologia da Guanabara, que "presentemente se preconiza é a pena como meio e instrumento de utilidade social, atendendo-se, acima de tudo, ao fim prático de tentar, na medida do possível, a ressocialização do delinqüente, pelos meios educativos indicados pela experiência. A recuperação social do criminoso — prosseguiu — de simples epifenômeno passa a ser o preponderante, o precípuo escopo da pena. Não mais entre as paredes da prisão, o drama de sofrimento de um culpado, por antecipação do Inferno, mas o edificante espetáculo de resgate e salvação de um ser humano".

A palestra do ministro Nelson Hungria, sôbre o tema "Novos rumos do direito penal", foi pronunciada a 11 do corrente no Instituto de Criminologia da Universidade do Estado, tendo-se o diretor geral à conferência do ex-presidente do Supremo Tribunal Federal e atual presidente da comissão encarregada de rever o nosso Código Penal, entre outras figuras do mundo jurídico o professor Raimundo Moniz, catedrático de direito penal e diretor do Instituto de Criminologia, que presidiu a mesa; o desembargador Agnaldo Dias, juiz Olavo Tostes; curador Cândido Guerra; promotor Carvalho Santos; criminalista Romeiro Neto, Eurico de Moraes e Bernardo Nonohay, os drs. Arnold Wald e Oliveiros Litrento.

O ministro Nelson Hungria foi, inicialmente, sentado pelo professor Oscar Stevenson e, após sua conferência, falou o professor Roberto Lyra que, entre outras coisas, relembrou passagens referentes à elaboração do atual Código Penal, quando, juntos, integraram a comissão encarregada do trabalho. Nelson Hungria como técnico-jurídico e Dr. Roberto Lyra, como político.

CONCLUDENCIA

"A privação de liberdade disse ainda o ministro Nelson Hungria em sua palestra como sanção contra o delinqüente, não é um fim em si mesma, não devendo ser aplicada pela pessoa, senão quando estritamente necessário". E, mais adiante, acrescentou: "pelo menos do ponto de vista executivo, desaparece a diferença entre pena e medida de segurança. Acabaram, coincidindo os processos e processos penais de uma e de outra. O estabelecimento penal, pois, nos modernos sistemas, assume o caráter acessório da medida de segurança detentiva". E, mais, o conferencista faz uma resalva quanto aos casos mentais ("criminalísticos de fundo mórbido") e dos outros habituais ou incorrigíveis ordinários ("com gradual alteração da periculosidade"). Estes "devem ser declarados irresponsáveis e como tais, tratamentos assistenciais à medida de segurança de internamento em manicômio judiciário ou anexo especial ou "anexia" de tal estabelecimento".

INCONVENIENTE

A propósito da medida de segurança, com o objetivo único de ação, observou que o expediente apresenta sério inconveniente. Condicionada sua aplicação, do ponto de vista consecutivo, à periculosidade do delinqüente, não alcançaria os vícios casos, como os crimes de ocasião, de ação ou de emergência, os crimes passionais atávicos, os políticos, os simplesmente culposos, os meramente convencionais, os crimes normais em geral, sem ou de mínima periculosidade, ficando estes categorias à margem do direito penal, "com grave prejuízo da função intimidativa ou de coação psicológica imanente à ameaça da reação penal".

"Acrescento-me — disse o prof. Hungria — entre aqueles que, em certos casos, propugnam, não a absoluta indeterminação da pena, mas a sua tolerável relação relativa. De sempre modo que se dispensa o cumprimento de uma pena penal, quando o condenado, intervencionalmente, revela sua recuperação social, assim também pode ser prolongado o tempo de sua prisão, até um certo limite além do cominado pela sentença, desde que ele se mostre ainda portador da periculosidade do tratamento educacional".

"PRISÃO ABERTA"

Depois de referir-se ao sistema de estabelecimentos penais abertos, já adotados com êxito em São Paulo, Minas Gerais, Paraíba, Pernambuco e Rio Grande do Norte, disse o prof. Hungria: "É um regime que se caracteriza pela confiança que se deposita no detento ou internando, permitindo-se-lhe uma grande liberdade de movimentos em sua conduta sem constante vigilância, bem como autonomia no desempenho de tarefas de que são incumbidos dentro do estabelecimento ou fora dêle. A prisão aberta se recomenda, principalmente, pela audácia de obstáculos materiais para evitar a fuga, como sejam muralhas, grades, ferrolhos, guardas armados. Ao invés disso, o compromisso formal de não fugir, somado pelo internado, incutindo-se-lhe o sentimento de auto-responsabilidade, avivando-se-lhe o brio pela confiança que nêle se deposita".

PENA DE MULTA

É inegável o prestígio crescente que vem adquirindo a pena de multa, diz Nelson Hungria, mesmo como pena cominada isoladamente aos crimes, intensificando na medida do possível ou do razoàvelmente, as penas privativas de liberdade de curta duração". Mas, para que se evite o eventual aviltamento da moeda, tornando ilusória a algarismo da pena pecuniária, solução de grande alcance, acolhida nos Códigos e projetos de Código mais recentes, é o sistema suíço de dia-multa, a base para imposição e cálculo da multa aplicável será sempre a quota média diária de condenado.

RESÍDUOS

"Dois manifestos regimes que a política criminal introduziu no direito penal legislado — aponta — estão sendo, na atualidade, firmemente repudiados: a responsabilidade pelo resultado mais grave, ocorrendo mutação da pena, ainda quando imprevisível tal resultado, e a irrelevância do erro de direito, ainda quando escusável. São dois resíduos reativos do direito penal privativo, desafiando o princípio central nulla poena sine culpa. Se a irrogação da pena assenta na culpabilidade, e se o mínimo desta é a previsibilidade do evento anti-jurídico, como se compreende que para a imposição do resultado mais grave, e que corresponde extensão de pena, seja dispensada a indagação sôbre o elemento subjetivo?

O prof. Hungria aponta ainda outra contradição: a que se refere ao tratamento diverso entre o erro de fato e o erro de direito. "Se a inescusável erro de fato exclui a culpabilidade, igualmente o pleno efeito deve ser atribuído ao erro de direito, desde que escusável".

INFLUÊNCIA

Como parte final de sua conferência, o ex-presidente do Supremo Tribunal Federal refe-

CORREIO DA MANHA
October 22, 1961

Enclosure
Despatch 410
Rio de Janeiro

Decreto aprovou Regimento do Conselho de Ministros

BRASILIA, 21 (Sucursal) — Em decreto assinado pelo "premier" Tancredo Neves, foi aprovado o Regimento Interno do Conselho de Ministros.

INTEGRA

O presidente do Conselho de Ministros, usando da atribuição que lhe confere o artigo 18 item III, da Ato Adicional da Constituição, decreta:

Art. 1 — Fica aprovado o Regimento Interno do Conselho de Ministros que com este baixa, assinado pelo presidente do Conselho.

Art. 2 — Este decreto entrará em vigor na data de sua publicação, revogadas as disposições em contrário.

Brasília, 19 de outubro de 1961, 140º da Independência e 73º da República.

REGIMENTO INTERNO DO CONSELHO DE MINISTROS — TITULO I — DA SEDE E DAS REUNIÕES — CAPITULO I — DA SEDE

Art. 1 — O Conselho de Ministros, criado pelo Ato Adicional à Constituição, terá sua sede na Capital da República e, enquanto não se dispuser um serviço comum, funcionará no Palácio do Planalto.

Parágrafo único — Em caso de guerra, de comoção intestina, de calamidade pública, de necessidade da administração ou de segurança nacional, o Conselho de Ministros poderá reunir-se no Palácio do Governo.

Parágrafo único — Em caso de guerra, da comoção intestina, de calamidade pública, da necessidade da administração ou de segurança nacional, o Conselho de Ministros poderá reunir-se no Palácio do Governo, ou, excepcionalmente, em qualquer outro local, por deliberação da maioria absoluta de seus membros, mediante proposta de qualquer deles.

CAPITULO II — DAS REUNIÕES — SEÇÃO I — DA PERIODICIDADE DAS REUNIÕES

Art. 2 — As reuniões ordinárias do Conselho de Ministros, serão realizadas, dentro de cada mês, nas seguintes oportunidades:

I) as ordinárias, quando existirem semanalmente na data ao início precedentemente fixados;

II) as extraordinárias, a qualquer hora, em dia ou hora diversos das fixadas para as ordinárias;

III) — especiais, as realizadas para pronunciamento de assunto de pauta excepcional.

SEÇÃO II — DA ATA

Art. 3 — Aberta a sessão o secretário lerá, para sua confirmação, as conclusões da Ata da sessão anterior ou, as declarações de voto, ressalvas apresentadas por qualquer ministro.

Parágrafo único — Se a cópia da Ata não for fornecida à secretaria do Conselho até a hora fixada, ou se o for deficientemente da redação, será lida outra assim pelo ministro que assim pretender.

SEÇÃO III — DO TEMARIO

Art. 4 — Aprovada a ata, passar-se-á à discussão da matéria constante do temário da sessão.

Art. 5 — O temário é destinado ao debate e à votação das matérias preparatórias para as deliberações ou assim especificadas.

Art. 6 — O temário será organizado durante a semana, pela Secretaria do Conselho e recolhido aos ministros até as horas antes da sessão ordinária, devendo dele constar a matéria que o secretário julgar conveniente.

Parágrafo primeiro — O ministro da Fazenda deverá declarar a oportunidade em que a Secretaria do Conselho poderá incluir no temário assunto que lhe seja proposto, para que possa ser submetido ao início da sessão.

Parágrafo segundo — Mediante deliberação do Conselho, o temário da sessão ordinária poderá ser alterado com supressão ou inclusão de matéria, a requerimento de qualquer ministro, dirigido ao presidente do Conselho com antecedência de 1 hora, no mínimo, da hora designada para a sessão.

SEÇÃO IV — DA ASSISTENCIA ÀS SESSÕES

Art. 7 — Por iniciativa do presidente do Conselho, ou mediante solicitação de ministro de Estado, o Conselho poderá permitir o comparecimento às sessões de assessores diretos de repartições ou de serviços ou pessoas para isso convocadas especialmente afim a assunto em debate.

O SUBSECRETARIO

Parágrafo único — O subsecretário comparecerá às reuniões do Conselho sempre que convidado pelo ministro da sua respectiva pasta.

SEÇÃO V

Art. 8 — A sessão extraordinária poderá ser convocada pelo presidente da República ou, pelo presidente do Conselho por iniciativa própria ou, por proposta de qualquer dos ministros da Pasta, sendo a hora o mesmo fixo da ordinária.

SEÇÃO VI DA SESSÃO ESPECIAL

Art. 9 — A juízo do presidente, ou por deliberação própria, o Conselho de Ministros poderá realizar sessão especial, ou interromper a ordinária, para fins de comemoração cívica ou recepção a altas personalidades.

TITULO II — DOS MEMBROS DO CONSELHO

Art. 10 — São membros do Conselho de Ministros:

I) o presidente do Conselho

II) os ministros de Estado

Parágrafo primeiro — Quando julgar conveniente, o presidente da República presidirá as reuniões do Conselho.

Parágrafo segundo — O presidente do Conselho nas suas ausências e impedimentos será substituído sucessivamente pelo ministro mais antigo de cada Pasta, de acordo com a ordem de nomeação.

Art. 11 — São aos membros do Conselho, uma vez em atividade:

I) — Tomar parte nas sessões, oferecer proposições, discutir e votar.

II) — Solicitar informações das autoridades sôbre fatos relativos à administração pública, ou que estejam ligados à formação de seu julgamento.

III) — Pedir vencido julgar insuficiente e apreciar as outras matérias, observadas as disposições deste regimento.

IV) — Examinar a, todo tempo, quaisquer documentos que possam facilitar a formação de seu julgamento.

Parágrafo primeiro — Os ministros de Estado são os relatores dos assuntos de competência das respectivas ministérios, quando da reunião do Conselho de Ministros.

Parágrafo segundo — Qualquer membro do Conselho poderá pedir vista da matéria em debate.

TITULO III — DO USO DA PALAVRA

Art. 12 — Os membros do Conselho poderão fazer uso da palavra:

I — Em qualquer caso da sessão, se tratar de matéria em discussão, pelo tempo de dez minutos, prorrogável por mais dez minutos.

II) — Em explicação pessoal, uma vez em cada sessão, por tempo não excedente de cinco minutos, para esclarecimento de fato ou que esteja pessoalmente ligado, não sendo a palavra dada, com esse finalidade, a mais de dois membros do Conselho durante a discussão da mesma matéria.

III) — Para discussão de matéria em votação, por dez minutos e para declaração de voto, após proclamação do resultado pelo presidente da votação, por cinco minutos.

IV) — Para ordem, por cinco minutos:

a) — Em qualquer fase da sessão, para solicitar informação sôbre o andamento dos trabalhos, sustentar reclamação quanto à observância do regimento ou indicar falha ou equívoco em relação a matéria em debate.

b) — Ao ser anunciada qualquer decisão da votação, para propor a verificação.

c) — Para contestar decisão ou equívoco porventura:

1 — O aparte será breve e dependerá da permissão de quem estiver usando da palavra.

2 — Não será permitido aparte quando o presidente do Conselho estiver fazendo uso da palavra, nem paralelo a retardo, a declaração de voto, explicação pessoal ou questão de ordem.

3 — A recusa de permissão para apartear será sempre comunicada pelo presidente ao interessado e a palavra será dada ao orador que dela for detido.

Art. 14 — Quem solicitar uma vez a palavra, poderá ser interpelado:

I — Pelo presidente do Conselho por justa causa.

II — por outro membro do Conselho, com o seu consentimento;

a) Para aparte 2) para questão de ordem e ser atendidos.

TITULO IV — DA VOTAÇÃO

Art. 15 — A votação será sempre ostensiva e pelo processo nominal. O seu resultado será proclamado ou anunciado pelo ministro presidente.

TITULO V — DO DESPACHO INTERMINISTERIAL

Art. 16 — Os assuntos de despacho interministerial serão previamente submetidos, em processo, ao Conselho de Ministros, por ministro de Estado, em dia e hora previamente determinados.

Parágrafo primeiro — Havendo matéria que reclame providência imediata, o presidente do Conselho, por iniciativa própria ou mediante solicitação do ministro diretamente interessado, fará com que os demais despachem individualmente, fazendo-se a seguir a necessária comunicação.

Parágrafo segundo — Se o assunto for ouvir a Junta de uma ou mais Pastas, o relator designará dia e hora para a reunião respectiva, mediante comunicação aos ministros interessados. Nesse despacho poderá ser atribuído caráter sigiloso à reunião.

Parágrafo terceiro — No caso de divergência entre o pronunciamento do Conselho e ministro de Estado sôbre assunto de problema relativo ao ministério, a matéria será submetida à decisão do Conselho de Ministros em sua primeira reunião.

Parágrafo único — O presidente do Conselho poderá, também, submeter à decisão do Conselho de Ministros, quando julgar oportuno, assunto de qualquer ministério, a fim de que, a deliberação do pleno do Conselho de Ministros.

TITULO VI DAS DELIBERAÇÕES

Art. 17 — O conselho de Ministros terá comissão para deliberações em matérias financeiras, econômicas, de ordem administrativa, sobre do orçamento e matérias legislativas.

Art. 18 — As comissões são constituídas pelos ministros que forem designados pelo presidente do Conselho, e serão presididas pelo ministro mais antigo, salvo designação em contrário.

Parágrafo único — As comissões terão secretaria e serviços administrativos próprios, cabendo a direção dos mesmos ao secretário-geral do Conselho, através do Ministério da Justiça.

Art. 19 — As resoluções, tomadas em reuniões ordinárias, extraordinárias ou especiais, serão lavradas em livro próprio, a cargo da Secretaria do Conselho.

Art. 20 — Os decretos assinados em deliberações colegiadas do Conselho de Ministros, emanadas por maioria absoluta de votos de seus membros e destinados a:

I) regulamentar as leis;

II) estabelecer regras de caráter administrativo, que não envolvam aumento de despesa ou criação de serviço público;

III) regulamentar os atos de competência exclusiva do presidente da República, quando solicitado pelo mesmo;

IV) prover sôbre a criação de cargos, funções ou empregos públicos, aumento de vencimentos, alteração de padrões de serviço, criação de obrigações especiais ou de despesas, ainda que decorrentes de lei, abertura de créditos, transferência ou anulação de verbas do orçamento;

V) declarar a guerra e celebrar a paz, resolver definitivamente sôbre a permanência de forças estrangeiras no território nacional e autorizar o presidente da República a ausentar-se do país, quando a ausência for superior a quinze dias;

VI) permitir que ministros civis ou militares compareçam a Congresso Nacional ou a Assembléia Legislativa de Estado, para prestar esclarecimentos ou informações sôbre assunto previamente determinado, importando crime de responsabilidade a ausência sem justificação adequada.

Parágrafo primeiro — O pronunciamento das leis deve ser proposto ou aprovado pelo ministro da pasta a que essa matéria estiver afeta, mesmo ainda não tendo sido sancionado pelo presidente da República.

Parágrafo segundo — Os decretos administrativos são coletados, ajustados à numeração da série, numerados e publicados no Diário Oficial. Serão também lançados em livro próprio, a cargo da Secretaria do Conselho.

Art. 21 — As instruções e resolução serão datadas, numeradas e, salvo quando reservadas, publicadas no Diário Oficial, sendo sempre registradas em livro próprio, a cargo da Secretaria do Conselho.

public service, and regulate such areas of responsibility as may be assigned to it by Parliament (Congress).

Comment: These procedures seem somewhat rigid and formal. Setting time limits on speaking and requiring 48 hours prior notice on discussion on topics are hardly designed to facilitate the work of a policy-making body. Nonetheless, there appears to be enough leeway to allow the Council to work.

For the Ambassador:

Harry Weiner
Second Secretary of Embassy

APPROVED:

Philip Raine
Counselor of Embassy
for Political Affairs

Enclosure: As stated

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SUBJECT: Bylaws Decreed for Council of Ministers

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RMR

FROM: Rio de Janeiro

TO: Secretary of State

NO: 1220 November 17, 4 p.m.

FILED
MAR 15 1962

RIO 1220

PRIORITY

Reference: AIDTO 1, November 4 and Recife's 148

In view of present critical situation Portella operation Recife and Rio Grande do Norte, Embassy firmly believes St. Regis position now limited to pursuit legal remedies gravely inadequate.

I believe the overall U.S. interest and that of St. Regis would best be served by St. Regis taking the initiative in working out a friendly solution to the present problems and getting Bates and Portella back into immediate full-scale operation maintaining employment pending final solution hopefully on sound business basis.

As St. Regis officers thus far consulted have rejected this and indicated desire see Bates receivership proceedings continue present course, the problem is to persuade St. Regis to change its present attitude. I urge the Department to bring pressure to bear on highest officials St. Regis to adopt a responsible statesmanlike attitude and to agree to work toward a solution to the problem along the lines paragraph two.

Seriously considered St. Regis request Embassy leadership in attempt reach favorable resolution conflicting interests but feel it most inadvisable since fear U.S. identification St. Regis interest and actions which inevitable in such course, though as last resort would consider mediation if negotiations at crucial point.

Note: Mr. Godfrey (ARA) notified 11-17-61 GORDON
DRJ

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XR 832.0 62

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Page 6 of
Encl. No.
Desp. No. 147
From São Paulo

The apparent support Cuban papers give to the government means nothing, said O Estado, since "their unity is artificial, based on terror and blood." And commenting on Cuba's intention of restricting political asylum, Diário de São Paulo wrote: "That is an intolerable impertinence, a rudeness that the American Republics should not accept, for complying with Fidel Castro is to encourage him to new and worse initiatives."

Miscellaneous

9. List of Substantive Despatches

147 São Paulo Weekly Summary No. 20.

Scott C. Lyon
Scott C. Lyon
Consul

Contributors:

Proper, Silveira

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Paraná is reported to be considering Carvalho Pinto for candidacy for the national Chamber of Deputies -- along with ex-President Janio Quadros and R io Grande do Sul Governor Leonel Brizola. The São Paulo Governor would scar cely feel comfortable on that ticket.

6. Minister of Justice Visits São Paulo (Limited Official Use)

There were high hopes that something significant might come out durir ıg the first official visit to São Paulo of Justice Minister Alfredo NASSER, a Goiano with important Paulista connections: membership in the PSP (Social Progressive Party) and years of residence in São Paulo as a journalist. Whe n he addressed the state Legislative Assembly on October 10, however, he appeared to arouse little enthusiasm. While speaking out against "the false nationalism which sees in every outsider an enemy and in every foreign inves t- ment a menace," his proposals for improving the present situation did not go past the usual generalizations.

COMMENT: It was perhaps unjust to expect concrete proposals for action on the country's political and economic problems from a Minister of Justice, but high-flown generalizations currently have little appeal under any circumstances.

Local Press Reaction

7. Alliance for Progress (Unclassified)

O Estado de São Paulo said there seems to be a conspiracy against the Alliance for Progress: "Yet, it is not staged by the Brazilian people, but by its present leaders, who choose the quiet way of inertia...to perpetuate the situation in which Brazil is today. And it is not difficult to find the reasons f or their behavior. The mouthpieces of demagoguery know very well that the cle ver scheme of the Alliance for Progress is bound to change the general condition of the Hemisphere, blocking the way to phony popular leaders. It is better fo r them, thus, to leave things as they are." And the paper sadly pointed out tha t Brazil, by default of its government, so far has not received a penny of the 2(00 million dollars she can get for her "Emergency Plan." The visit of Ambassa dor Mervin Bohan to Brazil's Northeast also got wide coverage. Reflecting the general feelings, O Estado commented: "Indubitably, international aid will b e of no use unless it is accompanied by a self-help effort on our part."

8. Cuba (Unclassified)

The breaking of diplomatic relations between Venezuela and Cuba led editorialists to consider the growing Cuba danger. Wrote Diário de São Paul o: "Cuba is the first revolution to threaten liberal Capitalism directly. It gives food for thought not only to North Americans, but to Latin Americans as well."

0397

Paulistas are privately expressing very serious fears of Communism. Officers who have been in São Paulo for a long period say that this was not always so.

4. Concern with National Government Continues (Limited Official Use)

Moderate São Paulo circles continue to expect the worst and hope for best from the national government. Tension has if anything decreased slightly in recent days, but it could not permanently have remained on a high plateau. The editorials of most moderate newspapers reflect fatalistic pessimism. Labor problems appear to have eased, raising the stock of Labor Minister Franco MONTORO (a native son). Talk of holding elections for a constituent assembly, however, has aroused widespread hostility from moderate newspapers. When the Senate rushed to approve a Constitutional amendment redistributing tax income to the benefit of the municipalities, in a transparent grandstand play for the 1962 elections, the effect in São Paulo was nearly the opposite of what was intended. The amendment is said to take money for the municipalities principally from the state, which does nothing to end the Paulista belief that this state is the "locomotive pulling twenty empty cars." Mayor Prestes MAIA claims, in addition, that the new provision will be of primary aid to the small interior towns, whose finances are not in the same chaotic state as those of the capital city. Governor Carvalho Pinto fought the amendment, and newspapers criticized the undue haste with which it was rushed through.

COMMENT: Even if another acute political crisis does not materialize, the existing climate of frustration and discouragement seems enough to impede the growth of the state.

5. Maneuvering for '62 Elections (Official Use Only)

The following are current high points in the race for the 1962 elections:

José Bonifacio COUTINHO NOGUEIRA is the front-running non-runner for the governorship. His candidacy is expected to be announced in January. As protege of popular Governor Carvalho Pinto, he seems to be gaining support from important elements of more and more parties.

Senator Auro MOURA ANDRADE of the PSD (Social Democratic Party) is so far the only formal candidate for the governorship.

Ex-Mayor and leader of the PSP (Social Progressive Party) Adhemar de BARROS seems to be planning to run for federal deputy, but there is little doubt that he will shoot as high as he thinks he can hit.

Under the heading of curiosities, the PTB (Brazilian Labor Party) of

GPO 802687

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American firms. During a brief stop in Congonhas airport on October 8, he explained that he considered the many foreign firms in São Paulo, not the Paulista people, to be the economic imperialists. The local press (excluding the newspapers of the far left) points out that the sting is removed from this criticism by the fact that both states are making equally rapid progress: São Paulo forward and Rio Grande do Sul backward. The local branch of the Popular Representation Party (PRP) apparently wishes to combat the leftist line more vigorously and is reported to be founding yet another multi-party front, this one specifically to combat Communist infiltration.

COMMENT: The formation of fronts may be interpreted as a result of Brazil's unwieldy party structure (which is especially noticeable in São Paulo) or as a symptom of the polarization of political forces which seems to be one result of the new parliamentary system of government. The proliferation of fronts at this particular time lends weight to the latter hypothesis. The salient fact, perhaps, is that the fronts do not seem to be very effective. Carvalho Pinto and some of the other centrist governors (see previous item) apparently reached this conclusion in time to profit from it.

3. Legislative Assembly Debate on International Issues Harshens (Limited Official Use)

The changing tone of debates in the São Paulo Legislative Assembly reflects increasing concern with the East-West struggle, which had often been glossed over as not really pertinent to local problems. Complacency seems to have been shaken by the recent political crisis, rapprochement with the Soviet Union, increasing local Communist activity, resumption of nuclear bomb testing, the publicity given the Soviet Communist Party Congress, and Rio Grande do Sul Governor Brizola's antics (see item 2). Deputy Conceição da COSTA NEVES, Vice President of the Assembly, is no longer a voice in the dark. The issues are separating the moderates from the leftist deputies and the known Communists. Deputy Costa Neves still speaks out whenever she has a chance, but the leftists have found her Achilles heel: Portugal. When UDN (National Democratic Union) Deputy Antonio MASTROCOLA began an effective speech in the Assembly on November 7, for example, criticizing Brizola and Communism, leftist deputies raised such a furor that he apparently tired and allowed Jethero de Faria CARDOSO (widely believed to be a Communist) an interruption. Conceição da Costa Neves stepped down from the acting Presidency and joined in. Cardoso made a disparaging reference to Portugal and Dona Conceição launched a defense of the "mother country." Mastrocola never finished what he had started to say. Debates of this kind have become commonplace.

COMMENT: Whether or not leftists win some of the battles, the increasing publicity given their actions may make it more difficult for them to win the war. The Consulate General has previously mentioned that informed

GPO 902687

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On November 6, the news was leaked (apparently by the President) that the Minas Governor would not sign the declaration. Magalhães Pinto denied the truth of the leak and announced that he was flying to São Paulo immediately to talk with Carvalho Pinto. He never arrived, perhaps because in the meantime the São Paulo Governor informed the press that the rumored declaration would serve no useful purpose and would not be promulgated. Paraná Governor Ney BRAGA, a Christian Democrat, had sent an open letter to Party President QUEIROZ Filho, São Paulo Secretary of Justice, advocating "basic reforms" in terms likely to conflict with the views of some of the other centrist governors. As if to emphasize the survival of the governors' movement (as opposed to the declaration), however, Ney Braga, Aluisio ALVES of Rio Grande do Norte, and National Democratic Union President Herbert LEVY flew to São Paulo to continue a long string of conferences which Carvalho Pinto has been maintaining with other national political figures of similar convictions.

COMMENT: (Limited Official Use) The burial of the declaration probably signifies only that Carvalho Pinto and other cool heads prevailed. The new front would not enter on scene in distinguished company (see following item), and it would serve no practical purpose that it cannot better accomplish informally. Its effect on the shaky national government could only be harmful. Though the reform governors may not think favorably of the current national government, they probably believe that they cannot exchange it for anything else at present without risking a heavy loss on the trade-in. Magalhães Pinto's recalcitrance, while not unsuspected, lightens the movement noticeably and is another factor tending to keep it from reaching a formal stage. The main obstruction here may be that Magalhães Pinto's opinion of ex-President Janio QUADROS is much higher than that of other governors. Herbert Levy has probably convinced several of the governors that their front would not do anything which the UDN could not do, given sufficient support. It can be inferred that Levy has employed some very skillful persuasion.

2. "Fronts" Proliferate (Limited Official Use)

Just as if there were not enough political parties around, political "fronts" have been springing up like tropical foliage. The most important of them is the "National Liberation Front" founded in Goiânia on October 24 (see São Paulo Despatches 136 of Oct. 24, 137 of October 26, and 140 of Oct. 31). It has so far produced little smoke and less fire. The leftist press refers to the front of centrist governors as "stillborn," but it was actually not born at all (see previous item). Rio Grande do Sul Governor Leonel BRIZOLA -- leader of the former movement though he is said not to have signed the declaration establishing it -- persists in attacks on the leader of the latter, Paulista Governor Carvalho Pinto, who has refrained from replying in kind. Brizola's line seems to have veered from "Paulista imperialism" toward a safer target:

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FOREIGN SERVICE DESPATCH

FROM : Amcongen, São Paulo — 147 NO.

TO : THE DEPARTMENT OF STATE, WASHINGTON.

REF :

CONSULATE GENERAL OF THE UNITED STATES OF AMERICA

NOV 14 1961

SÃO PAULO, BRAZIL

files no action a RA/EST/B gw wilson 12-4-61

For Dept. Use Only	ACTION	INFO	DEPT	RM/R	REP	AF	ARA	EUR	FE	NEA	CO	IVR				
55	ARA-4			2				5				7		3		
			OTHER	AGR	COM	FRB	INT	LAB	TAR	TR	XMB					
	REC'D 11/18			AIR 6	ARMY 4	CIA 11	NAVY 4	OSD 5	OCB	USIA 10	NSA 4					

SUBJECT: São Paulo Summary No. 20, Week Ending November 11, 1961

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

INDEX:

Political

1. Governors' Movement Remains Informal
2. "Fronts" Proliferate
3. Legislative Assembly Debate on International Issues Harshens
4. Concern with National Government Continues
5. Maneuvering for '62 Elections
6. Minister of Justice Visits São Paulo

Local Press Reaction

7. Alliance for Progress
8. Cuba

Miscellaneous

9. List of Substantive Despatches

Political

1. Governors' Movement Remains Informal (Official Use Only)

The off-again, on-again plans for a political declaration by the several centrist Brazilian governors are off again. This time it seems likely that the declaration will remain shelved unless there is a marked change in the national scene. Pernambuco Governor Cid SAMPAIO, apparently the most enthusiastic advocate of bringing the movement into the open, is thought to have suffered a reversal. São Paulo's CARVALHO PINTO, the most important leader of the movement, has continually avoided publicity for it. Two other governors helped to torpedo the declaration. Magalhães PINTO of Minas Gerais -- a keystone -- was the first. After he made a surprise visit to President GOULART in Brasilia

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FORM 6-61 FS-439 GPO 912595

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0393

CONFIDENTIAL

-2- 148, November 11, 3:00 p.m. from Recife.

enabling Portela meet demands "concordata" over period time with release Portela from receivership. Initiation negotiations re Regis Bates reach complete solution would appear reflect good faith, easing public interest.

Jaboatao factory continuing operations though apparently not manufacturing kraft paper. Insignificant number factory workers released thus far due litigation. However, kraft sisal cultivation activities Rio Grande do Norte reportedly cut back severely and large number workers there now said unemployed.

RABIDA

UMT:OKY

(#) Omission. Correction to follow.

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32

INCOMING TELEGRAM *Department of State*

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Rec'd: NOV 14 1961 AM 6 34

3:45 a.m.

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Tel Reply drafted by EST/B:RHCrane:lms 11/15/61. Also tel reply to Rio and to Recife drafted by EST/B: RHCrane 11/22/61.

FROM: Recife

TO: Secretary of State

NO: 148, November 11, 3:00 p.m.

EST/B:RH Crane: lms 11-23-61

ACTION:

INFO:

RM/R FILES

Recife 148 FW 732.00/11-1161 XR 832.062

PRIORITY

ACTION DEPARTMENT 148, RIO DE JANEIRO 143.

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Re Embassy telegram 64, Department telegram AIDTO 1.

St. Regis position appears quixotic and inflexible. Local Justice secretary has publicly described Bates "concordata" as improper with real objective seize "Portela". This important political issue with state assembly others interested political capital and already public opinion re issue is decidedly against "foreign trusts". In such climate Bates has little chance prove case. More likely that insistance on pressing legal suit will gain Regis Bates only more illwill and possible state control here. Resulting furor would have adverse effected position American firms generally and would inhibit capital investment.

Sampaio has already taken position against Bates and for political reasons cannot afford reverse position publicly. However sentiment building up against expropriation Portela and as it would be awkward control Bates without similar action against Portela, Sampaio may have difficult (#) originally announced intention. Moreover, Sampaio now believed inhibited by considerations relating presence Bohan group and his wish take no action prejudice any chance aid or investment. Thus, he probably would welcome compromise settlement. Most propritious solution (#) loan enabling Portela

(2)

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40-48
Action

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Control: 7673
Rec'd: November 14, 1961
3:45 a.m.

ARA
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FROM: Recife - CORRECTED PAGE 1

TO: Secretary of State

NO: 148, November 11, 3 p.m.

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ARA/EST/B/JWW 2/14/62

PRIORITY

ACTION DEPARTMENT 148, RIO DE JANEIRO 143

Re Embassy telegram 64, Department telegram AIDTO 1

RMR

St. Regis position appears quixotic and inflexible. Local Justice secretary has publicly described Bates "concordata" as improper with real objective seize "Portela". This important political issue with state assembly others interested political capital and already public opinion re issue is decidedly against "foreign trusts". In such climate Bates has little chance prove case. More likely that insistence on pressing legal suit will gain Regis Bates only more ill-will and possible state control here. Resulting furor would have adverse effect position American firms generally and would inhibit capital investment.

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Recife 148

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RG: 059 TAB #: 3

ENTRY: CDF60-63 1 / 7 / C /

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DESP 146 FR SAO PAULO TO STATE

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

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LTR FR WILLIAMS TO WOODWARD

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FOIA RETRIEVAL #: 949515 01577 00002

respond to this political move if the issue is protracted.

The state government has not replied yet to Melo's public charges and accusations. This is curious because the state colonization agency, CRC, has plans for the eventual resettlement of the 400 Cabo families, though it lacks funds to put the plans into effect at the present time. It is probable that the CRC and COPERBO simply failed to coordinate their plans and actions, and that neither one considered what might happen to the families between the time of their eviction and the time of their resettlement into a new colony. Meanwhile, whatever may happen to the families in the future, it is unlikely that they will be forced to leave Cabo at the present as public reaction to their eviction now would be a political burden that Governor Cid Sampaio can ill risk.

Father Melo was born on September 5, 1933 and was educated at Catholic seminaries in Aracaju and Salvador in the State of Bahia, Olinda in the State of Pernambuco, and Rio de Janeiro. Long interested in the cause of social justice for the masses, this is the first time his efforts have attracted widespread attention. It is rumored that Father Melo has become impressed with his own leadership abilities as a result of the Cabo indident, and that he is planning to run for a seat in the state legislature in the 1962 elections.

Powell C. Kilday

for Albert A. Rabida
American Consul

cc Amembassy, Rio de Janeiro (2)

0387

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732.00/11-661
NOV 7 1961
XR 832.413

FOREIGN SERVICE DESPATCH

FROM : Amcongen, RECIFE

NO. 93

TO : THE DEPARTMENT OF STATE, WASHINGTON. File location - Lus 732.00/11-661 11-13-61

DATE Nov. 6, 1961

REF :

For Dept. Use Only	ACTION	INFO	DEPT	RM/R	REP	AF	ARA	EUR	FE	NEA	CU	INR
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DEPARTMENT OF STATE
BUREAU OF
INTER-AMERICAN AFFAIRS
NOV 13 1961

SUBJECT: POLITICAL: Catholic Priest Leads New Passive Resistance Movement near Recife

A young Catholic priest, Father Antonio Melo, who has political ambitions, has taken up the defense and leadership of a group of peasanst who reportedly have been ordered to vacate their homesites to make way for the construction of an industrial plant. Father Melo has announced emotionally that he and his group will resist passively but "to death" any attemp by the state to evict the peasants by force.

A newly-organized synthetic rubber firm, Cia. Pernambucana de Borracha Sintetica (COPERBO), controlled by the State of Pernambuco, has been given the right to construct a plant within an area known as the Industrial District of Cabo, about twenty miles south of Recife. The plant would be the first constructed in what Governor Cid Sampaio hopes will become an industrial park. According to Father Melo, when the state purchased the land for the industrial park, the peasants residing there were promised that the land they occupied would not be needed for the park. This land was to be subdivided by the state colonization agency, the Company of Resale and Colonization, into individual plots suitable for subsistence farming with one plot parceled out to each family. Now, Melo claims, COPERBO has been given control of all of the land and has ordered the peasants to vacate their homesites. He asserts that the eviction order was not accompanied by an offer of compensation or an offer to relocate the families on other land.

Father Melo has taken to the press and to television to gain sympathy for his cause. He has been careful to stress that he eschews the use of violence to achieve his goals and that he does not consider himself to be allied with Francisco Julião or the Ligas Camponesas. However, if action is taken to evict the Cabo peasants, Melo might be tempted to seek any support. He points out the irony of a development program which renders homeless the very people it is intended to benefit. His publicity campaign has been dramatic, and several Catholic youth organizations have announced publicly their support of his group. Other groups probably will.

You can't win!

732.00/11-661

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1961 NOV 4 PM 3 [illegible]

02194

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PAGE 1 OF 2

FILED MAR 16 1962

SUBJECT —

REFERENCE —

Representatives State, AID, Commerce and Saccio met with St. Regis officials today. Saccio informed them of Sanpaio threat purchase Portella and Bates Recife as well as our concern political repercussions should Portella be forced to close and thus cause unemployment in a critical area. We explained our main purpose in discussing problem was hope that a solution could be found whereby St. Regis interests would be protected and at same time Portella could continue operations. We asked whether it might be worthwhile St. Regis to explain their position directly to Sanpaio in effort prevent takeover Bates Recife by state government.

St. Regis replied they aware political implications problem but believe their only recourse at this time is legal action including criminal suits against former employees. They expressed concern over possibility Sanpaio takeover Bates Recife, but reluctant approach Sanpaio directly because that fear such action may be interpreted as admission guilt corporations conspiracy acquire control Portella at bargain prices and play into his hands. Especially in view their belief he has personal financial interests Portella [illegible]

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0384

SECRET

-3-, 1128, November 3, 8 p. m., from Rio de Janeiro (SECTION ONE OF TWO)

similar PSD machinations) largely because UDN conservatives, though unhappy at activities of Neves and Goulart (particularly in field of pork-barrel appointments) are well aware that collapse of cabinet might entail rapid subsequent demise of democratic regime.

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though if feels they represent significant first step facing up to problem. Key question of course is whether Neves and Council Ministers will be sufficiently firm (1) in effecting economies; (2) in enacting necessary fiscal reforms; (3) in standing up to increasing labor demands; and (4) against Leftist and labor agitators or those Rightist malcontents attempting take advantage present politico-economic ferment to subvert government. Unfortunately, political pressures of 62 congressional campaign do not bode well for success this effort.

On positive side, Embassy notes: (1) While President Goulart may be tempting avoid responsibility for present situation and thus maintain own position and prestige recent public pronouncements have been helpful in preparing people for stronger anti-inflationary measures; (2) apparent increasing agreement in cabinet on need for firmness in dealing with present situation; (3) reports of congressional progress in readying "complementary" legislation which will help clarify presently confused division of executive powers (and thus ameliorate mood of political uncertainty); (4) declaration Neves Government in favor Quadros-sponsored bill on profit remittances (which, if passed, would probably encourage return foreign investors); (5) political activity of Jurcy Magalhaes, Carvalho Pinto and other conservative governors with a view to giving more solid political backing to present regime.

With specific regard reported pessimistic remarks of Governor Magalhaes (which have subsequently appeared in milder form in various press accounts) Embassy believes they generally reflect seriousness with which articulate members of Brazilian elite view present situation. Nonetheless, Embassy does not feel present crisis can be described as "revolutionary situation". Rumored plan to withdraw UDN support from cabinet, thus causing its downfall, failed to materialize (as did similar

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32

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1961 NOV 6

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FROM: Rio de Janeiro

NOV 4, 1961
10:12 PM

ACTION
INFO:
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TO: Secretary of State

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NO: 1128, November 3, 8 p. m. (SECTION ONE OF TWO) no action

DEPTEL 1273 732.00

101.21-N12

ARA/EST/B
JWW 2/12/62

As indicated Embassy telegram 1065 situation political uncertainty continues dominate Brazilian scene due (1) undefined division powers between President and Prime Minister; (2) failure present government (in person either President or Prime Minister or both) take decisive action overcome key problem accelerating inflation and resultant social unrest. Result has been creation growing crisis economic confidence evidenced (in addition above phenomena) by apparent increase in capital flight tendencies, reported cancellation many plans further foreign private investment, soaring free (black) market dollar rate, and near-panic buying of gold (now reportedly 22 percent above world market price). Aura of economic gloom thus created tends create further uncertainty political future.

732.00/11-361

As reported today's WEEKA, "crisis of confidence" became sufficiently serious past week to spur government take remedial action with view curbing inflation -- specifically (1) announcement of program for curtailment of government expenditures; (2) publication exchange reform (SUMOC instruction 219) allegedly intended keep down cost imports; (3) Minister Finance statement that tax reform bill to be presented to Congress next week; and (4) widely-reported declaration of Prime Minister's intention congressional enactment long-pending request "basic" reforms (including Agrarian reform, tax reform, banking reform, anti-trust legislation, and foreign investment legislation) plus statement his intention request congressional delegation special powers if congressional action on these reforms not soon forthcoming. Embassy tends regard these actions largely declarations good intentions,

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Date 2-15-62

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criticisms were echoed by Francisco Falcão, head of the Auxiliary Agricultural Association, and by several local members of the PSD.

Luis Cisneros, one of Recife's leading editorialists, also recently launched a concerted campaign against Furtado, accusing him of "empire building", of interesting himself more in "luxurious offices" for SUDENE than in the basic economic problem at hand, and of building up mountains of files and statistics without any positive accomplishments to show for it all. Writing in Diario da Noite on October 25, Cisneros stated: " I am convinced that the Director of SUDENE does not honestly want to solve the problem presented by the sugar industry. What he intends is to agitate an already unhappy state of affairs so that he, Celso Furtado, can keep himself on the front pages of the newspapers as the avenging banner of the proletariat."

Cisneros then warned: " If Sr. João Goulart is still unconvinced of all this, so much the worse. It is high time a practical man took SUDENE's pulse."

Comment: Growing criticism of Furtado probably has several motivations: 1.) The fact that the enormous problems of the Northeast have no quick and easy solution and that progress, if any, will be slow, opens any institution attempting to solve those problems to "do-nothing" charges; 2.) More established elements are opposed to what they believe to be Furtado's "impractical" and "too radical" approach to the area's basic ills; and, 3.) As a hold-over from the Quadros administration, Furtado, in spite of his insistence that SUDENE is above politics, is in a rather precarious position and makes a convenient political target. In sum, Furtado can probably expect more and indreasingly bitter criticism, especially from the vested sugar interests.

Albert A. Rabida

American Consul

cc: Amembassy, Rio de Janeiro

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NOV 7 1961
AIR 832.00

FOREIGN SERVICE DESPATCH

FROM : Amcongen, Recife — NO. 92

TO : THE DEPARTMENT OF STATE, WASHINGTON. — DATE November 3, 1961

REF : Amcon despatch 65, September 20, 1961

File by location - Cuba
EESTB: 8-1-61
DIEAC 11-23-61

DEPARTMENT OF STATE
BUREAU OF
INTER-AMERICAN AFFAIRS
NOV 13 1961

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				AIR	ARMY 4	CIA 11	NAVY 4	OSD 5	OCB	USIA 10	NSC 4		

SUBJECT: Increasing Criticism of Celso Furtado

Mr. Wall
Ref E ES I/B

The November 1 editions of Recife's three major daily newspapers all carried accounts of a talk given by SUDENE director Celso Furtado before the National Faculty of Economic Sciences in Rio de Janeiro on October 30. In describing in detail the economic ills of the Northeast, Furtado is reported to have attributed much of the area's distress to "archaic economic administration." He singled out the ailing sugar industry for special criticism, declaring that: "the sugar industry is in the hands of usurers," and that, to the general detriment of the region's economy, for too long has been under the direction of a few ignorant or misguided entrepreneurs. Furtado then went on to mention SUDENE's blueprint for development in the Northeast. SUDENE, he said, planned to move step by step, the first step being a general reform of the agricultural structure of the region. Such a reform must naturally look to intensified use of and production from all arable land available, he pointed out; and said SUDENE hoped to acheive this by developing an effective program of irrigation, for which the large land owners would pay with marginal lands. These marginal lands SUDENE would then make available to landless peasants on a low cost, long-term credit basis.

Furtado also mentioned the resettlement program under which SUDENE hopes to move tens of thousands of poverty stricken peasants to the sparsely settled state of Maranhão. In closing, he stated that the problems of the Northeast were essentially Brazilian problems and that though aid from abroad might help, it was up to the Brazilians themselves to find a cure for the endemic economic ills of the area.

Meanwhile, back home in Recife, Celso Furtado and his plans for SUDENE have come in for an increasing share of criticism. The Governor of Pernambuco, Cid SAMPAIO, has already roundly attacked Furtado's plans for restructuring the sugar industry. The Governor maintains that SUDENE economists obviously know nothing of the details of sugar production, such as transportation costs, areas best suited to cane cultivation, etc. His

732.00/11-361

cc: Amembassy, Rio de Janeiro (2)

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0379

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INFO:

TO: Secretary of State — RM/R FILES file

SS

G — NO: 1128, November 3, 8 p. m. (SECTION TWO OF TWO)

SP

E

AID — As to founding (via "declaration GOIANIA") of National

PX — Liberation Front, Embassy continues believe this is

IOP — potentially most dangerous threat to democratic regime

NSC — (largely because it offers a suitable vehicle for Quadros

INR — return to dictatorial power and Communist agitation), though

CIA — its present plans do not include revolutionary overthrow

NSA — of government. Embassy believes, on other hand, that

OSD — extremist followers of Admiral Heck (in addition to Air

ARMY — Force malcontents under ex-Minister Moss) may well be

NAVY — plotting take over country by force. Such plans would

AIR — presently seem have little chance for success, both because

RMR — these Rightist extremists presently enjoy little popular support and because cautious "consolidation" of armed forces under pro-regime leadership of present military Ministers has apparently been successful.

GORDON

MGG/6

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0378

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INCOMING TELEGRAM **Department of State** ACTION COPY

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34-39
Action

Control: 860
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11:45 a.m.

ARA
Info

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BOB
TRSY
RMR

FROM: Rio de Janeiro

TO: Secretary of State

NO: 1104, November 1, 5 p.m.

1961 NOV 2 PM 1 59

ACTION:
INFO:
RM/R FILES

I met informally with Prime Minister Neves and Finance Minister Moreira Salles Sunday night (October 29) at latter's home. Meeting arranged my initiative. Bond, Saccio and Korp participated.

File no action
EST/D
J W Wilson
11/9/62

I said wished take opportunity soon after arrival and before imminent Saccio trip Washington, explore with PM and Finance Minister task ahead in implementing alliance for progress in Brazil. Indicated realized GOB facing most difficult political and economic problems. This made all the more important effective action for economic and social progress. Cited government program issued September 28 as fine document setting forth general objectives. Thirty days having passed, have observed considerable questioning governments determination put words into action, in view lack specific administrative measures or legislative proposals. Explained on US part alliance for progress meant possibility more money, technical assistance combined with contributions of capital, ability enter into long-term commitments up to five years and ability finance social as well as economic development. Regarding Brazilian contribution described self-help philosophy of alliance and discussed our opinion specific desirable measures as follows:

1. Expressed hope progress could be made effective financial stabilization quickly as possible, including reduction budget deficit, removal SUMOC instruction 219 and contribution consultations IMF. Stressed importance stabilization for future possibility receive long-term loans. Neves and Moreira Salles said expect within next few days propose to Congress increase income, consumption and stamp taxes designed yield cruzeiros

(4)

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INCOMING AIRGRAM **Department of State**

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PAGE 1 OF 1 PAGES

RM/R-(6)

Date Sent: Nov. 15, 1961

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AEC-10

FROM: RIO DE JANEIRO

TO: Secretary of State

NO: A-237

RPTD INFO: All Consulates in Brazil Unnumbered
All Embassies in South America Unnumbered

Ref: Embassy Despatch 369 October 31, 1961

In the referenced despatch, the Embassy's Monthly Economic Summary for September 1961, a correction should be made in the fourth sentence of the second paragraph of the section on Finance on page 2. The word not was inadvertently omitted from this sentence. The sentence should be amended to read: " In addition, Banks were "advised" not to expand their loan activities beyond their July 31 levels during the period of re-absorption of paper money issued during the crisis. "

GORDON

ECON:SWeaver:nbg
November 13, 1961

ECON-E. J. Bash

11/27/61

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Brazil's Foreign Trade (US$ 1,000,000)

1961

Imports	May	June	Jan-June	May	June	Jan-June
Total	128.6	130.6	711.9	100%	100%	100%
U S A	46.7	47.2	243.1	36.3	36.1	34.1
Western Europe	44.6	44.4	238.4	34.7	34.	33.5
Middle East	4.9	5.	34.8	3.8	3.8	4.9
C.B. *)	5.8	7.6	29.7	4.5	5.8	4.2
Exports						
Total	104.4	107.1	621.7	100%	100%	100%
U S A	35.2	41.7	252.9	33.7	38.9	40.7
Western Europe	47.	40.1	230.4	45.	37.4	37.1
Middle East	.7	.4	3.5	.7	.4	.6
C.B. *)	4.8	6.1	29.1	4.6	5.7	4.7

Source: Economic and Financial Statistical Service, Ministry of Finance.

*) C.B. refers to Communist Bloc, including Czechoslovakia, Poland, Hungary, East Germany, Comm. China, Rumania, USSR, Albania and Bulgaria.

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Page 1 of
Encl. No. 1
Desp. No. 369
From Rio, Brazil

ECONOMIC INDICATORS:

Cost of Living in Rio deJ aneiro
(1948 = 100)

1960	Food	Clothing	Rent	Furniture	Hygiene	Pers. Serv.	Pub. Serv.	Index	% Change
Jan.	809	476	601	488	623	632	767	691	.8
Feb.	807	480	609	512	623	652	767	696	.7
Mar.	808	498	614	522	623	652	824	705	1.3
Apr.	836	508	621	534	660	700	824	725	2.8
May	818	528	631	552	682	699	826	725	-
Jun.	811	530	639	577	711	699	826	728	.4
Jul.	830	542	646	583	717	699	826	740	1.6
Aug.	833	543	657	588	723	699	843	745	.7
Sept.	859	554	664	590	732	734	961	772	3.6
1961									
Jan.	976	654	705	642	846	905	997	866	2.1
Feb.	987	655	712	647	856	936	997	875	1.
Mar.	999	682	721	663	871	974	997	891	1.8
Apr.	1047	759	732	682	871	1014	1030	930	4.4
May	1058	775	741	690	886	1014	1061	943	1.4
Jun.	1064	785	752	699	920	1014	1076	953	1.1
Jul.	1091	793	763	706	926	1014	1076	968	1.6
Aug.	1140	811	773	732	958	1150	1153	1012	4.5
Sept.	1209	831	784	780	959	1185	1246	1059	4.7

Source: Getulio Vargas Foundation.

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att 1

Enclosure: Economic Indicators (2 pages)

Contributors:
EJBash, SHWeaver, WBlomeyer, SGAnderson,
BAGoldstein, JMKuhl, ALRansome, HWWells,
JTFishburn, SScavone, SJEmiliano.

0371

a special meeting that night and voted to impeach Mayor Wilson de Oliveira. The workers returned to their jobs when Vice-Mayor Oberlander took over and promised to settle the default.

Agriculture

Governmental agricultural policy and program activity were virtually paralyzed during the month of September as a result of the political crisis. The Government was too preoccupied with the problems facing it to pay much attention to agriculture although the crisis did call ~~xxx~~ attention to a possible shortage of some food items in the major cities. By the end of the month, however, fears of shortages, particularly of rice and lard, turned out to be unfounded.

More important to agriculture than the governmental crisis was the lack of rainfall in the States of São Paulo and Paraná. By the end of the month, rains which should have started had not appeared and there was considerable concern about the effect the continued dry weather would have on coffee, which was beginning to flower, and peanuts, which were about to be planted, as well as some minor crops and pasture.

Science

In the scientific field it is becoming increasingly apparent that the principal policies and objectives of the Quadros administration are to be continued under President Goulart and the Cabinet. Although some key scientific posts, such as President of the National Research Council, are still unfilled, the situation in Brazil's Nuclear Energy Commission is becoming clarified.

By official decree in early October, President Goulart reappointed Professor Marcelo Damy de Souza Santos as President of the Nuclear Energy Commission. Concurrently the new Minister of Mines and Energy has publicly stated that within two or three years Brazil's first nuclear power plant will be installed in the State of Guanabara. This unit is intended to have a power generating capacity of 300,000 kilowatts and will use natural uranium as a fuel. Preliminary specifications and contents of the "Advertisement for Qualifications" of September 1, 1961, were reported in Despatch 216 dated September 18, 1961.

The statement of the Minister also referred to plans for future nuclear power installations in the Northeast, in support of announcements which have been made by Dr. Damy during the previous administration.

For the Ambassador:

Edward J. Bash
Commercial Attaché

Encl./

0370

meet the entire Brazilian national requirements for TiO_2. Because the pigment production will be integrated to local ore, it is claimed that the project will result in a significant saving in foreign exchange.

Geologists of the parent company, E. I. du Pont de Nemours & Co., Wilmington, Del., have surveyed and reported on ilmenite ore sources in Brazil, and samples reportedly have been sent to the U.S. for full-scale plant trials. Final design and construction of the plant at a site possibly near Vitória (no final decision having been made) will be awarded to Brazilian engineering firms. However, it appears definite that the new operation will not be added to the present company plant at Barra Mansa.

The basic Government Program presented by the Prime Minister before the Congress at Brasília September 29, 1961, covering mineral resources (other than fuels and nuclear energy) outlined governmental policy on mineral resources. In essence, in the case of the large mineral resources, the development of which is enough to supply the maximum needs of Brazilian industry and still permit exportation, it is necessary to regulate exports so that the country is left with a maximum of benefits, not only in direct contributory advantages, but indirect ones such as employment, good wages, assistance to workers, etc.

As an example emphasis was placed on the iron ore producing industry. Very little comment in the report was reserved for other minerals. It was stated that a policy of mineral exploitation which the Government should adopt would be presented at a later date.

Labor

Throughout the month of September numerous labor groups and Government labor officials were active in the campaign to raise the minimum salary level. The actions culminated in a governmental decree of October 6 authorizing a 40% increase, effective on October 16. The new minimum wage in Rio de Janeiro and Brasília is now Cr$13,440, with progressive reductions for other areas depending upon their economic development.

A strike was threatened by Rio streetcar workers for payment of a salary increase supposedly effective since July. It was averted on September 26 by the action of the Minister of Mines and Energy, Gabriel Passos, who released the funds, amounting to Cr$180 million, which had been blocked in the Bank of Brazil.

Municipal workers in the city of Niteroi went on strike September 9 over the city's default in the payment of three months back salaries. On September 12 the doctors and staff of the Antônio Pedro Municipal Hospital joined in the strike. The municipal legislature then appealed to the Governor of the State who claimed the situation was not a matter under State jurisdiction. The municipal legislature met in

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is expected to benefit manufacturers of motor vehicles and parts, railway equipment, farm machinery and heavy electrical equipment, which are lines of special interest for export.

Transportation and Communications

The new Director of Civil Aeronautics, Major Brigadeiro Dario Cavalcanti de Azambuja, took office on September 18 as Director of the Civil Aeronautics Directorate (DAC) replacing Major Brigadeiro Clóvis Monteiro Travassos who was appointed Minister of Aeronautics vice Brigadeiro Gabriel Grun Moss. Brigadeiro Azambuja returns to this office which he held for the first time on January 6, 1956, leaving on July 17, 1959.

The Rio press carried the information that the entire fleet of planes belonging to Navegação Aérea Brasileira (NAB) consisting of 16 planes - 8 Curtis Commanders and 8 DC-3's were acquired by Lloide Aéreo.

Three Brazilian "air bridges" (pontes aéreas) were in the news during the month: the Rio de Janeiro-São Paulo air-commuter service which has been operated by VARIG-Cruzeiro do Sul-VASP was augmented by the addition of REAL (recently purchased by VARIG but still operating under its own name). Daily flights have been increased from 30 to 39; the Brazilian Air Force (FAB) has been operating a twice-weekly service between Rio and Brasília for the purpose of transporting civil and military officials (684 during August) and official documents such as the Diário Oficial from Brasília to Rio.

On September 28, the final act in the purchase by Panair do Brasil of the remaining 30% stock ownership of that line held by Pan American World Airways was consummated in New York with the transfer of funds from the former to the latter Company. The purchase reportedly was financed by an influential São Paulo industrial group.

Minerals

According to press reports, the firm of Alumínio Minas Gerais will import machinery and equipment to expand its aluminum plant at Saramenha, Ouro Preto, Minas Gerais, without exchange coverage, amounting to about one-half million dollars. The investment is made by the Aluminum Company of Canada.

Industrial diamond merchants are demanding export regulations covering industrial diamonds. Exports of this commodity, which purportedly are expected to reach some $50 million by year's end, are causing a shortage in the domestic market and a consequent increase in price.

Indústrias Químicas has approved a project for the construction of a plant to supply titanium dioxide by local manufacturers, Du Pont do Brasil, S.A. Plans call for a plant with sufficient capacity to

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Trade and Industry

Business activity was set back by the political crisis that began on August 25 and lasted until mid-September. In the latter part of the month, however, there was considerable improvement, due to anticipated rising prices and higher new minimum wages later in the year. Collections and cash sales were also apparently up after banks resumed normal operations in the middle of the month.

Of significance with regard to Brazil's international trade relations, was the reaffirmation in the Government's Program of Brazil's trust in the establishment of a Free Trade Zone in Latin America, under the terms of the Treaty of Montevideo and with direction from the Latin American Free Trade Association. In its program, the Government also reiterated the "powerful reasons /which/ militate in favor of establishing normal commercial and diplomatic relations between Brazil and all States, including those of the so-called Socialist bloc."

Caution was evident among investors in industry during the month as a consequence of the recent political crisis and until the new Government's policies became clearer.

On September 29 Prime Minister Tancredo Neves submitted the Government's Program to Congress. In the field of industry there is little acknowledged change from previous policies. The Government proposes maintaining the growth rate of 10% per year of the last five years for the next five-year period. Basic guide lines announced for industry will continue to be substitution of imports, with industrial development fundamentally in the hands of private enterprise while the Government orients investment through tax and credit incentives. Production goals for the next five years for the various sectors of basic industry are given which on the whole are projections of presently planned expansion. Little in the way of new projects is proposed. A new feature in the program, however, is an emphasis on increasing exports of industrial goods, particularly to Latin America, in fields in which excessive productive capacity already exists. Government credit agencies will assist in financing such exports. It was not yet possible to say how significant exports of industrial goods would become, but two manufacturers, Mercedes Benz do Brasil S.A. and Vemag S.A. Veículos e Máquinas Agrícolas, announced plans to sell respectively buses and passenger cars abroad.

Before this program was made public, SUMOC Instructions 215 and 216 were issued, establishing procedures for financing experts of durable goods and for internal sales of nationally produced equipment within limits to be set by the director of SUMOC (see section on finance in this despatch). This latter instruction is expected to be of special interest to the automotive industry which for three months has remained static mainly due to its inability to finance sale of more than 12,000 vehicles monthly. The former instruction

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will be processed through CACEX, (Foreign Trade Bureau) of the Bank of Brazil and the financing of the production and sale of nationally produced equipment, through the National Development Bank.

On September 29, Prime Minister Tancredo Neves submitted the Government's Program to the Congress. In the economic field, the Program stresses financial stability as a central requirement for sound economic development but does not categorically promise to achieve it. It does promise to limit credit expansion generally to the needs of economic growth and to take steps to reduce the Federal cash deficit. The Program calls for a number of institutional changes in banking structure, tax laws and laws governing the capital market (see Embdes 305, October 13, 1961).

During September, paper money issued increased by Cr$20 billion or 7.4% over the level of outstanding currency in circulation as of the end of the previous month. For the comparable period of 1960, the corresponding figures were Cr$9.5 billion and 5.6%. The sizeable increase in the issuance of paper money reflects, for the most part, activity on the part of commercial banks to increase their cash position in anticipation of bank runs during the political crisis. A large part of the currency issued during the crisis (estimated at Cr$50 billion in August and September) has already been re-absorbed as of the time of this report.

The customs tariff conversion rate (fiscal dollar) was set at Cr$262.42 for the month of September, slightly down from the August rate of Cr$262.46. The fiscal dollar rate is based on the average free market rate for the past three months.

The cost of living index of the Getúlio Vargas Foundation for the State of Guanabara (Rio de Janeiro) indicated an increase of 4.7% for September 1961. This figure compares with 4.5% in the preceding month. For the comparable months of 1960, the corresponding figures were respectively 0.7% and 3.6%. The cumulative increase in the cost of living index so far this year amounts to 22.6% as compared to 11.9% for the same period last year. The average check buying rate in the free market for September was Cr$289.00 which compares with Cr$263.70 in the previous month. For the comparable months of 1960, the corresponding figures were respectively Cr$187.47 and Cr$186.95. Due to a prolonged bank holiday during Brazil's latest political crisis, there were no free market quotations during the first ten days of the month. On September 11, banks re-opened and the cruzeiro started off at Cr$290.00 (check buying) to $1.00, then for a brief period, strengthened to Cr$280.00, then weakened again to close at month's end at Cr$295.00 to the dollar.

According to the daily average compiled by the Bolsa de Valores, the cruzeiro on the Rio de Janeiro free exchange market started the month at Cr$291.40 to the dollar, then increased steadily to Cr$300.78 on September 28, to close at Cr$297.98 at the end of the month. The monthly average was Cr$294.20.

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banks to increase their cash positions in anticipation of bank runs during the political crisis. A substantial portion of the currency issued during this period (estimated at Cr$50 billion during both August and September) was being returned, in early October, to the Bank of Brazil. Banking operations, which had been limited during the crisis, returned to normal on September 12. The cost of living (in the State of Guanabara) increased by 4.7% during the month, having increased by 4.5% for the month of August. The cumulative increase in the cost of living index so far this year amounted to 22.6% as compared to 11.9% for the same period last year.

.....

Finance

Financial activities during the month of September centered around the new Government's efforts to recoup the cash amount of currency issued during the crisis and to establish the outlines of its own monetary and fiscal policy. With the exception of the Finance Minister and the Presidents of the Bank of Brazil and the National Economic Development Bank, the financial team which had served the Quadros Administration was retained intact. Former Ambassador to Washington, Walther Moreira Salles was appointed Finance Minister; Nei Galvão, who had been an employee and later President of the Bank of Rio Grande do Sul was named President of the Bank of Brazil and Leocadio Antunes, a lawyer, who in recent years was Economic Advisor to the Governor of Rio Grande do Sul was named President of the National Economic Development Bank. Financial measures taken during the month were along the general lines of the policy which had been followed by the Quadros regime.

By Instruction 214 issued on September 15, SUMOC revoked Instruction 213 and item 2 of Instruction 212 (see Embdes 166, September 8, 1961). The exemption from payment of interest on rediscounts contracted during the political emergency was extended from September 15 to September 23. Banks were also permitted to return to their previous compulsory reserve positions (see Embdes 1124, June 13,1961) by depositing 80% of all new deposits over their September 20 levels instead of those of July 31. In addition, Banks were "advised" to expand their loan activities beyond their July 31 levels during the period of re-absorption of paper money issued during the crisis. Additional instructions for the implementation of Instruction 214 were issued by SUMOC, setting forth area priorities for the various measures earlier established to ensure the return to the monetary authorities of the exceptional funds supplied to the commercial banks during the political crisis.

On September 25, SUMOC issued Instruction 215 and 216, establishing procedures for the financing of exports of producer goods and consumer durables, as well as a scheme for financing production and sale of nationally manufactured equipment. The financing of exports

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AIR POUCH
HANDLING INDICATOR

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FOREIGN SERVICE DESPATCH

FROM : AMEMBASSY, RIO DE JANEIRO

369 Disc
NO.

NOV 10 1961

TO : THE DEPARTMENT OF STATE, WASHINGTON.

October 31, 1961
DATE

REF : CERP C-4

			DEPT	RM/R	REP	AF	ARA	EUR	B/HEC	NEA	S/AE	INR	E	PER	IO	AID
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	REC'D 11-14			AIR	ARMY 6	CIA 11	NAVY 3	OSD	OCD	USIA	NSC 4		AEC 10			

SUBJECT: MONTHLY ECONOMIC SUMMARY - SEPTEMBER 1961

See attached corr 11-237

732.00/10-3161

Introduction:

Economic conditions in Brazil during September 1961 were generally unchanged from the pattern of previous months, despite the shock, to the business community, of the resignation of President Janio Quadros during the last days of August. The ultimate effect of the resignation, and the change to a parliamentary system, could not be gauged accurately during the month. Serious concern in some business quarters was offset in large degree by the basic confidence which businessmen had that Brazil could and would continue its industrial program and development along the pattern lines set in recent years. At month's end there remained a certain uneasiness for the immediate future, but local business leaders generally considered that the new Government's program provided a basically sound foundation for continued economic growth. The program announced, the business community looked hopefully to the accomplishment of the stated objectives. Most businessmen, however, watchfully awaited developments under the new regime.

Merchandising levels continued favorable, reflecting, according to business sources, both a strong market and fear of inflation, which encouraged purchase of especially durable items. Collections, except as handicapped during the period of bank closings, were described as good. Industrial production was maintained at normal levels. New capital investment was limited, according to available reports, to commitments previously made or to requirements faced by the somewhat abnormal situation.

There was a sizeable increase in paper currency issued during the month reflecting, in large part, efforts by commercial

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Page 7 of
Encl. No.
Desp. No. 140
From São Paulo

Paulistano. "Lincoln Gordon brings many merits with which to triumph in Brazil. He is a man able to understand correctly our problems and aspirations and to consolidate a true Brazil-United States friendship."

Miscellaneous
14. List of Substantive Despatches

137 National Leftist Movement and "Declaration of Goiânia"
140 São Paulo Summary No. 18, Week Ending October 28, 1961.

Scott C. Lyon
Scott C. Lyon
Consul

Contributions:

Proper (Political)
Mason (Local Press Reaction)

Distribution:

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0363

A Gazeta stated that "there is no reason to the Muscovite madness" and added: "The Soviets must convince themselves that megaton means death to them too." Diário de São Paulo said that the "Soviet Union goes on committing a monstrous crime against humanity, without even excluding its own people." The same newspaper added: "However, what is even more revolting is the cynicism Russia uses in alternating its powerful explosions with the most tender phrases of pacifism." Leftist Wilson Rahal in Ultima Hora wrote that "as a matter of fact, the United States doesn't detonate 50-Megaton bombs because it doesn't have them and not out of humanitarian feelings." A Hora said that "there will not be another Munich and the West will not be afraid of the totalitarians' threats."

10. Communist Party Congress

"The change in the Soviet Union's political orientation shouldn't make the West confident of peace," wrote Fôlha de São Paulo and added: "Moscow's campaign against an atomic war and the propaganda in favor of peaceful co-existence, in times past, had the sole purpose of halting the United States' efforts, while the Soviets were making great progress in space achievements and nuclear weapons." O Estado de São Paulo, commenting on Khrushchev's speech on the Soviet economy, said that "he is tormented by the Soviet Union's backwardness since he studied 'in loco' that American capitalism."

11. Bowles' Speech in Mexico

O Estado de São Paulo stated that Under Secretary Bowles' speech "confirmed the existence of new ideas in Washington that inspire a new attitude concerning this Hemisphere's grave problems." Correio Paulistano said that "Bowles, with his speech, succeeded in breaking the ice accumulated by Washington's incomprehension of Latin American plans and aspirations."

12. Situation in Brazil

After remembering Brazil's several crises since the beginning of this century, O Estado de São Paulo warned that the country is going back toward dictatorship: "The latest events have reached such proportions that we see no way of avoiding the total dismantlement of our (democratic) institutions." The same newspaper referred to the "Declaration of Goiânia" as a document that reflects "the campaign against Democracy and social order in Brazil." Fôlha de São Paulo referred to the new Brazilian crisis as "a crisis of authority. One does not know exactly who is ruling the country."

13. U.S.'s New Ambassador to Brazil

"Choice of Professor Lincoln Gordon to represent the United States in Brazil shows President Kennedy's desire to hit the mark," said Correio

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Brazilian state for a change -- and for almost the same reasons. São Paulo knows its vulnerability in this regard and the current governor, at least, is conscious of his duty. Brizola, and the leftist line in general, can only lose Paulista support by these criticisms.

7. Bomb Protests (Official Use Only)

Paulistas were slow to get worked up about Russian nuclear tests, but contrary to what might be expected, their indignation seems if anything to be increasing with time. During the week under review, the State Students' Union protested formally against Russian tests; twenty-one religious, educational, charity, and medical groups started a movement to protest all atomic explosions; and State Secretary of Justice Antonio de Queirós Filho opined to the press that the Brazilian U.N. delegation should introduce a resolution defining all nuclear bomb tests as crimes against civilization. Red-lining Ultima Hora columnist Wilson RAHAL deemed it necessary to devote a full column to explaining that, in spite of the tests, the Yankees are still nastier than the Russians.

COMMENT: (Limited Official Use) It may have taken a while to get over the idea that the U.S. was not the bad boy of bomb testing, or perhaps the fifty megaton bomb fused the reaction. In any case, the U.S. policy is bearing ripening fruit in São Paulo.

8. Argentine Overture on Break in Relations with Cuba (Unclassified)

Reliable daily O Estado de São Paulo reports information from "a prominent government figure" that one of the most recent meetings of the Council of Ministers was convoked especially to study a message from Argentine President FRONDIZI. Argentina allegedly intended to break relations with Cuba but wished to take Brazil's attitude into consideration. The story has it that the Council was pulled out of a tight spot by the discovery that the supposedly subversive Cuban documents were not authentic.

Local Press Reaction

9. Nuclear Tests and the 50-Megaton Bomb (Unclassified)

Fólha de São Paulo said that the United States erred greatly in asking the USSR not to detonate its 50-megaton bomb. "What the Soviets want are publicity effects, not military. The United States won't stop the Russians' terror wave with appeals. That must be done with strength, equal or superior to theirs." O Estado de São Paulo said: "Mr. Khrushchev, finally, disdaining the world public opinion, ordered the super-bomb explosion." Remembering when the Soviet Union did not have the atomic bomb and the campaign the Communists then made, O Estado said that Russia is making use of the worst kind of blackmail.

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COMMENT: As a guess, the governors' conference may have been scheduled at the urging of Pernambuco's Cid SAMPAIO, with the resultant publicity being enough to scare off headline-shy Carvalho Pinto. The cancellation or postponement of the meeting does not alter the significance of the political force represented by these governors.

5. Portuguese Colony Clashes over Angola (Limited Official Use)

During a game of an Angolan roller skate hockey team on October 24, Angolan and anti-Salazar Portuguese students started -- and pro-Salazarists finished -- an anti-colonialist demonstration. The Portuguese Consulate had asked for and received police protection against the anticipated demonstration. The intentions of the demonstrators seemed to be peaceful, however, when they unfolded banners and tossed around pamphlets during the game. The police promptly rounded them up and were escorting them to the gate when pro-regime Portuguese attacked violently. They were egged on by (among others) State Deputy Conçeição da COSTA NEVES, who was reported by two papers to have shouted such phrases as "Kick that one in the face!" It turned out that the demonstrators were the ones needing protection, and there were apparently not enough police to furnish it effectively.

The Portuguese colony plans soon to hold a mass meeting (on city property) with the euphonic title "Portugal, singing, weeps for her dead in Angola." The objective is to obtain funds for the Portuguese victims of the Angola troubles, and a Portuguese Air Force plane is reported to be coming to pick up the proceeds. The press -- which with the exception of Diario de São Paulo is mostly anti-Salazar -- is already starting to protest. O Estado de São Paulo proposes that the funds be given to the international rather than the Portuguese Red Cross.

COMMENT: Many of the Portuguese resident in São Paulo oppose Salazar but few can bring themselves to oppose his policy in the "overseas provinces."

6. "Paulista Imperialism" (Unclassified)

Rio Grande do Sul Governor Brizola, addressing the Second Congress of Legislative Assemblies in Porto Alegre, is reported to have accused São Paulo of aggravating the backwardness of the Northeast by monopolizing all of the resources of the country. Two days earlier, on October 26, small items in the inner pages of local newspapers announced that the President of the Bank of São Paulo would travel to Bahia and Pernambuco to inaugurate branches in the capitals of those states. The intention of the bank is to finance small farmers and help in the industrial development of the states.

COMMENT: (Limited Official Use) Yankee imperialists may be excused a certain perverse pleasure at hearing the same old slogans directed at a

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uncalled for. The sluggishness of the national government in combatting these problems has led other influential papers to join O Estado de São Paulo in outspoken criticism. O Estado, the Cassandra who is beginning to be heard, now says that for the first time since 1875 it does not see "how we will be able to avoid a total dismantlement of our (democratic) institutions."

COMMENT: Only one aspect of the national government still seems favorable to the Paulistas. If it falls, what follows could be worse. São Paulo has set its own house in order and is frustrated to have the Federal Government undermine one of the few points at which it is vulnerable; the national currency. The inflation, of course, has innumerable ill side effects, of which the labor strife is perhaps the worst.

3. Carvalho Pinto Fights Extension of Parliamentary System (Official Use Only)

São Paulo Despatch 136 of October 24 reported the introduction in the Legislative Assembly of a bill proposing extension of the parliamentary system to the state. Governor CARVALHO PINTO has taken the expected countermeasures. His Secretary of Justice, Antonio de QUEIROS Filho, gave the press details of legislation which the governor would favor. The press release criticized the Legislative Assembly's action in strong terms. The governor believes that the parliamentary system should be diluted at the state level and not applied at all to municipalities. He would continue to have the governor (or president) of the state elected by direct suffrage rather than by the members of the Legislative Assembly. In no case does he think the process of adaption to parliamentarianism should begin before the expiration of his term (the federal "Additional Act" respects the present governors' terms but is vague as to what this means). The press is backing Carvalho Pinto with near unanimity and reporting similar public support for his position. The governor appears willing to embark on a campaign to explain his position to the public.

COMMENT: The public does not so far seem very stirred up on the issue but may well rally around Carvalho Pinto as the press predicts. If so, the stature of Legislative Assembly President Abreu SODRE -- a gubernatorial aspirant -- could be seriously diminished.

4. Governors' Meeting (Official Use Only)

So far as is known, Governor Carvalho Pinto has made no further plans for the meeting of nine or ten "reform" state governors, as discussed in São Paulo Despatch 120 of October 10 and subsequent. He has continued to have frequent individual meetings with the other governors of similar political convictions, however. Bahia Governor Juracy MAGALHÃES is expected to visit him for important talks during the last days of October.

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slogans, are giving the National Liberation Front full support. Their newspaper, Novos Rumos, praised the declaration highly, as did Communist chief Luis Carlos PRESTES in comments to journalists at Congonhas airport. The National Liberation Front, on the other hand, has not clarified its position on Communism -- and will probably try to avoid doing so. Quasi-Communist Ultima Hora is also building up the front, but the moderate press has been almost unanimous in running it down. O Popular of Goiânia points out that it was signed not by governors but by deputies who are already members of the "Nationalist Parliamentary Front" and who have showed a notable lack of capacity for pushing the "reforms" mentioned in the Declaration. The Janistas (supporters of ex-President Janio QUADROS) are currently the National Liberation Front's strangest bedfellows, since most of the rest of the members of the movement are far from Quadros fans.

COMMENT: The only novelty about National Liberation Front is its large scale, and that is open to question. A report that Rio Grande do Sul Governor Leonel BRIZOLA refrained from signing the Declaration from fear of military intervention evidently had some foundation. Goiás Governor Mauro BORGES Teixeira was presumably stuck with following Brizola's lead. The time is unusually favorable for a leftist movement to gain support, but it remains to be established that this one has the leadership to do it. The Front is likely to help the Communists, but one doubts that the Communists will be of much help to the Front. It would be premature to predict success before there has been a chance to watch the movement in action.

2. Unrest Grows (Limited Official Use)

In São Paulo, dissatisfaction with the national government has reached uncomfortable proportions. Spiraling inflation is an especially acute problem in this center of industry and finance, and Paulistas are not sanguine about early improvement of the situation. Labor problems have caused equally important dissatisfaction in spite of the fact that national Minister of Labor Franco MONTORO is a Paulista. Most workers' contracts expire at this time of the year, and businessmen expected the inflation and the recent political crisis to make renewals problematic. Their expectations were exceeded. Workers have seen their wages depreciate so drastically in purchasing power that they are inclined to ask for unrealistic raises of as high as eighty percent. The many Communist-influenced unions encourage them to do so. The Labor Minister is accused of having complicated the situation by refusing to act decisively. The Bank of Brazil strike, which spread from Rio de Janeiro to São Paulo and nearly paralyzed all local banks, brought the heaviest criticism yet upon Montoro (although he spent a disproportionate amount of time working on the São Paulo strike). Metal workers insisted on striking General Motors in spite of a Labor Court ruling that their action was illegal and a vehement General Motors conviction that it was

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FOREIGN SERVICE DESPATCH

FROM : Amcongen, São Paulo 140 NO.

TO : THE DEPARTMENT OF STATE, WASHINGTON. October 31, 1961 DATE

REF :

NOV 1 1961

20 For Dept. Use Only	ACTION	INFO	DEPT	RM/R	REP	S/AE	ARA	ACDA	FE	NEA	CU	INR	E	P	IO	Aid
	ARA-4			2	1	4		10				7	3		4	11
			OTHER	AGR	COM	FRB	INT	LAB	TAR	TR	XMB					
	REC'D 11-3-61			AIR 6	ARMY 4	CIA 11	NAVY 4	OSD 5	OCB	USIA 10	NSA 4					

DEPARTMENT OF STATE
BUREAU OF INTER-AMERICAN AFFAIRS
NOV 6 1961

SUBJECT: São Paulo Summary No. 18, Week Ending October 28, 1961

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Political
1. National Leftist Movement Launched in Goiânia
2. Unrest Grows
3. Carvalho Pinto Fights Extension of Parliamentary System
4. Governors' Meeting
5. Portuguese Colony Clashes over Angola
6. "Paulista Imperialism"
7. Bomb Protests
8. Argentine Overture on Break in Relations With Cuba

Local Press Reaction
9. Nuclear Tests and the 50-Megaton Bomb
10. Communist Party Congress
11. Bowles' Speech in Mexico
12. Situation in Brazil
13. U.S.'s New Ambassador to Brazil

Miscellaneous
14. List of Substantive Despatches

Political

1. National Leftist Movement Launched in Goiânia (Limited Official Use)

Leading Brazilian leftists met in the capital of Goiás to form a "National Liberation Front" whose platform was the "Declaration of Goiânia," promulgated on October 24, 1961. São Paulo Despatch 137 of October 26 reported on the meeting. The Declaration was loaded with anti-Americanism couched in the usual time-worn slogans. The Communists, inventors of the

See last page/lfw LIMITED OFFICIAL USE
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c. Exchange Visitors

A leadership grant awarded Dr. Wilfredo Bayer of the Santa Catarina bank workers union was given ample publicity in the press as was the appointment of a professor at the University of Paraná (David Carneiro) to the position of visiting lecturer in the United States. Carneiro was forced to return to Brazil as the result of a sudden illness.

Another former grantee, Antonio Trevisan, held a lecture in a Curitiba high school and made use of slides to describe his trip to the U.S.

Sources: "Diário do Paraná", Oct.15, 1961
"Gazeta do Povo", Oct.5,1961
"Estado", Sep.20,1961

V Miscellaneous:

Paraná deputy in U.N. Delegation

Manoel de Oliveira Franco Sobrinho, a PSD-nationalist federal deputy has been appointed a member of Brazil's delegation to the United Nations. He is a nationalist, an advocate of the "independent foreign policy" line and the signee of a petition calling for the legalization of the Communist party in Brazil (See Curitiba despatch 24 of 10.3.61).

Source: "Diário do Paraná" - Sept.29,1961.

Hugh D. Keseler
American Consul

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b. New U.S. Ambassador:

Editorials which read as if they were written by sophomore Economics students with leftist inclinations are becoming common in the Curitiba press. "O Estado do Paraná" recently printed one of them labeling it a "welcoming" for Ambassador Gordon, "an outstanding specialist of the American Government in Latin American Affairs". Having thus disposed of the niceties the editorial went on to attack Ambassador Cabot a "decadent aristocrat... who took it upon himself to teach Brazilians how to develop Brazil on the American model ... Cabot did not make any distinctions between São Paulo and New York ... he did not see the differences."

The misunderstandings between the United States and Brazil "result from lack of lucidity on the part of the American leaders" and an attempt by the Americans to push Brazil along the same path of development as the United States. Liberia is cited as an example of a country that tried to develop along American lines and which today compares poorly with its African neighbors in economic progress. If the United States, the editorial continues, had looked upon economic developments in Latin American realistically it would not have been hostile to the Cuban revolution and "forced that revolution to assume radical attitudes".

Source: "O Estado do Paraná", Oct.13,1961

IV Cultural Affairs

a. Student Activities:

The recently founded Workers and Students Alliance sponsored a series of lectures in Curitiba by prominent politicians, among them Paulo de Tarso, Ney Braga and PL National party chairman Raul Pilla. Governor Leonel Brizzola and PTB party bench leader Almiro Afonso were also invited, but did not attend. De Tarso lectured on "Christian Democracy" and Pilla on " Parliamentarianism". The lectures were well-attended.

Source: Personal observations.

b. New Rector in Santa Catarina:

Doctor João David Ferreira Lima, a former Finance Secretary under the Deeke and da Silva Governments in Santa Catarina, has been appointed rector of the University of S. Catarina. His most recent position was that of economics professor in the law faculty of the same university.

Source: "Estado", Florianópolis, 1o.11.61.

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Governor Braga, another ardent PDC man, but somewhat less so than de Tarso, was mum on the latter's proposal but is becoming increasingly vociferous in his denunciations of "communism" and "dominating capitalism".

Sources: Personal observations and "Estado do Paraná", 10.7.61

II Psychological - Reaction On National Developments

a. Goulart and Paraná:

Although local comments on the new President and the new system of government remain, in general, somewhat reserved the reservation does not extend to Goulart's failure to appoint Paranaenses to high federal positions, especially the chairmanship of the IBC. What effect Goulart's neglect will have on Paraná support for his policies remains to be seen.

Governor Ney Braga has some ideas on "parlamentarismo". He says that if the present system does not bring about "social justice" the Brazilians may try to bring it about by force. He continued by reiterating the PDC line.

b. PTB:

Writing for "Diários Associados", Doutel de Andrade, PTB Vice Governor of Santa Catarina, says that the principles of the party are contrary to the parliamentary system. He suggests that Goulart resign as national chairman of the party and that Leonel Brizzola take over. The two could then devote their efforts to the abolition of the parliamentary system and a return to "presidencialismo".

Manuel Linhares de LACERDA, head of the PRPin Curitiba, but friendly to the PTB, harkens back to the days of Getulio Vargas, and says the PTB should continue to combat both communism and capitalism.

Sources: "Diário do Paraná" - Sep.19,1961
"Gazeta do Povo" - Sep.19,1961

III Reaction of International Developments

a. "Independent Foreign Policy"

The "independent" note prevailed in local comments on international developments. It was sounded by Silveira Lenzi in "Estado", of Florianopolis, as he denounced the imprisonment of Bertrand Russell who "was only protesting against the bellicose games of the Americans and Russians" and it was heard again in Aloysio BLASI's column defending Foreign Secretary Dantas' continuation of the noncommitted position enunciated by Janio Quadros.

"Última Hora", which occasionally has the virtue of making forthright statements, said that the United States is plotting an invasion of Cuba and that Brazil should warn its "billionaire ally" not to intervene in Cuba's affairs because that country "has the type of government it wants".

Sources: "Última Hora" - Oct.12,1961
"Gazeta do Povo" - Sep.27,1961
"Estado", Florianopolis, Sep.16,1961

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Criticisms of excess expenditures, unnecessary expenditures and anemic income, in addition to the usual amount of politics have stalled the vote. The Administration estimates expenditures of 23 billion cruzeiros and income of 18 billion.

Sources: "Diário do Paraná" - Sep.26,1961
"Estado do Paraná" - Sep.29,1961
"Gazeta do Povo" - Sep.28,29,1961
"Ultima Hora" - Sep.27,1961

c. Land Reform:

Governor Braga presented a new land-reform bill to the Assembly which would provide for (1) the expropriation of land which has been uncultivated for 10 years or more (2) the purchase and colonization of land by the state government (3) financial assistance to small farms and (4) the sale of land at low cost to landless rural inhabitants. The bill was well received in the Assembly and appears to have a good chance of passing.

Sources: "Diário do Paraná" - Oct.15,1961
"Estado do Paraná" - Oct.12,1961

d. Governor Lupion

The former Governor's lawyer, Laertes Munhoz, returned from a European vacation last month and reported that he had not seen Lupion in Switzerland, where he was said to be living. However, the Swiss Consul in a conversation with the American Consul and Vice Consul, said that Munhoz had confided to him that Lupion was now in Uruguay.

Sources: Conversations.

e. Communist Petition:

A petition calling for legalization of the Communist party was printed in "Estado do Paraná" in early October. It was signed by a number of well-known Communists and leftists and a collection of "babes-in-the woods" who appear to have taken Voltaire ("I wholly disagree with what you say ...etc.) too literally. In fact, the substance of the petition was that even though the Communists may be no good they are entitled to the exercise of their ideas. It appears that the petition did not stir up the expected "righteous indignation" but it may still be too soon to tell. (See Curitiba D-26 of 1o.6.61).

Sources; "Estado do Paraná", Oct.4,1961

f. Christian Democrats

In an address sponsored by Curitiba student and labor groups Federal Deputy Paulo de Tarso suggested that the PDC change its name to the PSC, the "Partido Socialista Cristão". He claims the recent papal encyclical "Mater et Magister" endorses his point of view. (See Curitiba dispatch n°27, of 1o.9.61)

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FOREIGN SERVICE DESPATCH

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FROM : American Consulate, CURITIBA — 32 NO. — OCT 31 1961 — October 31, 1961 DATE

TO : THE DEPARTMENT OF STATE, WASHINGTON.

REF :

20 For Dept. Use Only	ACTION	ARA-4	DEPT	RM/R 2	REP	AF	ARA	EUR	FE	NEA	CU 5	DEPARTMENT OF STATE 7		ICA
			OTHER	AGR	COM	FRB	INT	LAB	TAR	TR	XMB	BUREAU OF INTER-AMERICAN AFFAIRS		
	REC'D 11-7-61			AIR 6	ARMY 4	CIA 11	NAVY 4	OSD 5	OCB	USIA 10	NSA 4	NOV 1 1961		

SUBJECT: NEWS SUMMARY (NON-ECONOMIC) FOR PERIOD SEPTEMBER 16-OCTOBER 15, 1961

CONTENTS

1. State Politics
2. Local Reaction on National Developments
3. Local Reaction on International Developments
4. Cultural Developments
5. Miscellaneous

I STATE POLITICS

a. PDC GAINS

Elections held on October 8 in 80 new Paraná counties resulted in a surprising victory for the Partido Democrata Cristão (PDC), (The municipalities were created in 1960). With over 150,000 votes cast the PDC won 37 counties, the UDN 19, the PTB 16, and the PSD 4. Even the pre-election predictions of overwhelming victory made by PDC members fell short of the actual result. For Governor Ney Braga, a PDC man elected with the support of the UDN, the elections were an unexpectedly loud vote of confidence.

COMMENT: Braga, who has been making his PDC sentiments increasingly apparent, can now afford to act with even greater independence of the UDN. A PDC man, Camargo Neto, replaced Rubens Requião (UDN) as Secretary of the Interior and Justice during September and the Governor has refused to endorse the candidacy of UDN regional party chairman, Newton Carneiro, for senator. Federal deputy Paulo de TARSO is rumored to be Braga's man for the senatorial job. Sources: All newspapers.

b. Paraná Budget

The Legislative Assembly has voted to prolong its session until the end of November to give it time to vote on the Governor's budget proposals.

cc:AmEmbassy,Rio. (2)

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The winning candidates, General Moura Carvalho and Dr. Isaac Soares, will take office on November 14, 1961.

General Moura Carvalho's reputation is far from being untainted. In past years he has twice been governor of the state of Pará, and it is intimated that during these administrations he lined his pockets with state funds to the extent that he was able to purchase two local newspapers, the Estado do Pará and O Liberal, and the radio station, Radio Difusora, as well as local real estate, farm lands, and real estate in Rio de Janeiro. In past years he has been known for his contraband activities, a major industry in this area.

During the campaign, the newspapers supported Carvalho almost exclusively; however, just before the election the Folha do Norte, a highly respected local newspaper, gave coverage to Dr. Stelio Maroja. The Governor of Pará, Aurélio do CARMO, gave his support and actively campaigned for Carvalho. Since the elections, there have been local mutterings that multiple voting took place and that people from the outside were brought in to vote. Although various financial figures have been quoted as to what Carvalho spent for his campaign, no actual amount has been made public. However, from available sources, it appears to be quite high.

Carvalho's platform called for political solidarity with State and Federal Governments, expansion of the school system by providing three daily sessions instead of two in all schools, improved sanitary conditions, construction of health centers, new equipment for first-aid centers, and expansion of warehouse and refrigeration facilities in an effort to improve food distribution which at times is a serious problem in this area.

Edward J. Helway

Edward J. Helway, Jr.
American Consul

cc: Amembassy, Rio de Janeiro

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FOREIGN SERVICE DESPATCH

FROM : Amconsul, BELÉM, PARÁ — 50 (NO.)

TO : THE DEPARTMENT OF STATE, WASHINGTON. — October 27, 1961 (DATE)

REF :

ACTION For Dept. Use Only		INFO	DEPT	RM/R	REP	AF	ARA	EUR	FE	NEA	CU	INR	E	P	IO	ICA
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	REC'D 12-8-61			AIR 6	ARMY 4	CIA 11	NAVY 4	OSD 5	OCB	USIA 10	NSA 4					

SUBJECT: Elections for Mayor of Belém

On September 24, 1961, elections for the office of Mayor of Belém were held. Belem, with a population of 402,170, is the principal city and capital of the state of Pará. The candidates in this election were:

General Luis Geolás de Moura CARVALHO, for Mayor, and Dr. Isaac SOARES, for Vice Mayor, supported by a coalition of the Social Democratic Party (PSD), the Brazilian Labor Party (PRP), the Popular Representation Party (PTB), and a part of the National Democratic Union (UDN);
Dr. Stelio MAROJA, for Mayor, and Jacinto RODRIGUES, for Vice Mayor, supported by a coalition formed by the Social Progress Party (PSP), the Liberator Party (PL), the National Labor Party (PTN), and the Republican Party (PR);
Dra. Alice ANTUNES, for Mayor, and José UBIRATAN, for Vice Mayor, supported by the Labor Revewal Movement;
Captain Marciso MARAVALHO Belo, for Mayor, supported by the Christian Democratic Party (PDC); there was no candidate for Vice Mayor on the same ticket.

According to a bulletin of the Regional Electoral Tribunal, 130,000 of the 402,170 inhabitants of Belém were eligible to vote. It is estimated that 47% of this number did not go to the polls. Locally, it is considered that this fact was prejudicial to Dr. Stelio Maroja, who lost by a small margin. The final results, after considerable dispute, were:

Mayor: General Moura Carvalho: 27,758 votes
Dr. Stelio Maroja: 26,993 votes
Captain Maravalho Belo: 4,980 votes
Dra. Alice Antunes: 1,765 votes

Vice Mayor: Dr. Issac Soares: 32,525 votes
Jacinto Rodrigues: 25,380 votes
José Ubiratan: 710 votes

DEC 27

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Nossa opção será por uma política exterior de absoluta independência, visando, antes e acima de tudo, a soberania de nosso povo e o desenvolvimento autônomo de nosso país. O trabalho dos brasileiros é patrimonio nacional e a exploração das riquezas do Brasil deve reverter em benefício da nossa coletividade.

A Frente Nacional de Libertação é o movimento emancipador do Brasil, aberto a todos os patriotas mobilizados para a luta comum do seu engrandecimento. A união do povo em torno de sua bandeira, hoje aqui desfraldada, é de importância fundamental para os destinos dêste país.

Trabalhadores, industriais, camponêses, comerciantes, intelectuais, estudantes, homens e mulheres de todas as regiões da Pátria, unamo-nos na Frente Nacional de Libertação, em defesa das liberdades democráticas, da Constituição da República, da independência económica do Brasil.

Sejamos dignos do momento que vivemos, transmitindo às gerações futuras uma Pátria unida, livre e soberana.

A distorção de desenvolvimento nacional concentrando em poucas mãos grande parte da riqueza do país, caracterizada pelo latifundio, e a ostentação das classes privilegiadas, causa profunda revolta entre os humildes. A inflação, cevando os grupos economicos e financeiros, pauperiza a classe média e esfomeia o proletariado. O sistema de privilégios e favores à industria extrangeira estrangula progressivamente a iniciativa privada nacional. Empresas concessionarias de serviços publicos, como a Light e a Bonda and Share, exploram a contribuição dos usuarios brasileiros aumentando incessantemente os seus lucros a custa de capital que nos pertence e de investimentos que são nossos. Nacionaliza-los é medida urgente e imperativa.

Esta é a mais grave crise que nossa pátria atravessa em toda sua historia. E nenhuma solução será encontrada para o nosso problema, conservando-se a atual estrutura superada e anacrônica.

A reforma agrária, o estatuto do capital extrangeiro, incluindo a disciplina da remessa de lucros e a nacionalização de depositos em bancos estrangeiros, a lei de confisco das fortunas ilicitas, e outras medidas basicas poderão ser conquistadas legalmente através das eleições gerais de 1962 com a vitoria das correntes nacionalistas em todos os Estados da Federação. Sem uma representação majoritária no Parlamento, progressista e atuante, estas reformas que o povo exige não serão votadas. As forças reacionarias, que a esta altura do processo político dizem defende-las, na verdade o que pretendem é escamotea-las e desfigura-las, admitindo-as como simples expediente que visa anestesiar as legitimas aspirações nacionais. É isso o que ocorre em relação à reforma agrária, quando submetem à interpretação do têxto constitucional a conveniência dos latifundios. A permanência dessa disposição obriga emendar a Lei Magna permitindo que a indenização das terras desapropriadas seja feita mediante titulos do poder publico resgataveis a longo prazo.

O programa de ação da Frente Nacional de Libertação apresenta soluções brasileiras para os problemas brasileiros. Será entregue a cada patriota como a sua arma mais poderosa na luta para a emancipação nacional. Despertará as energias criadoras das massas populares, desta vez empenhadas contra a fome, o atraso, a ignorancia, a doença e a exploração de tipo colonialista a que estamos submetidos.

Recusamo-nos a aceitar qualquer tutela na nossa politica interna ou externa. Não seremos colonia dos Estados Unidos, nem satélite da União Soviética.

"Declaração de Goiânia"

Reunem-se hoje nesta heroica cidade de Goiânia homens de todos os quadrantes da pátria. E daqui convocam o povo para lutar decisivamente através da Frente Nacional de Libertação. Escolhemos para êste chamamento histórico o planalto central, convergência das inspirações de todos os recantos do Brasil e de onde brotam as correntes que alimentam todas as vertentes nacionais: a amazonica, a atlantica e a que vai compor no Rio da Prata, vinculo de unidade continental.

O desfecho da última crise provou que já estamos amadurecidos para esta batalha. O povo brasileiro já não aceita tutela. Sabe defender, mesmo ao preço dos maiores riscos e perigos, as liberdades democráticas e a Constituição da República. A mobilização das forças populares, fortalecendo a resistência do Congresso, aliada ao espírito legalista da maioria de nossas classes armadas, esmagou uma das mais perigosas investidas da conspiração reacionaria. Entretanto, o golpismo continua em franca articulação. É o novo lance das forças reacionárias para impedir as reformas de estrutura que o povo reclama com impaciência. Urge denunciá-lo. Poderá eclodir em qualquer momento, levantando barreira ao avanço popular.

Democracia é um instrumento que arma o povo para sua libertação económica. Não se luta por uma legalidade que só deixe a milhões de brasileiros o direito de morrer de fome; pugnamos por uma legalidade autêntica que assegure o pronunciamento das grandes massas em defesa das reformas fundamentais.

O sistema parlamentar por si só não soluciona os problemas básicos da nação. É apenas norma de governo cuja orientação depende da composição do Parlamento. A política económica e financeira de hoje é a mesma de ontem, inadequada à realidade nacional e subordinada aos grupos de espoliação internacionais, sobretudo os norte-americanos. O aumento galopante do custo de vida é o resultado mais direto e objetivo dessa política de exploração do trabalho do povo, drenando para o exterior pela remessa de lucros, "royalties" e dividendos. O quadro torna-se mais assustador pela baixa sistematica dos preços dos produtos primários que exportamos e a alta permanente dos equipamentos industriais que importamos.

Assim exaurido, mergulha o país na estagnação, impedido de romper a barreira do subdesenvolvimento e de garantir trabalho e bem-estar para o seu povo. Acrescente-se a isso as profundas diferenças entre as várias regiões do país, algumas como as do Norte e Nordeste, apresentando os mais baixos índices de rendimento do mundo. O desespero que está envolvendo estas regiões é suscetível de pôr em risco a unidade nacional, que nos cabe defender, quaisquer que sejam os sacrifícios.

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We refuse to accept any tutelage in our internal or foreign policy. We shall not be a colony of the United States nor a satellite of the Soviet Union.

Our choice will be a foreign policy of absolute independence, with the objective, before and above all, of the sovereignty of our people and the autonomous development of our country. The labor of Brazilians is a national patrimony and exploitation of the richness of Brazil must be to the benefit of our people.

The National Front of Liberation is the Brazilian emancipation movement, open to all patriots, mobilized in the common fight for growth. The union of the people around the flag unfurled here today is of fundamental importance for the destiny of this Country.

Workers, factory owners, farmers, businessmen, intellectuals, students, men and women of all regions of the country, let us join in the National Front of Liberation. In defense of democratic liberties, of the Constitution of the Republic, and of the economic independence of Brazil.

Let us be worthy of the moment in which we live, transmitting to the coming generations a united, free, and sovereign country.

Translation by: VSartorelli and JVasconcellos

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Thus, exhausted, the country stagnates, prevented from overcoming the barrier of underdevelopment and from assuring work and well-being; added to this are the deep differences between the various regions of the country, some like the North and Northeast showing the lowest rates of income in the world. The despair enveloping these regions endangers national unity, which w e must defend, whatever the sacrifices.

The distortion of national economic development, putting the wealth of the country in a few hands, characterized by latifundia, and the ostentation of privileged classes, causes deep revulsion among the poor. Inflation, by fattening some economic and financial groups, pauperizes the middle class and starves the proletariat.

The system of privileges and favors to foreign industry strangles, progressively, national private initiative. Firms with concessions for public services, such as "Light" and "Bond and Share", exploit Brazilian consumers, increasing profits incessantly, to the loss of our capital and investments. Nationalization of them is an urgent and imperative measure.

This is the most serious crisis that our dountry has gone through in all its history. And no solution will be found for our problem, by keeping the present out-of-date and anachronistic structure.

Agriculture reform, regulation of foreign capital, including control of remittance of profits and the nationalization of deposits in foreign banks, the law of confiscation of illegal fortunes, and other basic measures can be achieved, legally, through the general elections in 1962, with the victory of nationalist currents in all States of the Federation. Without majority representation in the Parliament, progressivist and active, these reforms that the people claim will not be voted. The reactionary forces which at this stage of the political process pretend to defend the reforms, in truth intend to steal and disfigure them, treating them as a simple expedient whose objective is to anesthesize the legitimate national aspirations. This is what happens to agriculture reform when they submit the interpretation of the constitutional text to the convenience of the latifundia. The existance of this condition obliges amendment of the Constitution, allowing indemnification for expropriated lands to be made by public bonds payable over a long period.

The plan of action of the National Front of Liberation will present Brazilian solutions for the Brazilian problems. It will be given to every compatriot as his most powerful weapon in the fight for national emancipation. It will awaken the creative energies of the popular masses, this time pledged against hunger, backwardness, ignorance, sickness, and the colonial exploitation to which we are submitted.

"Declaration of Goiânia"

Unofficial Translation
from press report

Men from the four corners of the country meet today in this heroic city of Goiânia and from here summon the people for the decisive struggle, through the National Front of Liberation (Frente Nacional de Libertação). We have chosen, for this national appeal, the Central Plateau, axis of inspirations from all points of the country and source of the currents which feed all Brazilian watersheds: the Amazon, the Atlantic, and the region where the Rio da Prata symbolizes continental unity.

The outcome of the last crisis has proved that we are mature for this fight. The Brazilian people no longer accepts tutelage and can defend, even at the price of greater risks and dangers, democratic liberties and the Constitution of the Republic. The mobilization of popular forces, strengthening the resistance of the Congress and allied to the legalist spirit of the majority of the military, crushed one of the most dangerous plots of the reactionary forces. However, plotting (golpismo) continues openly. It is a new drive by the reactionary forces to prevent the structural reforms that the people impatiently demand. It must be exposed: it might materialize at any moment, raising barriers to the popular conquest.

Democracy arms the people for their economic liberation. We do not fight for a legality which only allows millions of Brazilians the right to starve. We fight for an authentic legality which will safeguard the masses' rights of expression in defense of fundamental reforms.

The parliamentary regime in itself does not solve the problems of the nation. It is only a type of government, and its orientation depends on the composition of the Parliament. The economic and financial policy of today is that of yesterday, unsuited to the national reality and subservient to plundering international groups, especially the North Americans.

The unrestrained increase in the cost of living is the most direct and noticeable result of this policy of exploitation of the people's labor, which is drained to foreign countries through the constant and uncontrolled remittance of profits, royalties, and dividends. The picture is made more alarming by the systematic decline in the prices of primary products we export and the permanent high cost of the industrial equipment we import.

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pondingly on the left. A popular resurgence of Janismo cannot be ruled out. If there is no such resurgence, however, the National Liberation Front may be expected to throw the Janistas overboard as soon as they can afford to do so.

The Brazil Herald reports that Rio Grande do Sul Governor Leonel BRIZOLA refrained from signing the "Declaration of Goiânia," but the rest of the press does not mention that the document required signatures. Brizola and Goiás Governor Mauro BORGES Texeira were the principal speakers at the launching of the Front. The following were among the others reported to have attended the Goiânia meeting:

Miguel ARRAIS, Mayor of Recife; Almino AFFONSO, PTB Leader in Federal Chamber; Francisco JULIÃO of the "Peasant Leagues," Federal Deputy from Pernambuco; Federal Deputies Ivete VARGAS (PTB, São Paulo), Bento GONÇALVES and Celso BRANDT (Minas Gerais), Fernando SANTANA (Bahia), Clidenor FREITAS (Piaui), Etelvino LINS (Pernambuco), Sergio de MAGALHÃES (Rio de Janeiro), Djalma MARANHÃO (Rio Grande do Norte), José JOFILLY (Paráiba), and José Barbosa LIMA Sobrinho (Pernambuco); and São Paulo State Deputies Germinal FEIJO (PDC) and Frahcisco Luciano LEPERA (PTB). Gabriel PASSOS, Minister of Mines and Energy, sent a message of support.

The implications of the "Declaration of Goiânia" and the "National Liberation Front" are of broad national scope and these preliminary comments have not attempted to analyze them in depth.

Scott C. Lyon
Consul

Enclosures: 2

1. "Declaration of Goiânia" (English translation)
2. "Declaração de Goiânia" (Portuguese original)

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FOREIGN SERVICE DESPATCH

137
NO.

FROM : Amconsen, São Paulo

TO : THE DEPARTMENT OF STATE, WASHINGTON.

October 26, 1961
DATE

REF : São Paulo Despatch 136, October 24, 1961

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(2) SUBJECT: National Leftist Movement and "Declaration of Goiânia"

Some of Brazil's best known leftists, meeting in the capital of Goiás, have formed a "National Liberation Front" whose platform is the "Declaration of Goiânia," promulgated on October 24. The Declaration is enclosed in Portuguese (in the form reported by the press) and English translation. It is a "Yankee-go-home" document, as harsh in tone as it is vacuous in concrete proposals. Its principal purpose is clearly electoral, but its slogans are the same ones the Brazilian public has proved able to resist at the polls. The creation of the "National Liberation Front" could mean that leftist politicians have achieved unity which will lead to more strength. There is little reason to predict this until there has been a chance to watch the Front in action.

On the one hand, the leftists are helped by the "legality" issue which they were able to make theirs during the recent crisis, by current important labor unrest, and by a number of other factors resulting largely from the crisis and the spiraling inflation. They are basically hampered by their lack of talent and surplus of ambition, by the fact that many of their issues are fakes (though sometimes popular ones), and probably by the participation of the Communists and Janistas. One guesses that they will not admit the Communists openly to their Front but will have many hidden in the ranks and will curry support of the Brazilian Communist Party behind the scenes. The Janistas (diehard supporters of ex-President Janio QUADROS) may be a bigger problem. For the time being they cannot be ignored, but their aims -- while quite possibly leftist -- will conflict with those of the rest of the group. Janio did lose support from the right during his tempestuous seven months in the Presidency, but his former protegés are almost the only ones who think he gained corres-

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-2- 1041, October 24, 6 p.m., from Rio de Janeiro.

in fact, accepted present form of government because of concern over Communist influence in so-called legalist movement which had insisted he take office only with full powers. On other hand, Brizola quite prepared to conspire with Communists or anyone in order to reach power and is especially so inclined at present. If government fails it will be because of increased living costs and failure to achieve social reforms. In such event, next Prime Minister might well be Brizola, who has potential of moving toward Castro type government. If that did not work effort would probably be made to return to Presidential form of government. But on other hand, military might not accept such a situation and we would be back again to last August, with military seeking to take over and country in grave danger of civil war.

He concluded very weakness of government might be its strength; people were now facing possibility of alternatives, none of which is inviting, and a little progress under present government would do much to quite situation. Throughout whole conversation Foreign Minister made clear his awareness of external and internal danger from communism.

We consider foregoing analysis reasonably accurate with due allowances for over-statement for purpose emphasizing need for continued aid.

GORDON

REE

(#)Omission. Correction to follow.

*As received. Correction to follow.

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FROM: Rio de Janeiro

TO: Secretary of State

NO: 1041, October 24, 6 p.m.

ACTION: EJMB

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ACTION DEPARTMENT 1041, INFORMATION BRASILIA UNNUMBERED.

Foreign Minister gave me following analysis political situation during our dinner conversation October 19 Brasilia:

Under First Republic, harmony existed between real political forces (Armed Forces and coffee growers) and government. Professional politicians of that day were intermediaries between people and government, could get out votes government needed to stay in office and keep people contented. This system began break up under Vargas as real power became more diffused and people became increasingly disillusioned with professional politicians.

Today, present government must depend for its ypgceplqv* forces defeated by healthy wbuueity* in 1960 election (#) substantial power continues fibk wahik* in Brazil by army and industrialists but discrepancy between interests of those who hold power and people at large has become ever more apparent with result that fertile field for demagoguery has been created. Quadros snmw* how to take advantage this situation. Foreign Minister contends present regime not really parliamentary. Goulart is strong character with advantages having been directly elected while Prime Minister is deferential to President and while very intelligent has not yet shown strength. Goulart maintains initiative on appointments. Foreign Minister said present government could very easily be pushed aside if things went bad economically. A real danger is Governor Brizola who has quick temper, is uneducated but with gift for oratory. President Goulart could not and will not conspire with Communists and, in fact

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36 CONFIDENTIAL

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Rec'd: October 25, 1961 2:27 p.m.

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FROM: Rio de Janeiro - CORRECTED PAGE ONE

TO: Secretary of State

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NO: 1041, October 24, 6 p.m.

ACTION: EST/B
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ACTION DEPARTMENT 1041 INFORMATION BRASILIA UNNUMBERED

Foreign Minister gave me following analysis political situation during our dinner conversation October 19 Brasilia:

Under First Republic, harmony existed between real political forces (Armed Forces and Coffee Growers) and government. Professional politicians of that day were intermediaries between people and government, could get out votes government needed to stay in office and keep people contented. This system began break up under Vargas as real power became more diffused and people became increasingly disillusioned with professional politicians.

Today, present government must depend for its support on forces defeated by healthy majority in 1960 election. This is basic weakness of present administration. Substantial power continues to be held in Brazil by army and industrialists but discrepancy between interests of those who hold power and people at large has become ever more apparent with result that fertile field for demagoguery has been created. Quadros knew how to take advantage this situation. Foreign Minister contends present regime not really parliamentary. Goulart is strong character with advantages having been directly elected while Prime Minister is deferential to President and while very intelligent has not yet shown strength. Goulart maintains initiative on appointments. Foreign Minister said present government could very easily be pushed aside if things went bad economically. A real danger is Governor Brizola who has quick temper, is uneducated but with gift of oratory. President Goulart could not and will not conspire with Communists and,

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13. Cuba

Ultima Hora's red-lining Dorian Jorge Freire said: "The United States government is preparing a new invasion of Cuba. Kennedy's government, by means of pressure and blackmail, is trying to force the Latin American countries to condemn Cuba's revolution and the country's independent government." Diário de São Paulo felt that Peru's request for an OAS meeting was surprising. O Estado de São Paulo said that it was a surprise to Washington also and that President Prado's purpose was to find an excuse for a new intervention in Cuba.

Miscellaneous

14. List of Substantive Despatches

131 Law to Expropriate Majority Stock of Electric Power Companies
133 Bi-Weekly Economic Review, October 6 - 19, 1961
135 Santos Weekly Summary
136 São Paulo Summary No. 17, Week Ending October 21, 1961

William P. Cochran, Jr.
Minister Consul General

Contributions:

Proper (Political)
Mason (Local Press Reaction)

Distribution:

INS/RAR, Embassy Rio 3, Amcongen Recife, Amconsulates Belem, Belo Horizonte, Curitiba, Porto Alegre, Salvador, Santos.

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9. Polish Foreign Minister Visits São Paulo (Unclassified)

On October 21, Polish Foreign Minister Adam RAPACKI included a few hours in São Paulo in his Brazilian visit. He was received with the normal ceremonies but did not see Governor Carvalho Pinto. In a very brief interview with journalists, he gracefully skirted the issue of atom bomb tests, which was the only controversial question the newspapermen had time to raise.

Local Press Reaction

10. Nuclear Tests and the 50-Megaton Bomb

"It's good news that Russia is going to end its present series of nuclear tests," said O Dia. "An atomic war would be a suicide." Diário de São Paulo said that Krushchev "begins talking about peace...but suddenly starts threatening the world with 100-megaton bombs." O Estado de São Paulo began an editorial saying: "What's the use of begging or protesting? Krushchev would never pay attention to the world's anguished appeals not to detonate the monstrous bomb."

11. Communist Party Congress in Moscow

"Nikita Krushchev's speech to the opening session of the Communist Party Congress was not a surprise. It was simply a paraphrase of July's new Party program," said O Estado de São Paulo. "The Brazilian people should become acquainted with Krushchev's report on the work being done these days in Russia so as not to see only Communism's negative aspects," stated A Hora. Fôlha de São Paulo also acknowledged Russia's progress (according to Krushchev's report) but said that it would be foolish to think that this progress is greater than the West's development: "If the United States has the nerve to withstand the cold war, the Soviets will never succeed in extending their oppressive regime to the West." "There's no doubt that Krushchev is beating a retreat which, although slow, will not stop until it reaches the point of concessions to the West," said A Hora.

12. Communism in Brazil

Commenting on the attempt to legalize the Communist Party in Brazil, Maurício Loureiro GAMA wrote in Diário da Noite that "The Brazilian people rejected Communist formulations." Referring to a speech delivered by General Osvaldo de ARAÚJO MOTA, Brazil's new Army Chief of Staff, Diário de São Paulo said that he reflected a deep knowledge of Brazilian reality, particularly about actions by Moscow agents in this country.

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COMMENT: (Limited Official Use) In a parliamentary system, it is not clear what the President has to do with these more or less routine administrative matters.

7. Leftist PDC Wing Defeated on Cuban Question (Limited Official Use)

The Christian Democratic Party (PDC), whose stronghold is São Paulo, has perhaps the most virulent left wing of any basically moderate Brazilian party. This wing -- the Ala Moça -- is characterized by its pro-Cuban and pro-Communist stand, its violent anti-Yankee-Imperialism, and its picturesque ideological reasoning. The only puzzle is why the members of the Ala Moça refer to themselves as Christian Democrats in the first place, and recently Paulo de TARSO (ex-Mayor of Brasilia under Quadros) partially solved the puzzle by proposing alteration of the name to "Christian Socialist Party." This clear indication of the Ala Moça's incompatibility with the rest of the party may have led to its defeat in a PDC Regional Directorate meeting on October 16. The minutes of the meeting will not be made public until they have been somewhat amended, but it is known that the leftists were finally over-ruled formally on the Cuban question. The party reportedly approved a policy document commending the principles of the Cuban revolution but objecting to Castro's recent acts.

COMMENT: The position which the PDC has belatedly taken on Cuba has already been widely discussed. When it is made public -- and even if it is not -- it will be a marked blow to the Cuban regime's stature in Brazil.

8. Student Riots in Goiânia (Official Use Only)

While the recent student riots in Goiânia apparently had little political significance, they were sufficiently violent to be disturbing. Their origin was common enough: a raise in bus fares. When the fare rose from eight to the staggering sum of ten cruzeiros (three cents), the students managed to paralyze public transport. Still nothing unusual. Groups said to be instigated by the owners of the bus firms then invaded the Student Union, damaging property and beating some students. The students gave the government a short time to arrest the culprits, and when nothing was done, took justice into their own hands. The press said that "thousands" of them attacked the offices and workshops of the bus companies with firearms and home-made bombs, burning several installations to the ground. The police were apparently nowhere in sight. Total damages were placed at ten million cruzeiros (US$35,000). Public reaction is said to blame the inert state and municipal authorities.

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"reform" governors continues. The local press announced that the Governors of Paraná, Pernambuco, and Rio Grande do Norte proposed to undertake an agricultural reform scheme based openly on the São Paulo model. Certain articles of their proposed legislation (concerning progressive taxation, financing, and expropriation of unproductive large holdings) were said to have been copied verbatim. State Secretary of Agriculture -- and gubernatorial aspirant -- José Bonifacio COUTINHO NOGUEIRA put his experience at their disposition.

COMMENT: Copying the moderate, effective São Paulo agricultural reform scheme (where it is applicable) should be good for the farmers, the states, and the national stature of the Paulista politicians.

5. Labor Unrest (Limited Official Use)

The industrial centers of São Paulo are in a period -- hopefully temporary -- of disturbing labor unrest. The reasons are mainly economic rather than political: employees who have not already received a big pay raise insist on one as soon as possible. While inflation has certainly justified a significant raise, many labor groups are holding out for salary boosts of up to 60 percent, and few are settling for less than 40 percent. Such increments are in some cases justified by neither inflation nor productivity, and the net result is further inflationary pressure. Major unrest in the city of São Paulo is currently centered around civil servants, bank employees, and teachers, whose demands could easily lead to large budget deficits. Communists have not failed to take advantage of a situation so perfectly adapted to exploitation. The most dangerous area appears to be the city of Santos, judging by reports from the Consulate in that major labor center. Santos Despatch 33 of October 18 describes in detail the Communist takeover, in an open election, of the Forum Sindical de Debates (City Central), which speaks for organized labor in the region.

6. Municipal Problems (Official Use Only)

São Paulo Mayor Prestes MAIA's new cabinet, which had showed signs of placating the Municipal Chamber, apparently was not totally successful after all. Fiscal bills have again become the target of partisan opposition in the chamber, and the spectacle of an enormously wealthy city without enough money to patch holes in the streets continues. The Mayor flew to Rio de Janeiro on October 20 to discuss his problems -- many of which stem from inequitable Federal tax legislation -- with President Goulart. He returned satisfied, reportedly having obtained Federal credits. He plans to fly to Brasilia within two weeks to continue his conversation with the President.

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Even among politicians who wish to adopt the parliamentary system promptly, many think that the current deputies have no mandate for assuming the responsibility of electing a Governor. The topic promised to be one of the high points of the "Second Congress of Legislative Assemblies" on October 25 - 30 in Porto Alegre.

COMMENT: (Limited Official Use) The deputies' wish to have the Governor's election in their own hands is politically understandable but over-eager. The extremism of the proposed São Paulo solution will very likely damage its chances in the Federal Chamber, although that body has dropped few clues on its inclinations.

3. National Leftist Movement in Goiânia (Official Use Only)

The press bubbled with rumors of a sweeping leftist movement scheduled to be launched in Goiânia on October 24, the anniversary of that city's founding. The proposed name of the movement was variously given as "National Liberation Front," "Nationalist Front," and "National Popular Front." In addition to leftist-leaning Goiás Governor Mauro BORGES Teixeira, the movement was reported to be backed by Rio Grande do Sul Governor Leonel BRIZOLA, PTB leader Almiro AFONSO, President QUADROS' ex-Secretary José Aparecido de OLIVEIRA, Recife Mayor Miguel ARRAIS, and many other leftists of national and regional importance. A "Declaration of Goiânia" containing the following points was said to be under preparation: (1) an "alliance" of national industry to contain the expansion of foreign capital; (2) agricultural reform; (3) a slogan of "neither North American colonialism nor Soviet satellite"; and (4) -- looking toward the 1962 elections -- "no reform without a nationalist congress." There are two deep pitfalls: Communism and Janismo. Without the participation of the Reds and Janistas, the movement would be greatly reduced, and with the participation of these groups its acceptance by important segments of the population would be harmed.

COMMENT: If the interests involved can keep feuding to a minimum, something significant could come from Goiânia. The tendency of the new parliamentary system to coalesce the parties of the center is perhaps acting now on the parties of the left.

4. São Paulo in Inter-State Politics: Agricultural Reform (Official Use Only)

There have been no further announcements about the meeting of nine or ten state governors, discussed in São Paulo Despatch 120 of October 10. The probability is still that it will be held soon, either in the city of São Paulo or in Bahia. If Governor Carvalho Pinto has his way, publicity will undoubtedly continue in low key. In the meantime, less spectacular rapprochement of the

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others, ineffective labor policy, and the fact that President João GOULART -- rather than the Prime Minister -- is still for practical purposes the Chief of State. A speech made by the Council President (Prime Minister) Tancredo NEVES to the State Legislative Assembly on October 16 did nothing to spread oil on the waves. It was moderate in tone, but Paulistas have tired of what they call Neves' "rose tinted glasses." For the first time, however, he did have something to say about the division in powers between himself and the President. In the new "typically Brazilian" system of parliamentary government, he saw a basic "dichotomy" in executive power. Unlike other parliamentary systems, he interpreted the Brazilian arrangement as allowing the President to be a functional member of government, since it gave him the right of presiding at meetings of the Council of Ministers and of making many important appointments. This clarification further aroused the fears of the many São Paulo politicians who mistrust President Goulart, and there was speculation that the UDN (National Democratic Union), led by Paulista Deputy Herbert LEVY, might pull out of the national government and lead to its collapse. When he arrived in São Paulo on October 20, however, Levy denied that his party had considered a motion of no confidence in the regime during a publicized closed-door meeting. At week's end, one felt that a minor crisis had been overcome.

COMMENT: Many Paulistas call the new government "typically hillbilly" (Caboclo) rather than "typically Brazilian," but like it or not, their only choice for the time being seems to be to try to make it work. Thoughts of the possible outcome of another full scale crisis act as a tranquilizer. Prime Minister Neves' admission of the annoying dichotomy of executive power hit raw nerves, but it also made his position easier to understand. A deeper problem is the national government's failure to adopt effective measures against the inflation which has caused so much of the local malaise.

2. State Deputies Introduce Measures for Adopting Parliamentary System (Official Use Only)

On October 21, highly publicized amendments to the State Constitution were introduced in the São Paulo Legislative Assembly. The measures -- which seemed to have the support of a majority of the deputies -- took the most extreme of the several paths open. They proposed electing the next Governor of the state by the present members of the Assembly on January 11, 1963, twenty days before the expiration of Governor CARVALHO PINTO's term. Other alternatives would have been (a) to elect Carvalho Pinto's successor indirectly, but by the deputies taking office in 1963; (b) to elect Carvalho Pinto's successor directly, but to elect subsequent governors in the Legislative Assembly; and (c) to take no action pending the results of a nation-wide plebiscite. Governor Carvalho Pinto and probably much of the public are in favor of the last solution.

GPO 902867

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FOREIGN SERVICE DESPATCH

FROM : Amcongen, São Paulo

NO. 136

TO : THE DEPARTMENT OF STATE, WASHINGTON.

DATE October 24, 1961

REF :

OCT 25 1961

For Dept. Use Only	ACTION	INFO	DEPT	RM/R	REP	AF	ARA	EUR	FE	NEA	CU	INR	E	P	IO	ICA
20	ARA-4			2	1							7				11
			OTHER	AGR	COM	FRB	INT	LAB	TAR	TR	XMB					
	REC'D 10-27-61			AIR	ARMY	CIA	NAVY	OSD	OCB	USIA	NSA					
					4	11	4	5		10	4					

SUBJECT: São Paulo Summary No. 17, Week Ending October 21, 1961

INDEX:

Political
1. Paulista Criticism of National Government
2. State Deputies Introduce Measures for Adopting Parliamentary System
3. National Leftist Movement in Goiânia
4. São Paulo in Inter-State Politics: Agricultural Reform
5. Labor Unrest
6. Municipal Problems
7. Leftist PDC Wing Defeated on Cuban Question
8. Student Riots in Goiânia
9. Polish Foreign Minister Visits São Paulo

Local Press Reaction
10. Nuclear Tests and the 50-Megaton Bomb
11. Communist Party Congress in Moscow
12. Communism in Brazil
13. Cuba

Miscellaneous
14. List of Substantive Despatches

732.00/10-2461

DEPARTMENT OF STATE
BUREAU OF
INTER-AMERICAN AFFAIRS
OCT 31 1961

Political

1. Paulista Criticism of National Government (Limited Official Use)

São Paulo Despatch 128 of October 17 mentioned some of the reasons for increasing local criticism of the new national government: rising prices, wages increasing too fast for some and not fast enough for

See last page/lfw

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FOREIGN SERVICE DESPATCH

FROM : Amcongen, São Paulo

135
NO.

TO : THE DEPARTMENT OF STATE, WASHINGTON.

File. no action
E87/B
JW Wilson - lwc

October 24, 1961
DATE

REF :

OCT 25 1961

B/PAC.

For Dept. Use Only	ACTION	INFO	DEPT	RM/R	REP	AF		EUR	FE	NEA	CU	INR	E	P	IO	ICA
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			OTHER	AGR	COM	FRB	INT	LAB	TAR	TR	XMB					
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	REC'D			AIR	ARMY	CIA	NAVY	OSD	OCB	USIA	NSB					
	10-27				4	11	4	5		10	4					

SUBJECT: Santos Weekly Summary

Transmitted herewith for the information of the Embassy and the Department is the weekly report from the American Consulate at Santos, dated October 20, 1961.

William P. Cochran, Jr.
Minister Consul General

732.00/10-2461

DEPARTMENT OF STATE
BUREAU OF
INTER-AMERICAN AFFAIRS
NOV 3 1961

Enclosures Marked No
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they will be distributed

Enclosure: F.S.

Santos Weekly Report
dated October 20, 1961
cc: Amembassy, Rio

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REPORTER

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communists. We, on the other hand, think that the best way to fight communism is really very simple: just solve the problems...

... In closing I want to state that I am fundamentally a Brazilian who will never, for anything, exchange the legacy of our ancestors that enabled us to live here, free and happy, in a country without exploitation by anybody. And no kind of pressure will force me under any circumstances to act against my conscience as Governor, democrat, and patriot.

ZMS/PW/zms

to make the reforms...

... This is my position: we must act immediately and we want Brazilian solutions to our problems without joining the two worlds. There is a great unrest in all Latin American; the people are pressing against underdevelopment and foreign exploitation. We must act at once because we run the risk of being led by either the extremists of the right or by the revolutionary leftists...

... The oligarchs, generally associated with the foreign expoitation process are very strong and when somebody starts bothering them they will use all weapons to stop it. I am ready, however, to finish any task that I undertake for freedom and liberty in Brazil...

... What is really happening with regard to me, personally, is that they (Ed. Note: This reference applies to Rio and São Paulo principally) are frightened by the movement we had last month. This represented ideas I have been talking about and even carrying out for many years without their noticing it. São Paulo started this campaign against me and, of course, it had to reach our state.

... I can say that I will always carefully consider, in the interest of the people, reports about subversive activities. There will be even more consideration on my part when such reports come from His Excellency, the Archbishop, as recently happened. I have taken steps to reassure him and the other authorities who were worried about the problem. Actually, debate is always constructive even when, as in this case, the Church is separated from the State. It is our duty to combat and prevent subversive activities. However, as Governor of the state, I declare that there do not exist subversive activities in RGS. On the other hand, we must not confuse the present struggle for social justice, for order and legality, and for the liberation of our country from exploiters, with subversive activities. As to the accusations that I am a protector of communists, which they have made about me, this is just politics. The gaucho people are more intelligent than they think and besides, since my first election, I have been accused of everything including communism. Since then, despite these accusations, I have been State deputy, Federal deputy, mayor and governor... Actually, not only the communists have their useful inocents ("inocentes úteis"): the capitalists also have theirs. Our difference with those who argue that the famous communist danger exists is: to them communism is a bogeyman ("bicho-papão") which they use to inspire fear and keep the people quiet and obedient. As for us, we never feared the bogeyman. We trust the Brazilian people and we know what we want and it is nothing imported either, from Moscow or New York. Another thing, they try to fight communism with police and violence; with criminal, illegal and unconstitutional acts; with mystifications like ideology documents; and with discussions to involve those who are bothering them, callin them

0329

exploitation process which RGS could do only after fighting and overcoming the under-supply of electrical energy when we expropriated the local subsidiary of Bond and Share. Our state is criticized but we have filled the vaccum and today RGS is making a big investment in electricity. We shall soon have in operation Charqueadas, Canastra, and Jacui (power plants). This could have been done years ago if it were not for Bond and Share...

... When in Punta del Este I thought that a great good-will must be motivating the policy makers of the US because the exploitation process in Brazil and Latin America is fundamentally created by the so called business community of Brazil and the US., i.e. the economic corporations of US and some other corporations of the capitalist countries. I said "good-will" because I think these policy makers ("homens publicos") hope to correct the situation of under-development by means of the Alliance for Progress, with loaned dollars and reforms which we are to recommend to the Latin American people. However, this is ingenuous of these policy makers if that is what they think. They have only to study the problem in their own country (US) to verify that capitalism, which practically started in the US., acts towards Latin America with all its former cruelty. They will also verify how strong the economic corporations are in the States and that they are even stronger than their government policy makers. The United States, I really think, is more a federation of economic groups than of political ones. I consider the Alliance for Progress ingenuous because its reforms would hit the powerful exploitation process. Then we would have international intrigue which would sway even the government policy makers. I sincerely believe, without analysing the Cuban situation, that the major disagreement between Cuba and the US is in the big setback which the Cuban revolution gave the exploitation process. I claim that the so called crimes against humanity of which the Cubans are now accused were also committed by Batista, but there was no outcry against this from the US. Now, if both regimes committed these crimes why wasn't Batista accused? Because he accepted the exploitation processes of the American corporations...

... Now to come back to Brazil; we have two phases: one, facing up to realities, is the unrest of the people; the other is the lack of action and incapacity shown by those governing Brazil to make decisions. We are headed for the outbreak of a serious crisis and we still don't see action...

... For 15 years the Congress didn't touch the Constitution, but in one morning they voted an ammendment to the entire Constitution. We now hope that they can vote as fast for the laws and reforms which the Brazilian people expect. The Deputies now have the responsibility to decide about the reforms, because the people demand them and, if nothing is done the Brazilian people themselves will force the government through the organized masses

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Page _____ of
Desp. No. _____
From _____

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Page 1 of
End. No. 1
Desp. No. 23
From PORTO ALEGRE

Free translation of excerpts from Governor Brizola's talk on October 13, 1961 sponsored by the "Centro de Estudos Brasileiros", from Colégio Júlio de Castilhos.

... News agencies print "ready made" news to impress the people. One should discriminate between such news and the facts. All should be received with caution and in a spirit of analysis. ...

... Now two worlds are fighting, Russia and the US. We are in the middle, suffering, and the smaller the economic power of the nation the bigger is the influence of the two worlds over it. We know the characteristics of the Western world--where Latin America is--with its positive and negative aspects. The Eastern , which we scarcely know, surely must have also its positive and negative aspects and even though we should analise it, it musn't worry us too much. Instead of worrying about the problems of others, we must be concerned with our own and try to solve them; accomplish the agrarian reform try to better our living conditions, raise our education standars, etc. I don't accept the dilemma of having to choose between either one of the two worlds, neither their creations nor their solutions. However, I don't ask isolation, I ask instead for an exchange of ideas with the two. We live in the so called capitalist world, under its influence and suffering its evils. We wish the preservation of our values, ethical and moral, in freedom, but wish also to avoid the evils of capitalism. ...

... I am among those who think that we cannot ignore the problems of the people nor escape from the solutions of the socialism. I am not afraid to talk--even if "socialism" until a few months ago was "tabu". Today, however, those who feared it before, can talk, based on the socialist solutions presented in the "Mater et Magistra". We all should read and study this encyclical which recognized the adequacy of socialist solutions and condemns "colonialism" and we feel that the Pope has brought light into the dark. This is our position: neither Moscow nor New York; and, if an inquiry is made among the people, the great majority will have this attitude. However, among the "big shots" ("poderosos") and politicians the answer won't be so prompt because they are afraid. Our attitude has been taken for extremism...

... The socio-economic structure of our country is caused by the foreign exploitation process. Our internal structure was developed by this process and those who imagine that we can make basic reforms without touching it are wrong. It is obvious that if we try to clean up our socio-economic structure we will hurt these foreign processes and we will then have all sorts of international intrigues and be called everything, even communists. This process did not come about in one day, it has been coming for years. We must make the basic reforms but we must also hit this

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that his expression on October 6 of concern over communist influence in the State government had not been precipitate. He mentioned that as long ago as August 29 he had expressed concern over this same matter personally to the Governor in terms even more insistent than those used in his interview of October 6.

Comment - Although some of the Governor's footwork may seem a bit clumsy, it seems to have had a diversionary result. For all the commotion caused by Archbishop Scherer's denunciation, no real effort seems to have been made yet to get at the facts which caused it. However, this last exchange between the Governor and the Archbishop keeps the matter in full public view and some definite steps may still be taken to follow up these charges before the Assembly adjourns in December.

Percy Warner
American Consul

Enclosure: 1 Atl

cc. Amembassy (with Enclosure)

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together with the name of over 100 journalists who had signed it. (Many of these were later reported angry because they claimed to have been tricked into signing the petition). Some typical excerpts from this address which lasted over two hours are enclosed 1/(Encl.1)

Hoffman's resignation - The resignation of Hoffman, whose presence in Brizola's cabinet had assured the Governor of the PRP state assembly votes he needed for a working majority in that body, was forced because the Archbishop's denunciation brought about a rise of pressure in the anti-communist PRP which made impossible Hoffman's continuance as a member of Brizola's administration. He has now left RGS to take up a seat in the Parliament at Brasilia. The Governor, at present, is reported to be angling for an alliance with the PDC to replace the ruptured arrangement with the PRP. These reports were current even before the remarks of Paulo de Tarso (see below).

Governor dissolves committee - Using the journalists' petition mentioned above and some other similarly thin pretexts for his action, Governor Brizola announced the end of the investigating committee he had appointed under the chairmanship of State Secretary of Interior and Justice Francisco Brochado da Rocha (ref. Consulate's despatch nº 17 of Oct. 10). The committee's demise was accompanied by cries against witch-hunts and "McCarthysm" 2/ from the Governor's partisans and those playing along with him.

PDC leader whitewashes Brizola - Shortly after the PDC leader, Paulo de Tarso, contributed to this smokescreen by giving a talk at the Pontificia Universidade Católica (PUC) in which he decried present anti-communism moves here (including presumably the Archbishop's) as unwarranted and in which he held Brizola not only free of pro-communist taint but an effective "anti-communist".

The Brizola-Archbishop exchange Oct. 20-24 - In Rio de Janeiro on October 20, Brizola tried to downgrade the Archbishop's denunciation by making it appear that the latter had been precipitate in making his charges so soon after his return from Rome, and that he, the Archbishop, had not had an opportunity to become really acquainted with the true situation before speaking as he did. The Archbishop issued a statement to the press on October 24, replying

1/ These excerpts were taken from a taped recording of the Governor's remarks. In accordance with standard journalistic practice here, no newspapers printed the address, in whole or in part; and no official text was distributed by the Governor.

2/ now a Brazilian word "macartismo".

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FOREIGN SERVICE DESPATCH

FROM : Amconsulate PÔRTO ALEGRE — NO. 23

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

OCT 24 1961

File, Lyster, Williston - Laus 11-3-61

REF : Consulate's despatches nº 17 of Oct. 10 and nº 21 of Oct. 13,1961

S/AE BJFAC

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			OTHER		AGR	COM 12	FRB	INT	LAB	TAR	TR 3	XMB 4	DLP 7				
	REC'D 10-30			AIR C	ARMY 4	CIA 11	NAVY 4	OSD 5	OCB		USIA 10	NSA 4	NSC 1				

SUBJECT: Archbishop Scherer Denounces RGS Official Support Communist Activities - III

On October 13 Governor Brizola made a radio talk to set forth, as he announced in advance, his position between the two extrems of capitalism and communism. This was followed by the resignation of Federal Deputy (PRP) Alberto Hoffman as RGS Secretary of Agriculture. After this the Governor dissolved the committee he had appointed to investigate Archbishop Scherer's denunciation of favoritism towards communism in RGS government circles (ref. Consulate's despatch nº 17 of Oct. 10). A few days later a PDC visitor, Paulo de Tarso, absolved Brizola of communist taint. Subsequently in Rio the Governor tried to defuse the Archbishop's charges by portraying them as hasty and ill-considered. On October 24 Archbishop Scherer gently but firmly denied that he had been precipitate in this affair.

The Governor's radio talk - The Governor repeatedly blamed what he termed "the foreign exploitation process" for the current difficulties of RGS and Brazil; declared he was not afraid to discuss "socialist" solutions, citing the recent encyclical "Mater et Magistra" to support his views in this respect; termed the Alliance for Progress "ingenuous" because it is a plan developed by the US which is committed to the very exploitation processes which must be uprooted in order to solve the problems that are the "Alliance" program's targets; warned the present Parliamentary government, which he criticized for inability to reach decisions, that it must act quickly or the "organized masses" will force it to act; acknowledged that charges of subversion, such as that by the Archbishop, must be carefully investigated but in the same breath warned against letting the fight against exploitation be confused or halted by accusations of its being communist; and concluded by reading a petition calling for the dissolution of his investigating committee

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DEPARTMENT OF STATE BUREAU OF INTER-AMERICAN AFFAIRS FILED NOV 15 3 15 PM '61

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PAGE 1 OF 1 PAGES

Action ARA-13

Info RMR-2 INR-10 CA-11 DSD-20 P-5

Date Sent: Oct. 21, 1961
Rec'd:

FROM: Amembassy RIO DE JANEIRO

TO: Secretary of State

NO: A-208

ARMY M-1 NAVY-4 AIR-2 NSA-4 CIA-15 USIA-15

ACTION:
INFO:
RM/R FILE OCT 23 3 32 PM '61

File - no action
EST/B - JW Wilson
1/9/62

On invitation students São Paulo Law Faculty Prime Minister Tancredo Neves delivered prepared address October 16 subject "Development With Social Peace". Highlights: Denied Goulart was usurping Council's prerogatives; stressed need for foreign capital to carry out development (under "our sovereignty"); referring to the Aliança, called for closer relations with U.S. because "massive resources that country placed at disposition Brazil make possible beginning of work national redemption."

On parliamentarism and Goulart, he described newsystem as "dichotomy, with power exercised by Council Ministers and President," adding "There is thus established system whereby harmony necessarily reigns . . . There is nothing more unjust nor inexplicable than the accusations in Parliament and press that President has usurped prerogatives Council Ministers. President has usurped not even smallest prerogative of Council nor has Council denied President cooperation he requires. What exists is perfect meshing of gears, an indestructible unity." He said easiest attitude for himself would be that of tumult and agitation; the most difficult is to "strive, with humility and public spirit, to find solutions national problems."

GORDON

HWeiner:jw
10-19-61

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35 Action

Control: 13720
Rec'd: October 22, 1961
11:00 am

611.32
XR 732.00

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ARA Info

FROM: Rio De Janeiro

TO: Secretary of State

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NO: 1022, October 21, 8 p.m. (SECTION ONE OF TWO)

At President Goulart's request, I spent hour and half with him today in Rio in informal discussion US-Brazilian relations. (Bond only other person present.) Conversation was entirely cordial and exceedingly frank throughout, with frequent reiteration by Goulart that he speaking with utmost candor because of seriousness situation in Brazil.

Goulart stressed at outset that, whatever I might be told by other members of government, political crisis resulting from Quadros resignation has by no means been resolved. He said present phase represents merely political truce between forces of moderation (represented by his government) and forces of right and left extremism which are threatening existence of regime. He estimated government might have another 60 to 90 days of grace in which to find solutions basic social and economic problems presently afflicting Brazilian people but that if it not able to do so, or at least to reverse present deteriorative trend, extremist forces would move against government precipitating crisis which would be much more serious than that of August-September and might even lead to revolution. He added that in view evident disposition Cubans, Soviet, CHICOMs etc to intervene in such a situation, result might well be "another Korea". He said he had accepted mixed presidential-parliamentary regime precisely in order avoid revolution, which his stopover in Rio Grande Do Sul had convinced him was real possibility, since he convinced that revolution (even if he himself assumed its leadership) would be disastrous for Brazil.

Goulart emphasized

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FOREIGN SERVICE DESPATCH

FROM : Amembassy LONDON

626
DESP. NO.

TO : THE DEPARTMENT OF STATE, WASHINGTON.

October 18, 1961
DATE

REF :

File, Location - Lux
F-57/10: Circular - Lux
10-30-61

19 OCT 1961

	ACTION	DEPT.	
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	REC'D 10-23	OTHER	CIA-11 216IA-10 NSA-4 ONE-2 USIA-5

DEPARTMENT OF STATE
INTER AMERICAN AFFAIRS
OCT 23 1961
ARMY NAVY

SUBJECT: Janio Quadros in London

In a conversation with the Assistant Head of the American Department (EDMONDS), Embassy Officers asked what the Foreign Office knew of Quadros' activities. Edmonds, agreeing that Quadros was still a figure to reckon with in Brazil's future, said the Foreign Office had followed a hands-off policy; they had learned from Quadros' previous visits of his penchant for privacy and they did not wish to intrude. According to Edmonds, the limit of Foreign Office knowledge was that Quadros lived with wife and mother at the Mostyn Hotel and that the Brazilian Embassy was in constant touch. The British were not likely to make any contact with Quadros until the Alien Registration Office inquired as to how long he intended to remain in England. Edmonds promised to keep us informed of any further developments.

Following this conversation, an Embassy Officer lunched with A.B.L. Castello-Branco, Deputy Chief of Mission of the Brazilian Embassy (until recently Charge d'Affaires), and its contact with Quadros. Castello-Branco said he saw Quadros about twice-weekly. According to Castello-Branco, Quadros clearly enjoys living in London. He has a catholic and lively interest in, and a broad knowledge of, a wide range of subjects, and avidly pursues his intellectual interests in London. While Quadros is "charming", and will discuss many topics, he refuses to discuss Brazilian politics or give any indication whatsoever of his intentions. Castello-Branco commented that on the basis of his own meager knowledge of the situation, however, Quadros's chances would continue to improve so long as the rival factions in Brazil failed to find a solution to their differences.

732.00/10-1861

For the Ambassador:

Frazier Meade
Second Secretary of Embassy

Nov 15 5 18 PM '61
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LWS

Cleared with:
POL/F: Francis J. Galbraith
First Secretary of Embassy

cc: Amembassy RIO DE JANEIRO

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Page 4 of
Encl. No.
Desp. No. 77
From Recife

It is this transition of power that provides political opportunity to leaders who recognize it, such as Francisco Juliao, and it is the obliviousness of others to the transition that makes such leaders potentially dangerous to democratic institutions.

Albert A. Rabida
American Consul

cc: Amemb Rio de Janeiro (2)

~~Enclosure~~

~~List of Pernambuco State Deputies~~

CONFIDENTIAL

0320

(UDN) spokesmen. The UDN Governor, on his part, blames the legislature for its recalcitrance and for failures in the accomplishment of administration programs; and, to obtain more operating freedom from legislative controls, he utilizes semi-independent state agencies such as CODEPE (economic development commission), CRC (agricultural reorganization and colonization), and CAGEP (food storage and price supports).

Parliamentary Reform: The prospect of amending the Pernambuco Constitution to pave the way for parliamentary rule in the state is under unenthusiastic study by a special committee of the state legislature. There can be little useful action, however, until federal policy and laws are clarified and decreed. These could require the states to adopt the parliamentary system or they could merely offer an option to do so. It is said to be unlikely that the incumbent Pernambuco legislature will assume parliamentary powers before leaving office on January 30, 1963, and most informed sources doubt that the parliamentary system will come to be applied locally, but this will depend mainly upon national decisions yet to be taken.

Position of Executive: While Governor Cid Sampaio of the UDN was the first, with the help of the PTB, to break the traditional PSD control of the Pernambuco state government, he no longer can depend upon a majority in the legislature to support his programs (usually he can muster about 30 votes, which, with absences, are often sufficient, but his voting strength is not comfortable). At present, the general tendency of the legislature is, especially with the forthcoming elections, one of opposition to the Governor's (and the UDN's) programs. This opposition, however, is versatile - at times obdurate, at times condescending, at times cooperative, but usually harshly and vocally negative. Through a series of devices and compromises, the Governor has tried to cultivate the legislature to insure a working majority, but his efforts have failed though he has managed to have the more important bills approved. The fate of several now pending, however, is in doubt including a proposed development loan application to the IBRD for 10 billion cruzeiros and a proposed agrarian reform measure.

In private conversation, members of the opposition in the legislature have complained that Governor Sampaio has been too much of a politician rather than an effective executive. The more liberal and especially the leftist members of the opposition proclaim loudly that he is a reactionary disguised as a progressive liberal to betray the working classes. This is believed to be a harsh and incorrect accusation, as Governor Sampaio is known to recognize, even if reluctantly, that reactionary interests have little popular support and no solid future in Brazil; and to be greatly concerned with the fundamental problem, now in process of evolution, involving the transition of basic political power from unpopular reactionary groups to the underprivileged masses. His concern is that the popular support of the masses may be misdirected by totalitarian leftists toward communistic, monolithic institutions rather than directed by democratic reformists toward broadly based, liberal institutions. He has been unable, however, to convince the legishture of this danger, and most of the state deputies (excluding Francisco Juliao) appear to be oblivious to the fundamental problems.

registered to vote in the state elections, including 188,000 in the Recife area and 437,000 in the interior rural area.

The legislature is in session from March through November each year. New officers - president, first and second vice presidents and first, second, third and fourth secretaries - are elected annually by the deputies.

Current Structure: The current legislature of Pernambuco is the fourth to be elected under the federal and state constitutions of 1946. Elected for simultaneous four-year terms, the present membership of 65 represents 11 separate political parties, as follows:

PSD	- Democratic Social Party (Partido Social Democratico)	17
PTB	- Brazilian Labor Party (Partido Trabalhista do Brasil)	13
PRT	- Republican Labor Party (Partido Republicano Trabalhista)	10
PST	- Social Labor Party (Partido Social Trabalhista)	8
UDN	- National Democratic Union (Uniao Democratico Nacional)	7
PSP	- Social Progress Party (Partido Social Progressista)	2
PDC	- Christian Democratic Party (Partido Democratico Cristao)	2
PSB	- Brazilian Socialist Party (Partido Socialista Brasileira)	2
PR	- Republican Party (Partido Republicano)	2
PTN	- National Labor Party (Partido Trabalhista Nacional)	1
PRP	- Progressive Republican Party (Partido Republicano Progressista)	1
		65

This heterogeneity is compounded further by the extremes from left to right that mark the political complexions of representatives even within the same party. As a result, voting patterns and strength vary considerably, and personal rather than party considerations often determine legislative issues, especially as these relate to the executive programs of the Governor. Among the current membership, it is estimated that there are about 20 that may be considered as rightists of varying degree; 27 flexible, liberal, unconcerned, or uncommitted to varying extents; and 18 leftists who are either pro-fidelistas, pro-communists, or both. A brief description of each member is under preparation and will be forwarded soon.

The legislature today presents the anomoly of more conservative elements plus some progressive "middle of the roaders" in occasional alliance with the extreme leftists, in opposition to a group of less extreme conservatives and less radical leftists. Within the legislature, the leaders of the PSD-PTB-PSB opposition seem to be decidedly more active and vocal than the administration's

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FOREIGN SERVICE DESPATCH

FROM Amconsul, RECIFE

77
NO.

TO : THE DEPARTMENT OF STATE, WASHINGTON. October 17, 1961
DATE

REF :

File no action
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GWWilson 12-11-61

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	REC'D 11-10			AIR	ARMY 4	CIA 11	NAVY 4	OSD 5	OCB	USIA 10	NSA 4	NOV 1961				

SUBJECT: Political Characteristics of the Pernambuco State Legislature as Related to Basic Transitional Problems

Introduction: On October 3, 1962, the voters of Pernambuco are scheduled to elect a new Governor and unicameral state legislature. In view of the fluid political situation in Brazil and the peculiar position of the Northeast, this election is likely to prove of some significance within the context of U.S. foreign policy interests, for the decision to be made by the electorate will be important in helping to determine the political orientation of Pernambuco, the most populous and influential state in the Northeast, during the critical future.

Electoral Peculiarities: The procedure by which state deputies are elected is unusual by U.S. norms. Each voter (18 years of age and literate) votes for only one candidate without reference to voting districts. Candidates are listed by political parties. On the basis of the percentage of the total votes cast for all candidates from each party, that party is entitled to a proportional number of the 65 seats in the legislature. This proportional number of seats is filled by the party on the basis of the relative number of votes won by the party's individual candidates. Because of this peculiar placement of the political parties within the voting structure, it is not uncommon for some party candidates (Francisco Julião of the PSB is a case in point) with less than 2,000 votes to win election while candidates with more votes from other parties are defeated. Thus, the most popular candidate in 1958, Alcides Teixeira of the PST, received 8,683 votes, allowing the PST to place seven other deputies in the legislature after averaging its other candidates votes (all less than 2,215) with Teixeira's imposing total; while certain candidates of other parties who individually received more votes than some of these five were not elected.

Although there are no home districts, with each candidate in effect running on a state-wide basis, it is a general practice for deputies to concentrate their efforts and interests mainly on one area or occupational category, so that they readily may be identified as "the representative" by a particular group. In 1958, there were about 625,000 persons

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editorialist Gustavo CORÇÃO took a completely different view: "It makes me ashamed (to have other nations defending our homes in Berlin, where mankind's crucial test is played)."

11. Janio Quadros' Resignation

Folha da Manhã said that a nation-wide argument going on in Brazil, about the reasons for ex-President Quadros' resignation, has two effects: diverting public opinion from really important issues; and assisting the personal interests of those who can improve their situation only with Janio's return. Noting that Janio Quadros' resignation and return still occasion bitter criticisms, Correio Paulistano commented: "His enemies are, unintentionally, creating conditions for his political survival."

Miscellaneous

12. List of Substantive Despatches

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128 São Paulo Summary No. 16, Week Ending October 14, 1961.

William P. Cochran, Jr.

William P. Cochran, Jr.
Minister Consul General

Contributions:

Proper (Political)
Mason (Local Press Reaction)

Distribution:

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

0316

pronouncements of the kind which recently got ex-Naval Minister HECK arrested, but he nevertheless alluded to the Communist threat in unequivocal terms. Melo praised Mota warmly and joined him in referring to the need of combatting "exotic ideologies."

COMMENT: The speeches of the two generals seemed calculated to assure Paulistas that the change in command had no political significance.

Local Press Reaction

8. Cuba and Brazil

Fidel Castro's denials of "exporting" the Cuban revolution are not convincing, said O Estado de São Paulo: "...His embarrassment and his own contradictions eloquently prove that there really are Cuban plans to subvert by revolution Latin America's democracies." A Gazeta stated that "if any shadow of doubt yet existed about Fidel's purpose, to attach his country to Moscow's Marxist orbit, the most recent events in Cuba would dissipate that doubt." O Dia expressed its sorrow for "the continuing flow of blood of those who do not submit to Castro's tyranny," and added that "no longer can the democracies of America stand as mere watchers." Diário de São Paulo said it believes "without any doubt that the Cuban documents planning subversion for Argentina are official." Diário Popular and O Estado de São Paulo attacked Brazilian demagogues using leftist slogans to promote their political careers. Diário Popular's headline was "Detain Brazil's Cubanization While There Is Yet Time." O Estado called the demagogues "the most efficient helpers of Communist expansion in Brazil."

9. Legalization of Brazil's Communist Party

Commenting on the campaign to legalize Brazil's Communist Party, Correio Paulistano said: "Should PCB be registered? Yes. But we should follow the same criterion as the United States about it: consider it an organization connected with the Soviet Union -- as it really is." A Hora considered the campaign lacking in importance: "The Communists have no chance of getting back (in the limelight). Let's not commit the mistake of giving them an importance they don't have."

10. Berlin

Diário de São Paulo said that only the Cuban situation may compare with Berlin's "horror, where scenes of despair take place each day and where Eastern guards coldly take aim at human beings." Correio Paulistano, however, mentioning Brazil's Foreign Minister's press conference, approved his policy of "not throwing more wood on the fire." O Estado de São Paulo's respected

appear under the journalists' blasts, however, is bringing politicians closer to the point of having to make their own stand explicit. Last week one of the most important of them did so: Herbert LEVY, São Paulo Federal Deputy and President of the UDN (União Democrática Nacional). His inside story of the reasons for the resignation was one of the heaviest blows dealt the Janistas. High points:

A) "From this dilemma there is no escape: either it (the resignation) was a temperamental act, and thus irresponsible, or it was deliberate and premeditated and therefore much more serious, because of its easily foreseeable consequences."

B) He was with ex-Labor Minister CASTRO NEVES when the latter heard of the resignation. Castro Neves told him that he had "foreseen all this" and that Carlos LACERDA's denunciations were "100% true."

C) The ex-President's mysterious reference in his message of resignation to the opposition of powerful forces would have set him up as a heroic martyr if, as he expected, the military had taken over the country following his precipitate departure from Brasilia.

COMMENT: Herbert Levy's statement is certainly not the last in a long line of "clarifications" of Quadros' motives, but it was perhaps the most influential open anti-Quadros stand taken in São Paulo to date (excluding the newspapers). If the Janista movement continues, other politicians may have to speak up: Governor Carvalho Pinto, for example.

6. Labor Minister MONTORO Yields to Santos Union (Confidential)

The Consulate in Santos has reported (Despatch 28 of October 4 and subsequent) on the new Labor Minister's important concessions to the Santos Stevedore Union. Briefly, Minister Montoro took it upon himself to decide in the Union's favor a shipping company dispute which is under consideration in the Brazilian Court of Appeals. Conservative Paulistas consider the Minister's refusal to let the case run its course a victory for the Union - especially for its Communist elements - and an injustice to the companies. The incident has harmed the Minister's support in his home state and has sharpened criticism of the government as a whole (see Item 1).

7. New Military Commander (Official Use Only)

General Nelson de MELO took over command of the Second Army from General Oswaldo ARAUJO MOTA on October 9 (see São Paulo Despatch 113 of October 3, 1961). In his farewell speech, Araujo Mota avoided political

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people or by the state Legislative Assembly, in an extension to the state of the new parliamentary system of government. The Legislative Assembly, predictably, wants the parliamentary system as soon as possible. The current governor has come out for direct elections. The decision, however, is up to the federal legislature. Last week São Paulo Legislative Assembly President Abreu SODRE flew to Brasilia and Rio de Janeiro to talk with Prime Minister Tancredo Neves, and a rumor circulated that Neves asked Sodré to take the initiative in the change. It is almost - but not quite - unbelievable that the Prime Minister should ask one state to initiate action on a distinctly federal concern. Be that as it may, the São Paulo Legislative Assembly was devoting a large portion of its time to the question, the only real argument among the deputies being whether the next governor should be chosen by the current body or by the deputies elected in October 1962.

COMMENT: Even if the Federal Chamber leaves it up to São Paulo to get the ball rolling, the state Legislative Assembly's recommendation will not necessarily be followed. The state deputies' judgement is strongly influenced by their obvious wish to take the election of the next governor into their hands. Some of Abreu Sodré's colleagues were recently overheard greeting him as "the future governor." If the next governor is in fact elected by the state deputies, Sodré will be a hard man to beat.

4. Other Gubernatorial Candidates (Official Use Only)

Prospects will alter, but right now it seems that José Bonifacio Coutinho Nogueira (UDN), the current governor's candidate, would be hard to beat in a direct election. He is not personally a strong candidate, but neither are most of his opponents, and Carvalho Pinto is so popular that his backing could be decisive. If the choice is up to the Legislative Assembly, however - and especially if it is up to the current body - Abreu Sodré (UDN) will be a formidable candidate. Old politician Adhemar de BARROS apparently feels that his chances are slim either way, having told a PSP (Partido Social Progressista) colleague recently that he will run only for a seat in the federal Chamber of Deputies. The support of the PSP will probably be up for sale to the candidate who offers the highest political price. Most of the dozen São Paulo parties (plus the Communists) are waiting until the situation becomes more predictable.

5. Janismo (Still) (Limited Official Use)

Moderate São Paulo politicians have generally tried to ignore Janismo (the movement for the return of ex-President Janio Quadros to political power) in the apparent hope that it would go away. Journalists have done their work for them in scathing prose. The refusal of Janismo to dis-

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has also been the target of pointed criticism for appearing to be anxious to placate labor at any cost (see Item 6). Minister San Thiago DANTAS defended his foreign policy skillfully in this city and probably pleased the bulk of his audience, but certain equivocations in the policy are inherently disagreeable to conservative circles (e.g., a columnist in Estado calls him "even neutral in relation to neutralism"). Criticism of the government has by no means reached the peak attained before ex-President QUADROS' resignation, but it seems again to be slowly building up to the point where something is likely to yield.

2. Governorship Race: PSD Nominates Auro MOURA ANDRADE (Official Use Only)

Although elections are almost a year away, the race for the São Paulo governorship was the biggest political item of the most "normal" week since the crisis. The woods are full of hopeful candidates, but the Regional Directorate of the PSD (Partido Social Democratico) was the first to nominate one of them formally. São Paulo Senator Auro Moura Andrade was named during an October 9 Regional Directorate meeting which had supposedly been convened in honor of visiting PSD President Amaral PEIXOTO. The surprise maneuver upset many party members who were supporting other candidates such as Raniero MAZZILLI, Antonio Sylvio CUNHA BUENO (Federal Deputies), or Minister of Industry and Commerce Ulisses GUIMARÃES. An influential wing of the party had also wished to support Governor CARVALHO PINTO's candidate for the succession, who happens to be José Bonifacio COUTINHO NOGUEIRA, State Secretary of Agriculture and a member of the UDN (União Democrática Nacional). The PSD therefore decided to hold another meeting in a week to ratify the nomination. It will later require approval by a full convention. Chances of overturning it seemed slim in spite of cries of "sabotage" from the party ranks.

COMMENT: (Limited Official Use) Moura Andrade is a candidate strong enough to be reckoned with but probably not strong enough in personality, record, or party backing to win the election. To stand a chance of success in São Paulo, where there are almost as many parties as politicians, candidates for important posts usually need multi-party support. Realists in the PSD were probably hoping to build up a non-controversial candidate until a few months before the elections, withdrawing for an attractive political price in favor of Carvalho Pinto's man. Senator Moura Andrade, on the contrary, has been running as if he means it and would find it difficult to effect a reconciliation with Carvalho Pinto.

3. Direct or Indirect Election in October 1962? (Limited Official Use)

All of the talk about the next governor has seemed premature in at least one aspect: no one knows yet whether he will be elected directly by the

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FOREIGN SERVICE DESPATCH

FROM : Amcongen, São Paulo 7 to Hqarters. E87/13-JWWilliamson- 128
Sent 11-3-61
NO.

TO : THE DEPARTMENT OF STATE, WASHINGTON.

October 17, 1961
DATE

REF :

OCT 18 1961

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SUBJECT: São Paulo Summary No. 16, Week Ending October 14, 1961

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2. Governorship Race: PSD Nominates Auro MOURA ANDRADE
3. Direct or Indirect Election in October 1962?
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5. Janismo (Still)
6. Labor Minister MONTORO Yields to Santos Union
7. New Military Commander

Local Press Reaction

8. Cuba and Brazil
9. Legalization of Brazil's Communist Party
10. Berlin
11. Janio Quadros' Resignation

Miscellaneous

12. List of Substantive Despatches

DEPARTMENT OF STATE
BUREAU OF
INTER-AMERICAN AFFAIRS
OCT 23 1961

732.00/10-1761

Political

1. Paulista Criticism of National Government (Limited Official Use)

Except for O Estado de São Paulo, which never concealed its disgust for President João GOULART, the Paulista press was willing to allow the new national government a honeymoon. The honeymoon is almost over. Mounting complaints are being directed at Council President (Prime Minister) Tancredo NEVES in particular. His deference to President Goulart was at first interpreted as caution, but he is now looking like a shrinking violet. Minister of Labor Franco MONTORO, though a Paulista,

See last page/lfw
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postponed for a week while the communist-dominated Chemical Workers Union is agitating the workers in their extravagant demands (see Weekly Comment of October 5, Labor item 2). On October 11 this union staged a noisy demonstration in Cubatao in support of its campaign. The four chemical plants, in which U.S. capital is invested, so far are standing firm together against the union, but are prepared to offer a reasonable compromise, although they are prepared for a strike to take place on October 13.

2. Communists and the Santos City Central (OFFICIAL USE ONLY)

Plans are going forward for the October 16 election to choose a new directorate for the Santos City Central (see Weekly Comment of October 5, Labor item 3). The communists had tried hard to keep such well-known and skilfull anti-reds as Coffee Loaders and Sackers Union boss Expedito Guedes Rodrigues and President Vitelbino Ferreira de Souza of the Metallurgists Union from running and have second-string anti-reds substituted in their place. But this week the two rival slates were announced, and Vitelbino Ferreira de Souza heads the fairly strong anti-communist ticket. The communists, of course, have put up such hardened veterans as Antonio Guarnieri of the Bank Employess Union, Oswaldo Lourenço of the Portworkers Union and Geraldo Silvino de Oliveira of the Cubatao PETROBRAS Union.

Comment: (UNCLASSIFIED)

The anti-communist local labor Weekly O Expresso has editorially commented that it is a mistake for the anti-communists to have agreed to coexist with the reds in holding new elections to rebuild the City Central.

Whatever the outcome, the election will be an important test of communist strength in the local labor movement.

3. Military Thanks Anti-Red Labor Leader (UNCLASSIFIED)

Brigadier General Amanga Liberato de Castro Menezes, the senior military officer in this area, has sent a formal letter of thanks to President Jose Silvano de Andrade of the Coffee Loaders and Sackers Union for having "contributed to the effective manner of the solution of the political crisis" here and for having helped keep the city's "social peace". Andrade, in turn, has sent President Goulart a telegram of appreciation for announcement of the new minimum wage.

Comment: (OFFICIAL USE ONLY)

The timing of the General's message was probably intended to lend support to the anti-communist candidates for the directorate of the Santos City Central (see Labor item 2 above).

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successful Santos mayoralty candidate in March of this year) this week in the Sao Paulo State Legislature asked the Brazilian Government to investigate the fact that the wheat being brought to Brazil through Santos from abroad was arriving in old tankers, and that these tankers may not be properly cleaned before their grain is loaded, and that consequently the wheat cargoes may endanger the health of the stevedores which unload them and also may be unfit for human consumption. Although he did not say so, Coury was plainly referring to the several U.S. grain ships recently and presently in this port.

Comment: (OFFICIAL USE ONLY)

Coury reportedly is being assiduously built up by Labor Minister André Franco Montoro, who gratuitously dragged Coury into last week's stevedore-shipping company dispute in order that Coury might pose as a friend of labor, especially the Santos stevedores. (See Weekly Comment of October 5, Labor item 1.)

3. Mayor Seeks Aid From Governor (UNCLASSIFIED)

Mayor Jose Gomes was received by Governor Carlos Alberto de Carvalho Pinto on October 12. The purpose of Mayor Gomes' visit was to ask the Governor for Cr$20.000.000,00 for the big Santos Santa Casa de Misericordia hospital, which presently is experiencing even more desperate financial difficulties than its chronic ones.

Comment: (UNCLASSIFIED)

Mayor Gomes is a frequent visitor these days to Campos Elísios. With him also was Athie Jorge Coury (see item 2 above).

II LABOR

1. Local Labor Unrest Continues (OFFICIAL USE ONLY)

Two relatively minor strikes in this city were settled over the past weekend, one involving a well-known Santos supermarket and dry-goods store and the other a medium-sized milling company. In both cases management yielded to the strikers' demands, and in the former dispute the reporting officer understands that communists from outside the firm were intensely active in trying to keep the strike continuing even after management had agreed to a settlement acceptable to its employees. The communist-run PETROBRAS refinery workers union and the Santos typographic workers, communist-led also, are also restive.

Comment: (OFFICIAL USE ONLY)

The threatened strike at the four Cubatao chemical plants was

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Page No 1
ENC. No 1
DESP # 127
SAO PAULO
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OPERATIONS MEMORANDUM

TO: American Consulate General Sao Paulo

Date: October 13, 1961

FROM: American Consulate SANTOS, Brazil VIR

SUBJECT: Weekly Comment on Events in Santos

REF:

I POLITICAL

1. Communists Intensify Campaign for Legality (UNCLASSIFIED)

On October 10 a big paid notice appeared in A Tribuna signed by 64 prominent communists and non-communists alike which urged the legalization of the "Brazilian Communist Party". The signers, drawn from "political leaders", "liberal professional men", "student leaders", "popular leaders" and "union leaders" declared that they were constituting themselves the "Santos Commission to Gather Signatures for the Brazilian Communist Party".

Comment: (LIMITED OFFICIAL USE)

Underground for a number of months, this campaign has finally come out into the open. The reporting officer has learned that Frederico Jose Aflalo, a militant red attorney, has been busy collecting signatures from local lawyers; and the reporter believes that the communists already have hundreds of signatures on their petition for legalization being circulated here (see Weekly Comment of September 28, Political item 1). In a question-and-answer session with a group of local lawyers Aflalo, inter alia, denied that the communists in Brazil receive financial aid from Russia and said that the statutes of the new 'Brazilian Communist Party' will be tailored to make it acceptable to Brazilian laws.

The prime targets of communist activity in Santos these days are the numreous neighborhood improvement societies, which the reds have had good success in infiltrating and within which they are creating a good deal of agitation (against high prices, against the city government, for recognition of Red China, for higher wages, etc. etc.)

2. State Deputy Wooing Labor (OFFICIAL USE ONLY)

Carrying forward his intensive efforts to win local labor support, apparently in anticipation of the 1962 State political campaign, Santos PDC State Deputy Athie Jorge Coury (an un-

/successful

VPRandolphIII/vpr

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CONSULATE GENERAL OF THE UNITED STATES OF AMERICA
OCT 13 1961
SAO PAULO, BRAZIL

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FOREIGN SERVICE DESPATCH

FROM : Amcongen, São Paulo 127 NO.

TO : THE DEPARTMENT OF STATE, WASHINGTON. October 16, 1961 DATE

REF :

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OCT 18 1961

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SUBJECT: Santos Weekly Report

R/AR

Transmitted herewith for the information of the Embassy and the Department is the weekly report from the American Consulate at Santos, dated October 13, 1961.

William P. Cochran, Jr.
Minister Consul General

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

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Enclosure:

Santos Weekly Report
dated October 13, 1961

cc: Amembassy, Rio

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Cr$3.000.000,00.

Anderson has told the reporting officer that his mission was probably as successful as it could have been under the circumstances. Tancredo Neves now knows that the Santos Centro is determined to continue the fight against the Stevedores Union over the overtime pay issue, and is aware that the Centro has money to spend. Neves also seems to realize that the stevedores and portworkers in Santos are pressing hard for all manner of concessions, and that communist agitation is behind it. What happens next remains to be seen.

COMMENT:

Money often talks even louder than votes with Brazilian politicians.

Virgil P. Randolph, III
Virgil P. Randolph, III
American Consul

[1]The reporting officer has learned in great confidence that Sylvio Poppe, owner of a small Brazilian coastwise shipping line (Vandenbrande & Cia. Ltda.) is actually on a monthly retainer from the Centro and therefore not a free agent voluntarily cooperating with the foreign shipping companies, as it would appear on the surface.

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Prime Minister, one a complete history of the stevedore dispute and the other a memorandum on the implications, consequences and repercussions of this dispute and the Brazilian Government's attitude in it so far, both in Brazil and abroad. Edwards also alerted Sylvio Marques POPPE, President of the Associação Profissional das Entidades Estivadoras of Santos (a parallel organization of the Centro but composed only of Brazilian shipping companies)[1] and Rear Admiral (retired) Ary GONÇALVES, salaried "technical advisor" of the Centro, to be prepared to visit Rio on October 9.

At the last minute, owing to legitimate business reasons, Edwards was unable to make the trip, and asked David Anderson of Moore-McCormack to go in his stead. Quite surprised at this request and not a little dismayed, Anderson received permission to make the approach from his superiors in Rio, and arrived in that city with Messrs. Poppe and Gonçalves early the morning of October 9.

The trio's very presence in Rio de Janeiro was supposed to be confidential, for the Rio Centro de Navegação has never supported its Santos counterpart's fight over stevedores' overtime, and its lawyer Lycurgo Leite was acting without the Rio Centro's knowledge. Anderson states he was further embarrassed by the fact that he was carrying a check from the Centro for Cr$3.000.000,00 to be handed over to the Prime Minister, ostensibly for a political group in which Tancredo Neves is interested but obviously as a douceur for the Prime Minister.

Leite first introduced the Santos trio to Paulo de Almeida NEVES, brother to the Prime Minister, and after some stalling Neves conducted Messrs. Leite, Anderson, Poppe and Gonçalves to a luxurious apartment on the Avenida Atlántica in Copacabana to see the Prime Minister. After some further delay Neves told the deputation his brother had been called out but that the documents and the money could be turned over to him. When the Santos group demurred no little consultation in a private room ensued, after which the group was finally ushered into the Prime Minister himself.

Anderson then handed the two documents to Tancredo Neves while his colleagues endeavored to expound their views. Anderson states that the Prime Minister's attention was continually being distracted by urgent messages, high-priority telephone calls, whispered colloquies with Paulo Neves and the like, but at length the Prime Minister did say, "The stevedores and dockworkers are getting out of hand and something must be done about it". He promised to give close attention to the matter, expressed his concern with the Santos port and dock situation, and asked his brother to study the two documents from the Santos Centro since "Paulo does all that sort of reading for me".

The group then left the Prime Minister's eyrie, and later on in the day Anderson gave Paulo de Almeida Neves the Centro's check for

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FOREIGN SERVICE DESPATCH

FROM : Amconsul SANTOS, Brazil — 31 NO. — OCT 13 1962

TO : THE DEPARTMENT OF STATE, WASHINGTON. — October 13, 1961 DATE

REF : Consulate's Despatch No. 28 dated October 4, 1961

55 For Dept. Use Only	ACTION ARA	INFO	DEPT	RM/R	REP	AF	ARA	EUR	FE	NEA	CU	INR	ICA
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	REC'D 10/18			AIR	ARMY	CIA	NAVY	OSD	OCB	USIA	NSA		

DEPARTMENT OF STATE — BUREAU OF INTER-AMERICAN AFFAIRS — OCT 24 1961

SUBJECT: Santos Shipping Companies Bribe Prime Minister of Brazil

SUMMARY — COPY NO. 1 SERIES A

Legal means having been exhausted in its fight against the Santos Stevedores Union, the local association of shipping companies has begun to resort to extra-legal methods to impress upon the highest levels of the Brazilian Government its determination not to give in to the Santos union. The new Prime Minister of Brazil appears to be receptive to such extra-legal pressures, and his brother would seem to be an influential go-between in handling delicate negotiations of this nature.

* * *

The following information has been received by the reporting officer from Mr. David ANDERSON, Brazilian-born and British-descended Santos Manager of Moore McCormack (Navegaçao) S. A.

In accordance with his promise that the Santos Centro de Navegação Transatlántica would continue its fight against the Brazilian Government's insistence that the local shipping companies pay overtime for stevedoring work directly into the union rather than to the individual stevedores (see Consulate's despatch under reference), Centro President Charles EDWARDS last week arranged through Lycurgo LEITE, attorney and political fixer for the Rio de Janeiro Centro de Navegação, for a meeting to be held in Rio between representatives of the Santos shipping companies and Prime Minister Tancredo de Almeida NEVES. For this meeting Edwards had prepared two documents to be handed to the

cc: Amembassy Rio de Janeiro; amconsul São Paulo.

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Virgil PRandolphIII/vpr — SECRET — ~~This document consists of~~ ~~No. 1 of 5~~ copies, Series A

REPORTER

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0304

COMITE COORDENADOR DE BENEFICENCIA AO IMIGRANTE RUSSO NO BRASIL
SAO PAULO
Brasil

Rev. Father
F. Wilcock, S.J.
Russian Center
Fordham University
New York 58, N.Y. USA

September, 1961

Dear Father Wilcock:

Please do not give weight to what "Time" writes in its last issues about Brasil; it is already "ancient history". The communists are very active, very daring and as usual unscrupulous in their ways to attai the desired aim, as you will see from the cuttings of the paper "Estado de Sao Paulo" that I am sending you hereby. The things that are happening in the Marines' Union are a good example of what is going on in this country. Other informations from the press indicate that we are steadily drifting in the direction of Cuba. The declarations of Mr. Afonso Arinos in the United Nations are all very good and nice, the words attributed in "Time" to our President are very encouraging, but facts are facts and they are very g ugly.

Please let translate into English the enclosed cuttings (eight in all) and use everything in your power to pave the road for our possible exit from Brasil. The need may occur perhaps in a few months, or in a few weeks; our people are already very nervous and apprehending the worse. As I have already written to you, we will need entry visas with permission for resettlement and financial help. I am requesting you kindly to contact all necessary people for this purpose, people who are willing to help us when we will cry for help.

For the translations of the cuttings please contact Miss Mary Gewlitch (office: Dage Corportation, 219 E. 44 Street, N.Y. 17: residence 83-12, 35th Avenue, Jackson Heights 72, N.Y.), If she has not forgotten her Portuguese language, she will certainly be glad to help you with the translations.

With my best regard to Miss Ruth, Father Paul and Father Nicolas and sending you my best wishes,

Very sincerely yours,

V.A. Mayer

VAR/MS

0303

COMITE COORDENADOR DE BENEFICENCIA AO IMIGRANTE RUSSO NO BRASIL

SAO PAULO
VRASIL

Rev. Father
F. Wilcock, S.J.
Russian Center
Fordham University
New York 58, N.Y.

September 1, 1961

Dear Father Wilcock:

You are now, most probably, aware of the political changes in our country.

The picture is rather grim. Unpleasant consequences may occur and then people, who are not willing to remain with the communists or their fellow travelers, will cry for help. Our Coordinating Committee should at least try to find a place for a "new heaveb" and to search for sympathetic responses to such requests. A similar task was successfully accomplished by the Shanghai Coordinating Committee in the past. The first request would be for a new country for resettlement and the second - for financial assistance. There is actually only one country which is respondin to such requests and you are in that country.

In view of the above stated I am requesting you kindly as our Chairman of the Brasilian Coordinating Committee, to contact all useful people in the United States, who may be helpful in assisting us to obtain permissions for resettlement in a non-communist country and for receiving financial help for it.

I dont see any immediate danger for us at present, but at the same time I would not be surprised if we have to face such a condition in the future, if Goulard will come to power or if a civil war would start.

I hope that you are enjoying your trip to the States and that it will bring you what you have expected of it.

With my best regards,

Very sincerely yours,

V. A. Reyer

VAR/MSm

0302

VERNON W. THOMSON
3D DISTRICT, WISCONSIN

WASHINGTON OFFICE:
1115 NEW HOUSE OFFICE BUILDING
CAPITOL 4-3121, EXT. 5506

HOME OFFICE:
RICHLAND CENTER, WISCONSIN

Congress of the United States
House of Representatives
Washington, D. C.

COMMITTEE:
INTERSTATE AND FOREIGN COMMERCE

SUBCOMMITTEE:
COMMUNICATION AND POWER

SPECIAL SUBCOMMITTEE:
REGULATORY AGENCIES

ACTION
is assigned to
SCS

ORM

Ltr sent to
Vernon Thomson
SAA: ORM
Smith
+ Dawson
11/2/61
File RMR

October 12, 1961

Dean Rusk, Secretary
Department of State
Washington 25, D.C.

Dear Mr. Secretary:

Enclosed herewith find copies of two letters addressed to Rev. Father F. Wilcock and which he received while in my District, in the City of La Crosse, Wisconsin, and which are sent for your consideration.

It is my understanding that Father Wilcock is associated with the Eastern branch of the church and is apparently traveling about explaining the problems and ramifications to be expected in next year's Ecumenical Conference. I am advised that these people who are writing from Brazil went from Russia to China and were then forced out of China and went to Brazil as a haven and apparently things are not working out there. This problem affects approximately 10,000 to 15,000 people, who are asking for a new country for resettlement and for financial assistance.

Thanking you for your consideration, I am

Sincerely yours,

Vernon W. Thomson

Vernon W. Thomson, M.C.

Encl 2

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changes in government took place while maintaining the principles of constitutionality and legality, and a parliamentary type of government has been established.

If you require further information on refugees I shall be glad to furnish it.

Sincerely yours,

Clemens J. Sobotka
Acting Director
Office of Refugee and Migration Affairs

SCA:ORM:LADawson:MESmith:by
10/31/61

Clearance:

ARA:EST - Mr. Crane
SOV - Mr. Anderson

0300

RMLR

NOV 2 1961

Dear Mr. Thomson:

I have your letter of October 12, 1961, with which you enclosed copies of letters from a refugee of Russian origin who went to Brazil via China. The writer of the letter expressed his concern at the course political events in Brazil were taking and sought help for himself and others in like circumstances to obtain financial assistance and to immigrate to the United States or some other non-Communist country.

The United States does not have or participate in any program to resettle refugees from South America in this or any other country, nor are there funds available for financial assistance to refugees desirous of emigrating from that area. Furthermore, there is no U. S. legislation now in force or being prepared by the Department which would give special preference within the immigration quotas to European-born persons from South America.

On the contrary, the United States looks upon Brazil as a suitable country for the resettlement of refugees because of its economic promise and its need for immigrants who can bring special skills. Brazil itself is cooperating in international program supported by the United States looking toward the resettlement in its territory of refugees from both Europe and the Far East.

Since the time of writing the letters from Brazil, events in that country have overtaken some causes for concern of the writer. The recent

changes

The Honorable
Vernon W. Thomson,
House of Representatives.

(2)

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-2- 941, OCTOBER 11, 3 PM FROM RIO DE JANEIRO

AND LEFT IN POLITICAL AND MILITARY CIRCLES PERSISTS -- AS BOTH SIDES ATTEMPT FILL POWER VACUUM CREATED BY GOULART AND TANCREDO NEVES REGIME'S APPARENT INABILITY FILL QUADROS SHOES.

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INCOMING TELEGRAM *Department of State* ACTION COPY

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NSA
OSD
ARMY
NAVY
AIR

RMR

FROM: RIO DE JANEIRO

TO: Secretary of State

NO: 941, OCTOBER 11, 3 PM

Ordi - no action - EST/B
JW Wilson 1/9/62

PROPAGANDA CAMPAIGN FOR PURPOSE PREPARING EVENTUAL RETURN EX-PRES QUADROS TO ACTIVE ROLE BRAZILIAN POLITICS CONTINUES GATHER MOMENTUM. LATEST GAMBIT IS STATEMENT AUTHORED BY QUADROS AND RELEASED PRESS BY SON-IN-LAW ALAOR GOMES UPON LATTER'S RETURN BRAZIL OCTOBER 8 "SOONER THAN THEY THINK I WILL RETURN...MY POLITICAL ADVERSARIES, WHO ARE EXPLOITING THIS FRIENDLY SUFFERING (BRAZILIAN) PEOPLE, WHO CHEAT, ROB AND SELL THEM, LIKE PROFESSIONALS OF (POLITICAL) POWER (THEY ARE) WILL SEE TO THE HASTENING OF MY RETURN..." DEMAGOGIC TONE THIS DECLARATION TYPICAL RECENT SPATE PRO-QUADROS MANIFESTOES ISSUED BY HIS IMMEDIATE LIEUTENANTS, MOST NOTABLY EX-PRIVATE SECRETARY JOSE APARECIDO AND PROPAGANDA IS ATTEMPT PLACE ALL BLAME FOR QUADROS RESIGNATION ON "PRESSURES" BY "OLIGARCHIES" AND FOREIGN (I.E., US) "TRUSTS" -- A STANCE CONSISTENT WITH LINE TAKEN BY QUADROS HIMSELF IN RESIGNATION STATEMENT AND HIS REMARKS UPON LEAVING BRAZIL. RUMORS RE TACTICS QUADROS RETURN CONTINUE ABOUND, LATEST BEING STORY HE INTENDS RETURN NEXT YEAR AND RUN FOR FEDERAL DEPUTY (SAO PAULO) WHILE SIMULTANEOUSLY ATTEMPTING ELECT SUFFICIENT NUMBER FOLLOWERS ASSURE BECOMING PRIME MINISTER 1963. EMBASSY TENDS AGREE WITH OBSERVERS WHO VIEW THIS AS MERELY LATEST IN SERIES TRIAL BALOONS (THAT LAUNCHED AT BEHEST QUADROS) WITH VIEW DETERMINING MOST POPULAR METHOD ACCOMPLISHING RETURN BRAZILIAN POLITICAL STAGE.

WHILE PUBLIC RECEPTIVITY THIS EVENTUALITY STILL LARGELY NON EXISTENT PREVIOUS HOSTILITY IS TENDING DISAPPEAR AND PRO-QUADROS TALK NOW HEARD OPENLY (THOUGH NOT WIDELY) IN MANY BRAZILIAN CIRCLES. FACTORS FAVORABLE QUADROS APPEAR LIKELY INCREASE SO LONG PRESENT GOVT FAILS TAKE DECISIVE ACTION IN ECONOMIC AND SOCIAL FIELDS AND INCREASINGLY SHARP CONFLICT BETWEEN RIGHT AND

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RIO 941

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0297

(not much support for Heck except from O Estado); the Syrian revolt (generally unsympathetic with Nasser); and the Russian atomic bomb tests (very unfavorable publicity).

Miscellaneous

13. List of Substantive Despatches

116 Santos Weekly Report
117 Bi-Weekly Economic Review, Sept. 22 - Oct. 5
120 São Paulo Summary No. 15, Week Ending October 7, 1961

William P. Cochran, Jr.
Minister Consul General

Contributors: Proper

Distribution: INS/RAR, Embassy Rio 3, Amconsulates Belem, Belo Horizonte, Curitiba, Porto Alegre, Recife, Salvador, Santos, Amembassy Lisbon, Amconsulate Luanda.

0296

COMMENT: The attendance of high São Paulo officials at an affair known to be dominated by Portuguese revolutionaries is indicative of the sympathies on which the cause could count if it could quell internal bickering and pacify the African nationalists. The first part is theoretically possible, but it is difficult to see how the Africans could be satisfied without losing most Portuguese.

Local Press Reaction

9. Higher Wages

The São Paulo press was unanimous in agreeing on the rocketing cost of living and the consequent need for higher wages for the poorer classes. Even conservative papers such as Estado de São Paulo reported with sympathy on wage protests started by such groups as the primary and secondary school teachers and state engineers. When the revised minimum wage came, it was generally greeted with satisfaction, but Folha de São Paulo thought that 40 per cent was too much. Most conservative papers wished that the raise could have been carried out with less publicity (see item 3). Leftist Ultima Hora, of course, treated the wage increase as a personal triumph.

10. Quadros' Resignation

Largely because of the "explanations" of his lieutenants (see item 2), the reasons for the ex-President's resignation were back on the editorial pages. The press is now unified in agreeing that the reasons were all condemnable. Treatment of the subject ranges from the hilarious to the profane, with every invective in the unabridged Portuguese dictionary having been applied to the former President at least once. In spite of this, the conservative press seems to feel that there is a possibility for Quadros' eventual return as champion of a leftist movement.

11. Cuba

Never entirely out of sight, Cuba this week edged back into major press coverage by reason of Castro's famous paredon and the discovery of plots against the Government of Argentina. Nothing could do more to alienate the non-violent Paulistas than the continued firing squad executions. Typical comment from A Hora: "So far the bearded leader has not done anything good in Cuba for the benefit of the Cuban people. It seems that Fidel's only big preoccupation is avoiding overpopulation."

12. Other

Among other items receiving important coverage: legalization of the Communist Party (opinion divided); arrest of former Naval Minister Heck

0295

1. If the firms involved (both American and Canadian interests are concerned) were to be reimbursed on satisfactory terms, very large amounts of capital would be needed. The state can ill afford to divert such sums from constructive use.

2. An illogical action of this kind, coming so soon after a political crisis which frightened potential American investors, would inevitably harm the investment climate.

It should be noted that most important São Paulo circles are fully aware of these objections. Governor Carvalho Pinto can bring heavy artillery to bear against schemes which threaten his popular "Plan of Action."

7. Communist Activities (Official Use Only)

The results of the Communist campaign to obtain signatures for petitions requesting party legality are not yet known. The Reds, however, are acting more openly than ever. They are reported to have set up a campaign office in the city of São Paulo at 81 Avenida Ipiranga, fifth floor. Their meetings have received poor publicity and apparently poor attendance. The split between party factions is receiving increasing discussion. The wish of "leftist deviationists" to revert from the present name of "Brazilian Communist Party" to the former "Communist Party of Brazil" publicizes the foreign ideological nature of the movement. In general, the legality campaign could have been handled much better.

8. Activities of Portuguese and Angolan Revolutionaries (Official Use Only)

On the night of October 4, important São Paulo officials -- among them the Vice-Governor and several state deputies -- attended a banquet commemorating the fifty-first anniversary of the proclamation of the Portuguese Republic. The atmosphere was extremely anti-Salazarist, one speaker (Julio de SENA) going so far as to request United Nations intervention to assure free elections in Portugal. The speakers may have been encouraged by reports in leftist Ultima Hora that Captain Henrique GALVÃO was already in hiding somewhere in Portugal, ready to take charge of a revolution. O Estado de São Paulo (which usually has the best contacts with Portuguese revolutionary circles) did not confirm this news, rendering it suspect.

At the same time, the local Movimento Popular Para Libertação de Angola tried to take some of the wind out of the revolutionaries' sails. The press carried a well written MPLA letter blasting a recent statement, signed by Galvão and Sarmento PIMENTEL, that "the Portuguese people hold unquestionable rights" in Africa. The letter concluded that "Angola rejects the colonialism of Mr. Galvão just as it rejects that of Mr. Salazar."

0294

B. Tancredo Neves avoided mention of the controversial division of power between himself and President Goulart.

5. Alfredo Nasser Nominated for Ministry of Justice (Confidential)

São Paulo Despatch 92 of September 19, 1961, mentioned that the Partido Social Progressista (PSP) had originally turned down the Ministry of Justice in the new government as being "too austere" for its tastes. Following this decision, and in the absence of Adhemar de BARROS, central party figure still vacationing in Europe, the PSP vacillated between support of and opposition to the new government. When open opposition was ruled out, any Ministry apparently sounded better than none at all. Even the members of the party could not agree on a candidate, however. Several names were proposed by different factions and later ruled out for various reasons. The national government thought it advisable to curry the support of Mauro Borges TEIXEIRA, fractious Governor of Goiás, who has been leaning far over in the direction of Rio Grande do Sul Governor Leonel BRIZOLA. The PSP, though principally a São Paulo party, also has important political figures in Goiás, and one of them - party President for the state - was chosen.

The Minister-designate was born in Caiaponia, State of Goiás, in 1907. He began a career of journalism in the city of São Paulo, where he worked for the newspaper Folha de São Paulo. He has been Federal deputy from Goiás, professor of law at the University of Goiás, and has occupied several important state positions concerned with law, police, administration, and economics.

6. Nationalistic Electrical Energy Bill Introduced (Official Use Only)

On October 3, Democratic Christian Party (PDC) Deputy Felicio CASTELLANO introduced in the State Legislative Assembly a bill providing for expropriation of fifty-one per cent of the stock of all private firms producing and distributing electricity within the state. The bill was discussed in detail in São Paulo Airgram A-9 of October 6, 1961. It provided for reimbursement of the firms involved, but did not specify terms. Chances of passage cannot yet be predicted, especially since the bill would probably have to pass over the veto of Governor Carvalho Pinto. Powerful factors act both in its favor and against it. If it is not buried in a legislative committee, it is at least likely to emerge considerably altered.

COMMENT: The unfortunate potential repercussions of the bill have been thoroughly discussed in previous São Paulo communications. Briefly, the objections are:

0293

4. Tancredo Neves' Speech (Official Use Only)

Council President Tancredo Neves' October 6 speech in the "First Parliamentary Study Cycle," televised over a network of São Paulo stations, appeared to impress his audience favorably. It seemed calculated to win the support of the many Paulistas who approve strongly of Governor Carvalho Pinto. Though he spoke rapidly and at times excitedly, his opinions were moderate and he steered far clear of nationalistic slogans. Points:

A. He stressed the São Paulo - Minas Gerais axis by saying that "the great work of São Paulo" was not its economic, artistic, cultural, or industrial leadership but its creation of the State of Minas.

B. In discussing the dangers threatening Brazilian democracy, he made a thinly concealed reference to Communism and later praised "Roosevelt's four liberties."

C. He said that the recent crisis had turned him from a fan of the presidential system into a supporter of parliamentarianism.

D. He stressed the necessity of basic economic and structural reforms and recognized that combatting them would require "measures of courage and drastic austerity, which only a parliamentary system can adopt."

E. He favored increasing commercial relations with Russia, but said that only Congress could pass on the desirability of reopening diplomatic relations.

F. "...Congress already realizes that pressure for a popular referendum (on retention of the parliamentary system) at this time comes from nothing but a nucleus of subversive agitation by groups who are not interested in parliamentarianism or presidentialism, but in national disorder."

G. When asked about the possibility of legalizing the Brazilian Communist Party, he replied that he was personally against it, but that Congress would have to decide.

COMMENT: Certainly conservative Paulistas could find very little wrong with the Prime Minister's opinions. Two questions remained to be answered, however:

A. Not many agreed that a parliamentary system can take unpopular economic measures more easily than a president (see item D above).

0292

3. São Paulo Plays Capital of the Republic (Confidential)

Beginning on September 29 (see last week's summary) President João Goulart and some of his most important Ministers paid lengthy visits to São Paulo. Not all of the local press was too dignified to be flattered at the new experience of being "the acting capital of the parliamentary republic" (in this, papers unconsciously fell into the habit - often criticized in the new President - of forgetting that the parliament and not the executive is supposed to be making the decisions now). The official purpose of the visits was connected with the opening of the Sixth Biennial Exhibition of Modern Art and the "First Parliamentary Study Cycle" of the Catholic University of São Paulo. Unofficially, it looked a little like a case of the mountain coming to Mohammed. Governor Carvalho Pinto, in the role of Mohammed, was a courteous but not an effervescent host. Shortly after President Goulart left, and while Council President (Prime Minister) Tancredo NEVES was in town, the São Paulo Governor departed for a week at the beach in Santos. Not much news had leaked out of the palace. There was speculation - but nothing to back it up - that the President had agreed to stay out of the 1962 São Paulo governorship race. Probably the most noteworthy aspect of the stay was the President's reception by the Paulistas: friendly, but not so warm as was apparently the case during his recent visit to Rio de Janeiro. His only public statement of importance was a promise, a week before the fact, that the minimum wage would soon be raised to a high new level. This publicity was criticized as encouraging prices to rise once in anticipation of the fact and again on its consummation.

San Thiago DANTAS, Minister of Foreign Affairs, was ostensibly in town to make a speech discussing the parliamentary system of government. He delivered it, but statements which attracted attention came out in a press interview on foreign affairs. He reiterated his intention of conducting an "independent" foreign policy, avoided commitment on the admission of Red China to the U.N., and hedged on Berlin. On the other hand, he: (1) said that his policy was "Americanist" and not neutralist in character; (2) came out formally in opposition to the Troika; and (3) supported "non-intervention" but clarified his stand by stating that the government of a country must originate in free elections in order to be considered democratic.

COMMENT: The statements made by Goulart and his Ministers in São Paulo were generally characterized by caution and moderation. This encouraged the Paulistas - who are generally in favor of the "legality" which Goulart has been able to champion but not enthusiastic about the man himself - to continue their support of the government.

0291

Pedroso HORTA, ex-Minister of Justice. The latter's speech was by far the most noticed, being broadcast over television on October 3 (and running well over into the wee hours of October 4).

Principal points:

A. When asked whether he was Quadros' heir, as João GOULART was Getulio VARGAS', he replied that there was not the remotest similarity between the two cases.

B. He listed the following as the motives leading to Quadros' resignation: (a) lack of support from public information media, (b) Congress was uncooperative, (c) so were the political parties, (d) certain military elements (the three ministers specifically excepted) were unhappy, and (e) Lacerda, of course, was the blackest villain of all.

C. When reminded that the President had likewise been accused of ignoring the Congress and that he could have taken his complaints against that body directly to the people, Horta replied that Quadros "did not have the right to incite the people against the Legislative Power."

A more disturbing event took place on the evening of October 4, when old Raul PILLA, Federal deputy from Rio Grande do Sul who is widely respected as the "father of Brazilian parliamentarianism," tried to make a speech in a square in the center of the city of São Paulo on the meaning of the new system of government. He was hooted down by a mob shouting "Janio, Janio." It was the first noticeable popular manifestation of the latent pro-Quadros movement.

COMMENT: (Confidential) In his attempt to explain the inexplicable, Lawyer Horta offered one of the least convincing dialectics yet heard. His own logical mind leads him to reason backward convincingly from the known fact of the resignation; the problem being that his logical conclusions, when he arrives at them, are incredible. Fortunately, his audience seemed to have been more amused than bewildered.

The demonstration at Pilla's speech bears out the calculation that there is, nevertheless, a potentially dangerous undercurrent of leftist pro-Janio feeling which could be aggravated into eruption. However, the segments of the population now supporting Quadros are --with the exception of lieutenants like Horta -- quite different from the "Janistas" of a year ago. The inference is that if Janio comes back, it will not be as a "Janista".

0290

under review, headlines reported a meeting soon to be held between Carvalho Pinto and the eight or nine other state governors who are products of the political movement which swept Janio QUADROS to the presidency in the elections of October 3, 1960. Four of these governors have already visited São Paulo in recent weeks (see despatches 113 of October 3 and 100 of September 26). The first palace leaks concerning the coming meeting left the impression that it too would be in São Paulo, but by the end of the week the best bet was Salvador, Bahia, where Governor Juracy MAGALHÃES, Carvalho Pinto's apparent favorite, would preside. It seemed likely, too, that the meeting would be only the first of a series. The list of participants was not to be divulged until everyone invited had made up his mind, but it was easy to guess that feelers had gone out to the governors of Pernambuco (where the meeting was announced simultaneously), Bahia, Paraná, Mato Grosso, Minas Gerais, Rio Grande do Norte, Sergipe, Alagoas, and Espírito Santo. These men constitute an enormous political force - especially under the new national parliamentary government - and are the only important group still entirely free to speak for the victorious movement recently headed by Quadros. The nation's attention will be focused on them.

COMMENT: Carvalho Pinto, judging from his recent actions, may be expected to try to lead the meeting towards:

A. Emphasis of the fact that the governors represent a universal reform movement and definitely not a new party grouping.

B. Avoidance of criticism which would hamper the work of the current national government (although the governors' meeting is essentially a product of dissatisfaction with certain facets of the latter).

C. Avoidance of "political slogans" and emphasis on hard work after careful planning, as in the São Paulo "Plan of Action" (and, by extension, the Alliance for Progress).

D. Tacit acceptance of the fact that Janio Quadros is politically dead.

2. Janismo with Janio (Official Use Only)

The most remarkable thing about the possibility of ex-President Quadros' return to power is that almost no one seems to want it and almost everyone continues to talk about it. Days after it might have been expected to recede from the headlines, it remains one of the most talked-about news items in São Paulo. During the week under review, the following nationally prominent politicians tried to convince Paulistas that Janio was right: Lino de MATOS, Federal Senator from São Paulo; CASTRO NEVES, ex-Minister of Labor; and

0289

AIR POUCH
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TO : THE DEPARTMENT OF STATE, WASHINGTON.

October 10, 1961
DATE

REF :

Tele. location
E&T/B: Wilkinson - sent 10-19-61
OF 5/53/p G FE 10/11/61 B/EAC IO

19 For Dept. Use Only	ACTION	ORAA	INFO	DEPT	RM/R 2	S/P 5	S/S 3	ARA 1	EUR 9	FE 1	EA 4	CU	INR 7	E 7	P	IO 5	L 4
				OTHER	AGR	COM	FRB	INT	SAB	TAR	TR	XMB					
		REC'D 10-14			AIR 6	ARMY 4	CIA 15	NAVY 4	OSD 5	OCB	USIA	NSA 2	NSC 1				

SUBJECT: São Paulo Summary No. 15, Week Ending October 7, 1961

DEPARTMENT OF STATE
BUREAU OF
INTER-AMERICAN AFFAIRS
OCT 16 1961

732.00/10-1061

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Political
1. Janismo Without Janio
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5. Alfredo Nasser Nominated for Ministry of Justice
6. Nationalistic Electrical Energy Bill Introduced
7. Communist Activities
8. Activities of Portuguese and Angolan Revolutionaries
Local Press Reaction
9. Higher Wages
10. Quadros' Resignation
11. Cuba
12. Other
Miscellaneous
13. List of Substantive Despatches

Political

1. Janismo Without Janio (Official Use Only)

São Paulo Governor Carvalho PINTO is turning out to be one of those rare politicians who, rather than chasing the public, is chased by the public. Recent reporting from this post has traced the increase in his national prominence which has come about in spite of - or perhaps because of - his attempts to keep at his work and out of the headlines. During the week

See last page/lfw
REPORTER

CONFIDENTIAL

CLASSIFIED FILE

FORM 6-61 FS-439 GPO 912596

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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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HANDLING INDICATOR

FOREIGN SERVICE DESPATCH

For Department Use Only
732.00/10-961
OCT 10 1961

FROM : Amcon Recife

TO : THE DEPARTMENT OF STATE, WASHINGTON.

NO. 76

DATE October 9, 1961

REF : D-75 of October 6, 1961

File location per 1287/13: Lot 66 D 237 - Box 11-5-61

For Dept. Use Only	ACTION	INFO	DEPT	RM/R	REP	AF	ARA	CCR	PE	NEA	CU	INR	E	P	IO	ICA
19	ARA-4			2		3		1	1			7		3		
			OTHER	AGR	COM	FRB	INT	LAB	TAR	TR	XMB					
	REC'D 10-17			AIR 4	ARMY 4	CIA 10	NAVY 4	DSD 5	OCB	USIA 10	NSA 4					

SUBJECT: Governor Sampaio Active in Organizing Bloc of Governors as Political Force

732.00/10-961

Anticipating the development of a popular base of power that will result in the overthrow of reactionary groups identified with gross exploitation, and fearful that the popular movement may be dominated by totalitarian leftists rather than by democratic reformists, Governor Cid Sampaio is active in pushing the organization of a group of state governors who see "the popular democratic base rather than the popular totalitarian base as the route by which Brazil should develop" and who constitute in their view "the only force in the country that has any chance of heading off the movement of Brazil to a totalitarian communist type of government under the leadership of leftist demagogues". (See D-75)

The press has reported that Governor Sampaio has discussed his ideas along these lines, during a recent trip south, with Governors Carvalho Pinto of Sao Paulo and Ney Braga of Parana, as well as Aluisio Alves of Rio Grande do Norte who was met at Rio de Janeiro. On his return, he reportedly met briefly, in some cases while transiting at airports, Governors Luis Cavalcanti of Alagoas, Luis Garcia of Sergipe, Juracy Magalhaes of Bahia, and Magalhaes Pinto of Minas Gerais. Governor Carvalho Pinto reportedly met with Fernando Correia of Mato Grosso. These nine plan to meet together this month according to the Recife press, under the leadership of Carvalho Pinto and Sampaio, "to consider means to defend a democratic regime against both rightist and leftist groups".

If the meeting is held and results in unanimity, the bloc might emerge as a significant political factor. Sampaio would find this comforting in his efforts to revitalize his political position (see D-62). However, it is still not certain that the meeting will be held, or that unanimity will emerge.

DEPARTMENT OF STATE
BUREAU OF
INTER-AMERICAN AFFAIRS
OCT 19 1961

Albert A. Rabida
American Consul

cc: Amemb Rio de Janeiro (2)

AARabida/aar

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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The series was very successful. An unusual tribute was paid Dr. Van Nostrand by his audience when on his last night it presented him two small gifts as tokens of its appreciation for his stimulating lectures.

3. Consul's Wife Aids Benefit (UNCLASSIFIED)

On October 4 a buffet dinner in benefit of the American School in Santos was held at the Santos Athletic Club, which was attended by over 200 persons, a great many of whom were Brazilians. Mrs. V. P. Randolph, III was a prime mover in this undertaking, which netted the school over Cr$74.000,00.

☆ U. S. GOVERNMENT PRINTING OFFICE: 1959-[illegible]

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3. Santos Budget Greater Than Eight Brazilian States (UNCLASSIFIED)

According to figures published in the "Revista de Finanças Publicas", organ of the Technical Secretariat of the Finance Ministry's Council on Economy and Finance, Santos' projected receipts for 1962 of Cr$1.703.000.000,00 is more than the receipts of eight Brazilian States, to wit: Maranhao (Cr$1.6 billion), Rio Grande do Norte (Cr$1.3 billion), Alagoas (Cr$1.2 billion), Paraiba (Cr$1 billion), Amazonas (Cr$768.8 million), Mato Grosso (Cr$750.9 million), Sergipe (Cr$605.3 million) and Piauí (575.4 million).

Comment: (UNCLASSIFIED)

Santos' 1962 budget is now fixed at Cr$2.047.000.000,00, which will leave a Cr$344.000.000,00 deficit.

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 - Negative.

VI PSYCHOLOGICAL

1. Second Nationalist Lecture Given in Santos (UNCLASSIFIED)

On October 4 leftist Professor Dalton Boechat delievred a talk here on "Hunger and Economic Development" as part of a course on an "Introduction to Brazilian Problems" arranged by the Instituto Superior de Estudos Brasileiros (ISEB) and sponsored by the Sao Paulo Students Union. (See Weekly Comment of September 28, Psychological item 1.)

Comment: (UNCLASSIFIED)

Boechat is an ISEB faculty member and an occasional visitor here.

2. U.S. Professor Concludes HNC Lecture Series (UNCLASSIFIED)

On October 3 Dr. Albert D. Van Nostrand (see Weekly Comment of September 28, Psychological item 2) concluded his series of four lectures at the Santos Binational Center on "The Formation of Ideas in the United States".

Comment: (UNCLASSIFIED)

/The series

☆ U. S. GOVERNMENT PRINTING OFFICE: 1958-489479

0285

Apparently realizing that its attempt to run the Santos City Central without anti-communist participation is a flop, the communist directorate has come to terms with its anti-red rivals and formed a joint committee composed of President Antonio Guarnieri of the Bank Employees Union, Secretary General Oswaldo Lourenço of the Port Services Administration Employees Union; and President Júlio Gonçalves Pinheiro of the Quarryworkers Union, President Vitelbino Ferreira de Souza of the Metallurgists Union and President Irenio Jacomo de Araujo of the Shipping Company Employees Union, the latter three non-communists. This committee will supervise elections on October 16 to select a new City Central directorate chosen by all the organization's members. (See Weekly Comment of September 28, Labor item 2.)

Comment: (OFFICIAL USE ONLY)

It will be interesting to note how many communist members of the new directorate will be chosen.

III ECONOMIC

1. Santos Coffee for Middle East (UNCLASSIFIED)

On September 30 the first of 50,000 bags of coffee were loaded aboard the Brazilian freighter Loide Paraguay for Beirut, where a free zone has been ceded Brazil by the Lebanese Government at a token rental of a thousand Lebanese pounds a year. This arrangement will allow Brazilian coffee to be distributed throughout the Middle East.

Comment: (UNCLASSIFIED)

This stems from a recent visit to Lebanon by a Brazilian commercial mission (see Weekly Comment of May 12, Economic item 3) headed by Ruy Gomes de Almeida of the Brazilian Federation of Chambers of Commerce.

2. Status of Port Congestion (UNCLASSIFIED)

At midday on October 5 four ships were anchored in the Santos roads awaiting berthing space alongside the quays, and nine ships were at anchor inside the estuary proper.

Comment: (UNCLASSIFIED)

On October 2 and 3 overtime (after 5 p.m.) stevedore work on nearly every ship in port was halted as a consequence of the stevedore-shipping companies labor dispute (see Labor item 1 above).

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LIMITED OFFICIAL USE

has an important investment here in 9 fishing vessels operated by the huge Taiyo Fisheries Industries.

II LABOR

1. Port Strike Narrowly Averted (OFFICIAL USE ONLY)

A port shutdown scheduled for October 4 was only narrowly avoided when Labor Minister Andre Franco Montoro forced the Santos Centro de Navegacao Transatlantica (shipping companies' association) to yield to the insistent demands of the Santos Stevedore Union that it be allowed to collect its members' overtime and holiday pay directly from the shipping companies. For some time this bitter dispute has been before the Court of Appeals, which has never yet acted (see Weekly Comment of August 25, Labor item 1).

Comment: (LIMITED OFFICIAL USE)

The stevedores were acting under heavy communist pressure, and the Labor Ministry's action, in the new government's first important labor crisis, is interpreted by business circles here as nothing less than a subversion of legal process by the Goulart regime in the face of communist-controlled labor. The foreign shipping companies here (including Moore-McCormack especially) are bitterly disillusioned at what they consider the Government's abject surrender to communist pressure and are now casting about for some way to force the Brazilian Government to adopt a more reasonable attitude. The whole episode, which could have extremely serious consequences for this country, is treated at length in a despatch which has been sent to the Department by the reporting officer.

2. Communists Agitating for Higher Wages (OFFICIAL USE ONLY)

The two big communist-run portworkers unions are agitating for a 60% wage increase from the Santos Dock Company, and the chiefs of the union were in Brasilia this week to press their claims before President Goulart. The reporting officer is also informed that the four chemical plants in Cubatao, in which U.S. capital is interested, are expecting a general strike on October 6 from their communist-bossed union, which is demanding a 55% wage boost and numerous fringe benefits. Likewise, the communist-infiltrated dryecleaners' union is seeking a 60% wage increase.

Comment: (UNCLASSIFIED)

It remains to be seen how the momentarily-expected promulgation of a new minimum wage will affect the communists' labor agitation.

3. Reds and Anti-Reds Agree on New Santos City Central Elections (OFFICIAL USE ONLY)

/Apparently

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Comment: (UNCLASSIFIED)

On September 30 Benedito Neves Gees, José Gonçalves and Manoel de Almeida, members of the PTB's anti-Gomes faction, saw President Goulart in Sao Paulo to discuss the party's future in Santos. The reporter assumes they endeavored to induce Goulart to lend his weight to a reconciliation - more favorable to the anti-Gomes wing.

3. Mayor of Cubatao Anti-Communist (LIMITED OFFICIAL USE)

Mayor Abel Tenorio de Oliveira of nearby Cubatao (see Weekly Comment of March 30, Political item 1) this week told the reporting officer that while he was a communist sympathizer in his youth, he is now a strong anti-red and that he plans to hold in Cubatao in November a meeting of all the mayors in this vicinity, at which time he will deliver a rousing speech of warning against communist agitation in this area and of exhortation to deal firmly with red subversion.

Comment: (UNCLASSIFIED)

Fast-growing Cubatao already has 30,000 people and is the home of the big Presidente Bernardes oil refinery and its four satellite chemical plants (see Labor item 2 below). The giant Cosipa steel mill (Weekly Comment of September 28, Economic item 1) is also being built in Cubatao, which is thus developing into one of Brazil's principal industrial complexes.

4. Little Sao Paulo Sentiment for Janio's Return Noted (OFFICIAL USE ONLY)

A successful U.S. businessman of long local residence and wide business interests in Brazil has told the reporting officer that this week he was informed by important businessmen in Sao Paulo City that little or no real sentiment exists for the return to Brazil at this time of Janio Quadros, despite the feelers in this direction being put out by the ex-President.

Comment: (OFFICIAL USE ONLY)

Janio's prospects will vary in proportion to Brazil's support of the shaky Goulart regime.

5. Japanese Ambassador in Santos (UNCLASSIFIED)

On October 3 Japanese Ambassador to Brazil Keiishi Tatsuke paid an official visit to Santos and was cordially received by Mayor Gomes and other municipal dignitaries with much pomp and ceremony.

Comment: (UNCLASSIFIED)

A number of Japanese reside in this consular district, and Japan

/has

☆ U. S. GOVERNMENT PRINTING OFFICE: 1955-[illegible]

0282

FORM DS-682
8-1-50

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Enc D116 fr Pax 1
Do 116 Santos Sao Paulo
10/6/61

OPERATIONS MEMORANDUM

TO: American Consulate General Sao Paulo

Date: October 5, 1961

FROM: American Consulate SANTOS, Brazil VPR

SUBJECT: Weekly Comment on Events in Santos

REF:

I POLITICAL

1. Mayor of Santos Visits Governor Brizzola (UNCLASSIFIED)

Over the weekend Mayor Jose Gomes was in Porto Alegre ostensibly on a good-will visit accompanying a Santos volley ball team but actually to talk politics with Governor Leonel Brizzola. The latter was quoted as expressing concern at the wish of conservative politicians who want to remain in the saddle in Brazil and as having expressed his sympathy for the masses of the people. Brizzola thanked Gomes for the support he had received from Santos during the political crisis (see Weekly Comment of September 21, Political item 3) and went out of his way to praise the insubordinate stand taken by the 2nd Battalion of Caçadores in Sao Vicente on September 1 (Weekly Comment of September 8, Political item 2).

Comment: (OFFICIAL USE ONLY)

It is evident that Mayor Gomes is seeking, and gaining, national stature with the PTB.

2. PTB Split Being Healed (OFFICIAL USE ONLY)

The PTB "reconstruction committee" headed by Mayor Gomes and including his allies Flavio Conceiçao Paiva, Antenor Batista and Arthur Alves de Amorim, Jr. and his opponents Benedito Neves Goes, Odair Ribeiro Leal, Antonio Rodrigues and Jorge Bitar (see Weekly Comment of August 18, Political item 2) met this week to consider means and ways of reestablishing the local PTB party organization, which fell apart in July (Weekly Comment of July 14, Political item 1) as the result of a row between the orthodox (anti-Gomes) party leaders and the Mayor after the latter refused to dispense patronage through the party's regulars and began to remake the local party in his own image. No doubt the Mayor will insist on a commanding voice in the party's leadership if and when the quarrel is patched up.

(Comment)

CONSULATE GENERAL OF THE UNITED STATES OF AMERICA
OCT 5 - 1961
SAO PAULO, BRAZIL

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★ U.S. GOVERNMENT PRINTING OFFICE: 1959-506196

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AIR POUCH
HANDLING INDICATOR

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732.00/10-661

FOREIGN SERVICE DESPATCH

FROM : Amcongen, São Paulo — 116 NO.

TO : THE DEPARTMENT OF STATE, WASHINGTON.

October 6, 1961 DATE

REF :

10/11/61

For Dept. Use Only	ACTION	INFO	DEPT	RM/R	REP	AF	ARA	EUR	FE	NEA	CU	INR	E	IO	ICA
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	REC'D			AIR	ARMY	CIA	NAVY	OSD	OCB	USIA					
	10-14			6	4	15	4	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 5, 1961.

William P. Cochran, Jr.
Minister Consul General

Enclosure:
Santos Weekly Report
dated October 5, 1961

cc:
Amembassy, Rio

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REPORTER

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CLASSIFIED FILE

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Cid said that he would take it upon himself to organize the popular reform governments of the country. He said that Sao Paulo would not need aid from us, being self sufficient but that undoubtedly the governments of Minas Gerais and Parana would also need aid. In the case of Pernambuco, he promised to aid the neighboring states of Rio Grande do Norte and Paraiba and perhaps Alagoas and Sergipe as well through extending benefits of popular housing through his own organization of CRC. He pointed out that these governors were good fellows but were a little young and didn't have the bredth and know-how with which he himself was fortunate enough to be endowed by experience plus three university degrees including one in France.

The meeting closed with a reiteration of the urgency of the national position and of the key role which the Northeast plays in this position. His appeal for direct assistance could not have been more forceful or more desperate.

0279

Dr. Cid then turned to the nature of the coming change in the political power in the national government. He pointed out that there were a group of governors in the country who saw the popular democratic base rather than the popular totalitarian base as the route by which Brazil should develop. He also pointed out that at the moment this group of governors was the only force in the country that had any chance of heading off the movement of Brazil to a totalitarian communist type of government under the leadership of the leftist demagogues. He also said that at the moment this group of governors was not united into a single force. He listed off these governors as being those of Sao Paulo, Minas Gerais, Parana, Bahia and Pernambuco. He proposed to form a coalition of these governors to resist the communist movement in the coming elections and to which group, with help to be mentioned later, he would bring the governors of Rio Grande do Norte, Paraiba, Alagoas and Sergipe. (Guanabara was not mentioned in this conversation, although newspaper accounts indicate that Cid later made some contacts in this respect).

Cid then pointed out the situation here in Pernambuco. He pointed out that he himself had not received any aid from the federal government and all that he had accomplished within the state had to be done with the resources available to the state and that he had accomplished this with a balanced budget as of the present time. On the other hand, governments which were identified with leftist forces had received considerable federal aid. He pointed out the aid which had been given to the communist mayor of Recife as a particularly pertinent example on the municipal level. In this respect, he pointed out that the mayor of Recife was not only communist but that his vice-governor, Mr. Pelopodis had during this administration turned from socialist to communist. Cid said that without help he did not think there was any doubt but that Arraes would become the next governor of Pernambuco. He said that without actual accomplishments in quantity to point to in the next elections he could not repeat his successes of the elections in which he supported Janio.

In order to arm himself for fighting the coming elections he said he wanted 10 billion cruzeiros. This would be in the form of a loan to the state bank Caixa Economica to be repaid in a ten year period by revenues from state taxes including the BS type stamp tax. The money would be used 20 to 25% for public works, 20 to 25% for colonization and 50% for industrialization, especially the aiding of little industries for which no financing exists at the present time. He said that he absolutely had to have this loan within 60 days in order to accomplish its purposes. He said that outside aid after that time would be too conspicuous and not leave him time to operate and would probably react against him politically. The question very clearly put was whether the United States Government could or could not make such a direct loan. (This same question was urgently repeated immediately after the meeting on Sept. 22 in the foreign office in which he said that the cruzeiro aid was appreciated but that he absolutely had to have an answer with respect to the bank loan possibility).

Cid then proceded to give a little exposition on our American foreign policy of nonintervention in internal affairs, using China as an example. This exposition was quite forceful in which he pointed out how we had lost China by insisting on supporting a corrupt regime obviously in imminence of being toppled instead of supporting or creating if necessary a popular reform movement.

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FORM FS-439a
6-1-50

SECRET

Page 1 of
Encl. No. 1
Desp. No. 75
From Recife

Memorandum of conversation, Governor's Palace, Recife, September 14, 1961.
Those present: Governor Cid Sampaio, J. L. Haynes and Robert Peterson.

This meeting was requested by the governor at a meeting on the previous day with the American Consul.

Dr. Cid opened the meeting with a somewhat lengthy but erudite explanation of the history of Brazilian political evolution leading up to the present situation of a sufficiently broad democratic base that in free elections the power now lies in the hands of the middle classes, the upper privileged classes no longer having a monopoly in this respect. The key point he makes is that the coming elections will reflect the exercise of this popular base of power and will, without any doubt, involve the overthrow of the reactionary regime now dominating the country. This reactionary regime is identified with the gross exploitation of governmental power for personal privileges and with well-recognized corruption. Cid points out that the new popular movement which will be in power will be very much against the reactionary sector of political power and, if by some chance the reactionary group should maintain control of the country that there would be a revolution. The question then lies as to whether the movement to popular control will be dominated by totalitarian leftists or by democratic reformists. In this respect he points out that the leaders of the popular movement who make the most noise are demagogues who are identified with or are members of the extreme left with a vision of totalitarian communist government as a solution to their own political aspirations if not to that of the people.

At this point he diverged to point out the dream of Janio. He pointed out that prior to the time of Fidel Castro in Cuba, probably 99% of the people in Europe had never heard of Batista. On the other hand, 99% of the people of Europe now know who Fidel Castro is. Janio figures that if so insignificant a country as Cuba could wield such a disportionate amount of power on international politics by this route then certainly a country the size of Brazil could become a dominating factor in international politics by this route, standing on equal terms with Kennedy and Kruschev at the international conference tables. It was with this objective that Janio was opening relations with all the so-called uncommitted countries of Africa and Asia so that Brazil would be the spokesman for this large group. He saw himself being able to exercise a great deal more influence than India in this role, hence the so-called 'fourth power'. He saw Brazilian domination of the Latin-American scene as a unique geopolitical advantage in these ambitions.
(Although not mentioned by Cid, a part of the foregoing picture appears in the recent book by Guerreiro Ramos "A Crise Do Poder No Brasil")

Cid went on to say that although Janio has resigned, this same picture of the route by which Brazil can share equal power with the United States and Russia is quite clear to anyone who wishes to analyse the situation and will be the ambition of any "paranoid" or "adventurer" who wishes to exploit the situation. In this respect Mr. Brizzola's name was given as an example. He reemphasized that if it were not one leader it would be another who would try to fulfill this picture.

SECRET

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FOREIGN SERVICE DESPATCH

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OCT 13 1961
XR 732.11

FROM : Amcon Recife — NO. 75

TO : THE DEPARTMENT OF STATE, WASHINGTON — DATE: October 6, 1961 — 732.5-MSP

REF : D-63 of September 13, 1961

Pub. Affairs Off. Int'l. Division Cus 11-3-61

6- S/O- S/S- BIFAC-

For Dept. Use Only	ACTION	INFO	DEP	RM/R	REP	AF	ARA	EUR	FE	NEA	CU	IN	DEPARTMENT	OIP	STATE
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	REC'D 10/18		OTHER	AIR	ARMY	CIA	NAVY	OSD	OCB	USIA	NSA		OCT 17 1961		

SUBJECT: Further Views of Governor Cid Sampaio on Brazilian Political Situation

COPY NO. 1 SERIES A

Attached is a memorandum prepared by Mr. James L. Haynes of USCM/Recife on October 4, 1961, recounting a conversation that he and Mr. Robert Peterson of USCM had with Governor Cid Sampaio on September 14, 1961. The preparation of this memorandum was delayed by Mr. Haynes visit to Rio de Janeiro to discuss the Governor's views with officials there.

While the purpose of the meeting was to obtain clarification of the Governor's development program in Pernambuco, he instead discoursed lengthily on the broad political picture in Brazil as he sees it. His views in this regard, including the idea that he is now prosecuting to form a coalition of state governors as "the only force in the country that has any chance of heading off the movement of Brazil to a totalitarian communist type of government under the leadership of leftist demagogues", are of interest. A conference of certain governors who may hold views similar to those of Sampaio is scheduled for the near future.

The Governor is continuing to employ every available device to obtain financing for his development projects in Pernambuco. In this connection, he recently visited Rio de Janeiro (at the same time that Mr. Haynes was there) and Brasilia to make his needs known to USCM and Brazilian federal authorities.

Albert A. Rabida
American Consul

Enclosure: Memorandum
cc: Amemb Rio de Janeiro (2)

Copy No(s) 4 Destroyed in RM/R Date 11/15/61 Name

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REPORTER — Secret

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Advising all the people of Paraná to sign those lists, we, the undersigned, believe that, this being a legitimate right, everybody should set his signature to them so that the Brazilian Communist Party can march along with us in our democratic struggle on a level of equality with the rest of the parties. We expect to contribute thereby toward respect for the Constitution and the liberties it provides for, without harm to anyone's political opinion, creed, or ideology. Curitiba, September 1961.

Aldermen: Erondy Silvério and Arlindo Ribas de Oliveira.
State Deputies: Anibal Cury, Waldemar Daros, João Cernichiaro, Amaury Silva, João Vargas de Oliveira, Luiz Alberto Dalcanale, João Simões and Leo de Almeida.
Neves.
Federal Deputy: Manoel de Oliveira Franco Sobrinho
Nationalist Movement: Orlando Matos
Journalists: Velmor Marcelino, Pery de Oliveira, Hugo Mendonça Santana, Ilson de Almeida, Fernando Pessoa Ferreira, Clovis Stader de Souza, José Augusto Ribeiro, Jairo Araujo Regis, Gamaliel Bueno Galvão, Saint-Cyr de Oliveira Rocha, Pedro Ricardo Doria, Adherbal Fortes de Sá Junior, Gabriel Osorio Schroeder Cunha, Milton Ivan, Areldo M.G. Naygert, Oscar Milton Volpini, Agliberto Azevedo, Harles Avaí dos Santos, Taras Schner Michel Cury, Silvio Back, Carlos A. Coelho, Mussa José Assis, Miguel Sampaio, Naymi Libos, Aramis Milarch, Luiz Carlos J.Albuquerque.
Physicians: Otavio da Silveira, Ana Bruck da Silveira, Jorge Karam, Aureliano M. de Moura, Carvilio da Silveira, Manoel Urquiza, Vasco Coelho.
Attorneys: Vieira Lins, Alir Ratcheski, Mauricio Sarmento, José Vieira Neto, Jorge Bueno Gomm, Izaurino Gomes Patricia, Luiz Gastão Lopes Bordo, Dante Leonelli, Paulo Cesar Bastos, Jeronimo Kaminski, Helio Amaral Camargo.
Syndic: Eros Martins Amaral
Chief Magistrate (retired): Raimundo Julião Botão França
Engineers: Adel Karam, Renato Ribeiro Cardoso
Farmer: Rubens de Melo Braga
PSD (sic) 1/ Agostinho Alves Pereira Filho, President; Hilton Diniz, Secretary-general.
Labor Leaders: Tristão Fernandes, Nascimento Marcilio Pereira
Student Leaders and Students: Antonio Alves de Prado Filho, Altair Astor, Paulo Reis, Luiz Alberto Machado, Paulo Loureiro, Jose Arnaldo Rossi, Raquel Lamy, Zelia Giovanoi, Anis Mehena, Elmo Helcio Ferreira, José Renato Hohnson, José Carlos Ribeiro, José Otavio Guizzo, José dos Reis Garcia, Oswaldy Ivan Budel, Hademyr V.A. Perrizz, Hayler Delambre Dias, José Eduardo Nociti, Oswaldo Martins, Oracy Geamba, Fernando Ferreira, Paulo Beltrão, Antonio José Amaral Filho, Helio Peraçeli Jr. João Emilio Serrati Cordeiro, João Batista de Assis, Juarez Silveira.
Businessmen and other professions: Joanides Silveira, Alcina Silveira, Julio Manfredini, Leao Rochine, Rita Rochine, José Eugenio Ghignone.

1/ Social Democratic Party. Although the published form says "PSD" the persons listed here are, respectively, president and secretary-general of the Socialist Party (PSB). They do not belong to the PSD.

0275

FORM FS-499a
6-1-60

UNCLASSIFIED
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Page 1 of 2
Encl. No. 1 to
Desp. No. 26
From AmConsulate, Curitiba

Translation of an article in "Estado do Paraná" of October 3, 1961 on page 5.

TO THE PEOPLE OF PARANÁ

Brazil has just given one more proof, by the overwhelming majority of her people, and with a demonstration of high nationalist conscience and profound patriotic and democratic feeling, of her political maturity on a level never before attained in our country.

United above any difference, popular currents of all parties, religious and philosophic creeds, the armed forces and governors, all forming our country's most progressive circles, repelled the "coup d'etat", and backed constitutional legality.

As patriots and democrats at this hour when the defense of the nation's foundamental interests requires all of us to remain vigilant and united, we cannot forget the basic postulate of this unity, its amplification and its strengthening, which is the respect for each citizen's individual rights and that of his party which is prescribed in our National Magna Carta.

As citizens, we do not believe true democracy can exist with ideological discrimination or with a denial of democratic sentiment.

We recognize that the Communists are included in the constitutional precepts which defend democratic freedom, the plurality of parties, and the freedom of cults, and also that they have joined all patriotic forces in this common fight which arouses the nation to stand for the fatherland's sovereignty and for national economic progress, the way it occurred in the recent fight for legality.

The Communists therefore claim a legitimate right. Their organization as a political party - with Program and Statutes already published - is a matter guaranteed by law. To recognize this right means to reassure our democratic tradition. It signifies the understanding that the guarantee for the plurality of parties, without restrictions, represents a powerful factor of reinforcement for the patriotic and democratic fight of our people in defense of national sovereignty.

The launching of a campaign for 50 thousand signatures has therefore the purpose of attending to a requirement of the Electoral Law, obligatory for the registering of any political party. To sign the lists in favor of the registering of the Brazilian Communist Party does not mean the acceptance of obligations towards this party, neither of party-political nor of an electoral character. It only signifies a democratic affirmation.

With this understanding, representatives of various trends of opinion, among them the Communists themselves, answer the call of Luiz Carlos Prestes former senator of the Republic, for support of the campaign for signatures in favor of the registering of the Brazilian Communist Party.

UNCLASSIFIED
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AIR POUCH
HANDLING INDICATOR

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FOREIGN SERVICE DESPATCH

File. No action
EST/B: J W Wilson - 26
Lwc 10-19-61.

FROM : Amconsul, CURITIBA

NO. OCT 10 1961

TO : THE DEPARTMENT OF STATE, WASHINGTON.

October 6, 1961
DATE

REF :

19 For Dept. Use Only	ACTION	INFO	DEPT	RM/R	REP	AF	ARA	EUR	PE	NEA	CU	INR	E	P	IO	ICA
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			OTHER	AGR	COM	FRB	INT	LAB	TAR	TR	XMB					
	REC'D 10-17			AIR	ARMY	CIA	NAVY	OSD	OCB	USIA	NSA	NSC				
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SUBJECT: CAMPAIGN IN FAVOR OF BRAZILIAN COMMUNIST PARTY

The Enclosure contains a translation of the manifesto issued in Curitiba on the launching of the Paraná campaign in favor of legalizing the Communist Party of Brazil (PCB). I understand that this is part of a national movement, and that similar manifestoes have appeared in other parts of Brazil.

Some of the signatories have no leftist leanings at all 1/. A large number of the rest, however, are known for their ultra-leftist leanings, and some have records dating back many years.

It is still too early to tell what success the campaign will have here.

Edward M. Rowell
American Consul

att 1

Enclosure: "TO THE PEOPLE OF PARANÁ", translation from O Estado do Paraná, October 3, 1961, page 5.

cc: AmEmbassy, Rio de Janeiro (2)

1/ Alderman (Curitiba) Erondy SILVÉRIO; State Deputies Anibal CURY (a.k.a., KHURY) (PSD), Amaury SILVA (PTB), and probably João Vargas de OLIVEIRA (UDN, Ponta Grossa; very friendly to U.S. in past).

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REPORTER

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FORM 6-61 FS-439 GPO 912595

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

0273

In reply refer to
ARA:EST/B

October 13, 1961

Dear Mr. McAshan:

On behalf of Assistant Secretary Robert F. Woodward, who is presently out of the country, I wish to thank you for your letter of October 5, 1961.

We appreciate your thoughtfulness in forwarding a copy of the private interpretation of the recent crisis in Brazil and shall bring it to the attention of the interested officials of the Department.

With best regards.

Sincerely yours,

J. W. Wilson
Officer in Charge of Brazilian Affairs

Mr. S. M. McAshan, Jr.,
Anderson, Clayton & Co.,
P. O. Box 2538,
Houston 1, Texas.

PM/D 59 S/S-CR
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ARA:EST/B:JWWilson:lms 10/10/61

FW 732.00/10-5-61

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to bring a better life to his people. He, and he alone, knew and could do what Brazil needed. Men like Lacerda were a thorn in this side. They were not realistic. The Quadros dream was breaking into little pieces. Then Janio Quadros started to conjure up great imaginary forces all aimed against him. Gradually as his frustration grew, his mental equilibrium left him and he made a crazy grab for power. How could he have hoped to take over the country when his 3 military ministers were strongly against communism and dictators? How could anyone in his right mind try a coup without first sounding out the armed forces or at least attempting to demoralise them? Only a crazed individual, stripped of any power to rationalise could have tried such a thing.

We have not heard the last of Janio Quadros. When he does speak, will the world and Brazil think him sane or crazy?

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on for 2 years), he resigned the candidacy only to be called back by popular appeal. A brilliant political manuver? Possibly. But does a reasonable man take such a gamble? As president-elect he left Brazil for a rest in Europe. In England a luncheon was arranged with Prime Minister MacMillan for a Thursday. The day before he disappeared without explanations. The same thing happened in France with De Gaulle. Later he turned up in Spain only to disappear again. He turned up in Portugal. He returned to Brazil a short time before he was scheduled to assume the presidency. Up to that point the Brazilian people had no idea of his cabinet. These kind of things a president-elect of a big country does not do.

At first Brazil's foreign policy made sense. He called for trade with the whole world and a gradual resumption of all diplomatic relations. As an independent neutral country, democracy, non-intervention, self-determination and anti-colonialism were preached. The Quadros government considered itself part of the OAS, and supported strongly President Kennedy's Alliance for Progress. In one breath he preached Lincoln and freedom, and in the other supported Castro. He was against colonialism and supported the Tunisians in the Biserta crisis, yet said nothing about Russian satelite countries. He showed a friendliness to the Iron Curtain countries and extremely bad manners to the West, yet he sent his best and most respected assistants to negotiate in the West and courageously modified Brazil's financial structure to conform with Western ideas. Does a rational president concern himself and issue decrees prohibiting girls wearing bathing suits in beauty contests; poker playing in private clubs; horse racing only on Sundays and holidays, eliminating cockfighting. All this shows an extreme morality sometimes found in a paranoiac. A characteristic of leaders in underdeveloped countries is their impatience. They want quick change, rapid improvement and do not tolerate extended debate so necessary in a democratic system. He had the worst regard for Congress and felt that they were blocking his efforts

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JANIO QUADROS - COMMUNIST, DICTATOR OR CRAZY?

The question keeps coming up. Was Janio Quadros a communist, a dictator or just plain crazy? Now that we can view the wreckage in retrospect, it is my feeling that Janio Quadros was mentally unbalanced and in the end had a delusion of achieving for himself dictatorial powers.

If Quadros were a scheming rational communist, would he have upset the applecart the way he did? His domestic policy was proving a success. His government was honest, realistic and working for the good of all. The people were full of hope. Communism does not thrive in an environment like this. Russia got communism because the Czarist government was corrupt and failed the Russian people. Hitler took power because the Treaty of Versaille and the depression of the early 1930's left the German people without hope; hungry and desperate. Peron became a dictator because about 5% of the Argentine population controled about 95% of the Argentine wealth while the great masses starved. Castro was ably assisted by Batista and his corrupt regime. The extremists came to power because of internal pressure. Communism is the successor of despair, corruption, misery and chaos. The Quadros government was moving in the opposite direction.

If Quadros was a communist, would he be so blatent in his support of the Castro government, when he knew that the armed forces which surrounded him were violently anti-communists? Would a rational communist have Che Guevara's mother thrown out of the country for preaching communism, and then turn around and give Che Guevara himself the Cruzeiro do Sul, Brasil's highest award to a foreigner? Only a man mentally unbalanced does such things.

There is no doubt that Quadros was acting strangely. Recently the inexplicable demonstrations were coming in ever increasing frequency. Last September, one month before the election, (an election that he had been working

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[illegible], Lacerda [illegible] for the [illegible], but "spilled the beans" on the radio. This, in my opinion, left Quadros only limited alternatives. He could have moved in on Lacerda, have him arrested but then would come the public inquiry. He could have evidenced surprise that his Minister of Justice could think of such a thing and fired him. This might have made Pedroso Horta talk. Or he could have done what he had done successfully so many times before - resign. By resigning, especially when his popularity with the people was great, he would trigger off a popular uprising which would clamour for his return. Janio Quadros would be reinstated stronger then ever and Lacerda would be a thing of the past.

Things did not happen that way. The Senate received the news with such shock that they numbly accepted the resignation. The military ministers were completely surprised, disgusted and troubled, but once the resignation was accepted, they delt with this explosive situation as rapidly as possible. Janio Quadros was removed from the country. The most surprised man of all, seems to have been Janio Quadros, who on learning of the Senate's quick acceptance of his resignation broke into historical tantrums which only a doctor was able to keep under control.

So ends for the moment, one of the strangest political gambles I have ever heard.

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Lacerda flew back to Rio more perplexed than ever. The whole ingenious scheme exploded the night of August 24. Not only did Lacerda denounce Horta for planning the overthrow of the democratic government but also said he lied about the two generals.

The next day was Soldiers day and Janio Quadros met with his 3 military ministers at 9:30 that morning to partake in a simple ceremony. At the same time the Congress had already sent a messenger looking for Pedroso Horta demanding his presence and explanation of the Lacerda accusation. Horta was not to be found at his home, and as can be expected was in the palace conferring with Janio Quadros. At 10:30 a.m. the president sent for his military ministers. When they arrived at the palace they were informed by Pedroso Horta that the president had resigned. The ministers pushed him aside and forced their way into the presidents office. They could not believe it. Quadros confirmed the decision. They pleaded with him to reconsider. There was no use.

I have heard many theories on this subject, but none give a reasonable explanation why Pedroso Horta contacted Lacerda when Lacerda was the most vigorous and outspoken critic of the Janio Quadros government. It does not make sense that the Quadros group would take such a chance unless they were counting on something else. If Lacerda went to see his close friend the General and in the strictest confidence told him what was happening; if the General had gone to either one or the other two generals to verify the story, what would have been the position? Pedroso Horta and crowd would be waiting for this move. They would pounce on the General and Lacerda accusing them of conspiring against the government. They would have proof. Naturally Horta would disclaim all Lacerda accusations as lies. The Minister of Justice together with the armed forces would move in to liquidate Lacerda and the General as plotters of treason. Janio Quadros' position would be strengthened as the defender of democracy.

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JANIO QUADROS - PUSHED OR JUMPED

It is not very often that a president of a country resigns. When he does it gives lots of people plenty to talk about. The favourite past-time in Brasil today is "Why did Janio Quadros resign?". Not to be different, I have my theory.

I believe Janio Quadros resigned because he was caught in a "frame-up" that back-fired. He tried to frame the governor of Guanabara, Carlos Lacerda. There is no question that Lacerda, a former supporter of Quadros, was becoming very bothersome.

On radio and television August 24, the day before Quadros' resignation, Lacerda accused the Quadros administration of planning a coup. Lacerda said Pedroso Horta, the Minister of Justice, had approached him. "Two important military men have been sounded out regarding their willingness to go along with an undetermined recess of Congress. The country was to be governed by presidential decree with the armed forces" said Pedroso Horta. He further invited Lacerda into this plot asking him to approach the third military man with whom he was very friendly. Lacerda went back to Rio very much disturbed and stewed over the situation. Rather than approaching the third general directly for him to find out if the other two had really been approached, he carefully, through devious means, learned that neither of the other two generals knew anything about this plot. Horta had lied to him. Lacerda now started to smell a rat. Impatiently he urgently requested Dna. Eloá, the president's wife, to arrange an interview with Quadros as soon as possible. This was done and Lacerda confronted Quadros with the information. Instead of the president denying everything and renouncing Pedroso Horta, he gave Lacerda little satisfaction and advised him to come back in 30 or 40 days when the time to discuss such a thing would be more appropriate.

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people get to power who believe as we do and support vigorously those people in power who are truly democratic. Castro has taught us a lesson. Let us not make the same mistake again.

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two years from now, the situation deteriorates to such extent, that an extremists government is formed? Communism's definition of peaceful coexistance allows all the old tools of international communism to be employed except actual armed engagement on the part of Soviet troups. This means they do not think it wrong to supply weapons, money, or sow discontent where ever they can to bring about confusion. Later power falls into the hands of those people who support communism.

A great political vacuum has been formed. Six million voters have been betrayed. Six million people are walking in a daze, disillusioned, bewildered, easily turned in any direction. We saw what happened when a vacuum developed after World War I. We learned and after World War II we had the Marshall Plan which rescued Europe from threatening communism. President Kennedy offers Latin America the Alliance for Progress. Successful, this should equate the Marshall Plan. But if Brazil is not in condition to receive this aid? What then? If democratic government falls in Brazil, in my opinion there is very little likely hood of Latin America withstanding the pressure. Brazil boarders on practically every South American country. They are the collosus of the South, potentially the richest with the greatest population.

If Brazil's problems are complex, the U.S.A.'s attitude to Brazil is also different. We cannot afford a communistic Latin America. This would seriously tilt the balance power. We are not supposed to interfere in internal politics yet we know the meaning of Russian "peaceful coexistence". America cannot give aid to a country if it perpetuates the priviledged, and the miserable are still miserable. Even US aid represents a minor portion of the problem. The real effort must come from Brazilians themselves. To withhold support will bring violent criticism, but to support corruption will make us fools and defeat our own purpose. I think it important that we support those people who believe in the democratic system whether they be governing or not. We should help those

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A government the people do not want will be in power. Communism helped legalism and the investiture of João Goulart. For a while they will be quiet. This is the way they play the game. Later morality will start to break down and inflation and corruption take hold. Subversive action will start their activities towards fomenting social and economic unrest of which there is bound to be many. Even today the problems are mountainous. Today there are voices calling attention to the danger ahead, but they are discredited as agitation in the direction of Civil War which nobody wants. Already men of super-nationalistic tendencies have been placed in key posts, one specifically being Gabriel Passos minister of Mines and Energy. He has indicated as his first assistant a man with very leftist tendencies. This means that power plants, petroleum, public utilities as well as mineral resources will probably come under state control. Those privately held will be put in an untenable position. Key places in the armed forces are being filled by those favourable to legalism and João Goulart.

The armed forces ministers have resigned. They saw the future and tried to preserve the spirit of democracy if not the letter. Being patriots, they did not wish to plunge the country into Civil War. The parliamentary compromise has been worked out and today you can't undo what has already been done. Brazil must be optimistic. They must hope and work for the best. The situation is too fluid to make any further radical change. Minds and hearts are too unsettled to develop decisive action.

What happens to Brazil of course is most important to us in the U.S.A. We have counted heavily on Brazil being the principal force towards the success of President Kennedy's Alliance for Progress. What if the government does become corrupt? What if economic problems get our of control? How can the U.S.A. support projects that benefits the previledged few? What is our position if

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military ministers retired and the country settled back uneasily to peace. Legality had been preserved and "peace in our time".

THE PATRIOTIC MILITARY

The armed forces are not fooled. They know how communism gains a foothold. They did not accuse Goulart of being a communist, although his previous record has always shown him to be very far to the left. They knew his taking office would mean a return to the corrupt, rule by previledge, nepotism, attacks against private capital, inflation, everything that would further agravate the illness of Brazil. Through a curious political turn, the armed forces could be infiltrated, demoralized and at a later date when needed to preserve democracy be weak and uneffectual. Knowing there is still 4 1/2 of a 5 year presidential term to run, it is problematic whether Brazil could democratically reach the point where new elections could take place. The military felt they were actually trying to preserve democracy for the long run rather than give in now and two years later through subversion, corruption, etc., finally see Brazil brought to its knees. Weakened, chaotic, corrupt, they could see some extremist type of government replacing democracy.

THE SITUATION TODAY AND TOMORROW

The situation today is confused. Neither the people or the governing parties really understand the functioning of the parliamentary system. When Civil War overshadowed the nation, the politician were looking for a compromise solution. João Goulart accepted the parliamentary system with some modifications, the most important giving him the right to nominate the prime minister for congressional approval. Goulart had his way. Civil War seemed worse.

The honeymoon is on. Six months from now, when the specter of Civil War has receded, politics will probably be played in the same old-fashioned way.

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surpassing its perrogatives. They were looking for a legal way to a solution. Congress felt that legally Goulart should be made president but hamstrung so that his power was limited to being a figure head. The solution was found in amending the presidential constitution into a parlamentary government which put all the executive powers in the hands of a prime minister who was to be approved by Congress. Eventually the military ministers accepted this compromise solution as the lesser of all evils. The military ministers were unjustly criticised for planning a coup. They might have done this earlier in the game but preferred to let the democratic process function. They might have taken power with Janio Quadros. Later they might have tried it alone when Quadros fled the capital and his renunciation was still a secret. João Goulart did not represent the ideological or real choice of the Brasilian people. He represented a return to a regime discredited and twice put out by force. It was unjust to have a man repudiated by the people to come back through a strange political turn in events. Janio Quadros did not have the right to take 6 million votes and turn them over to anybody else. The mandate of the people was being betrayed. If Goulart and his leftist colleagues came into government, a little later Brasil would be in such a chaotic condition that the armed forces no longer would be able to preserve the rights of the people.

As it stands today, Goulart is president and has approximately 4 1/2 years to go. Three names were submitted for prime minister, Juraxy Magalhães, a conservative, Amaral Peixoto, head of the PSD the largest political party or Tancredo Neves, PSD and recently defeated candidate for the governorship of Minas Gerais. The first two names were unacceptable to Goulart. Neves was the Vargas Minister of Justice and a close friend of Goulart. With the threat of Civil War at its highest, Goulart insisted that he, not the Congress have the right to indicate the prime minister's name. He won. Neves was named. The

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Leonel Brizola is about 38 years old and is presently the governor of Rio Grande do Sul. Recently he had been losing political ground to Ferrari who was strongly supported by Quadros. Brizola is a demagogo and tyrant. He has little regard for law and order unless it suits him. Just recently he confiscated the American & Foreign Power installations in Porto Alegre and put it under government control. He has a state militia built along personal loyalty lines. This armed group represents practically his own private army. The recent turn in political events suited him fine.

INTERVENTION BY MINISTERS OF THE ARMED FORCES

After the renunciation of Janio Quadros, the three military ministers went into a huddle. Out of this huddle came the famous message to Congress asking for the impeachment of João Goulart. They declared João Goulart as unacceptable as president, due to his past record. If the Congress had accepted this strong recommendation, it would have forced new elections. Instead, Congress delayed and the longer they delayed the weaker became the military ministers position. "Military coup, cohercion, military dictatorship" was the cry. Rio Grande do Sul, the home of João Goulart, started the radio "Voice of Legality" broadcasting throughout Brazil. Passions of the people were stirred to the defense of the constitution. Fight for freedom, liberty and legality split the solidarity of the armed forces and the specter of civil war began to cast its shadow over the country. Leonel Brizola led the attack while Carlos Prestes, head of the communist party, fled to the South to help the cause.

The military ministers were seriously criticised for attempting a coup against the government or at least trying to coherce the Congress into illegality. Congress also did not want Goulart but felt the military was

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crisis in the country, once when they deposed Getulio Vargas as dictator and secondly in 1954 when scandal and corruption drove Getulio Vargas to suicide.

Is it not strange that democratically a man was about to assume the presidency who was not wanted by the people? How did this happen? Brasil has a multi-party system with perhaps 12 different political parties. In Brasil the President and Vice-President run separately and are voted for separately. The candidates make their own political alliances and try to consolidate as many political parties as possible. João Goulart worked for the presidential nomination. As a start he needed the backing of his own party, (PTB), as well as the PSD the largest party. The PSD supported Marshall Teixeira Lott. The PTB was split, half of it going with Fernando Ferrari, a young reformer who supported Janio Quadros; the other half supporting Goulart. With this meager backing, it was impossible for Goulart to entertain any hopes of being elected president. He decided to run for the Vice-Presidency. With this decision he gave what support he had to the PSD for their presidential choice in exchange for the PSD's support to him. Goulart then invaded the strongholds of Janio Quadros agreeing with a great part of the Janio Quadros platform. He did the same in the Teixeira Lott strongholds. He got the support of other small parties. Opposing Goulart were 2 candidates both ideologically and truly dedicated to honest reformism and strongly supporting Janio Quadros. They were Milton Campos representing the UDN, and Fernando Ferrari with half the PTB. Instead of consolidating their political strength both candidates insisted on running which split the vote. Because of this, João Goulart was elected Vice-President. There have never been 2 people more different in political ideology than Janio Quadros and João Goulart and here they were President and Vice-President. It can almost be said that they were enemies. The Brasilian people give very little importance to the vice-presidency. With the president governing, the vice-president has practically no political influence.

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political manuver which had been successful many times before. He resigned.

Early that morning Congress had already sent a messenger looking for Pedroso Horta, requesting him to appear before Congress to reply to the Lacerda accusation. He was not to be found and it seems that he was already in close contact with the president in the palace. After Janio's meeting with the military ministers he took an airplane and flew to São Paulo arriving in early afternoon. At 3:30 p.m. news broke that Pedroso Horta had advised the Senate of Quadros' renunciation. It was not expected that the Senate would have a quorum to accept his resignation. It is the general belief that Janio Quadros expected a popular uprising in Brasil demanding his return which would have put him in a reinforced position to do practically anything he wanted. It would have almost given him dictatorial powers. Quadros waited in the São Paulo airport a whole day but still the uprising did not materialise. The military forces acted quickly. They moved him out of the country the following Monday. The Senate quickly accepted his resignation. The end to Janio Quadros.

LEGAL SUCCESSION

The vice president succeeds to the presidency. When all this happened, João Goulart the vice president, was an official guest of the Communist China Government. If Goulart were unable to take the presidency for any reason, the constitution calls for the president of the Senate to take office and call for a new election within 60 days.

JOÃO GOULART - HOW HE GOT TO BE VICE-PRESIDENT

João Goulart certainly was not the person the Brazilian electorate wished to be president. He stood for everything the people had repudiated. He was a Vargas protegee. He was a notorious rabble rouser; deeply involved in political and financial scandals. It was his type that had twice caused grave

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losing patience and dispairing of getting anything done. Horta informed Lacerda that Quadros was aware of this conversation.

The next day, August 25, was Soldiers day in Brasil and at 9:30 a.m. in Brasilia, president Quadros appeared at a simple military ceremony together with the ministers of the armed forces to decorate the Brasilian flag. After the ceremony Quadros, in a jovial mood returned to his presidential offices and the military ministers returned to theirs. According to reports, a half hour later the ministers received a call to see the president urgently. The three ministers arrived at the palace and were advised by the Minister of Justice that the president had decided to resign. The Ministers forced their way into the presence of Janio Quadros and asked what all this was about. Quadros told them that it was impossible for him to govern with the present Congress. Their inactivity in considering all his proposed legislation was frustrating. He told the military men he would consider continuing as head of the government if the armed forces were willing to consider joining him in recessing Congress for an indetermined period and governing by decree. It should be noted here that Quadros' popularity was at a peak. If elections were held, he probably would have received 10 million not 6 million votes as he did last October. He was gaining stature all the time. It would have been perhaps feasible for the military at this point to accept this proposal if they were dictatorially minded. Instead, they asked him to reconsider his decision. He refused. The military forces decided to reject the Quadros offer and let him resign. From here on events in Brasil for the next 10 to 12 days were chaotic.

Janio Quadros was put into a difficult position by the Lacerda broadcast. He had to answer Lacerda. Lacerda talked treason. He could have arrested Lacerda had the military gone along with him. Later would come investigations. He could have fired Pedroso Horta alleging ignorance. He could also try a

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Castro's Cuba. This was inconsistent. One explanation for this inconsistency was that Brazil felt Cuba had to be brought back into the Latin-American family and sealing off Cuba aggravated the problem. Quadros wanted to maintain contact with Castro and act as mediator. Whether this approach was realistic or not, is hard to say, but certainly his position vis-a-vis Cuba created a great amount of criticism both nationally and internationally. Quadros also displayed bad manners and hostile attitude to the West. He was unjustly critical and insulting to any friendly gesture the West was making. Yet, when it came to sending people to these countries to represent Brazil either as ambassadors or special emissaries, he invariably chose the most respectful, honest, capable and intelligent people that Brazil had available. A peculiar condition was developing in Brazil's foreign policy. What they were saying was one thing and what they were doing was another. They professed friendship or sympathy to the East, yet they courageously revamped their whole financial condition to conform with the requirements of the Western world. The most flagrant disregard for Western friendship was the decorating of Cuba's Finance Minister, Che Guevara with the Cruseiro do Sul. This act perhaps triggered all the succeeding events.

On the evening of August 24, Carlos Lacerda, governor of the new state of Guanabara, gave a television and radio address gravely charging the Quadros government with planning a "coup". He said that he was invited by the Minister of Justice, Pedroso Horta to join. The Minister of Justice said 2 important military men were sounded out and were agreeable, and would Lacerda sound out the third? The idea was that Congress who had been showing little interest in the affairs of state, was to be recessed for an indeterminate time and Quadros and the military would govern by decree. Horta complained that Congress was not taking action on Quadros' basic reform bills and that the president was

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was similar to what is working on the state lands in São Paulo. The reform was not confiscatory but provided the stimulous to either work the land or be burdened with higher taxes for not working it. The idea was to force the sale of these lands to those who would make the land productive. The government would help finance small land holders. All in all, the internal policies of the Quadros government were meeting with almost unanimous approval. A policy was drawn encouraging the development of private capital both domestic and foreign; the stimulation of agriculture and productivity; strong and honest effort to collect taxes due and above all the achievement of a broader distribution of the national wealth over the entire population.

FOREIGN POLICY

At the outset, the Quadros government stated the aims of its foreign policy to be independent and neutral. They endorsed the idea of non-intervention, self-determination through free elections, and anti-colonialism. Trade and diplomatic relations with the whole world were to be started. This meant that Brazil would recognize Russia, Communist China and all "iron curtain" countries. Support of the OAS and Kennedy's Alliance for Progress was given. Much of the stated foreign policy was divergent from its historical past. Brazil started to send diplomatic and commercial missions to the East where for years no contact existed. She was also one of the most active and successful supporters of the Alliance for Progress Meeting at Punta Del Este. Brazil supported the Tunisians in the Bizerta crisis with the French. This was a confirmation of their anti-colonialism policy. They endorsed self-determination and non-intervention. Because of this they started to contradict themselves when it came to Cuba and Berlin. Many of the things that Janio Quadros was doing in his foreign policy became very confused and contradictory to the average observer. He preached non-intervention and self-determination. He showed friendship and support to

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sary step for Brazil's economic recuperation, which up to then had never been taken. The new government also succeeded in consolidating and funding the huge external debts. On the basis of their sound financial policies, necessary basic reforms that would better distribute the wealth, confidence in an honest regime, Brazil got all the help necessary from the U.S.A. and other international financial organizations. This help enabled them to stretch out their debts and allow them some breathing space in the near future. New financing was arranged. Government bureocracy was cut. Expenses were being held to a minimum and all government employees were being forced to do an honest days work. Thousands of government employees resigned. Unnecessary government projects were immediately stopped and Brazil was entering into a phase of austerity. No less than 39 investigations of government agencies were begun in the search for fraud and corruption. One particular target was government welfare bureaus, in Brazil called "sindicatos". Vast amounts of money are automatically deducted from workers payrolls and industries and paid into "sindicatos" coffers. It was a known fact that this money was being badly administrated and that rampant dishonesty and graft existed. One name that seem to be closely connected with all this political dirt and scandal was João Goulart, the present president.

Janio Quadros, during his campaign, also promised legislation on the remittance of profits of foreign companies as well as legislation against holding companies. At the time of Quadros' resignation, the administration had already sent to Congress drafts of laws they wished considered. Instead of being detrimental to the investment of foreign capital, it was much more lenient and encouraged further investments. As originally projected, it did not raise the federal tax on remittances of profits but cut the tax from 30% to 10% if these profits would be reinvested in Brazil.

A land reform bill was also in Congress for consideration which attempted to force the cultivation of good land through variable tax rates. It

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How could Quadros get the backing of the conservative UDN (União Democrática Nacional) a political party, the second largest and still have half the backing of the PTB, the leftist party? The answer is easy. This man was honest - scrupulously honest. He vowed to put morality and honesty back into government. This was something the great mass of Brasilians passionately yearned for. He promised the people investigations of graft, control of inflation by exercising economy in government, agrarian reforms, control of remittances of profits, opening all the world to Brazilian trade, honest government for the benefit of all the people. His 4 year record as governor of the state of SÃo Paulo was ample proof that he had the ability to fulfill these promises. The masses had not seen this for 30 years. With all his demagogy, temperamental outbursts, unpredictable political manuvering, petulance, moodiness and tendency to be dictatorial, all types of people from all social and economic levels voted him president. To Brasilians Janio Quadros was more a symbol of hope rather than a politician.

The Quadros cabinet was composed of honest, conservative, anti-communists, and was well received nationally and internationally. The cabinet ministers immediately attacked Brasil's problems courageously, vigorously, realistically. Confidence began to flow throughout the country. The 3 military ministers he chose, namely Marshall Denys of the Army, Grum Moss of the Air Force and Sylvio Heck of the Navy, were very strong anti-communists. Quadros had promised the people austerity and hard times ahead which might bring social unrest, so it was important that the armed forces be decidedly anti-communist.

DOMESTIC POLICY

The domestic policy of the Quadros government left little to be criticised. Preferential exchange rates were rapidly being eliminated and the country was moving towards a free economy. The inflationary impact was abrupt when controls were loosened but later started to show signs of stabilising. This move was very much applauded by international bankers and economists as a neces-

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Senate, and Nereu Ramos, president of the house of representatives. Jucelino Kubitchcek, by the elections of October 1955, assumed the presidency on January 31, 1956. He governed his full term until Janio Quadros was inaugurated January 31, 1961.

The Kubitchcek government assumed office primarily because the army and particularly Marshall Teixeira Lott head of the army, insisted on preserving the legality of the constitution. Kubitchcek is a member of the PSD (Partido Socialista Democrático) political party, the largest in Brazil and is headed by Amaral Peixoto, the son-in-law of Getulio Vargas. The Kubitchcek government was marked by its vigorous efforts to achieve in 5 years what normally would be achieved in 50. President Kubitchcek was colorful, dynamic, friendly, democratic and is largely responsible for the great industrial impetus given Brazil in the last 5 years. However, these great gains also brought with it shortages, rising prices and costs, violent inflation. When Janio Quadros took office, Brazil's financial condition was calamitous. Her debts, internal and external were mountainous. The wage-price spiral was revolving in ever increasing velocity and the middle income, working and poor people were finding it difficult to keep body and soul together. There was once again graft, corruption, priviledge benefits. The government was printing paper money as they needed it. Morality was breaking down fast. It was on this scene that Janio Quadros took office.

THE QUADROS GOVERNMENT MAKES ITS START

Janio Quadros was elected president in October 1960 by the largest vote ever given any president in the history of Brazil and took office January 31, 1961. Why was this victory so decisive? Why did this man of no political affiliation defeat Marshall Teixeira Lott, a man of great military reputation who had the backing of the PSD? Why did he outdistance Adhemar de Barros, ex governor of the state of São Paulo and head of the PSP (Partido Social Progressista)?

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CRISIS IN BRAZIL - AUGUST 1961

elected president of a very big country. Even though the 67 million people knew this man to be highly emotional, demagogic and with a tendency to be dictatorial, the people elected him in a free election, by the highest vote ever given to one of their presidents. He governed for seven months and then one day it happened". If we believe the foregoing, we might understand why Janio Quadros was elected President of Brasil. Prior political history is also important for a better understanding of the present situation.

SOME EARLIER HISTORY

In 1930 Getulio Vargas took control of the Brazilian government. He was from the southern state of Rio Grande do Sul. In 1932 he rode out a São Paulo revolution against him and in 1937 set himself up as benevolent dictator which he held until deposed in 1945. In 1950 he returned to power as the freely elected president to serve until January 31, 1956. He committed suicide in August 1954. His down fall was precipitated by flagrant graft, severe inflation, great social unrest, unashamed nepotism, unofficial cognisance of illegal strong-arm methods, general corruption and finally strident denunciations by Carlos Lacerda, owner of Rio's newspaper Tribuna da Imprensa.

Getulio Vargas was head of the PTB (Partido Trabalhista Brasileiro) political party which was the most important party to the left. It was notorious for its rabble rousing, agitation of labor unions, costly social laws and benefits without regard to the country's ability to pay, antagonism to private enterprise and the development of super-nationalism. He developed and chose as his political successor João Goulart, the 42 year old present president of Brazil.

After the Vargas suicide, the world saw the quick succession of these interim presidents, Café Filho, vice-president, Etelvino Lins, president of the

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**The action office is circled.

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DAS			3. For appropriate handling ☒
COAS			4. For information ☐
			5. For clearance ☐
SPE			6. Reply drafted 10-10-61 by
ARA/P			7. E87/B for signature J W Wilson
EX			8. Please furnish ARA with copy of reply or inform this office of action taken.
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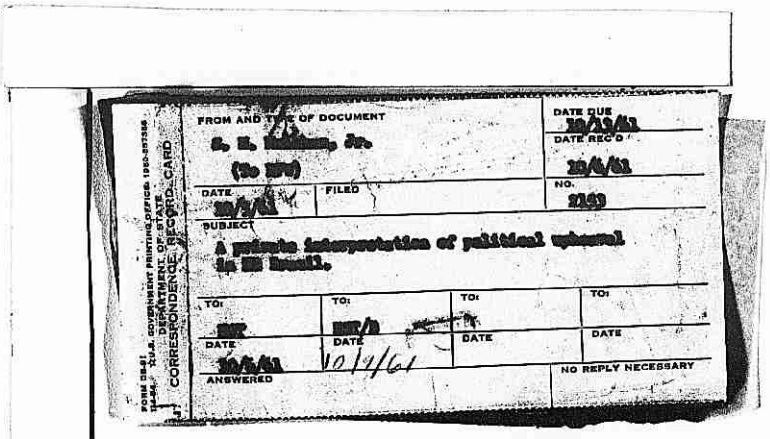

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DATE 10/[illegible]/61 FILED	NO. 2143
SUBJECT A private interpretation of political upheaval in [illegible] Brazil.	

TO:	TO:	TO:	TO:
[illegible]	[illegible]/D		
DATE 10/5/61	DATE 10/9/61	DATE	DATE
ANSWERED			NO REPLY NECESSARY

0249

File. RMR.

for Mr J W Wilson signature

ANDERSON, CLAYTON & CO.
(INCORPORATED)

Draft reply prepared by
ARA:EST/B:JWWilson:lms
10/10/61. JWWilson-lms 10-10-61.

P.O. BOX 2538
HOUSTON 1, TEXAS

October 5, 1961

Mr. Robert F. Woodward
Assistant Secretary of State
for Latin American Affairs
New State Department Building
Washington, D.C.

Dear Mr. Woodward:

Attached is digest of a private interpretation of the political upheaval in Brazil during August and September. It is written by an American, residing in Brazil, married to a Brazilian with children who are Brazilian citizens, and a top executive in a large Brazilian firm. In my opinion his impressions carry considerable weight, more than those of our own Managers in Brazil.

I do not have permission to give you his name, but I think it is the most logical clarification, and certainly a more plausible explanation of the peculiarities of ex-President Quadros personally, than any other I have seen.

With kindest regards,

Sincerely yours,

Maurice McAshan

S. M. McAshan, Jr.

SMM/jp
Attachment

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OCT 6 1961

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FROM : Amconsul RECIFE

TO : THE DEPARTMENT OF STATE, WASHINGTON. October 5, 1961
DATE

REF :

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7287/B; Jackson-Lima
10-19-61

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	REC'D 10/14			AIR 6	ARMY 4	CIA 10	NAVY 4	OSD 5	OCB	USIA 10	NSA 4		

SUBJECT: POLITICAL: Miguel Arraes Visits Curitiba, Porto Alegre, and Brasilia

Miguel Arraes, Leftist Mayor of Recife and likely candidate for Governor of Pernambuco in 1962, departed Recife on October 5 on a seven day trip to Curitiba, Porto Alegre, and Brasilia. Local press accounts indicate that Arraes is traveling to Porto Alegre at the personal invitation of Governor Leonel Brizzola and to Curitiba at the personal invitation of either Governor Ney Braga or Mayor Iberê de Matos. Traveling with Arraes are two local journalists, Altamiro Cunha and Alexandrino Rocha (although Rocha is also Arraes' press assistant, he is primarily known as a journalist).

In Curitiba and in Porto Alegre, Arraes is scheduled to appear on television, probably along with his hosts. In Brasilia, according to the press, Arraes will look into administrative problems pertaining to the City of Recife.

COMMENT: The purpose of this trip is probably three-fold: 1) To further Arraes' chances for success in the 1962 elections by increasing his political stature through well-publicized association with such figures as Brizzola and a well-publicized journey to Brasilia allegedly to look after Recife's interests. A rash of favorable publicity attendant upon Arraes' meeting with Brizzola and his trip to Brasilia is presaged by the fact that Arraes has allowed two journalists to accompany him; generally he prefers to travel alone. 2) To build up Arraes' political following and professional reputation in Brazil's Southeast for a possible future venture into politics on the national scale. 3) To confer with Governor Brizzola on the tactics and strategy to be adopted by nationalist-leftist elements in approaching political campaigns. This would be a follow-up to Brizzola's visit to Recife in March, 1961 and could constitute a step in the formation of a Rio Grande do Sul-Pernambuco political axis.

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Albert A. Rabida
American Consul

cc: Amemb Rio de Janeiro (2)

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USIA-15
OSD-20
NAVY-4
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NSA-4

FROM: Amembassy RIO DE JANEIRO
TO: Secretary of State
NO: A-186

Note - no action
EST/B - JW Wilson
1/9/62

In major speech September 27, São Paulo governor Carvalho Pinto called upon all Brazilians to "re-double" common efforts in order that ideals of Quadros movement (i.e., "development toward goal of economic emancipation and carrying out of social reforms") may still be realized. Asserting "Brazilian nation . . . appears be uncertain" as result "convalescence" from recent grave crisis, Pinto called for support new parliamentary system as "contribution to democratic stability," and stated "Brazilian people . . . demand of those governing them" the "courage to face up realistically to present problems" in order to "strike balance" between "just social demands and indispensable stimulus to private enterprise" and achieve "necessary equilibrium between activities of industry and labors of agriculture."

Beginning his discourse with claim he "never replied" to "provocations" of those who "practice demagogy" Pinto nonetheless lashed out at "improvised statesmen" asserting it possible create "Brazil of tommorrow" without "calls to class warfare" or "revolutionary convocations" and that only "united and indivisible" would Brazil "grow in the international sphere."

Pinto's speech (which was carried on nation-wide TV and radio network) obviously intended as opening gun in campaign to assume leadership of middle-class forces which made up large bulk victorious Quadros movement in last year's electoral campaign. In addition it constitutes intelligent middle-of-road reply to demagogic campaign being mounted by Rio Grande do Sul Governor Leonel Brizzola for purpose galvanizing ultra-nationalist forces of left in present political situation.

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HAQuinn:jw
September 29, 1961

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points up continued division Brazil's armed forces-despite apparent attempts at "pacification" by present Military Ministers.

Embassy notes Heck announced intention launching anti-Communist campaign upon stepping down from Navy Ministry. Navy sources indicate Saturday's pronouncement intended as opening gun this campaign with further declarations, and presumably arrests, to follow.

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RMR

FROM: Rio de Janeiro

TO: Secretary of State

NO: 879, October 3, 6 p.m.

File - no action
EST/B JWWilson 1/9/62

Ex-Navy Minister Admiral Hal Silvio Heck arrested yesterday and placed under ten-day detention incommunicado in central marine barracks Rio. Heck's ex-chief staff Admiral Dias Carvalho and Captain Moura Diniz former chief Brazilian Marines, similarly detained.

Reportedly ordered by Navy Minister Nolasco at behest Prime Minister Neves, Heck's arrest due allegedly "subversive" speech he made on occasion his birthday party September 30, in presence several hundred military and civiliam admirers. Delivered following vigorously anti-Communist "congratulatory" speech by Dias Carvalho, Heck's pronouncement was call to "good Brazilians" unite in "defense regime" order defeat "forces of left" who use facade legality to hide anti-democratic purposes. Heck specifically accused Communists of "stock piling" arms (accusation expanded in subsequent interview O GLOBO to specific claim Communists in possession bulk arms distributed Rio Grande Do Sul governor Brazola in recent crisis) in addition claiming "elites and masses" of "center" were working "hand in hand" with "forces of left".

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Heck pronouncement followed on heels Lacerda TV appearance (first since crisis) largely devoted denunciation Communist threat and it generally agreed he deliberately courted arrest order dramatized anti-Communist cause. Subsequent release unsigned military "manifesto" denouncing alleged "Golpista" (read rightist) plot take over government together with reports Rio press of renewed demand leftist military circles that "unreliable" officers be removed from all key army posts also points

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"a good start." A Hora commented on a discrepancy between the new government's promises and the past performance of most of its components: "The whole program presented by Tancredo Neves can be summarized in three words: development, stability, and austerity...(but) smiling Juscelino KUBITSCHEK also promised all that in his electoral campaign."

10. The UN and President Kennedy's Speech

Several local papers printed all or a large part of President Kennedy's speech. The moderate press commented on it in highly favorable terms, although the headlines of friendly Folha made it appear bellicose. In an editorial, Folha referred to it as a "serious and beautiful speech." Diário called it a "sincere appeal for peace." Estado was delighted that "this time, it was the leader of the Western World who took the diplomatic initiative." In general, the idea of a peace race caught on well with the slogan-happy populace. The leftist press paid the speech the compliment of saying very little about it. The UN crisis, rather than receiving dwindling attention, got generally good editorial coverage and thoughtful discussion from the press. Most papers, however, did not have anything very useful to say about the issue of the "Troika."

Miscellaneous

11. List of Substantive Despatches

101	Request Griscom-Russel Co. for Information re Thermo Electric Machines
102	Trade Contract Survey - Eagle Pitcher Co.
103	Trade Contract Survey - Amcel Co. Inc., Affiliate of Celanese Corp. of America
104	Students Request President Kennedy's Sponsorship
105	São Paulo Reaction to SUMOC Instructions 215 and 216
106	Donations to Tractors for Freedom Returned
107	World Trade Directory Reporting
108	Santos Weekly Report
109	American Businessmen in São Paulo Comment on Economic Conditions
110	Wheat of Mediocre Quality Received from Soviet Union and U.S. in São Paulo
111	Request Information re typewriter Production and Sales
112	São Paulo Quarterly Review - 3rd Quarter 1961
113	São Paulo Weekly Summary No. 14

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. CONFIDENTIAL

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plant (an obvious reference to the São Paulo Light & Power Company's hydro-electric installation at Cubatão) had resulted in a lack of water for the supply of the capital city of São Paulo; that sections of the city were periodically flooded because of the dam, and that the city was threatened with epidemics as a result of the contamination of nearby rivers.

COMMENT: (Confidential) Many people in São Paulo, including many of the state deputies who voted to uphold the Governor's veto, feel that the law will be submitted to a state court to determine its constitutionality. Leftists and ultra-nationalists were in the vanguard of those who supported the over-riding of the Governor's veto. The Assembly's action also represents an attempt by members of pro-administration parties, to bring pressure upon the Governor to make him more amenable to projects advocated by deputies due for re-election in 1962.

8. II Army Command to be Changed (Official Use Only)

The São Paulo press reported this past week that General Nelson de MELLO was expected to head the II Brasilian Army which has its headquarters in the capital city. Reportedly, General Oswaldo de Araujo MOTTA, the present commandant of the II Army, will become Chief of the General Staff of the Armed Forces in place of General Oswaldo Cordeiro de FARIAS.

COMMENT: The replacement of General Araujo Motta is not surprising. During the recent political crisis created by Janio QUADROS' renunciation of the presidency, Araujo Motta supported Denys, Heck, and Moss, then Ministers of War, Navy and Air respectively. At the same time he may have influenced the Ministers to accept a parliamentary solution by his statement, made several days before the acceptance of the compromise solution, 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" (see São Paulo despatch 80, September 5, 1961).

Local Press Reaction

9. New Government Program

On Wednesday, September 27, Council President (Prime Minister) Tancredo NEVES submitted the long and anxiously awaited program of his government to the national Chamber of Deputies. São Paulo press reaction was surprisingly favorable in spite of an understandable "wait and see" attitude. The reaction could be compared to the federal legislature's vote of confidence to Neves: most of those unwilling to express confidence abstained from voting. O Estado de São Paulo, outspoken critic of almost every facet of the new government, nevertheless had strong words of praise for the program as presented. Folha called it

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(UDN), and Mendonça FALCÃO (PST). It is perhaps significant that federal PTN deputy Emilio CARLOS (the unsuccessful janista mayoralty candidate in São Paulo earlier this year) lunched with Pedroso Horta this past week. Two days before the luncheon Chaves do AMARANTE, President of the PTN state directorate, distributed a note at a press interview, condemning the movement for the return of Janio to political life. This may have been a deliberate maneuver to discourage Emilio Carlos, former national party President, from an attempt (should he have so contemplated) to secure PTN support of Janio.

6. City Problems (Official Use Only)

The perpetual financial problems of the city of São Paulo, stemming from bad tax laws and complicated by an expensive bureaucracy, were made worse than ever by the recent political crisis. The municipality estimates that the crisis reduced its tax income by two hundred million Cruzeiros, or about $670,000 (only a fraction of the cost to the city as a whole). The total amount in the red for 1961 is expected to be nearly two billion Cruzeiros ($6,700,000) and the 1962 budget foresees a deficit of four billion. Offsetting this, however, is the fact that Mayor Prestes MAIA's recent municipal cabinet reshuffle (see São Paulo Despatch 100 of September 26) is apparently working. For the first time, he has enough support in the City Council to push through routine financial legislation. Considering how minor the changes really were, the results indicate that the Councilmen's former exaggerated opposition to the Mayor had been backfiring. One brave (?) soul - PDC Councilman Francisco BATISTA - asked for the Mayor's impeachment, but his colleagues' reception of the proposal made it clear that his stand was lonely.

7. Governor's Veto of Nationalistic Legislation Overridden (Official Use Only)

The São Paulo State Legislative Assembly this past week, by the close vote of 34 to 17, overrode Governor Carvalho PINTO's veto of a proposal presented by Magalhães PRADO (UDN) which granted priority for electric power produced by state-owned electric power plants to municipalities and nationally owned enterprises.

Carvalho Pinto, in his message to the Assembly explaining his veto, objected that it would be impossible for the state to determine priorities on an equal basis to all those who might apply; that the proposal was unconstitutional because the state cannot allocate electric power produced by companies which were granted concessions by the Federal Government; and that the distribution of electric power from companies operating under a Federal concession is a matter entirely within the purview of the Federal Government.

Jéthero do FARIA CARDOSO, leftist PSB deputy, criticized the Governor's veto and the policy of the state in the field of electric energy. Cardoso declared that the large lake artificially created to supply power to a nearby hydro-electric

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the most exciting part of the evening was the explosion of tear gas and stink bombs by "provocateurs." Luis Carlos PRESTES was one of the few prominent figures present. The São Paulo branches of the Brazilian Socialist Party (PSB) and t Brazilian Labor Party (PTB) sent him documents expressing their official support for his campaign, their argument being that the Communists - like them or not - had the same "democratic right" to recognition as any other political movement. Now, presumably, party workers will begin their door-to-door campaign for signatures in support of the petition for registration.

COMMENT: While the Communists have not so far managed to obtain any great show of popular support for their campaign, once the serious work starts they can probably obtain many of the needed signatures within the São Paulo area. Recent appeals for funds, however, leave the impression that they are working under more than the usual financial stress.

5. Retornismo (Official Use Only)

São Paulo Janistas this past week, particularly those who were members of ex-President Janio QUADROS' official family or closely associated with him, continued to discuss the return of Janio to political life. São Paulo PTN state deputy Araripe SERPA, a former sub-chief of the ex-President's Civil House, who returned from London this past week after conversing with Janio, apparently had little information which would encourage those who hope for an early return of Janio to the political scene. Araripe Serpa said that the former President was "happy"; he categorically denied that any manifesto existed which would set forth the reasons for Janio's renunciation; that pronouncements made about the existence of such a manifesto were "pure phantasy"; that the former President refused to divulge the reasons for his recent action, or discuss the political crisis which followed in the wake of his abrupt abdication of office. Araripe Serpa added that Janio would not return for some time and that he would not be a gubernatorial candidate in São Paulo in 1962.

Meanwhile, Quintanilha RIBEIRO, ex-chief of Janio's Civil House, and one of the former President's chief lieutenants, was noncommittal upon his departure from São Paulo for Europe. He stated that he expected to see Janio in London; that a movement envisaging the return of Janio to the political scene existed; that the former President was writing a book explaining his renunciation of office, and that an invitation had been extended to Janio to visit Australia.

COMMENT: The return of Janio to the political scene was reported to have been the subject of a number of meetings held this past week by local janistas. Quintanilha Ribeiro was said to have met with Pedroso HORTA, former Minister of Justice under Janio, and state deputies Araripe Serpa (PTN), Arruda CASTANHO

0239

any popular enthusiasm. Less than 1000 people attended, despite PTB efforts to secure a large turnout. Many in attendance appeared to be members of labor unions. Banners carried by those present indicated that four Santos unions (Maritime Workers, Coffee Sackers, Portworkers and Warehousemen) and one from São Paulo (Beer and Liquor Workers) were represented. The PTB distributed leaflets asking the President to adopt a nationalist program, combat the high cost of living, and support agricultural reform, democratic equality, and an independent foreign policy.

Many in attendance upon the President's arrival were present only for reasons of protocol. This contributed to a feeling that the reception was "cold."

The visit also gave evidence of the people's esteem for Governor Carvalho Pinto. The President, addressing the State Legislative Assembly, referred to the Governor on two separate occasions. Each time the spectators (the galleries were reasonably full) rose to their feet to applaud enthusiastically -- an applause which lasted upon each occasion for some minutes.

3. Brizola Blunders (Official Use Only)

Rio Grande do Sul Governor Leonel BRIZOLA, en route to Rio de Janeiro September 25, stopped off in São Paulo long enough to get his foot firmly in his mouth. Even before making a routine opening greeting to the Paulistas - an indispensable formality - he asked pointedly whether they enjoyed guarantees of democratic privileges, especially "liberty to express their thoughts." It is difficult to imagine a worse opening: his audience was particularly proud of its freedom and responsibility during the recent crisis. He continued in an ill-advised personal attack on Governor Carvalho Pinto and on Ranieri MAZZILLI, acting President of Brazil during the period following Janio QUADROS' resignation. His criticisms of the São Paulo Governor emphasized what he thought to be Carvalho Pinto's excessive caution during the crisis: a rather poor target. São Paulo Senator (and gubernatorial aspirant) Auro Moura ANDRADE made a speech of welcome dishing out strong praise for Brizola.

COMMENT: Brizola's interest in São Paulo is understandable. Without the support of the Paulista small parties and leftist groupings, his ideas of national leftist leadership are hollow. Right now they seem as hollow as ever. His speech could not have been better calculated to strengthen his enemies and weaken his friends, both of whom are generally behind their own governor.

4. PCB Registration Campaign Kick-Off (Official Use Only)

The Brazilian Communist Party (PCB) finally got its long-awaited campaign for legality under way at a reunion on September 30. From available accounts,

called for. There will be time to discuss the merits of Brazil's new parliamentary government "in the future, in more tranquil moments." Of the problems "on whose solution depends the fate of the country," the "integration of the Northeast" was specifically mentioned. Carvalho Pinto stressed "national solutions" through the "Christian principles once again reaffirmed in the 'Mater et Magistra', repelling imported formulas or extremist schemes." The São Paulo press, for once nearly united, praised the speech highly.

COMMENT: Among some of Carvalho Pinto's supporters, there may have been an undercurrent of disappointment that he did not define his position toward the nation's burning political problems in strong terms. Until an election is closer, however, there would be little to be gained by inflaming the issues. By underplaying them and devoting his attention to building up a record second only to Kubitschek's (and a healthier one), Carvalho Pinto is saving himself for the battle and maintaining the support of astonishingly diverse segments of the population.

2. President Goulart's Visit (Official Use Only)

President João GOULART, accompanied by Franco MONTORO (Minister of Labor), Ulisses GUIMARÃES (Minister of Industry and Commerce), São Paulo PSD Senator Moura ANDRADE, as well as members of the presidential staff, arrived in the capital city on his first official visit on September 29. The recently installed President was met by São Paulo Governor Carvalho PINTO, the capital city's Mayor Prestes MAIA, and the Cardinal Archbishop of São Paulo, Vasconcellos MOTTA. The summer residence of the Governor, Horta Florestal, was placed at the disposal of the President during his three day visit.

President Goulart addressed the State Legislative Assembly and the São Paulo city council. He had luncheon with the Governor, visited the Cardinal Archbishop, attended Mass at the Metropolitan Cathedral, and inaugurated the VI Biennial Art Exposition of São Paulo. The President held a number of meetings with members of the PTB, the PSD, and labor unions.

His most important statement, made in the chamber of the city council, was the announcement that a new minimum wage scale for all the workers in the country would be decreed within the next week. The President also stated that he would give sympathetic consideration to a memorial presented to him by city councilmen advocating the moving of the office of Petrobrás to Bahia.

COMMENT: (Confidential) The PTB, in charge of the arrangements for a popular reception at the airport upon the President's arrival, failed to arouse

0237

AIR POUCH
PRIORITY

CONFIDENTIAL
(Security Classification)

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FOREIGN SERVICE DESPATCH

FROM : Amcongen, São Paulo

113
DESP. NO.

TO : THE DEPARTMENT OF STATE, WASHINGTON.

October 3, 1961
DATE

REF :

File
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ARA; EST/B
J W Wilson
10-11

OCT 4 · 1961

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	REC'D 10/7		OTHER CIA-10 USIA-10 OSD-5 army-4 navy-4 air-6

SUBJECT: São Paulo Summary No. 14, Week Ending September 30, 1961

NSA-4
LAB-8

DEPARTMENT OF STATE
BUREAU OF
INTER-AMERICAN AFFAIRS
OCT 3 1961

732.00/10-361 BW

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Political

1. Carvalho Pinto as a National Leader (Official Use Only)

Paulista Governor Carvalho PINTO's national ambitions continue enigmatic. It is within his power to become the focus of the national reform movement which one year ago swept Janio QUADROS into the Presidency. So far, however, he has always chosen to stop short of becoming the movement's announced leader. Last week it seemed as if the time might have come. Two more state Governors flew to São Paulo to talk with him: Fernando CORREA da COSTA, of Mato Grosso, and Carlos LINDENBERG, of Espirito Santo. The discussions were given a minimum of publicity - the leftist press calling them "secret conferences" - and politics were obviously the menu. Rio Grande do Sul Governor Leonel BRIZOLA brought the issue to a head on September 25 by ill-advised criticism of the São Paulo Governor (see item 3). On the 27th, Carvalho Pinto made a long-awaited speech to the nation. If his fans hoped for a call to arms and a fiery rebuttal of Brizola's charges, they misjudged their man. Notable points: Though Quadros "symbolized one of the finest movements of our history"... his resignation "did not interrupt the march of the Brazilian people." "Fertile and quiet" work is

See last page/lfw
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TO: Secretary of State

NO: 1027, OCTOBER 2, 9 PM

BRAZIL

IN CONVERSATION WITH STEVENSON THIS AFTERNOON ARINOS (BRAZIL) GAVE ACCOUNT OF INTERNAL POLITICAL SITUATION TODAY UNDER NEW REGIME. ARINOS SAID CREATION OF PRIME MINISTER RESULT OF INADEQUACIES IN POLITICAL DEVELOPMENT OF BRAZIL, WHICH UNDER CONSTITUTION DID NOT ENJOY INSTITUTION OF SUPREME COURT MAKING LEGISLATIVE DECISIONS ON POLITICAL BASIS; HAD NO NATIONAL BUT ONLY STATE POLITICAL PARTIES AND IN GENERAL HAD RESTRAINING INFLUENCE OF STATES ON CENTRAL GOVERNMENT. WHEN STRONG PERSONALITY LIKE QUADROS LEFT SCENE, ARMY TOOK POSITION AGAINST VICE PRESIDENT GOULART AND FACED COUNTRY WITH DANGER OF MILITARY RULE. PREMIERSHIP WAS COMPROMISE WHICH AVOIDED TROUBLE. ARINOS HOPED NOW THAT IN FOREIGN AFFAIRS FOREIGN OFFICE POLICIES WOULD BE FOLLOWED MORE CONSISTENTLY. QUADROS HAD FROM TIME TO TIME FELT NEED FOR DEMONSTRATION OF POPULAR SUPPORT AND HAD FREE WHEELED. HE THOUGHT QUADROS WOULD TRY TO MAKE POLITICAL COMEBACK, EITHER FORMING PARTY OF HIS OWN OR JOINING WITH EXISTING ONE. IN LATTER CASE ARINOS THOUGHT CHRISTIAN DEMOCRATS WERE ONLY PARTY QUADROS COULD JOIN. HE EXPECTED SOME MOVE BY END OF YEAR.

IN COMMENTING ON QUADROS' RESIGNATION, ARINOS SAID PERHAPS QUADROS FEARED HE HAD CANCER OF EYE. HE WAS IN LONDON NOW PRESUMABLY CONSULTING OCCULISTS.

STEVENSON

LM

Transfer to ARA

BUREAU OF INTERNATIONAL ORGANIZATION AFFAIRS

UNITED NATIONS
UNITED STATES MISSION
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0235

Alfredo da SILVA, Jr., received a well-merited promotion from FSL-3 to FSL-2; and effective September 3 the post's locals received a needed salary increase of approximately 10% to compensate for the recent sharp upswing in living costs.

The quarter's most important administrative development was the filling of the position of Chancellor of Consulate, authorized by the Department in June. The addition of a long and urgently needed second American signing officer to this post will not only relieve the Principal Officer of a host of routine details but enable this post to realize its full potential with regard to substantive, as opposed to administrative output. The new Vice Consul is now expected to arrive on transfer from São Paulo about November 1.

VII PSYCHOLOGICAL

During the quarter the psychological front in Santos was mostly quiet, despite the political alarms and excursions upon which the local communists did their best to capitalize (see Sections II and III above). The Consulate continued its program of close collaboration with the municipal government of Mayor Gomes, who is pleased at the assistance which has been afforded him in various ways by the post. During the quarter being reported on the city government, using film projectors loaned by USIS/São Paulo and films from USIS/Santos, made 199 exhibitions before more than 45,000 Santistas, in addition to the post's normal program of local film exhibitions (50), which reached 9,246 persons.

In August a well-equipped good-music station owned by the Santos newspaper A Tribuna was inaugurated, and in September a Brown University English Professor in São Paulo on a Fulbright scholarship delivered a lecture series at the Santos Binational Center on the "Formation of Ideas in the United States", which was quite successful.

Virgil P. Randolph, III
American Consul

0234

billion cruzeiro project. But by the quarter's end construction engineers were alarmed at the seepage encountered in the foundations, which must rest on thousands of piles sunk into a below-sea-level swamp.

Coffee exports to the U.S. stood at a more-or-less satisfactory level during the quarter, although the change in government brought an attitude of nervous caution and uncertainty to a number of local exporters. Also, at the end of September the local export market was demoralized at reliable reports that high-quality coffee is being exported at cut-rate prices from Santos to Holland, from whence it is re-exported to the United States.

Three Russian ships called at Santos during the quarter, namely the Ivan Pavlov (in July), the Alapaevsk and the Ustjushna (August-September). These ships together loaded over 200,000 bags of IBC coffee for the Soviet bloc. Details concerning these ships were reported by the Consulate to the U.S. Naval Attaché in Rio de Janeiro. During the quarter a considerable quantity of oranges was shipped to the Soviet Union through Santos via European bottoms, especially by the German M/V Quadriga. And the reporting officer learned that the one meat-packing firm of Sociedade Anônima Frigorífico Anglo sells annually at least 150,000 salted hides from Brazil to Czechoslovakia and Poland, paid for by barter arranged in North Sea ports.

(BEGIN UNCLASSIFIED)

V CONSULAR

This post's consular operations continued normally during the quarter, with the usual services being performed by the Consulate. During July-September the Consulate issued or revalidated 26 non-immigrant visas (down appreciably from the previous quarter and probably reflecting a slump in travel owing to the disturbed political climate) and collected approximately $181.00 in consular fees. Over the last three months 63 American-flag vessels entered the port.

During the quarter the post handled one major protection case (see the Consulate's despatch No. 10 of August 4), and its shipping and seamen workload was very much higher than normal owing to the presence here of a number of U.S.-flag grain ships, whose prolonged stay gave rise to a number of disputes between crew members and their skippers and several more-or-less minor protection cases. In August the Consulate assisted in the clearance through the Santos customs of a half-million dollars' worth of American art for the VI Bienal exposition of the São Paulo Museum of Modern Art.

VI ADMINISTRATIVE

During the reporting quarter the post's senior local employee,

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The political crisis thus forced the Santos communists to stand up and be counted, brought their subversive aims out into the open and split local labor into two well-defined opposing camps, without bringing the reds any real corresponding advantage, since their open seizure of the City Central has inhibited its use as an instrument of a labor "popular front". In the judgement of the reporting officer, the communists suffered a defeat in failing to tie up the port and committed a tactical error (or else gained a barren victory) in taking over the Santos City Central, for in so doing they destroyed the freedom to maneuver which they had enjoyed under the previous directorate. At this date the communists not only seem to be basically little stronger than at the beginning of the quarter, but it would also appear that they have unwittingly succeeded in strengthening their opponents' organization, their awareness of the danger posed by communism to free labor and their resolve to combat it.

(BEGIN LIMITED OFFICIAL USE)

IV ECONOMIC

During the whole reporting quarter the port of Santos was congested with shipping, reflecting the simple fact that the port facilities are no longer able to handle the volume of tonnage which passes through this city. During the quarter a 15% surcharge on all goods imported into Brazil through Santos from U.S. East and Gulf ports was imposed by the members of the Brazil-U.S. Freight Conference. A similar surcharge was in effect for goods imported through Santos from Europe. This surcharge is to compensate carriers for the lost revenue and expenses incurred as a consequence of ships being idled here through port congestion, which was generally more moderate from July through September than during the quarter immediately previous.

During the quarter more irregularities came to light in the Santos customs which had occurred during the KUBITSCHEK Administration. Nevertheless, by the end of the quarter the Santos customs had collected so far this year a whopping Cr$23.592.520.666,40, a sum considerably greater than the entire collections for any one prior year.

Local business was not seriously interrupted by the political crisis. The port stayed open and although the banks were closed for the better part of two weeks, the Bank of Brazil here provided enough cash to allow normal port operations and essential business transactions.

The local building boom continued unslackened during the quarter, but the shoddiness of much of the new apartment construction was evidenced by the collapse of a block of flats under construction. Business here as a whole was generally good, although the cost of living has risen alarmingly since June of this year. Construction of the mammoth COSIPA steel works near Santos forged ahead during the quarter, with nearly 10,000 men presently being employed on the 70

Communist activity was at a high pitch during the political crisis. Hours after Quadros resigned the communist organization here went into high gear to whip enthusiasm for João Goulart's succession and also to throw the city into confusion by proclaiming a general strike until Goulart was safe in the presidency. When intense communist activity among the city's labor unions made probable a general strike on August 29, Brigadier General Amangá Liberato de CASTRO MENEZES, with great firmness, arrested a dozen of the more militant communist agitators among the dockworkers, including a City Councilman, and sent soldiers and marines to occupy the dock area, thus without violence preventing a general strike and restoring a comparative calm to the city. The only shutdowns the communists were able to cause were at the PETROBRAS refinery and at one or two satellite chemical plants in nearby Cubatão (Consulate's despatches Nos. 15 and 17 of August 18 and September 2), and even they were of negligible duration and effect.

In thwarting the communists' designs the military was greatly assisted by the anti-communist leadership of the Santos City Central, which succeeded in influencing nineteen unions to refuse to participate in the strike plans, but only in the teeth of the bitterest possible opposition from eighteen or so communist-controlled unions. With Santos labor thus almost evenly divided over the strike issue, the City Central broke up in tumult after its anti-communist directorate had resigned in protest against the communists' intransigeance, and the reds at once nominated their own to control the Central's organization (Consulate's despatch No, 19 of September 5).

Overborne by the suasion of the anti-communist union leaders and the brute force of the military, the political crisis ended with the communists unable to paralyze the city but in command of the important City Central. All during the month of September the reds strove mightily to foster the belief that the red-dominated Central still represented, and spoke for, all Santos Labor, and they staged demonstrations which sought to convey the impression that labor was united behind the reds in their new leadership of the organization (Consulate's despatch No. 22 of September 11). But by the end of the quarter the anti-communists had responded to this threat by refusing to adhere to the red-run Central and by proclaiming their own rival directorate (Consulate's despatch No. 24 of September 10). And by the end of September an understanding had been reached between important anti-communist labor leaders and local shipping interests for the two to adjust their grievances and work together before their common enemy, a previously unheard-of alliance which emphasizes the free unions' determination to combat communism and regain the initiative in local labor's drive for better pay, benefits and working conditions (Consulate's despatch No. 25 of September 18). Sensing the hardening of their opponents' will to resist, the communists have now switched to a campaign of slander and villification of the city's more important avowed anti-communist union leaders.

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a test of Brazil's new government's attitude toward labor versus capital.

(BEGIN CONFIDENTIAL)

III SUBVERSIVE

The 350-odd communists in Santos were far from idle during the quarter. All during these months they quietly pushed their campaign for legality and gathered signatures for a monster petition to that effect. In early July they founded a Santos branch of the Movimento Nacionalista Brasileiro political-front organization (see Consulate's despatch No. 3 of July 11) and a Centro dos Operários-Estudantes to coordinate red agitation among worker-student groups, the two prime targets of local communist activity. During July the communists exploited the municipal transit company's decision to eliminate an obsolete streetcar line, through skillful propaganda from the communist-infiltrated Local Improvement Societies Association that the city government was insensitive to the needs of the masses. On the cultural front the communists raised a furore over the cancellation of the II Santos Theater Festival, after the anti-communist Santos Municipal Cultural Commission discovered that anti-clerical and communist-line plays had been scheduled, apparently by reds in the local amateur theater group. Both the transit and theater festival affairs were actually pretexts for the reds to try to discredit the firmly anti-communist municipal government of Mayor José Gomes.

Predictably, the communists held a pro-Fidel CASTRO rally on July 26, which was mostly a flop, drawing only die-hard reds and attracting very little notice.

In early August communist efforts were centered on exploiting the stevedore-shipping company dispute over holiday pay (See Section II above). The communists were able to make the controversy their own when the red President of the Port Services Workers Union was arrested by the Captain of the Port for strike agitation, and the communists embittered the dispute by calling for the ouster of the Captain of the Port, their staunch enemy. The controversy became important enough to be referred to President Quadros, who was embarrassed to discover that crypto-communists in high places in the Labor Ministry (Consulate's despatch No. 13 of August 10) were abetting the communist cause in the labor conflict, which greatly annoyed the Brazilian General Staff, which became alarmed at the Labor Ministry's equivocal attitude toward the communist-controlled portworkers unions in Santos and forced Quadros to reverse the Labor Ministry's inclination to yield to labor's (and the communists') demands against the shipping companies. In this manner the Santos stevedore dispute contributed to the tensions being generated between the military and the chief executive which culminated in the August 25 showdown of the President's resignation.

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labor dispute was fully treated in the Consulate's despatches Nos. 13, 14 and 16 of August 10, 17 and 24, respectively.)

Also during the quarter the local shipping companies were successful in their quiet but persistent efforts to defeat passage of the controversial proposed law #850/55, which would remove the stevedore contracting business in Brazil from private hands and place it in those of the several stevedore unions (see Consulate's despatch No. 7 of July 18, 1961).

Local labor (in many cases not very enthusiastically) supported Jango Goulart's right to succeed Quadros as President, while the communists did their best to provoke a general strike in Santos during the crisis, which was forestalled only by the determination of the local Army commander (see Section III below) and the efforts of Expedito Guedes RODRIGUES, anti-communist President of the Santos City Central, and his allies. The strike issue split Santos labor into distinct pro- and anti-communist camps and brought the resignation of the Central's anti-communist directorate. But otherwise Santos labor was remarkably quiet during the political crisis, and Santos was the only major port in Brazil to remain open all during the crisis.

But the communists promptly seized control of the City Central's directorate in high hopes of turning the organization into a front, only to be frustrated by Guedes Rodrigues' leadership of the anti-communist dissident unions in establishing their own "legitimate" City Central. At the end of September the two rival camps were glaring at each other, each claiming to speak for all Santos labor but both agreeing on the urgent need for substantial wage increases in all sectors due to the rapid increase in the cost of living.

No strikes of any importance occurred here after the crisis was ended, but on September 28 the stevedores unexpectedly revived the holiday pay controversy with the shipping companies by announcing that, effective October 1, they would no longer provide work during meal hours or after the regular work day ends to the eight shipping companies named in the injunction obtained earlier in the year denying the Stevedores Union the right to collect directly its members' vacation pay. The Centro de Navegação then publicly announced that the shipping companies do not oppose vacation pay in principle, but rather the method of its disbursement insisted upon by the union, and that the eight companies are only following the court order by depositing the disputed sums with a judicial body until the union's appeal is finally resolved. The Centro appealed to the stevedores not to disrupt port operations, while privately mounting a campaign with the Labor Ministry to force the stevedores to abide by the lower court's decision until the appeal is finally resolved. Thus it was apparent that after months of sparring the Stevedores Union had lost none of its determination to win this dispute, and the issue may well become

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Superior Election Tribunal in Brasília the May decision of the Regional Election Court upholding Gomes' right as Vice Mayor-Elect to have succeeded to the office left vacant by the death of the Mayor-Elect. By the end of the quarter no final decision had been taken by the court, which kept local politics in a state of suspense pending the final outcome, which most observers expect will be favorable to Gomes.

While the Mayor struggled to broaden the political base of his administration, largely in an effort to attract badly-needed Federal and State financial aid for Santos, he was having to fend off a drum-fire of criticism, much of it communist-inspired, for neglecting the interests of the city's underprivileged and for dragging his feet while the legality of his status was being resolved. But Gomes managed to face down his critics while pursuing a policy of trying to select qualified technicians (acceptable to President Quadros and Governor Carlos Alberto de CARVALHO PINTO) for his most important administrative posts, and in early August these efforts seemed justified when he scored a major victory by obtaining from Carvalho Pinto a significant increase in the monthly quota of State aid for Santos plus a promise from Quadros of a hundred million cruzeiros for one of Santos' larger depressed neighborhoods.

Just as Gomes' shaky political infrastructure appeared to be well along toward consolidation, Quadros' resignation brought Brazil to the brink of chaos. But Santos itself remained calm during the crisis, largely due to the firmness of the Army commander in Santos (see Section III below), although an Army battalion in São Vicente refused to obey orders from II Army headquarters to deploy along the Paraná frontier (see Consulate's despatch No. 18 of September 3). Both the Mayor and the City Council came out strongly in favor of João GOULART'S succession to the presidency, and when the dust had settled Gomes could congratulate himself on having backed the winner, a fellow member of the PTB, and Mayor Gomes was quick to capitalize on the turn of events by travelling to Brasília to offer congratulations and ask the new chief executive to renew Quadros' promise of Federal aid for Santos, which Goulart seemed willing to honor.

Upon the disappearance of Quadros' influence, pressure was promptly applied on Gomes to rid his administration of its more overt janistas, and on September 15 the Mayor accepted the resignation of Mario COVAS, Jr., darling of the local janista forces and author of the Mayor's cherished "Plan of Action" for Santos, as Municipal Secretary for Public Works. Although sorry to lose an able subordinate, Covas and janismo had clearly become a political liability, and his departure gave satisfaction to the PTB, PSP, PSD, PL and other groups which had long looked askance at the Mayor's preferment of politicians who had opposed his ticket in the March mayoralty election. Although Covas made his exit as noisy as possible by publicly naming

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FOREIGN SERVICE DESPATCH

FROM : Amconsul SANTOS, Brazil

TO : THE DEPARTMENT OF STATE, WASHINGTON.

OCT 5 1961

October 2, 1961
DATE

REF : Consulate's Despatch No. 1 dated July 7, 1961

VO-1 PER-2 SCA-3 SCS-7 SV-2

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SUBJECT: QUARTERLY SUMMARY OF EVENTS IN THE SANTOS CONSULAR DISTRICT

This despatch summarizes the main events which occurred in the Santos consular district between July 1 and September 30, 1961, and is based in large part upon the Consulate's various despatches (to which specific reference is generally made below) and upon its "Weekly Comment on Events in Santos" submitted by the reporting officer to the Consulate General in São Paulo by Operations Memoranda.

DEPARTMENT OF STATE
BUREAU OF
INTER-AMERICAN AFFAIRS
OCT 16 1961

(BEGIN LIMITED OFFICIAL USE)

I POLITICAL

The abrupt resignation of President Jânio QUADROS on August 25 and the resultant collapse of janismo, cut like a knife through local politics, rendering meaningless much of what had occurred locally in this sphere prior to Quadros' exit from Brazil.

Acting Mayor José GOMES, having thrown away the shackles of the PSP which had been largely responsible for his smooth assumption of office in April, at the beginning of the quarter was busy consolidating his administration, and in July finally succeeded in organizing a working majority on the Santos City Council. But Gomes' own PTB, dissatisfied at the Mayor's inclusion among his advisors of a number of janista-carvalhistas and angry at being held at arm's length on questions of patronage, by the end of July was in full local dissolution, and joined with the PSP, PL and PSD in attacking the Mayor for his all-too-eclectic distribution of political plums.

At the end of July the PSP, UDN and PRT appealed to the

cc: Amembassy Rio de Janeiro; amconsul São Paulo.

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Dr. Van Nostrand's third audience was better than his first but slightly below his second, although his talk was quite successful and the series has been very favorably received.

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0226

pages 5 and 1 Sao Paulo D 708

The drought already means that next year high-quality coffee from São Paulo will be scarce.
Paraná coffee so far is unaffected by drought.

3. Status of Port Congestion (UNCLASSIFIED)

On September 28 there were five ships anchored in the Santos roads awaiting berthing space alongside the quays, and eight ships at anchor inside the estuary proper.

Comment: (UNCLASSIFIED)

Two American-flag grain tankers left Santos this week for ports in Rio Grande do Sul, reducing the number of grain ships present here now at one time.

IV CONSULAR

1. General (UNCLASSIFIED)

This past week the post's consular operations have been dominated by a heavy amount of shipping and seamen work, and on September 25 the reporting officer was called upon to moderate (successfully) what could have been a serious dispute between the Master and a crewmember of the U.S.-flag grain vessel S/T Captain Nicholas Sitinas.

V ADMINISTRATIVE - Negative.

VI PSYCHOLOGICAL

1. Nationalist Lecture Delivered in Santos (UNCLASSIFIED)

On September 27 a lecture in a course on "Introduction to Brazilian Problems", arranged by the Institute Superior de Estudos Brasileiros (ISEB) and sponsored by the Sao Paulo State Students Union, was given here by one Professor Gilberto Pain of the Philosophy Department of the University of Sao Paulo. His theme was "Problems of Foreign Capital".

Comment: (UNCLASSIFIED)

The leftist-nationalist ISEB, inactive for some months, is now apparently reviving.

2. U.S. Professor Continues BNC Lecture Series (UNCLASSIFIED)

On September 26 Dr. Albert D. Van Nostrand (see Weekly Comment of September 21, Psychological item 1) delivered his third in a series of lectures on "The Formation of Ideas in the United States".

Comment: (UNCLASSIFIED) /Dr. Van Nostrand's

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0225

The reds have gotten nowhere in their campaign to represent their wing of the City Central as the authentic and legal representation of all Santos labor.

III ECONOMIC

1. Attitude of São Paulo Businessmen Toward Current Political Conditions (OFFICIAL USE ONLY)

The reporting officer has been informed by Mr. Joseph M. Marçal, Jr., Brazil representative of the Port of New York Authority, that this week he found the business community in the State of Sao Paulo "hesitant" toward current political conditions and quite anxious over what the Goulart Government will mean for exports and imports. Marçal stated that he found the businessmen's consensus that the crisis is by no means ended and that Brazil's foreign commerce will remain unsettled for some time to come.

This attitude is similar to that held by most Santos businessmen.

Marçal also said that high-quality Brazilian coffee is being sold in Holland for re-export to the United States, that recently a 35,000 bag shipment from Santos was so disposed of, and that the Simonson interests were involved in this shipment. (See Weekly Comment of September 21, Economic item 1.)

Comment: (OFFICIAL USE ONLY)

Marçal added that he had visited the site of the giant COSIPA steel mill being erected in a swamp below sea-level near Cubatao, that great difficulties with seepage are being experienced there, and that COSIPA so far has driven 35,000 piles and that at least 15,000 more will have to be sunk. Marçal declared that in one part of the construction water was bubbling up from beneath a concrete floor on which heavy machinery is supposed to rest and that engineers at COSIPA are extremely worried about this problem. Marçal said he was going to communicate to COSIPA the methods developed by the Port of New York Authority to check the slow subsidence of La Guardia airport in New York.

2. Drought Affecting Next Year's Coffee Crop (UNCLASSIFIED)

An executive of Anderson, Clayton & Co. in Santos has told the reporting officer that the prolonged drought which the State of Sao Paulo has been experiencing has already destroyed 30% of next year's coffee crop from this State, and that the remainder of the crop is in peril unless ideal weather (long, soaking rains, not rain and then shine) soon prevails. Cotton plantings have also been seriously delayed by the drought, according to the source.

Comment: (UNCLASSIFIED)

/The drought

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0224

locally described as "neo-queremismo". Page 3 encl/ Sao Paulo D 768

6. State Public Safety Chief Visits Santos (UNCLASSIFIED)

On September 27 Sao Paulo State Secretary of Public Safety, Virgilio Lopes da Silva, was in Santos to inspect local units of the Forca Publica, including the city's fire brigade, which is highly rated. He declared himself shocked at conditions in the city jail.

Comment: (UNCLASSIFIED)

Besides conferring with police officials Lopes da Silva took occasion to talk politics with Santos State Deputies Athie Jorge Coury, Antonio Moreira and Gustavo Martini.

II LABOR

1. Warehousemen's Union President Shot (UNCLASSIFIED)

On September 21 Raimundo Caetano Conceiçao, President of the turbulent Santos Warehousemen's Union, was shot and seriously injured by a fellow warehouseman, Jose Otavio Moura, who has escaped. Then on September 23 Ivanildo Henrique Moura, whom Conceiçao beat out as union President on May 8 of this year, was shot at by another warehouseman, Francisco Pacheco da Silva.

Comment: (OFFICIAL USE ONLY)

Bad blood has existed between Conceiçao, reportedly a communist sympathizer, and the anti-communist Ivanildo Henrique Moura since the former's victory. Conceiçao's pro-communist line has been opposed by Moura and his allies, and the shootings appear to have their origins in this power struggle, for the attacker Jose Moura was a member of the union's finance committee under Ivanildo. Interestingly enough, a communist who had also run against both Conceiçao and Ivanildo Moura on May 8 was with the latter when he was fired upon.

2. Rival City Centrals Meet (UNCLASSIFIED)

The anti-communist faction of the Santos City Central met this week as a challenge to its red-controlled rival organization in the Central. Immediately the communists called a meeting of their own to condemn the anti-communists as "usurpers" and "troublemakers" with no right to convoke meetings of the City Central. (See Weekly Comment of September 15, Labor item 1.)

Comment: (UNCLASSIFIED)

/The reds

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

0223

page 2 encl 1 Sao Paulo 1768

3. Municipal Transit Chief Backed by Mayor (OFFICIAL USE ONLY)

The reporting officer is informed by Comendador Luiz Caiaffa that his son Helio, Superintendent of the Santos Municipal Transit Company (SMTC) (see Weekly Comment of July 14, Political item 2) is in fact receiving full support from Mayor Jose Gomes and is allowed perfect freedom to reform the city-owned money-losing enterprise. According to the ender Caiaffa, Helio has been able to neutralize the agitation of the communists in the SMTC's union; and that instead of there being a Cr$ 27.000.000,00 surplus at the SMTC as recently charged by a City Councilman, Helio actually inherited a CR$170.000.000,00 deficit.

Comment: (UNCLASSIFIED)

Evidences of Caiaffa's efficiency at the SMTC are already apparent in a new look for Santos streetcars, and on September 24 a fare increase for busses and trams went into effect without much protest.

4. Sao Paulo Freemasons to Support Partido Republicano (LIMITED OFFICIAL USE)

The reporting officer is reliably informed that the Grand Master of the Freemasons in the State of Sao Paulo has let it be known that the State's freemasons will join and support the Partido Republicano and make it the official masonic party in the State. Previously the Sao Paulo masons supported the PSB. The source also added that Prime Minister Tancredo Neves is a freemason himself.

Comment: (OFFICIAL USE ONLY)

Brazilian freemasonry, from what the reporting officer is given to understand, operates differently from the U.S. variety, with Brazilian masonic lodges apparently being as much political as fraternal in nature. Masonic support for any political group in Brazil is important, and freemasonry has played a significant political role in this country since even before 1822.

5. Sodre Speaks (UNCLASSIFIED)

Sao Paulo State Legislature President Roberto de Abreu Sodre, a close friend of ex-President Quadros, declared at a Rotary Club luncheon here on September 27 that he favored Brazilian States adopting a parliamentary-type government, but not the cities.

Comment: (UNCLASSIFIED)

The reporting officer believes that some of the initial revulsion here against Quadros resignation and flight has subsided, and that a growing number of persons, especially businessmen, favor Quadros' return to Brazil in some sort of position of influence. This is locally

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0222

FORM DS-002
8-1-50

LIMITED OFFICIAL USE

Dis 108 ARA
Sao Paulo
page 1 encl 1 Sao Paulo D-108

OPERATIONS MEMORANDUM

TO: American Consulate General Sao Paulo

Date: September 28, 1961

FROM: American Consulate SANTOS, Brazil VPRan

SUBJECT: Weekly Comment on Events in Santos

REF:

I POLITICAL

1. Santos Socialists in Favor of Legalising Communist Party (UNCLASSIFIED)

The President of the local directorate of the Partido Socialista Brasileiro (PSB), Fernando Salgado Luiz, has gone on record favoring the legalization of the Communist Party of Brazil (PCB), stating, "The Santos socialists are convinced that the exclusion of the communists from the country's political life is an act of anti-democratic discrimination which incapacitates our process of development".

Comment: (OFFICIAL USE ONLY)

The Santos PCB for months has been quietly campaigning for its legalization, in line with the PCB's national effort to this end.

2. Court Ruling Expected on Legality of Mayor's Position (UNCLASSIFIED)

This week Mayor Jose Gomes has been living in suspenseful anticipation of the long-awaited ruling by the Superior Election Tribunal in Brasilia as to the legality of his assumption of the office of Mayor in his quality of Vice Mayor Elect of Santos. The Court is now expected to hand down its decision momentarily.

Comment: (UNCLASSIFIED)

The Mayor has opened an inquiry into alleged irregularities in the management of the municipal market and is studying recurring reports of a meat monopoly existing in Santos (see Weekly Comment of August 12, 1960, Economic item 3).

Municipal Transit

CONSULATE GENERAL OF THE UNITED STATES OF AMERICA
SEP 29 1961
SAO PAULO, BRAZIL

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0221

AIR POUCH
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FOREIGN SERVICE DESPATCH

FROM : Amcongen, São Paulo

108
NO.

TO : THE DEPARTMENT OF STATE, WASHINGTON.

October 2, 1961
DATE

REF :

File. Location
E8T/13: JW Watson-
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OCT 4 1961

SCS-2 SCA-3

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				6	4	10	4	5		10	4					

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

Encl Reprod in RD

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 28, 1961.

William P. Cochran, Jr.
Minister Consul General

732.00/10-261 TS

Enclosure:

Santos Weekly Report
dated September 28, 1961

cc: Amembassy, Rio

LAPyle/lfw
REPORTER

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0219

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RG: 059

ENTRY: CDF60-63

BOX: 1576

TAB #: 29

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Document Ser.#:

TEL 681 FR STATE TO RIO DE JANEIRO

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NND: 949515

WITHDRAWN: 02/24/95 by: JAS

FOIA RETRIEVAL #: 949515 01576 00029

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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Document Date: 31/08/61

Document Ser.#:

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X Security-Classified Information

NND: 949515

WITHDRAWN: 02/24/95 by: JAS

FOIA RETRIEVAL #: 949515 01576 00028

0217

Bernardes then went on to express his personal conviction that a military dictatorship would be the worst of all possible solutions. He said that he doubted that it could last more than a few weeks or months, and believed that it would give the greatest encouragement to Communist and allied forces within the country. He said that he understood that Goulart was being supported by the overwhelming majority of congress, by 14 out of 20 state governors, and by the Catholic bishops in the principal centers despite their wholehearted dislike of Goulart personally and of Communism in any form. He also pointed out that if circumstances led to a special Presidential election in the near future, this would be construed as a special election for the term succeeding Kubitschek's and that Goulart himself would be the only outstanding political figure who would be eligible under the Constitution, since neither Kubitschek nor any state governor could run. He implied that a solution permitting Goulart to assume the Presidency in form, but greatly circumscribing his executive power, would be much more in the long-run interests of both Brazil and the United States than Goulart's election.

Finally, Minister Bernardes reported some interesting additional background on the Quadros resignation. He said that from telephone conversations with Brazil he had learned that on Wednesday, August 23, Finance Minister Mariani had met in Rio with all members of the Cabinet except Quadros (who was then in Brasilia). Mariani had reported on the Punta del Este Conference, and had indicated grave concern about the pro-Communist tendencies in the recent Brazilian foreign policy line. All members of the cabinet, civilian and military, agreed that this was most undesirable, the only exception being Foreign Minister Afonso Arinos, who tried to defend and explain the line. On Thursday, the three military ministers went to Brasilia and reported to Quadros the convictions of the Cabinet that he should modify the foreign policy line, not demanding a sharp reversal or laying down an ultimatum but pressing for a clear, step-by-step return to Western-oriented policy. Quadros listened without responding.

On Friday morning, which was Army Day, Marshal Denys made a public statement which Quadros interpreted as hostile to his foreign policy. Quadros then called in the military leaders and announced to them his intention to resign. They sought to dissuade him but he was adamant, and the known public events followed.

The conversation ended with a long discussion of the Quadros psychology during which Bernardes agreed with the view that the resignation was a psychopathic act.

0216

ARA:LGordon
(Drafting Office and Officer)

CONFIDENTIAL

732.00/8-3161

DEPARTMENT OF STATE

Memorandum of Conversation

DATE: August 31, 1961

SUBJECT: New York Discussion August 30 Between Minister Bernardes and Brazilian Vice President Goulart

PARTICIPANTS: Minister Carlos A. Bernardes, Chargé d'Affaires, Brazilian Embassy, Washington, D.C.
Mr. Marcilio M. Moreira, Third Secretary, Brazilian Embassy, Washington, D.C.
Dr. Lincoln Gordon, Ambassador-designate to Brazil.

COPIES TO:
ARA - 2
EST - Mr. Wellman - 1
EST/B - 2
RPA - 1
American Embassy, Rio de Janeiro

SEP 7 1961

732.00/8-3161

Minister Bernardes had gone to Idlewild Airport on Wednesday, August 30 to meet Vice President Goulart who was in transit to Buenos Aires. He summarized the discussion between them substantially as follows:

Goulart asked him what attitude the United States Government was taking in the current Brazilian crisis. Bernardes replied that the United States was taking a strictly hands-off position, exactly as President Kennedy had stated that morning in his press conference. He also told Goulart that we were naturally immensely concerned about developments in Brazil, both because of their impact on the future of Brazil and because of their effects on the rest of Latin America and the whole relationship between the United States and Latin America.

Goulart then said to him with emphasis that he wanted Bernardes to make clear to us that the widespread view in the United States that he was a Communist or fellow traveler was wholly without foundation. Goulart further said that he was keenly aware of the vital importance to Brazil of close and friendly relations with the United States and that if he assumed the Presidency he would make those relations the cornerstone of his foreign policy. He further said that he would accept any solution to the present crisis endorsed by the Brazilian Congress. (Dr. Gordon asked Bernardes whether that would include a solution reducing Goulart to a powerless figurehead, and Bernardes replied that that specific question had not been discussed between them.)

(continued)

FORM 3-61 DS-1254

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SENT TO: Amconsul PORTO ALEGRE MIACT
RPTD INFO: Amembassy RIO DE JANEIRO

732.00/8-3161
XR 232.11

Porto Alegre 7

In view situation referred your 599 assume you have considered advisability ~~[illegible]~~ invoking appropriate phase E & E plan. Advise.

Rusk

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(3)

Telegraphic transmission and classification approved by: EST - Mr. Hemba

Drafted by: ARA:BST/B.Wilson:lms 8/31/61

Clearances:
SCA - Miss Roberts (in substance)
ARA:EX - Mr. Baber (in draft)

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Classification

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Control: 23906
Rec'd: September 1, 1961
2:55 p.m.

FROM: Rio de Janeiro

TO: Secretary of State

NO: 595, August 31, 6 p.m.

AGRICULTURE FROM MILAM

Due political situation COFAP required all Guanabara state wholesalers of rice, bean, flour, dried meat fats and oils declare stocks. Only 10 percent rice, beans and flour stocks; 20 percent of fats and oils and 50 percent dried meats permitted released per week.

Supplies entering Guanabara after September 1 may be negotiated freely.

Freezing of stocks should prevent immediate breakdown Guanabara supply should normal supply foodstuffs into state cease. Report follows.

BOND

SGC

732.00/8-3161 XR 411.32/41

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0213

CONFIDENTIAL

-2- 608, August 31, midnight from Rio de Janeiro

Santo, Parana and Bahia (all favoring compromise) was among developments creating this impression. Air and Navy Ministers reported still opposed conciliatory solution but do not appear have solid support within their own services and Denys decision should in any case be overriding.

Goulart's reported decision spend night August 31 at Montevideo (after discussions with congressional, military representatives who met him Buenos Aires) suggests he inclined accept Presidency with restricted powers and willing delay return until proper legal and military environment for his accession in these circumstances established.

BOND

LSA

NOTE: Passed CINCARIB 9/1/61

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CONFIDENTIAL

Control: 37
Rec'd: September 1, 1961
8:30 a.m.

FROM: Rio de Janeiro

TO: Secretary of State

NO: 608, August 31, midnight

INFO:

RM/R FILES

file; by action
E.S.T. 13: J.a wilson: lms.
9-28-61.

NIACT

ACTION DEPARTMENT 608; INFORMATION BUENOS AIRES PRIORITY 45

DEPARTMENT PASS CINCARIB.

Re Embassy telegram 579 repeated Buenos Aires 43.

Prospects solution crisis appeared brighter tonight as congress, influential governors and various military elements backed by vigorous expressions of press and public opinion, strove mightily to avert civil strife through compromise solution.

Congressional joint committee during night August 30 vetoed military minister's request Goulart succession be impeded and recommended constitutional amendment whereby a parliamentary system would be instituted and Goulart's induction as president be assured with limited powers. Congress morning August 31 accepted this decision by smashing vote of 298 to 14; appointed special committee to draft proposed constitutional amendment; voted to limit debate on proposal; decided this afternoon adjourn until 10 A.M. September 1 at which time special committee due report.

Meanwhile, as congress speeded work on amendment, indications increased that Denys, under impact hostile public opinion and in face growing evidence shallowness his support even in army, inclining toward compromise. His meeting in Rio tonight with governors of Rio de Janeiro, Sao Paulo, Minas Gerais, Espirito Santo

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732.00/8-3161

Rio 608

0211

which democratic institutions themselves will end up ruined, and with them justice, liberty, social peace and all highest standards our christian culture.

In Presidency Republic, in regime which gives Chief of Government broad authority and personal power, Joao Goulart would become without any doubt most evident stimulus to all who desire see country plunged into chaos anarchy and civil strife. Armed Forces themselves infiltrated and domesticated, would be transformed as has happened in other countries into mere Comminist militias.

Thus we brave already-expected storm of most shameless intriguts and accusations in order tell truth, as it really is, to Congress of peoples representatives, and now to Brazilian people themselves.

Armed Forces are certain of understanding of christian orderly and patriotic people Brazil. And they remain serene and determined in maintenance public order.

Signed: Vice-Admiral Silvio Heck Marshall Odylio Denys Brigadier Grun Moss.

END TEXT

Comment: Order in which signatures occur is in accordance established norms for joint decrees and statements by military ministers.

BOND

SGC
Note: Passed CINCARIB 9/1/61 JNA

frequent agitiation in Union circles, with obvious political objectives and in prejudice real interests our working classes. And no less true was ample infiltration which, at that time, occurred in that Ministry, even is its key posts, as well as in Union organizations, of active and known international Communist agents, as well as innumerable Leftists elements.

In post Vice President it known he always used his influence stimulate and support, even openly, strikes promoted by known agitators. And only short time ago, as official representative on trip USSR and Communist China, he made clear and patent his unreserved admiration for regimes those countries, praising success of peoples communes.

Now, in environment grave international tension in which world lives today, with proved intervention international Communism in life of democratic nations and, above all, in (that of) weakest (nations), tremendous dangers to which Brazil finds itself exposed are growing, as clear as day. A country in search rapid economic recuperation which is demanding enormous sacrifices, principally from poorer and more humble classes; in painful and arduous march toward higher plane of social economic development; with so many and such urgent problems to solve, including age-old and growing social injustice in cities and rural areas, Brazil can never confront difficult period we passing through, if help, protection and stimulus should be given agents disorder, disunion and anarchy.

Armed Forces are profoundly convinced that, this being case, we shall have unloosed in country a disquieting period of agitation on top agitation, of tumult and even bloody classes in cities and countryside, in a word, armed subversion, through

which

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Rec'd: September 1, 1961 11:10 a.m.

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FROM: Rio De Janeiro

TO: Secretary of State

NO: 605, August 31, 6 p.m.

Rio 605

ACTION: ESTB

INFO:

RM/R FILES

File: no action
ESTB: JWWilson: line
9-28-61

PRIORITY

ACTION DEPARTMENT 605, INFORMATION BUENOS AIRES 44.

DEPARTMENT PASS CINCARIB

Military Ministers during night August 30 issued "manifesto to nation" of which following translated text:

BEGIN TEXT

In fulfillment their constitutional duty as those responsible maintenance order, law and democratic institutions themselves, Brazilian Armed Forces, through authorized word their ministers, have manifested to President Republic, as already widely announced, absolute inadvisability, in present situation, of CIE President Joao Goulart's return to country.

732.00/8-3161

In unequivocal demonstration complete respect for constitutional powers, they have awaited, in face wave false accusations and intentional distortions, always in silence, pronouncement solicited of National Congress. After several days, since they sensed desire for greater clarification on part public opinion, which enemies of regime and order are seeking disorient, they now find themselves constrained emphasize publicly, with acquiescence President Republic, some of many reasons on which that judgement was founded.

During time he exercised post Minister Labor, Joao Goulart was already demonstrating very clearly his ideological tendencies, by inciting and even promoting successive and frequent

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Control: 23897
Rec'd SEPTEMBER 1, 1961
5:11 a.m.

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CONFIDENTIAL

Draft telegram by EST/B:RHCrane:lms 9/1/61. Tele. RHCrane:lms 9-18-61

FROM: Rio De Janeiro

TO: Secretary of State

NO: 600, August 31, 6 p.m.

PRIORITY

DEPARTMENT PASS CINCARIB, JCS, JJCE, AJCC, FORT RITCHIE

Brazilian Army general has requested General Bell furnish 200 tear gas grenades for use military police quelling disturbances Rio. Since US Embassy one principal beneficiaries this type police action recommend items be furnished (unmarked) on grant basis via next MATS A/C scheduled Rio September 5.

BOND

DPB

NOTE: PASSED CINCARIB, JCS, JJCE, AJCC, FORT RITCHIE 9/1/61.CWD

Rio 600

732.00/8-31/61

XR 232.1122

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JAN 3 - 1962

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CORRECTION ISSUED: 9/5/61, 5 a.m. LSA:HMR

CONFIDENTIAL

37
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Control: 193
Rec'd: September 2, 1961
2:15 p.m.

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FROM: Sao Paulo - CORRECTED COPY

TO: Secretary of State

NO: 134, August 31, 5 p.m.

File Location: EXT/B: J. Wilson - lwr 9-27-61

ACTION DEPARTMENT 134, INFORMATION RIO DE JANEIRO 40.

Governor Carvalho Pinto made statement favoring constitutionality but avoiding specific mention Goulart's right to presidential succession which central issue. Popular opinion backed by large majorities state legislative assembly and city council seem favor Goulart but conservative leaders and press forcing issue. Many Paulistas apparently willing compromise on parliamentary government with Goulart weak President but influential paper ESTADO pointing out dangers this scheme. Others opposing point out Goulart could control such government through his control majority in legislature. Sao Paulo politicians making some gesture support Rio Grande do Sul Governor, Brizzona in apparent attempt mediate dangerous crisis. This effort worth watching because geographic location Sao Paulo and current success Paulista politicians remaining good terms both sides.

Students generally continue support settlement accordance constitution (schools Sao Paulo and Santos closed). University of Sao Paulo did not open August 30. Several stated deputies addressed rally held at university under close police and troop surveillance, pointing out need for cash rather than demonstrations.

Non-Communist trade union leaders of opinion rank and file would not support general strike. At same time believe Goulart legally entitled to presidency and fearful military dictatorship. Privately hope that deal will be worked out between Goulart and forces peacefully settling impasse. Political and social police continue vigilance known Communist agitators.

Situation otherwise calm.

COCHRAN

MLJ

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Correction

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Control: 23385
Rec'd: AUGUST 31, 1961
1961 2:29PM PM 3 04

ACTION: EST/B
INFO:
RM/R FILES

File. No action
EST/B: J W Wilson. lms.
9-28-61.

FROM: Recife

TO: Secretary of State

NO: 67, August 31, 9 a.m.

PRIORITY

SENT DEPARTMENT 67, RIO DE JANEIRO 93.

LIMIT DISTRIBUTION, NOFORN.

Re CONTEL August 30.

Apparently at military behest, Governor Sampaio of Pernambuco visited Brasilia to discuss with acting President and War, Navy, Air Ministers likely possibilities if Congress dissolved under declaration of national emergency.

He reportedly was informed military unalterably opposed succession Goulart on basis he certain to take country far left within short time. Military apparently concerned deep Communist plot this regard. Goulart also considered morally corrupt and military scanning record find evidence use against him to serve as constitutional basis his disqualification.

Governor reportedly full agreement with military position and willing cooperate with them, probably hoping aggrandize his own future political role. He possibly may try organize soon conference Northeast Governors in effort to support military solution which reportedly envisages new election preferably within constitutional loophole.

Military has reportedly (but no confirmation yet) arrested Recife Mayor Arraes and Francisco Juliao confining them at Island Fernando Donoronha.

RABIDA

MLJ

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OCT 11 1961

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Control: NUMBERED 23624
Rec'd: August 31, 1961
6 pm 1961 SEP 1 AM 6 03

ACTION: EST/B
INFO:
RM/R FILES

File to action - EST/B: J Watson - lues 9-28-61

Rio 599

FROM: RIO DE JANEIRO

TO: Secretary of State

NO: 599, AUGUST 31, 4 PM

NIACT

FOLLOWING REPEATED YOU NIACT ACTION RIO DE JANEIRO 56 AUGUST 31 12 NOON FROM PORTO ALEGRE SIGNED WARNER.

"GENERAL MACHADO LOPES JUST TOLD HERE ABOUT TO MOVE TROOPS OUT AND AFTER THEY GO CANNOT ASSUME RESPONSIBILITY SAFETY AMERICANS HERE. STATED FEDERALS HAVE STOPPED RGS GASOLINE.

SERVICE ALL AIRLINES CANCELLED BUT BUS SERVICE STILL NORMAL. ASSUME SERVICE NORTH MIGHT CEASE BUT TO URUGUAY CONTINUE.

SUGGEST BLOOM RETURN SOONEST VIA AIR RIO MONTEVIDEO THEN BUS WITH AMPLE DOLLARS AND CRUZEIROS BECAUSE UNABLE YET CASH CHECKS.

RE CONGTEL 55".

BOND

KEA

732.00/8-3161

XR 232.1122

Note: Advance copy to Mr. Crane (ARA) 6:10 pm 8/31/61 CWO-M

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JAN 8 - 1962

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Control: 23091
Rec'd: AUGUST 31, 1961
10:46AM

ACTION: EST/B
INFO:
RM/R FILES

File. No action.
EST/B: Jill Wilson - lms
9-28-61.

FROM: LONDON

TO: Secretary of State

NO: 890, AUGUST 30, 5 PM

ACTION DEPARTMENT 890, INFORMATION RIO DE JANEIRO 3, BUENOS AIRES 4.

RIO TEL 531 TO DEPT.

EDMONDS, ACTING HEAD, AMERICAN DEPT, FONOFF, AUGUST 30 SHOWED EMBOFF TEL FROM UK AMBASSADOR RIO INDICATING AMBASSADOR SENDING LETTER TO QUADROS ABOARD URUGUAY STAR WHEN IT STOPS, BUT DOES NOT BERTH ALONGSIDE, IN RIO INQUIRING WHETHER QUADROS WISHES UK GOVT TO DO ANYTHING FROM HIM. FONOFF SPECULATED THAT QUADROS COMING TO LONDON FOR FURTHER ATTENTION HIS EYE PROBLEM; UNDERSTANDS QUADROS DISSATISFIED WITH RESULTS OPERATION ON EYE HERE EARLIER.

BRUCE

LM

732.00/8-3161

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0203

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

RG: 059

TAB #: 27

ENTRY: CDF60-63

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ACCESS RESTRICTED

The item identified below has been withdrawn from this file:

Folder Title: 732.00/8-3161

Document Date: 31/08/61

Document Ser.#:

TEL C-44 FR BRAZIL TO SECSTATE

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X Security-Classified Information

NND: 949515

WITHDRAWN: 02/24/95 by: JAS

FOIA RETRIEVAL #: 949515 01576 00027

ARA:RFWoodward:j 8/31/61

DEPARTMENT OF STATE

OFFICIAL USE ONLY

Memorandum of Conversation

TELEPHONE

DATE: August 31, 1961

SUBJECT: João Goulart

PARTICIPANTS: Mr. Robert F. Woodward, Assistant Secretary, Bureau of Inter-American Affairs
Ambassador James Loeb

COPIES TO: EST
WJT

732.00/8-3161

Ambassador Loeb telephoned me this afternoon from Lima, relaying the substance of a conversation between the Brazilian Ambassador and João Goulart.

The Brazilian Ambassador spoke with Goulart in Lima as he went through. Goulart was headed for Buenos Aires where he was planning to go to Montevideo and then driving to Puerto Alegre. The Brazilian Ambassador said he was a supporter of Goulart in the past and was a former Vargas man, himself. He said Goulart was very conciliatory and was prepared to accept the solution suggested by the Congress: a Prime Minister to check up on him; a solution which the military has not been willing to accept so far. Goulart said this was not a good solution but he would be willing to accept it in order to avoid internal strife; this would create a problem in the selection of cabinet officers and would be difficult to work out.

He told the Brazilian Ambassador that he was determined to follow through on the constitutional procedure and become President as he was supposed to be.

The Brazilian Ambassador told Ambassador Loeb that the bulk of the Army's strength was in the south.

Ambassador Loeb commented that if the Brazilian military should be successful in denying constitutional procedures in Brazil, it would be a disastrous precedent in Latin America, as well as for Peru, and that there would be very little prospect of a democratic election in Peru.

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-3- 35X, 311230Z AUGUST (ARMY MESSAGE) FROM ALUSNA RIO

IN A REGIME WHICH ATTRIBUTES AMPLE AUTHORTTY AND PERSONAL POWER TO THE CHIEF OF GOVERNMENT. JOAO GOULART WITHOUT A SINGLE DOUBT WOULD BECOME THE MOST EVIDENT INCENTIVE TO ALL THOSE WHO WANT TO SEE THE COUNTRY FALL INTO CHAOS. ANARCHY AND CIVIL STRIFE. THE VERY ARMED FORCES INFILTRATED AND DOMESTICATED WOULD BECOME AS HAS HAPPENED BEFORE IN OTHER COUNTRIES. SIMPLE PEOPLES MILITIA. WE FACED THE EXPECTED STORM OF SHAMELESS INTRIGUE AND ACCUSATION TO TELL THE TRUTH AS IT IS TO THE CONGRESS OF THE PEOPLES REPRESENTATIVES ALSO TO THE BRAZILIAN PEOPLE. THE ARMED FORCES ARE CERTAIN OF THE UNDERSTANDING OF THE CHRISTIAN ORDERLY AND PATRIOTIC PEOPLE OF BRAZIL AND REMAIN SERENE AND DETERMINED IN THE MAINTENANCE OF PUBLIC ORDER. SIGNED VICE ADMIRAL SILVIO HECK. MARSHAL ODILIO DENYS. BRIG GRUM MOSS 30-8-1961. COMMENT. THIS IS THE FIRST TIME SINCE THE BEGINNING OF THE CRISIS THAT THE THREE MILITARY MINISTERS HAVE PROCLAIMED PUBLICLY THEIR POSITION.

KEA

UNCLASSIFIED

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UNCLASSIFIED

-2- 35X, 311230Z AUGUST (ARMY MESSAGE) FROM ALUSNA RIO

WHICH THE ENEMIES OF THE REGIME AND ORDER SEEK TO DISORIENT. WITH ACQUIESCENCE OF THE PRESIDENT OF THE REPUBLIC. WE SET FORTH PUBLICLY SOME OF THE MANY REASONS ON WHICH THAT JUDGMENT WAS FOUNDED. ALREADY DURING THE TIME IN WHICH HE EXERCISED THE POST OF MINISTER OF LABOR, JOAO GOULART HAD DEMONSTRATED VERY CLEARLY HIS IDEOLOGICAL TENDENCIES IN PROMOTING SUCCESSIVE AND FREQUENT AGITATION IN UNION CIRCLES, WITH THE EVIDENT POLITICAL OBJECTIVE AND EVEN HARMFUL TO THE REAL INTERESTS OF OUR WORKING CLASSES. AND NO LESS TRUE WAS THE AMPLE INFILTRATION WHICH IN THIS EPOCH OCCURED IN THE ORGANISM OF WHAT MINISTRY EVEN IN KEY POSTS OF HIS ADMINISTRATION AS WELL AS IN UNION ORGANIZATIONS, OF ACTIVE AND KNOWN INTERNATIONAL COMMUNIST AGENTS, AS WELL AS INNUMERABLE LEFTIST ELEMENTS. IN THE POST OF VICE PRESIDENT IT IS KNOWN HE ALWAYS USED HIS INFLUENCE TO STIMULATE AND APPROVE OSTENSIVELY STRIKES PROMOTED BY KNOWN AGITATORS, AND A SHORT TIME AGO AS OFFICIAL REPRESENTATIVE ON A TRIP TO THE SOVIET UNION AND COMMUNIST CHINA HE MADE CLEAR AND EVIDENT HIS ADMIRATION FOR THE REGIMES OF THESE COUNTRIES, EXALTING THE SUCCESS OF PEOPLES COMMUNES NOW IN THE PICTURE OF GRAVE INTERNATIONAL TENSION IN WHICH OUR WORLD LIVES TODAY. THE PROVEN INTERVENTION OF INTERNATIONAL COMMUNISM IN THE LIFE OF DEMOCRATIC NATIONS AND, ABOVE ALL IN THE WEAKEST NATIONS. THE TREMENDOUS DANGER TO WHICH BRAZIL IS EXPOSED ARE GROWING. A COUNTRY IN SEARCH OF RAPID ECONOMIC RECUPERATION WHICH IS DEMANDING ENORMOUS SACRIFICES PRINCIPALLY FROM THE POORER AND MORE HUMBLE CLASSES IN A PAINFUL AND ARDOUS MARCH TOWARD A HIGHER PLANE OF SOCIAL AND ECONOMIC DEVELOPMENT. WITH SO MANY AND SUCH URGENT PROBLEMS TO SOLVE. EVEN SECULAR AND GROWING SOCIAL INJUSTICES IN THE CITIES AND THE COUNTRY. BRAZIL CAN NEVER FACE THE HARD ROAD WE ARE FACING IF HELP, PROTECTION AND STIMULUS ARE GOING TO BE GIVEN TO THE AGENTS OF DISORDER, OF DISUNION AND ANARTHY. THE ARMED FORCES ARE DEEPLY CONVINCED THAT THIS BEING THE CASE WE WILL HAVE UNLOOSED IN THE COUNTRY A DISQUIETING PERIOD OF AGITATION ON TOP OF AGITATION, OF TUMULT AND EVEN BLOOD CLASHES IN THE CITIES AND IN THE COUNTRY, OF ARMED SUBVERSION, OR IN A WORD: A PERIOD DURING WHICH THE VERY DEMOCRATIC INSTITUTIONS WILL FALL AND WITH THEM JUSTICE, LIBERTY AND SOCIAL PEACE AND ALL THE HIGHEST STANDARDS OF OUR CHRISTIAN CULTURE. AS PRESIDENT OF THE REPUBLIC

IN

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Control: 452 AM 8 53
Rec'd: SEPT 3, 1961

ACTION: ESTB
INFO: 1:44 AM
RM/R FILES

File, Location
EST/B: Dr Wilson-Lues
9-22-61

FILED
FEB 7 - 1962

Army Dept.

FROM: ALUSNA RIO

TO: Secretary of State

NO: 35X, 311230Z AUGUST (ARMY MESSAGE)

PRIORITY

ACTION CNO, HQUSAF, DEPTAR, CINCLANT, CINCARIB, CINCLANTFLT, COMFIFTEEN, COMSOLANT, CAIRC ALBROOK, CONTEN, 1127 FAG FT BELVOIR VA, CINCARMYCARIB FT AMADOR, CHNAVMIS BRAZIL, WHITE HOUSE, STATE DEPARTMENT.

USAF FOR AFCIN

DEPTAR FOR ACSI

THIS IS JOINT ARMY NAVY AIR ATTACHE MESSAGE

DURING EARLY HOURS 31 AUG THE THREE MILITARY MINISTERS USING THE PRESS AND RADIO ISSUED A MANIFESTO TO BRAZIL IN WHICH THEY EXPLAINED IN MORE DETAILS WHY THEY CONSIDER JAOA GOULART UNACCEPTABLE TO BRAZIL. THE MANIFESTO IS: "IN FULLFILMENT OF THEIR CONSTITUTIONAL DUTY OF THOSE RESPONSIBLE FOR THE MAINTENANCE OF ORDER. LAW AND DEMOCRATIC INSTITUTIONS THEMSELVES. THE ARMED FORCES OF BRAZIL THROUGH THE AUTHORIZED WORD OF THEIR MINISTERS MANIFESTED TO HIS EXCELLENCY THE PRESIDENT OF THE REPUBLIC. AS HAS ALREADY BEEN AMPLY ANNOUNCED. THE ABSOLUTE INCONVENIENCE IN THE PRESENT SITUATION OF THE RETURN TO THE COUNTRY OF VICE PRESIDENT JOAO GOULART. IN AN UNEQUIVOCAL DEMONSTRATION OF COMPLETE RESPECT TO THE CONSTITUTIONAL POWERS THEY AWAITED IN THE FACE OF A WAVE OF FALSE ACCUSATIONS AND INTENTIONAL DISTORTIONS. ALWAYS IN SILENCE. THE PRONOUNCEMENT SOLICITED OF THE NATIONAL CONGRESS. AFTER SEVERAL DAYS AND FEELING THE DESIRE FOR GREATER CLARIFICATION ON THE PART OF PUBLIC OPINION.

732.00/8-3/61

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CORRECTION

Control: 23858

Rec'd: September 1, 1961
2:39 a.m.

FROM: USARMA-USAIRA-ALUSNA RIO DE JANEIRO

TO: Secretary of State

File, no action
E&T/B: J W Wilson
lwc 9-28-61

NO: J-34, DTG 311613Z AUGUST (JOINT SERVICES MESSAGE)

The serial number of this message, received as J-33, DTG 310613Z AUGUST, should be corrected to read J-34, DTG 311613Z AUGUST.

WVC/7

FW 732.00/8-3/61

CORRECTION

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9-28-61.

Control: 23858
Rec'd: September 1, 1961
2:39 a.m.

FROM: USARMA-USAIRA-ALUSNA RIO DE JANEIRO

TO: Secretary of State
J-34 per DCT

NO: J-93, DTG 3106132 AUGUST (JOINT SERVICES MESSAGE)

PRIORITY

ACTION ACSI DA,CNO, COFS USAF; INFORMATION 1127 FAG FTBELVOIR CINCLANT, CINCLANTFLT, COMFIFTEEN, COMTEN, COMSOLANT, CHNAVMIS RIO DE JANEIRO, CINCARIB, CGUSARCARIB, CAIRC ALBROOK AFB, WHITE HOUSE, STATE DEPT.

THIS IS A JOINT ARMY, NAVY AND AIR FORCE MESSAGE.

SITUATION IN BRAZIL CONTINUES TO BE TENSE. TODAY MARSHALL DENYS STATED IN MILITARY CENSORED PRESS RIO THAT BRAZIL UNDER CONTROL EXCEPT IN RIO GRANDE DO SUL. PRESS REPORTS THAT GENERAL MACHADO LOPEZ THIRD ARMY COMMANDER JOINED FORCE WITH GOVERNOR BRIZOLA RIO GRANDE DO SUL. GENERAL GALHARDO COMMANDER FIFTH INFANTRY DIV AND FIFTH MILITARY REGION CURTIBA PARSHA STILL LOYAL DENYS. GENERAL CORODORELIO DE FARIAS NEW COMMANDER THIRD ARMY. PLANS TO ESTABLISH CP IN CURTIBA TO ASSUME COMMAND THIRD ARMY.

JVC/21

732.00/9-3161

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OCT 7 - 1962

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Control: 273
Rec'd: September 1, 1961
1:06 p.m.

ACTION: E87/B Jail
INFO:
RM/R FILES

File. No action
E87/B: JA Wilson - lwes
9-28-61

Defense Dept.

FROM: ATTACHES AMERICAN EMBASSY BRAZIL

TO: Secretary of State

NO: NR. J--38,211930Z AUGUST

PRIORITY

ACTION CNO, HEDUSAF/AFCIN, DEPTAR FOR ACSI, INFORMATION 1127 FAG, CINCLANT, CINCLANTFLT, COMFIFTEEN, CGUSARCARIB, COMTEN, CAIRC ALBROOK AFB, COMSOLANT, CHNAVMIS BRAZIL, CINCARIB, WHITE HOUSE AND STATE DEPARTMENT

THIS IS A JOINT ARMY, NAVY AND AIR FORCE MESSAGE. MESSAGE IN THREE PARTS.

PART 1.

CONSUL PORTO ALEGRE REPORTS GENERAL JOSE MAECHADO LOPES, COMMANDING GENERAL THIRD ARMY, STATED HE WAS MOVING HIS FORCES OUT OF PORTO ALEGRE AND HE WOULD NO LONGER BE ABLE PROVIDE SECURITY FOR AMERICANS RESIDING THERE. AUTHORITIES ARE CONFISCATING ALL GAS IN AREA.

PART 2.

RELIABLE MILITARY SOURCES INDICATES MARSHAL DENYS WILL MEET WITH SOME GOVERNORS IN NITEROI TODAY DISCUSS POSSIBILITY OF COMPROMISE. DENYS AND GOVERNORS WILL INFLUENCE CONGRESSIONAL ACTION WHICH MAY BE TAKEN TONIGHT. IT IS UNDERSTOOD THAT GOVERNORS WILL TRY TO SWAY DENYS ACCEPT COMPROMISE WHEREBY GOULART BE PERMITTED ASSUME PRESIDENCY WITH RESTRICTIONS. EFFORTS WILL BE MADE TO KEEP JANGO OUT OF COUNTRY UNTIL NEGOTIATIONS ARE COMPLETED.

PART 3.

SCP-3

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732.00/8-3161
XR 232.1122

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Control: 323
Rec'd: 1961 SEP 2 AM 10 29

FROM: Caracas

TO: Secretary of State

NO: 312, August 31, 6 p.m.

Tele. for action: EST/B: JW Wilson: lwe 9-28-61

ACTION: ~~EST/B~~ hw 9/3
INFO: ~~File Wilson~~
RM/R FILES ~~EST/B~~
pass to EST/B
gwW

ACTION DEPARTMENT 312, INFORMATION RIO DE JANEIRO 8.

As Brazilian crisis has developed, it apparent virtually all political and press opinion in Venezuela believes (1) Quadros, a good man, has betrayed his trust, and (2) a constitutional solution, i.e., Goulart, is mandatory. Leftist elements have in addition pointed to cumulative danger in other countries, particularly Venezuela, of "successful military coup".

Foreign Office has informally indicated to Embassy that in event of Brazilian military success, Betancourt Doctrine would apply, i.e., Venezuela would not recognize unconstitutional regime.

MOSCOSO

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II LABOR

1. Local Unions With Jango (UNCLASSIFIED)

Waldemar Neves Guerra, communist President of the big Santos Port Services Administration Employees Union, has declared, "The regime must be preserved at all costs. The workers will not allow any kind of disrespect of our laws. Neither motives nor reasons exist for the constitutional succession to be violated. The Vice President must be installed, and if anything happens to the contrary we will paralyze the activities of our city until Sr. Joao Goulart can take office."

Comment: (UNCLASSIFIED)

In 1960 Goulart by a wide margin failed to carry Santos over Milton Campos. Nonetheless, at this time the Santos unions seem to be solidly behind the Vice President.

As of August 28 port operations were continuing normally.

III ECONOMIC

1. Local Business Paralyzed (UNCLASSIFIED)

All local banks have been closed since the afternoon of August 25, and on August 28 business here has been slowed almost to a standstill. In the morning of August 28 retail shops were open, but were scheduled to close at noon. All schools, public and private, in this consular district, were closed August 28.

IV CONSULAR - Negative.

V ADMINISTRATIVE - Negative.

VI PSYCHOLOGICAL

1. Reporting Officer's Reception Ruined (UNCLASSIFIED)

A stag reception at the Santos Tennis Club for 52 of the principal civil and military officials from Santos and Sao Vicente for which the reporting officer had issued invitations well in advance, was ruined on the evening of August 25 when less than a dozen guests showed up. As the affair was scheduled for 5:30 p.m., it was too late to cancel the invitations.

Comment: (UNCLASSIFIED)

All the guests were unanimous in condemning Quadros' rash act.

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0193

Case D78 fr
Sao Paulo

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OPERATIONS MEMORANDUM

TO: American Consulate General Sao Paulo Date: August 28, 1961

FROM: American Consulate SANTOS, Brazil VPRIII

SUBJECT: Supplement to Weekly Comment on Events in Santos

REF:

I POLITICAL

1. Local Reaction to Quadros Resignation (OFFICIAL USE ONLY)

The local reaction to Quadros sudden resignation of the Presidency has been one of stunned incredulity, followed by anger and disgust, which has given way to nervous anticipation. On the morning of August 28 Santistas were asking each other, "What next?" and hoping that disorders would be averted. Complete calm has prevailed over the city since last Friday afternoon.

Mayor Jose Gomes (himself of the PTB) has stated, "Janio had no right to resign", but has issued a proclamation urging the citizenry to remain tranquil.

Every person with whome the reporting officer has had the opportunity to talk, including a number of ci-devant perfervid janistas, has condemned Quadros' act.

The commanding officer of the local Força Publica battalion has told the reporting officer that he fears some sort of disorders are inevitable. (An unsolicited guard has been stationed in front of the Consulate since August 26.)

Comment: (OFFICIAL USE ONLY)

The local communist tactic has been energetically to spread the story that Quadros was actually forced out of office by a plot of "American capitalists". This fabrication unfortunately appears to be gaining a certain amount of credence in this city.

Alberto Amorim Filho, communist President of the red-tinged Union of Neighborhood Improvement Societies, has declared, "We demand respect for the Constitution.... and continuation of the foreign policy of relations with every nation in the world, within the framework of self-determination delineated by ex-President Quadros."

There has been no ground-swell of popular demand for Janio's return to office, and many Santistas are hoping new elections can be called in order that the people's will may be manifested.

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AIR POUCH
PRIORITY

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XR 732.11

FOREIGN SERVICE DESPATCH

FROM : Amcongen SAO PAULO

78
DESP. NO.

TO : THE DEPARTMENT OF STATE, WASHINGTON.

August 31, 1961
DATE

REF :

File to action
EST/B: J. Wilson - lws
9-20-61

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For Dept. Use Only	ACTION	DEPT.
19	ARA-4	INFO: KMR-2 REP-1 P-3 INR-7 E-3 CU-5 ICA-11
	REC'D 9-8	OTHER: Lab-8 CIA-15 OSD-5 Army-4 Navy-4 Air-6 NSA-4 NSC-1 TR-3 Com-10

SUBJECT: Supplement to Weekly Comment on Events in Santos

Transmitted herewith for the information of the Embassy and the Department is the Supplement to Weekly Comment on Events in Santos dated August 28, 1961.

William P. Cochran, Jr.
Minister Consul General

732.00/8-3161

FILED
OCT 4 2 21 PM '61

att/

Enclosure: Supplement to Weekly Comment on Events in Santos dated August 28, 1961.

cc: Amembassy Rio

DEPARTMENT OF STATE
BUREAU OF
INTER-AMERICAN AFFAIRS
SEP 11 1961

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REPORTER

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NUMBERED
Control: 22735
Rec'd: August 31, 1961 4:40 a.m.

FROM: PARIS

TO: Secretary of State

File, Location: EST/B: Jakobson: mrs. 8-28-61.

ACTION
INFO:
RM/R FILES

NO: 1119, AUGUST 30

ACTION DEPARTMENT 1119, INFORMATION RIO DE JANEIRO 10.

ON RETURN PARIS FROM BARCELONA AUGUST 29 GOULART MADE SHORT DECLARATION TO PRESS AFFIRMING HIS INTENTION RETURN BRAZIL ALTHOUGH NOT SAYING WHEN HE WOULD GO.

ACCORDING PRESS REPORTS GOULART APPARENTLY MAKING CONCILIATORY GESTURES TOWARD OPPOSITION FORCES BRAZIL. --FIGARO-- QUOTES HIM AS SAYING: "IT APPEARS TO ME THAT AFTER SHOCK PRODUCED BY RESIGNATION PRESIDENT QUADROS NO GOVERNMENT WILL BE ABLE TO BE INSTALLED IN COUNTRY IF NOT ON BASIS UNDERSTANDING ALL RESPONSIBLE FORCES OF BRAZIL. WHILE I WAS ON OFFICIAL MISSION ABROAD, I RECEIVED MESSAGE FROM PRESIDENT CHAMBER OF DEPUTIES ACCORDING TO WHICH, GIVEN MY ABSENCE (AND) BY TERMS CONSTITUTION, HE HAD ASSUMED PRESIDENCY FOLLOWING RESIGNATION PRESIDENT JANIO QUADROS. TO SAME END OF RESPECT OF LAW, I MUST RETURN IN ORDER FULFILL CONSTITUTIONAL DUTIES WHICH ARE IMPOSED ON ME AND WHICH RESULTS FROM MANDATE WHICH PEOPLE HAVE ENTRUSTED ME FOR SECOND TIME".

LESS RELIABLE --AURORE-- QUOTES GOULART AS STATING HAD INTERRUPTED TRIP IN PARIS IN ANSWER APPEAL MANY FRIENDS WHO CONSIDER SUCH ACTION AS "COLLABORATION ON MY PART WITH TALKS TAKING PLACE BRASILIA IN ORDER ASSURE MAINTENANCE REGIME AND INTERNAL PEACE". QUOTED GOULART AS STATING FURTHER THAT "MY GREATEST PREOCCUPATION IS THAT COUNTRY MAINTAINS LEGAL ORDER, SOLE SITUATION COMPATIBLE WITH ITS PROFOUND DEMOCRATIC TRADITIONS AND ASPIRATIONS OF NATION..."

GAVIN

CJ

732.00/8-3061

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AUG 30 23 AM '61
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0190

days -- most people adopting a wait-and-see attitude except in the purchase of necessities, particularly food products.

There is no change in the labor situation. Work appears to be proceeding normally. It is noted that several leaders of large labor unions, including the presidents of the Textile Workers and Mining Workers' unions, have been detained either by the police or the Army. (The police deny having anything to do with it.)

Most schools will remain closed until next Monday (September 4).

It is difficult to point to any ground swell of opinion either for or against Jango, although most people with whom the reporting officer has spoken appear to feel that if Jango isn't allowed to become President, "we will be back where we were fifteen years ago".

Richard Reynolds Marvin
American Vice Consul

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FOREIGN SERVICE DESPATCH

FROM : AMCONSUL, Belo Horizonte

5
NO.

TO : THE DEPARTMENT OF STATE, WASHINGTON.

August 30, 1961
DATE

REF : Cons Desps 3 - 4 - dated 8/28 and 8/29, 1961, respectively

File, no action
EST/B: [illegible]
9-19-61

20 For Dept. Use Only	ACTION	INFO	DEPT	RM/R	REP	AF	ARA	EUR	FE	NEA	CU	INR	E	P	IO	ICA
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	REC'D 9-6-61			AIR 6	ARMY 4	CIA 10	NAVY 4	OSD 5	OCB	USIA 10	NSA 4					

SUBJECT: MINAS GERAIS POLITICAL STATUS REPORT

The situation remains calm in Minas Gerais. There have been no outward changes in the situation as seen from here.

Late last night Governor MAGALHÃES PINTO called together his closest advisors and State Secretaries and following the meeting a statement was issued by the Palace in which the Governor stated that in his personal contact with Jânio Quadros after his resignation there was no indication that he had been forced to resign by pressure from military leaders.

Pressure has been building up within the Legislative Assembly to get the Governor to make a more unequivocal statement as to his own position vis-à-vis the installation of JANGO GOULART as President. There is some feeling here that should he make a statement along the lines of that reported here this morning by Governor CARVALHO PINTO of São Paulo, it might turn the tide against the military leaders in Brasilia.

It is interesting to note that whereas most resolutions and statements made by the various parties in the Legislative Assembly recommend the installation of Jango Goulart as President, the UDN prefers not to include the Vice President's name but merely refers in its statements to "legality" and "democratic principles".

There has been no undue pressure on the banks following the Saturday and Monday holiday, although most banks have been busy throughout the day.

Afternoon papers report that business has fallen off in the past two

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DEPARTMENT OF STATE
BUREAU OF
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RRMartin:kfk

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0188

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-2- 718, August 30, 7 P.M. from Moscow

accession power through support right-wing military dictatorship if necessary. According PRAVDA editorial, conspiracy of US imperialists and reactionary circles evoked indignation Brazilian masses. Almine Alfonso, leader Parliamentary faction of Workers Party, quoted to effect that affairs in end may be decided by forces of people in the streets if Brazilian Congress proves unequal to occasion.

MCSWEENEY

MJA-4

*As received.

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Control: 22892
Rec'd: AUGUST 31, 1961
4:23 A.M.

File. No action. EST/B: JW Wilson - lms. 9-28-61.

FROM: Moscow

TO: Secretary of State

NO: 718, August 30, 7 P.M.

ACTION DEPARTMENT 718, INFORMATION RIO DE JANEIRO 12, USUN 35

Brazilian situation given editorial treatment in number Soviet newspapers August 30. Departure point for commentary in PRAVDA is statement contained in CPSU draft program that "US imperialist is in effect performing function world gendarme".

Allegation invariably made that Quadros resignation result pressure from Washington, which particularly annoyed by Brazil's defense of Cuba and policy of developing friendly relations with socialist countries. To support charges re interference Brazilian internal affairs by US, PRAVDA states US Ambassador Cabot insolently attempted dictate to Brazil on foreign policy matters but rebuffed by Quadros. Article adds Washington uneasy at exposure conspiratorial activity of US in Brazil and White House quickly denied statements regarding US interference internal affairs Brazil. Conspiracy in Brazil, PRAVDA article notes, is attempt on part US aggravate situation in countries of Latin America, undermine national liberation movements, and deal blow to those who stand for independent foreign policy and defense of Cuba. Article claims this is first result of American Alliance for Progress, which, in Latin America, rightly called alliance ecdle* under.

Commentaries stress that Brazilian constitution provides that, upon resignation, post of President goes to Vice President, i.e., Goulart. Since he unacceptable to reactionary circles, however, attempt being made by reactionaries to prevent his accession

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Control: 23010 AM 8 35

Rec'd: August 31, 1961

ACTION: 5:00 a.m.

INFO:

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File. No action. EST/B: J W Wilson-Luis-9-28-61.

FROM: Sao Paulo

TO: Secretary of State

NO: 129, August 30, 3 p.m.

PRIORITY

ACTION DEPARTMENT 129 INFORMATION RIO DE JANEIRO PRIORITY 38

Review local developments follows: Governor Carvalho Pinto stated to press that military did not pressure Quadros resign. Still possible Quadros will release false but embarrassing anti-American statement.

Only sporadic labor disturbances in state. About 500 workers Dunlop Rubber Company Campinas on strike. Situation now normal Santos-Jundiai Railroad, scene partial strike following arrest Communist president railroad local, who was released short time later. Non-Communist labor leaders Santos refused to participate any strike action. Dock workers Santos performing duties with troops standing by. Sao Paulo's democratic Trade Union movement issued manifesto urging workers to maintain order and not participate in any subversive movement, i.e. general strike to insure installation Goulart.

Many schools opening including University Sao Paulo. Student reaction will be important. Some peaceful demonstrations in favor Goulart attempted. So far leftist students probably not able cause crisis but if deadlock in national congress continues local situation expected worsen.

Business slow, communications nearly normal expected for censorship. Military and police continue on alert.

COCHRAN

DPB

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they agreed to suspend all "extra services" at midnight, August 28.

The most vocal elements in Belém demand the unqualified constitutional succession of João Goulart to the Presidency; if thwarted, there is a likelihood of considerable civil disturbance in the city.

Robert W. Mashek
American Vice Consul

CC: Amembassy, Rio de Janeiro

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XR 732.00

FOREIGN SERVICE DESPATCH

FROM : Amconsul, BELÉM, PARÁ, BRAZIL 42 NO.

TO : THE DEPARTMENT OF STATE, WASHINGTON. August 30, 1961 DATE

REF :

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E&T/B: JWilson - lws 9-18-61

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				6	4	10	4	5		10	4					

SUBJECT: FIRST REACTIONS OF BELÉM TO RESIGNATION OF JANIO QUADROS.

Since receiving the news that Janio Quadros had resigned from the Presidency of Brasil, Belém has essentially remained calm and without incidents of violence. Nonetheless, the civil police and the military troops in the city are on 24-hour vigilance. The municipal telephone company, Western Union, Radio Internacional, and the American Consulate are being guarded by the Military Police on a 24-hour a day schedule. A six-man guard was posted around the Consulate on the afternoon of August 27, on the initiative of the Chief of Police who had heard rumors about a student demonstration, which later did not materialize.

But two groups, the university students and the labor unions, have threatened to disturb the general tranquility.

At noon of August 28, the Academic Union of Pará, declared a general strike of university students which is to last until the political crisis has passed. According to their own words, the only solution they will peacefully accept is the inauguration of João Goulart, the Vice President. They have not yet held demonstrations and have promised Pará State Governor Aurélio do Carmo that they will not, unless they receive information that Janio Quadros was forced to resign or that Goulart will be denied legal succession.

At 5 p.m. on August 28, representatives of several important labor unions met, among them those of the maritime unions. In a resolution they demanded the inauguration of Goulart immediately upon his return to Brazil and declared that in case his inauguration might be impeded or would be delayed beyond August 30, they would go on a general strike which would paralize traffic on the Amazon River. As a preliminary protest,

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SEP 11 1961

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Control: 22854
Rec'd: August 30, 1961
6:39 p.m.

ACTION:
INFO:
RM/R FILES

File. No action.
EST/B: J W Wilson - Lues.
9-28-61.

FROM: Sao Paulo

TO: Secretary of State

NO: 127, August 30, 2 p.m.

NIACT

ACTION DEPARTMENT 127, INFORMATION RIO DE JANEIRO 37

Usually dependable source informs military junta has taken over government of country and ordered interventions state of Rio Grande do Sul. Primary source was officer Bank of Brazil here. No confirmation from any other source.

COCHRAN

DCH

Note: Read by Mr. Wilson (ARA) 7:10 p.m., 8/30/61 CWO-M.
Note: Advance copy to SS 7:45 PM CWO M

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-2- 1137, August 30, 7 p.m. (Section II of II) from Paris

Lacerda has been attempting get through to De Souza by phone. De Souza states he strongly opposed to attitude of Lacerda.

This evening's FRANCE SOIR states Labor Deputy from Ceara Jerreissati arrived yesterday to see Goulart. Embassy has no information on this.

GAVIN

DCH

Note: Mr. Crane (ARA) notified 5:45 p.m., 8/30/61. Advance copies to SS. CWO-M.

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Control: 22685
Rec'd: August 30, 1961
4:06 p.m.

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ACTION:
INFO:
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FROM: Paris

TO: Secretary of State

NO: 1137, August 30, 7 p.m. (Section II of II)

File. No action. E87/B: J.W. Wilson - lms 9-25-61.

NIACT

ACTION DEPARTMENT 1137, INFORMATION RIO DE JANEIRO PRIORITY 11

In presence EMBOFF De Souza received call from New York from Carlos Ciro (phonetic), acting Brazilian representative UN. De Souza conveyed to him gist of above. He recommended to Ciro latter urge Goulart reconsider and adopt moderate course. He also informed Ciro Marshal Denys had phoned from Brazil to state all country except south under control of military but that it not known what happening in south.

As De Souza sees it, way must be found persuade all concerned adopt some moderate legal course. Goulart feels his constitutional position requires he be in Brazil. De Souza fears should Goulart be arrested country will end up under military dictatorship. If on other hand Goulart succeeds join his partisans, revolution will follow. Either eventuality would be disastrous for country.

Re resignation Quadros, De Souza says he informed by his brother-in-law Artur Bernardes that activities of Carlos Lacerda had so infuriated Quadros he developed plan take action against Lacerda. Military, however, refused acquiesce but did not take seriously Quadros threat resign. According De Souza, under Brazilian constitution Quadros cannot now return again as President.

Companions of Goulart are Senator Barros De Carvalho and Secretary Dircau De Pasca.

FW 732.00/8-3061

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0180

CONFIDENTIAL

-2- 1137, August 30, 7 p.m. (SECTION I OF II) From Paris

conversations going on in Brasilia with objective assure maintenance regime and internal peace.

"As Brazilian and in taking up my burden my greatest preoccupation is that country be maintained in legal order, only situation compatible with its profound democratic principles and aspirations of nation, is dispensable to its development and primary condition of sovereignty.

"I put confidence in patriotism of all responsible men of my country. I have as always mind open to all noble solutions having as object maintain legality and defend sacred ideals of country. I remain as in my public life entirely devoted democratic principles, maintenance of laws and of constitution. I am ready serve Republic in interest of its future and of its political, economic, social and spiritual well-being.

"It seems to me that after shock produced by resignation of President Quadros no Government can be installed in country if is not on basis of agreement of all responsible forces of Brazil."

De Souza informed authorities in Brazil of Goulart's decision yesterday. However, early hours this morning Goulart informed by telephone Brazilian military refused agree to suggested legal compromise and would not accept Goulart under any circumstances. Goulart then decided return immediately to Brazil regardless of consequences. De Souza first stated Goulart's plan was attempt hire private plane in New York which would land him somewhere in Northern Brazil. De Souza subsequently modified that statement when Embassy officer referred to Goulart's reservations to Panama to say he would attempt find plane in Panama. If he unable he would attempt get commercially to Uruguay and from there to Porto Allegre where his borther-in-law Governor.

GAVIN

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Note: Mr. Crane (ARA) notified 5:45 p.m., 8/30/61, advance copies to SS, CWO-M.

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Control: 22748
Rec'd: August 30, 1961 5:07 p.m.

ACTION:
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FROM: Paris

TO: Secretary of State

NO: 1137, August 30, 7 p.m. (SECTION ONE OF TWO)

NIACT

ACTION DEPARTMENT 1137; INFORMATION RIO DE JANEIRO PRIORITY 11

Re EMBTEL 1099.

Brazilian Ambassador Alves de Souza gave Embassy Officer following background on Goulart departure this afternoon for New York en route Panama.

Following Goulart's return from Barcelona Ambassador received call from Rio from Santiago Dantas who explained attempts amend constitution in someway making it possible Goulart return to Brazil and be accepted as President with limited powers to which Army would not object. De Souza insisted Dantas talk personally to Goulart, which he did. Following phone call de Souza says he argued with Goulart for some hours before Goulart agreed accept proposal. Following statement (unimportant words omitted) then released by Goulart to press (de Souza said statement not published Rio due censorship):

"When I was on official mission abroad I received communication from President Chamber Deputies according to which, in terms of Constitution, given my absence, he had assumed Presidency following resignation of Quadros. "In same object of respect for law I must return in order fulfill constitutional duties which imposed on me and which result from people's mandate twice conferred on me.

"I interrupted my trip to Paris to respond to appeal of numerous friends and eminent members National Congress who affirmed to me they consider this attitude as a cooperation on my part with

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0178

CONFIDENTIAL

-2- 579, August 30, 10 p.m. From Rio de Janeiro

which if allowed continue can lead only to open fratricidal break.

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Control: 23076
Rec'd: AUG 31 AM 5:52
August 31, 1961

FROM: Rio de Janeiro

TO: Secretary of State

NO: 579, August 30, 10 p.m.

NIACT

ACTION: ~~SAM~~ SAM
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File, Location
E.17/13: Jd Williams, Inc.
9-28-61.

Rio de Janeiro - 579
732.00/8-3061

ACTION DEPARTMENT 579; INFORMATION BUENOS AIRES ~~PRIORITY~~ 43, CINCARIB UNNUMBERED.

Re EMBTEL 546, repeated Buenos Aires 38.

Prevailing mood in Rio this evening, as word has gotten around of apparent military veto not only of proposed Parliamentary solution reported reference telegram but also of second formula which seemed hold even more promise (reported other Agency channels), is one of discouragement and depression. Hope that Brazilian "genius for compromise" would once more save country from civil strife has died hard, but informed Brazilians with whom Embassy in contact seem no longer to doubt that very real possibility of civil war is now staring country in face. Tension has been aggravated by endless succession of sensational and usually unfounded rumors, by growing suppression of real news through heavy-handed (although not yet water tight) censorship, by campaign of agitation and excitation on behalf Goulart being carried on over expanding network of radio stations in south by RGS Governor Brizola, and by recurring outbreaks (in Rio at least) of street rioting, demonstrations and other disorders.

Sentiment in favor permitting Goulart succeed to Presidency seems be growing more widespread and outspoken. In Congress, this trend reflected in speech today by Senator (former President) Kubitschek in which he broke his silence of past week to come out strongly in favor Goulart succession. In this situation adamant anti-Goulart stand of military leadership is contributing to dangerous political situation.

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2:11 a.m.

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9-18-61

Rio 569

FROM: Rio de Janeiro

TO: Secretary of State

NO: 569, August 30, 6 p.m.

JOINT EMBASSY/USOM MESSAGE

August 24 Furtado expressed to Peterson, FFP Advisor, urgency top team survey NE start September 1, at latest September 15. August 26 reiterated appeal, stating had refused request go to Brasilia, presumably by interim government, on grounds his job in Recife; had ordered staff continue work without change. Expressed hope crisis would not affect plans provide team.

Embassy/USOM does not feel team should come until situation clear but urges continued intensive efforts selection of team, ready to come on short notice. Delay could be profitably spent preparing in Washington. Arrival of team when decided may prove most effective means indication USG policy in crucial period.

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suspicious of the ex-Communists and Socialists as they regard them basically as Marxists and atheists.

12. Local Press Reaction

The press was far too busy with Janio Quadros during the past week to devote much attention to other topics. The Berlin crisis was the only international news to receive significant front page space, and few editorials were devoted to it. The position of most of the local press on the issue remained similar to what has been reported in the last two weeks: distinctly favorable to the position of the United States. Perhaps because of Krushchev's "terrible message" to President Quadros, however, an increasing note of worry seemed to be present.

Miscellaneous

13. List of Substantive Despatches

62. São Paulo Municipalities Offer Inducements to Industries Locating There - Suzana
63. Santos Weekly Report
64. Comments from São Paulo on Political Scene.
65. Lacerda's Visit Polarizes São Paulo Criticism of Quadros
66. Bi-weekly Economic Review
67. Report of Compliance with Recommendations of Security Survey Conducted May 22-24, 1961.
68. Presentation of Checks for HEW Grants to Association for Aid to the Defective Child at São Paulo.
69. Return of Donation to "Tractors for Freedom" Committee
70. E and E Annex C June 1961
71. Money Appropriated for Agricultural Expansion Fund
72. São.Paulo Weekly Summary No. 9.

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.

JM

0174

juridical clarification. He cited as examples the statements made in the Declaration which refer to the better distribution of wealth, agricultural reform, and the stimulation of financing.

10. Immigration of Belgian Congo Refugees (Unclassified)

Rather buried by the political news of the week was the announcement that forty-five Belgian families are expected to begin an agricultural cooperative in the State of São Paulo in early September. An additional five thousand families are expected to arrive in Brazil at a later date. All are refugees from the Congo. Belgian Deputy Raymond Scheyven, visiting Brazil to make arrangements, told the press that he had received notable cooperation from São Paulo authorities.

COMMENT: (Official Use Only) While full of problems, this project may well find the conditions necessary to success in the progressive state of São Paulo. Successful settlement of the immigrants would be a source of strength to the state and, no doubt, a relief to Belgium. One of the most significant features of the scheme, however, is that it would lay the pattern for possible later immigration of similarly dispossessed colonists from Portuguese Africa.

Labor

11. Communists Maintain Control of Metalworkers Union (Confidential)

The important São Paulo local union of metalworkers continued under Communist control when a slate led by a fellow travelling Socialist Remo Forli was returned to office in elections held August 21-25. The Forli slate received 8394 votes while an opposition slate which was supported by the conservative Catholic Worker Circles and the Trade Union Renovation Movement (MRS) which numbers in its ranks a number of ex-Communists and Socialists gave the Communists a stiff fight and received 6,638 votes. The opposition slate which was headed up by Hermeteo Dantas, who gave up his seat on the incumbent board of directors to run against Forli, received financial support from the Inter-American Regional of Workers (ORIT) and from the non-Communist International Metalworker's Federation. Dantas was also openly supported by the non-Communist São Paulo State Federation of Metalworkers.

COMMENT: The reelection of Forli insures Communist control of this important local union which bargains for more than 150,000 metal, machine, and electrical appliance workers, for two more years. However non-Communist trade union leaders were encouraged by the good showing of the opposition as they were taking on a real Communist stronghold with a powerful and experienced political machine built up over many years. The results should also go a long way towards uniting the democratic groups in São Paulo who have many times refused to cooperate in the past because of "philosophical differences". e.g., the Catholic groups tend to be

0173

COMMENT:
This appears to be the first public attempt to form Peasant Leagues in São Paulo. The effort, however, failed dismally. The Communists in the face of the bishop's militancy abandoned their scheduled meeting and apparently advised Julião not to come.

8. The PDC and Cuba (Official Use Only)
São Paulo PDC members this past week continued to debate the position that the party's state governing body should assume in respect to Cuba. The PDC state directorate, during a stormy meeting a few days ago, approved a motion which granted state party members three more days to submit new proposals pertaining to Cuba. The policy commission was allowed an additional seven days to consider the subject and submit its report to the PDC state directorate. Tempers flared at the recent meeting of the state directorate because of the vehement efforts of Luiz Antonio Serafico to secure adoption of the extremist position advocated by São Paulo PDC federal deputy Paulo de Tarso and the secretary of Justice of the City of São Paulo, Plino de Arruda Sampaio. Party extremists also submitted a lengthy manifesto to the party's state directorate a few days ago, bitterly condemning "American imperialism". The extremists averred that the Latin American countries had "always been toys in the hands of the imperialists"; that "control of Cuba had passed to the United States in the 1920's" therefore, it was "not necessary to invade Cuba until 1961". The PDC extremists recommended support of the "honest and true" Cuban Revolution; it admitted that the Revolution might be transformed into a Communist movement because of the "dangers" which it faced. Should it succumb to Communism however, the PDC extremists felt it would result from a lack of sympathy for the Cuban Revolution by other Latin American republics, plus the action of the United States in "throwing it out of the American democratic community".

COMMENT: (Confidential) All of these developments took place prior to Janio Quadros' renunciation of the presidency. The state directorate of the PDC may now await a clarification of the political situation before it submits a definite proposal to the national directorate. Meanwhile, local CAS sources report that Paulo de Tarso has changed his attitude regarding Cuba following a luncheon with "Che" Guevara on August 19. Paulo de Tarso is now convinced, reportedly, that Cuba is under the complete domination of the Communists, and that Guevara is a Communist.

9. Professor Katz Visits São Paulo (Official Use Only)

Professor Milton Katz, the Director of International Legal Studies at Harvard University, accompanied by his wife, made a brief visit to São Paulo this past week. Professor Katz, an American member of the Executive Commission of the Committee on Higher Education in the American Republics (CHEAR), under whose auspices the trip is being made, is making a study of the law schools in several Latin American countries. The eminent jurist in a press interview expressed the hope that CHEAR could assist in the establishment of higher university standards, arrange for greater cooperation among Latin-American universities, and develop a program to study problems common to the various Latin American countries, particularly those connected with economic development. Professor Katz stated that the Declaration signed at the conclusion of the recent conference at Punta del Este contained several points which require further

Governor Carlos Lacerda. Attempts by leftists to prevent Carlos Lacerda from speaking served only to delay his address. After a brief discussion of "Guanabara and National Unity" Carlos Lacerda turned to his favorite theme of the past few days (as his large audience - it was televised - doubtless hoped that he would) - criticism of the foreign policy of Janio Quadros (see also São Paulo despatch 65, August 25, 1961). A number of other Governors, including Celso Peçanha (Rio de Janeiro), Aluisio Alves (Rio Grande do Norte), Magalhães Pinto (Minas Gerais), Ney Braga (Paraná), Newton Belo (Maranhão), and Parsifal Barroso (Ceará), presented their points of view on national unity, the problems confronted by their respective states, and the necessity to remove the economic disparity between the various regions of the country, particularly the northeast and south. The announcement of Janio Quadro's resignation on August 25 caused Mario B. Garnero, president of the students "Union of the 22nd of August", to adjourn the conference sine die.

COMMENT: The abrupt end of the conference did not prevent the symposium from being a success. The prominence of the speakers, together with the interest shown in the subject, assured large crowds and excellent press treatment. The general interest shown doubtless inspired a local company to sponsor the addresses on TV a short time after the commencement of the conference.

7. Bishop Thwarts Communists (Official Use Only)

The foresight and aggressiveness of the bishop of Presidente Prudente, dom José Aquino Pereira, forced Communist leaders in that paulista city this past week to abandon a scheduled meeting of farm workers which was to have been addressed by Pernambuco deputy Francisco Julião, leader of the Ligas Camponesas (Peasant Leagues). Bishop Aquino Pereira publicly denounced the local leadership as Communist. He added that they were the same people who had given a reception in Presidente Prudente some months ago for Luis Carlos Prestes, Secretary-General of the Communist Party of Brazil; that their purpose was to detract and disrupt a meeting of local agriculturists which had been scheduled prior to the Communist announced meeting under the auspices of the Federation of Labor Circles of the state of São Paulo. The bishop declared that Francisco Julião was only interested in "creating agitation" among the agriculturists in Presidente Prudente.

Bishop Aquino Pereira subsequently addressed the meeting sponsored by the Federation of Labor Circles which was attended by about 2000 local agriculturists. He supported the efforts of the Federation of Labor Circles to help the local agriculturists organize their own association. The bishop declared that the agriculturists would then be in a better position to defend their rights; that acting collectively through their own organization they could more effectively contribute to a better and more just social order. José Rotta, president of the Federation of Labor Circles, in his address to the assemblage, stated that the congress of workers scheduled to meet shortly in Belo Horizonte was "organized, controlled, and dominated" by the Communists who hoped to "make Brazil a second Cuba". Before the adjournment of the meeting the agriculturists formed the Association of the Farm Workers of the Alta Sorocabana.

0171

4. Carvalho Pinto on a Tightrope (Official Use only)

According to Carlos Lacerda, Governor of the State of Guanabara, success of ex-President Quadros' "Gaullist" plot depended on the cooperation of (in addition to the military) two Governors: himself and Carvalho Pinto of São Paulo. Lacerda's refusal to go along with the reported plot brought on the crisis which led to Quadros' resignation. Carvalho Pinto's involvement in the plot has not yet been disclosed.

COMMENT: (Confidential) The Paulista Governor will be a skillful politician indeed if he can survive unhurt the resignation of President Quadros, his predecessor in the São Paulo governorship. In addition to having lost his most powerful friend, Carvalho Pinto would seem to be compromised by disclosure of Quadros' plot. Since he was much closer to the President than Lacerda, it is natural to suppose that he was let in on the scheme first. On the other hand, the entire plot (if one goes by Lacerda's story of it) seems so ill advised that Quadros can be imagined as having taken the additional foolish step of trying to obtain Lacerda's support before Carvalho Pinto's. Many Paulistas consider Carvalho Pinto both too sensible and too democratic to have fallen for the plot.

5. Paulista Exodus from Brasilia (Official Use Only)

Janio Quadros' renunciation of the presidency on August 25 was followed almost immediately by the resignation and return of a number of paulistas who had been appointed to positions in the federal government by the former President. Those who submitted resignations and enplaned for São Paulo included the man whom many considered the eminence grise of the Janio administration, Pedroso Horta, the former Minister of Justice; Castro Neves, the former Minister of Labor; Quintanilha Ribeiro, who left his position as Chief of President Janio Quadros' Civil House immediately after Janio stepped down from the presidency; Paulo de Tarso, São Paulo PDC federal deputy whom Janio had appointed Mayor of Brasilia; Colonel Jaime Santos, the former Chief of Police of Brasilia; and São Paulo PTN state deputy Araripe Serpa, who had been serving as the sub-chief of ex-president Janio Quadros' Civil House. Araripe Serpa for a few hours assumed the duties of the Chief of the President's Civil House in place of Quintanilha Ribeiro, before returning to São Paulo.

COMMENT: (Confidential) The exodus of paulistas from Brasilia who were appointed by ex-president Janio will doubtless continue, which will tend to reduce the influence of São Paulo on the national scene. Paulo de Tarso has announced that he intends to resume his seat in the Chamber of Deputies; Araripe Serpa expects to return to the São Paulo state Legislative Assembly and Colonel Jaime Santos will rejoin São Paulo's Força Publica (state police).

6. National Unity Week (Official Use Only)

The highlight of the "Week of National Unity", the symposium sponsored by the Students "Union of the 22nd of August" of the Faculty of Law of the Catholic University of São Paulo, was the speech made by Guanabara's

0170

1. Vice President João Goulart could be allowed to take office upon his return from a good will trip to Red China. His constitutional right to do so is beyond question.

2. An emergency amendment to the constitution could be pushed through, allowing Congress to elect the successor of any President who fails to complete the first half of a five-year term. Quadros served only seven months.

3. A military junta or person might be tempted to retain power for an indefinite period.

4. If Goulart could in some manner be persuaded not to take office (or prevented from doing so) for thirty days, the constitution provides for new presidential elections within sixty days.

COMMENT

1. Goulart's presidency has nothing to recommend it to most Paulista's except strict constitutionality, and it would promise to bring on a crisis even worse than that caused by Quadros. Every objection to Quadros applies double to "Jango" Goulart. It is expected that he would agree to almost any condition to become President, but conservative São Paulo opinion is that he would eventually pull the country out of the frying pan into the fire. Every means (preferably constitutional) of keeping him from office will therefore be considered.

2. The proposed amendment is of very shaky constitutionality but might be used as a last resort. If Congress elects the next President, Paulista Governor Carvalho Pinto might be considered.

3. The military answer would seem likely in many another Latin country, but the Brazilian Army is traditionally in favor of more democratic means of government.

4. The most appealing solution is that of new elections, which (according to article 79 of the Constitution) could be held within sixty days if Vice President Goulart is persuaded to take a "paid vacation" for the next thirty days (article 84). Since it seems quite possible that the military will find means of persuading Goulart, it is worth giving some thought to potential candidates. São Paulo could have a front-runner if Governor Carvalho Pinto emerges from the presidential resignation scandal with his political stock still high. His chances are discussed elsewhere in this report. At best, however, the Paulista Governor could hope to run strongly only if former President Juscelino Kubitschek - currently Senator from Goias - is out of the picture. If Kubitschek ran, he would give Carvalho Pinto a very strong race even in São Paulo, to say nothing of the other twenty states. The question, then, would be whether Kubitschek was rendered ineligible by article 139 of the Brazilian Constitution, which states that no President "who has been in office during the immediately preceding term (período)" can run for election. Strictly speaking, a Presidential período should be considered a full five years, but if the Constitution is strained far enough to keep Goulart from office, stretching the definition of período might be very tempting.

0169

politicians) contracted schizophrenia, criticizing Guanabara Governor Carlos Lacerda's actions but often seconding his complaints concerning Quadros. Coming to São Paulo as he did during the week of the anniversary of Getúlio Vargas' suicide, Lacerda aroused the animosity of many Paulista admirers of the defunct dictator; but he also came at a good time to stir up those who cherished no fond memories of Vargas and recalled Lacerda's courageous part in getting rid of the Caudilho.

The small state legislature of Mato Grosso passed (after a violent debate) a motion approving Lacerda's position. The São Paulo legislature, with typical vacillation, apparently never managed to bring a motion to a vote.

Paulista reaction to Quadros' resignation was given more timely coverage in the Consulate General's telegraphic reporting. In summary, the city remained remarkable quiet, with little noticable anti-americanism in spite of Quadros' apparent echo of the "Yankee Imperialist" theme from Getúlio Vargas' swan song. Leftist university students appeared disorganized, with some talk of a general strike and a very small pro-Janio demonstration. It is remarkable that the Communist Wing of the State Student's Union (UEE) has not found some more effective way to bring chaos out of the present (relative) order.

The Paulista press was nearly uniform in criticizing the irresponsibility of Quadros' petulant resignation, which, if only because of its abruptness, seemed to be the worst of the various maneuvers open to him. All papers asked for a constitutional answer to the nation's problems, and at the end of the week all except O Estado operated under the debatable assumption that Vice President João Goulart would be allowed to take office upon his return from a good will trip to Red China.

2. Quadros' Motives (Confidential)

Some local politicians, thoroughly familiar with Janio Quadros' style, speculated that he had resigned office in the expectation of a popular wave which would sweep him back to a strengthened position. This theory does ex-President the injustice of supposing that he cannot read the papers. A brief review of the Paulista press (see Despatch 65 of August 24) would have sufficed to show that the popular wave in his home state would turn out to be a ripple. A more likely explanation is to be found in his imbalance and volatility, which have often been reported. His actions over the past few weeks have made his mental stability seem more questionable than ever. Whatever Quadros' motives, it now seems likely that they will be of mainly historical interest. His home state has been burned more than once and may be expected to be more than twice wary.

3. Presidential Succession: Chances for Another Paulista? (Confidential)

At week's end, four possibilities for arriving at a replacement for President Quadros were under discussion in São Paulo.

AIR POUCH
PRIORITY

CONFIDENTIAL
(Security Classification)

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FOREIGN SERVICE DESPATCH

FROM : Amcongen, SAO PAULO — 72 DESP. NO.

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E8T/B: J. Watson-Lewis
9-18-61

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	REC'D 9-2-61		OTHER CIA-10 USIA-10 GAB-8 NSC-1 NSA-4 OSD-5 ORMY-4 NAVY-4 AIR-6

SUBJECT: São Paulo Summary No. 9, Week Ending August 24

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

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5. Paulista Exodus from Brasilia
6. National Unity Week
7. Bishop Thwarts Communists
8. The PDC and Cuba
9. Professor Katz Visits São Paulo
10. Immigration of Belgian Congo Refugees

Labor
11. Communists Maintain Control of Metalworkers Union

Local Press Reaction
12. Local Press Reaction

Miscellaneous
13. List of Substantive Despatches

732.00/8-2961

Political
1. Quadros' Resignation (Confidential)

The events leading up to Janio Quadros' resignation from the presidency were very much the "flap" of the week (even before the melodramatic final act), relegating all other news items to the back pages. It is therefore suggested that this weekly summary be read in conjunction with São Paulo despatch 65 of August 24, which attempted (two days before the resignation) to analyze São Paulo's agonizing reappraisal of favorite son Quadros. Disenchantment with the President continued to build up until the moment of the resignation, but the climax itself startled everyone, as Quadros undoubtedly intended. In the days preceding the resignation, influential newspaper O Estado de São Paulo, formerly a strong Quadros backer, continued to criticize him severely; while red Novos Rumos and bright pink Última Hora, who fought him in 1960, jumped to his support. Most other papers (and most local

see last page/mec

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-2- 577, August 30, 7 P.M. from Rio de Janeiro

situation watch over integrity of national security, refusing make unpartiotic and demagogic pronouncements, (which) exploited by Communists and useful innocents.

General Cordeiro de Farias, present Commander Third Army, is hurrying assume control of military situation Rio Grande do Sul, for which (purpose) he counts not only on absolute his army (Rio Grande do Sul, Parana and Santa Catarina) but also on full support forces navy and air force based those states.

End text.

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FROM: Rio de Janeiro

TO: Secretary of State

NO: 577 August 30, 7 P.M.

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EST/B: J.W. Wilson - lms
9-28-61

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Following communique issued today by Office of Ministry of War represents first official acknowledgment opposition in Rio Grande do Sul:

Begin text

Marshal Odilio Denys, Minister of War, is receiving complete support of military chiefs of entire army as well as rest of armed forces, high civilian authorities and labor leaders from entire country.

Complete calm reigns in all national territory except Rio Grande do Sul, where unpatriotic action of Governor Brizola is attempting throw brothers of south against rest Brazil.

General Machado Lopes, constituting exception among rest military chiefs, has declared solidarity with Governor Rio Grande do Sul, having support small number army elements based Porto Alegre.

Overwhelming majority troops Rio Grande do Sul are solidly behind Marshal Denys, as evidenced by direct communications from commanders large units, and therefore (are) integrated in existing cohesion of three armed forces, which in present situation

Rio 577

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-2- J-31 DTG 301635Z AUGUST (ARMY MESSAGE) FROM ATTACHES AMEMBASSY BRAZIL

COUNTER INTELLIGENCE, GENERAL JOSE DAIOT FABRIGIO MAY BE NEW CHIEF OF STAFF ARMED FORCES. RELIABLE SOURCE SAW CHILEAN DOCUMENT 1954 WESTERN HEMISPHERE COMMUNIST PLAN WHICH SET FORTH OCCUPATION OF CUBA, BRAZIL, USA IN THAT ORDER. WELL- PLANNED COMMUNIST PROPAGANDA PROGRAM SOUTHERN BRAZIL INCLUDING JAMMING OF RADIO HAVING SOME EFFECT ON PUBLIC AND MILITARY. SCF-3

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TO: Secretary of State

NO: J-31 DTG 301635Z AUGUST (ARMY MESSAGE)

ACTION: EST/B

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Army dept.

PRIORITY

ACTION CNO, HQUSAF, DEPTAR; INFORMATION 1127 FAG, CINCLANT, CINCLANTFLT, COMFIFTEEN, COMTEN, COMSOLANT, CHNAVMIS BRAZIL, CINCARIB, CGUSARCARIB, CAIRC, WHITE HOUSE, STATE DEPARTMENT

THIS IS A JOINT ARMY NAVY AND AIR ATTACHE MESSAGE.

THIS MESSAGE IN TWO PARTS.

PART 1. REFERENCE CONF JOINT MESSAGE J-29 MILITARY RELIABLE SOURCE PROVIDES ADDITIONAL INFORMATION. COMMUNIST NCOS AND ENLISTED MEN STATIONED AT GRAVATAI AIR BASE IN PORTO ALEGRE SABOTAGED MILITARY AIRCRAFT BY REMOVING PARTS AND DEFLATING TIRES. BASE OFFICER ASKED ARMY FOR REINFORCEMENTS. ARMY TROOPS ARRIVED, SEIZED SABOTEURS AND PLACED GUARDS ON AIRCRAFT AND INSTALLATION.

PART 2. MILITARY RELIABLE SOURCE CLOSE TO DENYS STATES THAT GENERAL JOAO CARLOS BARRETO, FORMER CHIEF OF STAFF ARMED FORCES WILL ASSUME COMMAND THIRD ARMY VICE GENERAL JOSE MACHADO LOPES RELIEVED. GENERAL PERY CONSTANT BAYLACQUA COMMANDING GENERAL THIRD INFANTRY DIVISION, SANTA MARIA, RIO GRANDE DO SUL RELIEVED. COMMANDING GENERAL, FIRST CAV DIV, BRIG GENERAL CROMAR OSORIO, SANTIAGO DE BOQUEIRAO, RIO GRANDE DO SUL, RELIEVED. DIVISION COMMANDERS BEING ANNOUNCED BY DENYS NEAR FUTURE. GENERAL CORDEIRO DE FARIAS, CHIEF OF STAFF, ARMED FORCES, MOVED HEADQUARTERS TO MONROE PLACE, CENTER OF RIO THIS DATE. NEW POSITION CHIEF OF

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-2-, CITE 30, 301320 AUGUST, FROM USARMA/USAIRA/ALUSNA RIO DE JANEIRO

PARAMOUNT QUESTION HAS OBVIOUSLY BEEN ATTITUDE OF DENYS AND MILITARY, ON WHICH POINT CONGRESSIONAL CIRCLES SEEM OPTIMISTIC. EMBASSY HAS JUST BEEN INFORMED HOWEVER FORMULA HAS BEEN REJECTED BY AIR FORCE GENERALS WHO REFUSE ACCEPT GOULART ON ANY TERMS. ATTITUDE DENYS HIMSELF NOT CLEAR.

IF FOREGOING, WHICH BASED ON REPORTS FROM WELL-PLACED SOURCES BUT STILL NOT CONCLUSIVELY CONFIRMED, IS IN FACT TRUE, AND AIR FORCE GENERALS BACKED BY DENYS, CRISIS MAY BE EXPECTED DEVELOP, WITH ANTI-GOULART MILITARY LEADERSHIP INCREASINGLY DISSTAFFED AND THREATENED BY WHAT APPEARS BE GROWING DEFECTIONS AMONG OUTLYING MILITARY COMMANDS."

AMEMBTEL NO 545 QUOTED FOR INFO.

"FOLLOWING QUADROS STATEMENT MADE YESTERDAY ABOARD URUGUAY STAR IN SANTOS COLON "IT WAS ALL SAID BY PRESIDENT GETULIO COLON. THEY ARE SENDING ME AWAY. MARK YOU, HOWEVER IT WAS ONLY A PARTIAL DEFEAT. I LEAVE UNDER PRESSURE, BUT, LIKE VARGAS I SHALL RETURN. AND I SHALL RETURN TO REVEAL TO PEOPLE AND BRAZILIAN NATION WHO REAL TRAITORS TO FATHERLAND ARE."

SEEMS LIKELY QUADROS ISSUED MESSAGE WITH LONG-RANGE RATHER THAN IMMEDIATE POLITICAL PURPOSE. ALTHOUGH AFTERNOON A NOITE REPORTS GOVERNOR NEY BRAGO (UDN-PDC) OF PARANAHAS APPEALED CONGRESS FIND CONSTITUTIONAL FORMULA FOR QUADROS RETURN TO OFFICE, SUCH INITIATIVE MOST UNLIKELY GENERATE ANY ENTHUSIASM. PRESS POLITICIANS AND OTHER SECTORS PUBLIC OPINION (EVEN SECTORS MOST SYMPATHETIC QUADROS) VIRTUALLY UNANIMOUS IN CONSIDERING HIM THOROUGHLY DISCREDITED AS PERSON AND LEADER AND WITHOUT LEGAL CAPABILITIES RESUMING OFFICE.

URUGUAY TAR DEPARTED RIO 10 AM TODAY FOR LONDON VIA LISBON".

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FROM: USARMA/USAIRA/ALUSNA RIO DE JANEIRO

TO: Secretary of State

NO: CITE 30, 301320Z AUGUST

ACTION: ESMB

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E&T/B: JW Wilson - lwm
9-28-61

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ACTION CNO, HQUSAF, DEPTAR, INFORMATION 1127 FAG FT BELVOIR, WHITE HOUSE SITUATION ROOM, STATE, AND VARIOUS OTHER MILITARY INSTALLATIONS

DA FOR ACSI, USAF FOR AFCIN, DA PASS DEPT STATE. SGD BOND

THIS IS A JOINT ARMY NAVY AIR FORCE MESSAGE.

QUADROS RESIGNS.

AMEMBTEL 546 QUOTED FOR YOUR INFO

"WHILE CONGRESSIONAL ACTION ON MAZZILLI REQUEST IMPEDE GOULART SUCCESSION NOT YET COMPLETED, CONGRESS, ON ASSUMPTION REQUEST WILL BE REJECTED, HAS BEEN CONTINUING STUDY OTHER POSSIBILITIES. INFORMATION THIS AFTERNOON IS THAT SUBSTANTIAL AGREEMENT HAD BEEN REACHED AMONG PARTY LEADERS ON CONSTITUTIONAL AMENDMENT WHICH WOULD SUBSTITUTE FOR PRESENT FORM OF GOVT A SYSTEM OF MODIFIED PARLIAMENTARY GOVT, PRINCIPAL FEATURES OF WHICH WOULD BE GREATLY WEAKENED POWER OF PRESIDENT AND SELECTION OF CABINET MINISTERS BY AND FROM CONGRESS. (THIS FORMULA REPORTEDLY BASED ON LONG-STANDING DRAFT AMENDMENT WHICH HAD NEVER BEEN ACTED UPON BY CONGRESS). INFORMAL AGREEMENT AMONG PARTIES APPARENTLY ENVISAGED RETENTION GOULART AS PRESIDENT, SELECTION OF PRIME MINISTER BY PSD (WHO REPORTEDLY INTENDED NAME FORMER PRESIDENT KUBITSCHEK) AND DISTRIBUTION OTHER CABINET POSTS AMONG PRINCIPAL PARTIES REPRESENTED IN CONGRESS FORMULA REPORTED TO HAVE BEEN ACCEPTABLE TO GOV BAIZOLA (AND THEREFORE PRESUMABLE TO GOULART) AND TO HAVE HAD GOOD CHANCE OBTAINING REQUIRED MAJORITY IN CONGRESS.

Defense Dept. CITE-30

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0161

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-2- 550, August 29, 8 p.m., from Rio de Janeiro

intransigeance and call for realistic "compromise" solution. Concerning nature such "compromise", however, editorials not specific (with exception ESTADO SAO PAULO which suggests Goulart resign forthwith).

Press now universally denouncing Quadros for what ESTADO SAO PAULO calls "criminal act" his resignation.

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10:02 p.m.

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FROM: Rio de Janeiro

TO: Secretary of State

NO: 550, August 29, 8 p.m.

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ACTION DEPARTMENT 550, INFORMATION BUENOS AIRES 39

DEPARTMENT PASS CINCARIB

Reference: EMBTEL 489 Buenos Aires 25

Quadros resignation and resultant crisis continue be virtually sole focus Brazilian press and public opinion. With apparent worsening political situation (due apparent impasse between Congress and Military in addition rumored uprising Rio Grande Do Sul--both given considerable news coverage despite press censorship) comment on current crisis has shifted from general tone of optimism (reported reference telegram) to somber warnings possibility "fratricidal battle" if situation not handled responsibly by all concernad. In addition clearly expressed anti-Goulart stand of military has brought much sharper dichotomy between those still advocating "fidelity to constitution" (i.e. Goulart's assumption of Presidency) and those favoring "political solution" (i.e. quasi-legal solution of "impeachment" proposed by War Minister Denys). Leftist ULTIMA HORA, generally moderate JORNAL BRAZIL and neutralist DIARIO NOTICIAS still backing Goulart despite coercion implicit in official censorship (which resulted today in police seizure entire press run of CORREIO MANHA plus attempted, and partially successful, seizure DIARIO NOTICIAS). On other hand conservative pro-UDN ESTADO SAO PAULO, conservative CHATEAUBRIAND papers O JORNAL and JORNAL COMMERCIO, and DIARIO CARIOCA praise armed forces as guarantors "peace and order", label support of Goulart "utopian" in face military intransigeance

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0159

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-2- 120, August 29, 5 P.M. From Sao Paulo

occur is Goulart prevented from taking office but military expected retain complete control. (Danger of course would lie division within military though no signs therefore).

Prolonged delay in solving crisis resulting some nervous tension, but banks open, but schools closed. Few minor strikes and one small student demonstration last night. Some panic buying rice, flour, sugar. Feel as though living vacuum due lack news especially from south and tight censorship radio and TV.

COCHRAN

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10:27 p.m.

1961 AUG 30 AM 8 16

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Info

FROM: Sao Paulo

TO: Secretary of State

NO: 120, August 29, 5 P.M.

ACTION: ESTB
INFO:
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ESTB: J. Wilson - lues.
9-28-61.

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PRIORITY

ACTION DEPARTMENT 120, INFORMATION RIO DE JANEIRO PRIORITY 36

On embarking for Europe in Santos yesterday Quadros reiterated was forced to resign but not clarify who or what forces. Said would return like Vargas. Rumored he left written statement for later release, which may make embarrassing (however unture) charges against US, in spirit Vargas parallel and Janio's second-thought efforts find some scapegoat for his disgraceful flight from responsibility. Janio's departure removes from local scene one source dissention.

State Legislature unanimously approved resolution requesting Goulart be permitted assume Presidency but powerful UDN members also gave vote confidence Federal Deputy Herbert Levy who actively opposing Goulart's return. Most local newspapers favor Goulart's taking office strict accordance constitutional provisions, but O ESTADO DE SAO PAULO opposes on grounds political realism. From this perspective, Goulart's change doubtful.

Carvalho Pinto has issued strong statement would not accept election to Presidency by vote of Congress.

Situation generally quiet. Communist efforts organize general strike greatly hampered by police arrests leading agitators (total reported 200) non-Communist leaders more; wish oppose Goulart but favor following constitutional and democratic procedures. However, have so far refused support strike. Outbreaks could occur if

732.00/8-2961 TS

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

0157

INCOMING TELEGRAM **Department of State** ACTION COPY

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Control: 21627

Rec'd: August 29, 1961
1:46 p.m.

ACTION: SB

INFO:

RM/R FILES

File. No action. E&T/B: J. Wilson-Lucs. 9-28-61

45

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FROM: Paris

TO: Secretary of State

NO: 1099, August 29, 2 p.m.

ACTION DEPARTMENT 1099; INFORMATION RIO DE JANEIRO 8

Re Rio de Janeiro telegram 510 to Department.

Brazilian Ambassador Alves de Souza states Goulart has been conferring with two members his party here (referred to by press as Parliamentary delegation), that he has not yet made up his mind what course to follow, but that he well aware his return to Brazil under present circumstances might lead to violence and even revolution which he wishes avoid. Goulart went Barcelona to visit his children and is returning Paris this afternoon.

Ambassador said consideration being given in Brazil to amending Constitution in some way which would permit Goulart assume Presidency but without power which would go to a Prime Minister. Ambassador vague about this possibility but said Goulart has indicated he would be willing accept some type compromise along suggested lines. Ambassador insists Goulart particularly does not wish precipitate crisis. Ambassador points out Goulart position constitutionally very strong but danger exists in deep split within army.

GAVIN

JEF

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NOV 20 11 43 AM '61

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0156

CONFIDENTIAL

-2-, 546, August 29, 6 p. m. from Rio de Janiero

optimistic. Embassy has just been informed however formula has been rejected by Air Force generals who refuse accept Goulart on any terms. Attitude Denys himself not clear.

If foregoing, which based on reports from well-placed sources but still not conclusively confirmed, is in fact true, and if Air Force generals backed by Denys, crisis may be expected deepen, with anti-Goulart military leadership increasingly isolated and threatened by what appear be growing defections among outlying military commands.

BOND

MCG

Relayed CINCARIB, 6-29-61

Note; Mr. Hemba (ARA) notified 8/29/8:30 p.m. JAW

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Department of State

INCOMING TELEGRAM

0155

CONFIDENTIAL

-2- 540, August 29, 4 p.m. from Rio de Janeiro

Peixoto yesterday issued "declaration to nation" expressing "irreversible position defense Constitution" and unshakeable intention ensure legitimate induction Goulart in exercise Presidency".

Goulart himself has made bid for conservative support with statement published today's DIARIO NOTICIAS (issues of which were promptly seized) he is "with open mind for any understanding with view maintaining country within concepts order and legality" he added "I desire Brazil avoid definitive degradation in international opinion, already profoundly upset by verified events."

BOND

DCH

Note: Mr. Wilson (ARA) notified 7:30 p.m., advance copies to SO, 8/29/61, CWO-M

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0154

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Control: 21797
Rec'd: August 29, 1961
4:54 p.m.

ACTION:
INFO:
RM/R FILES

File, hq action
E&T/B: Jwilson-Luis
9-28-61

FROM: Rio de Janeiro

TO: Secretary of State

NO: 540, August 29, 4 p.m.

NIACT

ACTION DEPARTMENT 540, CINCARIB UNNUMBERED, INFORMATION BUENOS AIRES PRIORITY 36

Re EMBTEL 534 repeated Buenos Aires 35

Congress last night named 16 man joint commission to study and make recommendations regarding request military ministers that "impediment" be established to Goulart's assumption Presidency and has set itself 48 hour deadline to reach decision on basis commission's recommendations.

Meanwhile PTB Congressmen and Executive Commission in note signed by Almino Afonso (PTB chamber leader) and Santiago Dantas (President Executive Commission) report they "vehemently appealed" Goulart yesterday he delay return Brazil 2 days in order permit his receiving from special emissary more complete news country's political social situation. Note adds Goulart agreed. Press reports PTB Deputy Carlos Jereissatti (CEARA) left yesterday to see Goulart in Paris.

All indications are that Deny's position weakening politically and that Congress will reject proposal "impede" Goulart succession. Straws in wind: (1) UDN anti-Goulart Federal Deputy Adauto Lucio Cardoso (GUANABARA) yesterday introduced motion impeach Mazzilli and military ministers for "crimes of responsibility" and according JORNAL BRASIL received intense applause (however, UDN President Herbert Levy said Cardoso not speaking for party); (2) PSD Congressmen during meeting chaired by PSD President Amaral

Rio de Janeiro - 540

732.00/8-2961

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NAME OF OFFICER & OFFICE SYMBOL	DATE OF ACTION	

Followed by letter

0153

CONFIDENTIAL

-2-, 546, August 29, 6 p. m. from Rio de Janiero

optimistic. Embassy has just been informed however formula has been rejected by Air Force generals who refuse accept Goulart on any terms. Attitude Denys himself not clear.

If foregoing, which based on reports from well-placed sources but still not conclusively confirmed, is in fact true, and if Air Force generals backed by Denys, crisis may be expected deepen, with anti-Goulart military leadership increasingly isolated and threatened by what appear be growing defections among outlying military commands.

BOND

MGG

Relayed CINCARIB, 6-29-61

Note; Mr. Hemba (ARA) notified 8/29/8:30 p.m. JAW

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Control: 21878
Rec'd: August 29, 1961
6:31 p.m.
1961 AUG 30 AM 6 05

ACTION: STATE
INFO:
RM/R FILES

Rio de Janeiro -546

File, by action - Institution - Emb
E-57/B
9-28-61

FROM: Rio de Janeiro

TO: Secretary of State

NO: 546, August 29, 6 p. m.

NIACT

ACTION DEPARTMENT 546, INFORMATION BUENOS AIRES PRIORITY 38

DEPARTMENT PASS CINCARIB

Re EMBTEL 540 repeated Buenos Aires 36.

While Congressional action on Mazzilli request impede Goulart succession not yet completed, Congress, on assumption request will be rejected, has been continuing study other possibilities. Information this afternoon is that substantial agreement had been reached among party leaders on constitutional amendment which would substitute for present form of government a system of modified parliamentary government, principal features of which would be greatly weakened power of President and selection of cabinet ministers by and from Congress. (This formula reportedly based on long-standing draft amendment which had never been acted upon by Congress.) Informal agreement among parties apparently envisaged retention Goulart as president, selection of Prime Minister by PSD (who reportedly intended name former President Kubitschek) and distribution other cabinet posts among principal parties represented in Congress. Formula reported to have been acceptable to Governor Brizola (and therefore presumably to Goulart) and to have had good chance obtaining required majority in Congress.

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Paramount question has obviously been attitude of Denys and military, on which point Congressional circles seemed optimistic

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0151

Accompanying Mr. Rasmussen was a party of three other persons, including Mr. Ruben Nakian, a sculpter in welded steel whose work will be given a one-man show at the Bienal Exhibit opening on September 7. USIS/Santos arranged for the group to visit the local newspapers, and obtained press coverage for its visit to Santos.

The art exhibit was transported from Santos to Sao Paulo on the afternoon of August 25.

V ADMINISTRATIVE

1. Post's Senior Local Promoted (UNCLASSIFIED)

The Principal Officer is gratified to learn that effective August 6 the Consulate's senior local employee, Alfredo da Silva, Jr., received a well-merited promotion from FSL-3/2 to FSL-2/1.

Comment: (UNCLASSIFIED)

Mr. da Silva has been employed by the Consulate since 1928. His fine work was recognized by the Department of State last year by bestowal on him of a Meritorious Service Award.

☆ U. S. GOVERNMENT PRINTING OFFICE: 1959-452479

0150

Port of Santos. Resolution of the dispute is now clearly up to the courts, and the Santos shipping companies are optimistic that the ultimate decision will be in their favor.

The President has cleverly managed to retain the support of both labor and capital and has averted the possibility of a crippling stevedore strike, adroitly using his familiar divide-and-rule technique. It is likely too that Quadros' disinclination to yield to labor's demands in this dispute stems in part from heavy pressure exerted both by the powerful shipping interests and by the Brazilian military, the latter being dissatisfied with the lack of support afforded by the Government for the Captain of the Port and out of fear of communist infiltration of both the Santos unions and the Labor Ministry.

Three despatches have been prepared on this subject by the reporting officer.

III ECONOMIC

1. Congestion of Port of Santos (UNCLASSIFIED)

On August 25 there were 11 ships anchored in the Santos roads outside the estuary awaiting berthing space and there were 8 ships at anchor inside the estuary proper.

IV CONSULAR

1. General (UNCLASSIFIED)

The post's consular operations have continued normally during the past week, although shipping and seamen work has continued at an unusually high level.

Comment: (UNCLASSIFIED)

Several American vessels discharging grain are presently in this port, and a number of minor disputes have arisen between crew members and their skippers.

2. Consulate Assists Art (UNCLASSIFIED)

On August 23-25 the reporting officer and the chief of the post's USIS unit assisted Mr. Waldo Rasmussen of the Museum of Modern Art in New York to clear through the Santos customs a consignment of 41 paintings, 28 drawings, 12 prints, 36 sculptures, 9,000 catalogs and miscellaneous installation supplies worth $509,085.00 shipped to Brazil aboard the S/S Argentina for the VI Bienal of the Museum of Modern Art in Sao Paulo.

Comment: (UNCLASSIFIED)

/Accompanying

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0149

4. PTB Homage to Vargas Utilized by Communists (UNCLASSIFIED)

On August 24 the local PTB dissidents (see Weekly Comment of August 18, Political item 2), calling themselves the "Vanguarda Trabalhista", met at local PRT headquarters to honor the memory of President Vargas, dead seven years. Present was ex-Mayor Silvio Fernandes Lopes, beginning to stir politically in anticipation of the 1962 congressional race, who spoke feelingly of Vargas and also in support of Janio Quadros' present foreign policies.

Comment: (OFFICIAL USE ONLY)

Speakers at the gathering included Councilman Antônio Rodrigues (see items 2 and 3 above), President Waldemar Neves Guerra of the Port Services Administration Employees Union and Frederico Jose Aflalo, a lawyer - all militant communists.

Aflalo spoke in favor of agrarian reform in Brasil, against the remittance abroad of profits earned by foreign companies and the bill regulating same now before the Brazilian Congress, and against Carlos Lacerda. Aflalo also proposed a minute of silence for Deocleciano Santana, a local communist martyr, along with the same gesture of respect shown for the late President of Brasil.

II LABOR

1. President Side-Steps Santos Stevedore-Shipping Company Dispute (OFFICIAL USE ONLY)

On August 17 President Quadros met with a group of Santos union leaders in Brasilia to hear their side of the bitter dispute over whether shipping companies should pay directly into the union stevedores' vacation pay. Although Quadros threw labor a sop in the form of promises of a dental clinic for the Port Workers Union, construction of 80 apartment houses for members of the Stevedores Union and an official visit to the Coffee Loaders and Sackers Union, the President firmly declined to intervene into the appeal to the Tribunal Federal de Recursos on the part of the union of a defeat it had suffered recently in a lower court. Although the union leaders publicly professed satisfaction with their reception by the President, the reporting officer understands that in fact they were unhappy at their failure to secure Presidential backing for their demands, which include removal of the Captain of the Port. (See Weekly Comment of August 11 and 18, Labor items 1.)

Comment: (LIMITED OFFICIAL USE)

The reporting officer is reliably informed that Quadros is displeased with the Labor Ministry over its handling of the labor controversy and has no intention of sacking the Captain of the

/Port

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0148

growing town in the south-east part of the State of Sao Paulo, formed the first Lima Campanesa in that part of the State. Present were Santos City Councilmen Antonio Rodrigues and Paulo Ferreira Lima plus a number of Santos labor figures.

Comment: (LIMITED OFFICIAL USE)

Lima, an employee of the Santos Dock Company and a member of the Partido Libertador, was recently reliably identified to the reporting officer as a communist. Rodrigues, a well-known red, is likewise a Dock Company employee.

3. City Council Debates Lacerda-Quadros Row (UNCLASSIFIED)

The Santos City Council has injected itself into the Lacerda-Quadros dispute over the orientation of Brazilian foreign policy, with Councilman Antonio Rodrigues (see item 2 above) urging the Council to extend full support to the President and castigate Lacerda. All week the Council was debating at very great length all the issues raised by Lacerda, and City Council President Fernando Oliva, speaking typically for the Council, was quoted as saying: "When the President of the Republic attempts to lead the nation from the state of subserviency in which it found itself in relation to the United States, critics must appear at once. We condemn the excesses which occurred in Hungary and in Germany, but we cannot help but admire the extraordinary Cuban people who had the courage to take the position it did. Fidel Castro, even with the errors which he has committed since the victory of his revolution, seemed to post a warning. If it were not for the Cuban revolution our rich brothers to the north would not now have arrived at the position they are taking at the Punta del Este conference.... I have on other occasions defended the earlier views of Sr. Lacerda, but I perceive that the Governor of Guanabara has allowed his mask to drop."

On August 24 the Council finally voted support for Quadros' foreign policy, but refused to censure Lacerda for his attack on the President.

Comment: (OFFICIAL USE ONLY)

The leftist O Diario is furious at the Council's failure to censure Lacerda, while the conservative A Tribuna mildly commented that it failed to see what business the Santos City Council had in debating national foreign policy.

Most Santistas feel that Lacerda has said things that needed saying, although exceeding himself in so doing. (Most local political observers are sure that Lacerda entertains presidential political ambitions.) At the same time most Santistas give their approval to President Quadros' independent line in foreign affairs.

/4. FTB

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0147

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OPERATIONS MEMORANDUM

TO: American Consulate General Sao Paulo Date: August 25, 1961

FROM: American Consulate SANTOS, Brazil VPRIII

SUBJECT: Weekly Comment on Events in Santos

REF:

I POLITICAL

1. Mayor Gomes Picks Up Labor Support (UNCLASSIFIED)

On August 19 Mayor José Gomes received a deputation of labor leaders representing the Santos Forum Sindical de Debates (City Central) which imparted to him the outcome of the August 17 visit to President Quadros in Brasilia by a group of local union officials with reference to the stevedores - shipping companies dispute (see Weekly Comment of August 18, Labor item 1 and Labor item 1 below).

The deputation promised Mayor Gomes the full support of the Santos unions for Gomes' own Plan of Action for Santos and also for the Mayor's administration in general.

On August 18 Gomes himself was in Sao Paulo to confer with PTB Regional President Ivete Vargas and with Rio Grande do Sul Governor Leonel Brizzola (see Weekly Comment of August 18, Political item 2).

Comment: (OFFICIAL USE ONLY)

The Santos City Council earlier had passed a vote of confidence in favor of the unions' stand in the dispute with the shipping companies, and Gomes tends to lean toward labor in this controversy.

With labor backing, Gomes' shaky political situation is now much improved, especially in view of his recent successes in obtaining significant increases in State and Federal aid for Santos (see Weekly Comment of August 18, Political item 1).

The Superior Election Tribunal in Brasilia is in the process of deliberating Gomes' right to have succeeded as Acting Mayor upon the death in April of the Mayor-Elect of Santos. The reporting officer expects the Superior Tribunal's ultimate decision will be favorable to Gomes.

2. Liga Camponesa Formed Near Santos (UNCLASSIFIED)

On August 20 a gathering of farmers at Juquia, a banana-

CONSULATE GENERAL OF THE UNITED STATES OF AMERICA
AUG 25 1961
SAO PAULO, BRAZIL

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0146

AIR POUCH
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FOREIGN SERVICE DESPATCH

FROM : Amcongen SAO PAULO

73
DESP. NO.

TO : THE DEPARTMENT OF STATE, WASHINGTON.

August 29, 1961
DATE

REF :

File, no action. EST/B: J. W. Wilson - lms. 9-12-61

PER-2

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19	APA-4	RMK-2 REP-1 E-7 ICA-11 B/FAC-5 INR-7 EUR-5
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DEPARTMENT OF STATE
BUREAU OF INTER-AMERICAN AFFAIRS
SEP 8 5 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 August 25, 1961.

William P. Cochran, Jr.
Minister Consul General

732.00/8-2961

LWS

CLASSIFIED FILE

Enclosure:
Santos Weekly Report
dated August 25, 1961

cc: Amembassy, Rio

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REPORTER

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1961 AUG 30 9:37 a.m.

ACTION: ESAB

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File. No action. ESTIB: JWilson-lws 9-24-61

FROM: Paris

TO: Secretary of State

NO: 1098, August 29

ACTION DEPARTMENT 1098, INFORMATION RIO DE JANEIRO 7.

Morning press carried interview Brazilian Vice President Goulart who stated "In conformity with constitution, I am President of Brazil and consider myself as such." Goulart stated he could not give date his return to Brazil in order to define future plans. FIGARO reports that according one member Goulart's party, Goulart will decide at once after his talks with Brazilian parliamentarians whether to return Brazil or go into his exile in a Latin American country. Goulart departed yesterday evening by air for Barcelona for short visit with his children. He is scheduled return Paris today.

Press continues to follow Brazilian affair closely. Generally agreed strong man situation in Marshal Denys. Dissatisfaction Quadros foreign policy generally agreed as main reason crisis.

GAVIN

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0144

to state that she thought that the 'forces' and 'pressures' that caused the ouster of Quadros were the same that plague Castro in Cuba. However, she added, Castro has the military, the militia and the "people" on his side and that makes the difference. She was vehement in her denunciation of the "rightist" military elements of Brazil and she hoped that the people would take up arms in open revolt to regain what she termed was "rightfully theirs".

COMMENT:

Bazan and King represent the two strongest political factions on the local scene. Most of the people with whom the reporting officer spoke were of the same opinion as Bazan regarding Quadros and Goulart. The Brazil situation is not causing anyone to become really upset at this point, except, perhaps, Thelma King, but it may be of interest to note the willingness of may people in Colon, especially among the poorer class, to accept an anti-leftist coup at this time. The general consensus of opinion may be summed up as "constitutional government is wonderful and the voice of the people should be heard, but anything is better than another Castro". Fortunately, no one, not even Thelma King, is at this time willing to believe that the United States is to blame for Quadros' resignation. Most accepted Fidel Castro's statement as just more noise from Habana.

Bernard A. Femminella
American Vice Consul

0143

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HANDLING INDICATOR

FOREIGN SERVICE DESPATCH

FROM : Amconsulate, Colon, Panama

NO. 5

TO : THE DEPARTMENT OF STATE, WASHINGTON.

DATE August 29, 1961

REF :

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DEPARTMENT OF STATE
BUREAU OF INTER-AMERICAN AFFAIRS
SEP 6 1961

INR 7

SUBJECT: Local reaction to trouble in Brazil.

While Second Vice President Jose D. Bazan demonstrated great satisfaction over the resignation of Brazil President Janio Quadros, Thelma King the leftist leaning National Deputy from Colon, received the news almost as a personal blow. Bazan, who often speaks out in favor of closer Panamanian-US relations, thought the fall of Quadros was a good sign. To him the fall of Quadros means that the leading elements of Brazil's military will do everything in their power to prevent their country from going the way of Cuba under Castro. King, who consistently expresses pro-Castro sentiments, saw the resignation of Quadros as a terrible loss for Brazil and to the Latin American countries who "want to gain their independence from United States colonialism".

On August 25, the reporting officer attended a birthday party honoring the Second Vice President at the home of Dr. Harry Castro in Colon. The guest list included most of the upper class of the city and some of Colon's rival political chiefs. The topic of interest was the news of the resignation of Janio Quadros in Brazil. Bazan literaly danced with glee over what he termed a good military coup. He said that he thought that if the military had sufficient strength to oust Quadros, it probably had enough strength to keep him out even if the ex-president was only grandstanding for popular reaction which would bring him back. Bazan likened this political move to Castro's resignation in July 1959 when he maneuvered Manuel Urrutia out of office. The Second Vice President also said that it was his opinion that if Jaso Goulart was allowed to assume the presidency he would be worse (more communist inclined) that Quadros. Bazan admitted that he would be happy to see any non-leftist take over Brazil. He said that under certain circumstances it is not necessarily the right thing to do to continue with democratic processes, and that it would be foolish to oust Quadros only to allow Goulart to continue the same policy or one which was worse for the West. Many of the guests agreed whole heartedly with Bazan.

Thelma King, on the other hand, called the fall of Quadros a "black day for democracy". She made a point to call the reporting officer at his home

732.00/8-2961

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0142

Catholic newspaper, fared better: only its first page was removed.

The Consulate has, however, just received reliable information indicating that all radio stations in Minas Gerais received a telegram at noon today, signed by three Army Generals, stating (1) No station shall rebroadcast any news emanating in Rio Grande do Sul; (2) No station shall make any commentary on the news; (3) News that is broadcast shall be that coming from Federal authorities; (4) No rebroadcast of statements made by State Governors.

Despite the rumors of a general strike mentioned yesterday (see Consulate despatch under reference), no evidence of a work stoppage is apparent in Belo Horizonte. The police have reported a strike of Leopoldina rail workers in Bicas, an interior town, but no other manifestations of unrest among workers has appeared. Some 450 workers on strike for more than a week at the Mineração Morro Velho gold mine in Nova Lima returned to work on Monday and more even expected to return to their jobs today. Interestingly enough on August 24th the union involved had pledged its solidarity with Janio QUADROS and his foreign policy. Now, some five days later, with no concessions having been made by the company, workers are returning to their jobs.

Most individuals with whom the reporting officer has spoken have accepted the news of Janio's resignation calmly - many are now apparently asking themselves why they voted for him.

Local organizations which have expressed themselves have almost without exception backed the installation of Goulart as President as being the only democratic course open for Brazil.

Some individuals friendly to the United States seem to be caught on the horns of a dilemma. They are strongly for following democratic principles and the Constitution but at the same time do not have much enthusiasm for Jango or the government which he would probably represent.

Richard Reynolds Martin
American Vice Consul

gm

0141

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HANDLING INDICATOR

FOREIGN SERVICE DESPATCH

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732.00/8-2961

FROM : AMCONSUL, Belo Horizonte NO. 4

TO : THE DEPARTMENT OF STATE, WASHINGTON. DATE August 29, 1961

REF : Cons Desp No. 3, 8/28/1961 ara

File Pearson E87/B: Faulkner - Luce 9-18-61

20 For Dept. Use Only	ACTION	ARA-4	INFO	O	RM/R 2	REP	AF	ARA	EUR	FE	NEA	CU	INR 7	E	P 3	IO	ICA
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DEPARTMENT OF STATE
BUREAU OF
INTER-AMERICAN AFFAIRS
SEP 8 1961

SUBJECT: MINAS GERAIS POLITICAL STATUS REPORT

Peace and quiet continue to reign in Minas Gerais. There have been no public disturbances since the short-lived demonstration on the evening of August 25.

Magalhães PINTO returned yesterday from Brasilia and refused to talk to reporters although the Governor's Palace later in the day distributed a short statement stating that everything was being done in Brasilia to maintain order and the prestige of Brazilian institutions. Upon returning to Belo Horizonte the Governor did call Castro PIRES (PSD), President of the Legislative Assembly, to the Palace where he evidently revealed some of the latest occurrences in Brasilia. Little has been divulged about the meeting except that a major topic of discussion was the message transmitted to Congress by Ranieri MAZZILLI concerning the position taken by the military chiefs concerning the return of GOULART.

In the meeting of the Legislative Assembly yesterday, PTB deputies tried to push through a resolution stating that "outside of strict respect for the Constitution and obedience to the public will there was no solution to the present political crisis." This resolution was defeated by PSD deputies who agreed to support only a much watered-down statement which declared that in the present situation "a solution must be found that will satisfy democratic laws and principles".

Late yesterday the Governor lifted press censorship instituted by DOPS (Political Police) which had resulted on Sunday in the removal of editions of Binômio -- a leftist weekly in Minas Gerais -- Ultima Hora and Diario de Minas from newstands. O Diario, the local unofficial

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Counselor of Emb.Cons.Affrs.
Political Section - Emb./Rio

732.00/8-2961

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FORM FS-459G
8-1-60

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Desp. No. 13
From AmConsulate, Curitiba, Brazil

MISCELLANEOUS

8. Polish Government Activities

Polish Consul-in-charge Piotr GLOWACKI returned to Curitiba from two months' home leave with renewed proposals for intensified Polish commercial activity in southern Brazil. Though admitting that trade possibilities in Paraná and Santa Catarina are relatively slim, he announced that the Polish Government will open a new trade office in Porto Alegre where "prospects are better". He also announced that Poland is inviting Paraná federal deputy João RIBEIRO Jr. and state deputy Ladislau LACHOWSKI to visit Poland in September 1961. Both deputies are PSD. SOURCES: Personal conversations, local press.

UNCLASSIFIED

COMMENT: LACHOWSKI visited Poland, also on invitation, just prior to the PSD's electoral disaster last October. Lachowski is of Polish extraction and his electorate is concentrated in the Polish colonies of southeast Paraná. RIBEIRO is fast becoming factual head of the Paraná PSD ... GLOWACKI is getting fairly good publicity cooperation from socialist "Gazeta do Povo" (the paper also cooperates very well with this consulate).

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Edward M. Rowell
American Consul

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0139

agitation is concentrated among student groups ... In spite of lip service to the basic social and economic aims of the Alliance, important economic groups in Parana and Santa Catarina still hope to thwart many major reforms which might be economically disagreeable to them ... Decorating Guevara almost completely vitiated the pro-Cuban public relations aspects of Guevara's visit. Resentment was particularly strong among lower and middle classes and among the military. Resentment among the conservatives was over-ridden by their hunger for lucrative trade with Cuba. OFFICIAL USE ONLY

6. Miscellaneous Psychological Items: Cuba, Soviet-Brazilian Relations, Soviet Astronauts

The anniversary of the July 26th Movement passed virtually unnoticed. One or two insignificant "front" organizations sent telegrams of congratulation to the Cubans and promoted talks, but none of the announced "massive" public demonstrations came off ... Although some "moderate" papers (Diarios Associados) continued to editorialize against renewal of Brazilian-Soviet diplomatic relations, the rest of the press, both left and right, generally favored the move. However, except for the far left, most commentators also espoused restrictions on Soviet diplomats in Brazil and the establishment of procedures which "would enable Brazil to take advantage of trade possibilities without importing ideologies" ... Titov's flight received special recognition partly because of Gagarin's recent stay in Brazil. Its publicity value was unusually short-lived, however, because of the mounting seriousness of the Berlin situation. Most editorials emphasized the importance of the flight as a scientific achievement and a step in the progress of mankind, and one left-wing socialist commented caustically on the supposed "greater glory of the (Communist) PARTY" resulting from Titov's flight. SOURCES: D-10, 8/3/61; all local press; personal conversations. UNCLASSIFIED

CULTURAL EVENTS

7. U.S. Cultural Activities

The US-American Bar Association Curitiba seminar on comparative law (July 14 - 28) was a success, being marked by full attendance, ample press coverage, and cooperation of the state government ... Also well received were American geneticist William C. BOYD's conference at the Philosophy Faculty of the University Of Parana, and piano recitals in Curitiba and Florianopolis by Augustin ANIEVAS. SOURCES: Personal observations and conversations, local press. UNCLASSIFIED

COMMENT: Anievas' concerts gave a big boost to our Class "A" binational centers, especially in Florianopolis where many prominent persons heretofore not associated with the center attended. UNCLASSIFIED

0138

for purposes similar to those of the Northeast's Ligas Camponesas. At the same time and in the same city Catholic priests (who are also political party leaders, mostly PDC) organized the "Parana Rural Front" with the support of the state government. The priests' organization had the two-fold purpose of organizing rural labor for legitimate social and economic ends within a democratic and Christian context, and at the same time of taking the limelight away from Julião's meeting. Maringá is a small town, and passions ran high, resulting in some student riots (aimed against Julião) and some damage. Police restraint of the riots was weak. SOURCES: Personal conversations, local press. Separate Despatch being submitted.
OFFICIAL USE ONLY

COMMENT: Attendance at the II Congress was light, and many of the state politicians who were supposed to attend did not go. Although the II Congress was less than completely successful, it did achieve its main political objective which was to associate rural workers with the far-left dominated city unions of the region ... The priests' action also was the main impediment to success for Julião. But the student riots were blamed on the bishops, and this enabled Julião to assume a martyr's cloak ... Although socio-economic conditions are more favorable to far-left subversion in southwestern Parana than in the north, Julião wisely chose Maringá because there he could achieve immediate empathy with large numbers of immigrants from Brazil's Northeast.
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PSYCHOLOGICAL EVENTS

5. Punta del Este and "Alliance For Progress"; Decoration Of "Che" GUEVARA

The "Alliance For Progress" conference at Punta del Este, Uruguay, was feature news for much of the reporting period, being dimmed only temporarily by TITOV's space flight, and finally crowded into obscurity by the Berlin crisis. Except for the extreme left, comment generally was very favorable toward the conference and its outcome. Also except for the extreme left, "Che" GUEVARA's antics at the conference evoked generally negative press reactions here ... Decoration of Guevara by Janio QUADROS with Brazil's highest medal, the Grand Order of the Southern Cross, was widely reported, but produced loud objections from most social and economic levels in this consular district. Even Parana's Governor Ney BRAGA, a steady supporter of all of Janio QUADROS' actions to date, outspokenly objected to giving Guevara the Southern Cross. SOURCES: Local press, personal conversations.
UNCLASSIFIED

COMMENT: In the wake of the Punta del Este conference, communist agitators and sympathizers have intensified their efforts to denigrate the "Alliance For Progress" and to impede effective Brazilian participation in the Alliance. This

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economic reforms. (N.B.: drafted prior to Quadros' resignation). OFFICIAL USE ONLY

2. Attacks Against Paraná Police And Their Chief

During the second half of July the local leftist press mounted a subtle attack against Police Chief Italo CONTI, publishing articles on excesses of São Paulo police in such a way as to make it appear that Paraná police were involved. These attacks died down only to be followed by general public revulsion over genuine incidents of torture and maltreatment in the Paraná police. Moderate and rightist press recognized that Conti could hardly be expected to resolve all police problems in six months in office, but the left implied that the current scandals were the fault only of the present government. SOURCES: Personal observations, local press. OFFICIAL USE ONLY

COMMENT: Conti has requested USOM Public Safety division assistance, and is backed 100% by the governor. He certainly needs the help. He has also shown the courage to answer back any criticisms which might be made (e.g. Brizzola's attack on Ambassador Cabot last year) in case the assistance is given. OFFICIAL USE ONLY

3. Paraná Party Politics

The chaotic and personal in-fighting in Paraná's major parties (reported in previous news summaries) continues unabated, as jockeying for senatorial and congressional nominations for the 1962 election goes on. The only interesting change so far is in the intensified activity of the Socialist Party (PSB), which has long been a refuge for communists. The PSB recently organized 28 new county sections. One indication of the confusion within the established parties is that the Labor Party (PTB) was so badly split over participation in Francisco JULIÃO's rural labor Congress in Maringá (Item 4 below), that the party now has decided to organize its own labor congress and it failed to seize political advantage from Julião's conference. SOURCES: Personal observations and conversations. OFFICIAL USE ONLY

COMMENT: The PSB, though growing in activity and importance, is still too weak to be an important electoral factor at this time. OFFICIAL USE ONLY

LABOR

4. Paraná's Own Liga Camponesa; II Congress Of Rural Workers, Maringá; Organization Of Competing Paraná Rural Front (Frente Agraria Paranaense)

August 12 - 15 the long announced Second Congress of Paraná Rural Workers, presided over by Francisco JULIÃO (of Pernambuco Ligas Camponesas fame) and other prominent Paraná nationalists took place in Maringá, northern Paraná. This meeting followed an initial organizational Congress held in Londrina a year ago. The purpose was to organize rural labor along lines and

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FOREIGN SERVICE DESPATCH

FROM : American Consulate, Curitiba, Brazil

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NO.

AUG 29 1961
August 28, 1961
DATE

TO : THE DEPARTMENT OF STATE, WASHINGTON.

REF :

19 For Dept. Use Only	ACTION	ARA-4	INFO	DEPT	RM/R 2	REP 1	AF	ARA	EUR 5	FE	[illegible] 6	CU 5	INR 7	E 7	P 3	CR 2	ICA 11
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		REC'D 9-6		OTHER	AIR 6	ARMY 4	CIA 15	NAVY 4	OSD 5	OCB	USIA 10	NSA 4	NSC 1				

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

CONTENTS

1. Janio QUADROS In Paraná
2. Attacks Against Paraná Police And Their Chief
3. Paraná Party Politics
4. Paraná's Own Liga Camponesa; And Competing Frente Agrária Paranaense
5. Punta del Este & "Alliance For Progress"; Guevara's Decoration
6. Cuba; Brazil-Soviet Relations; Soviet Astronauts
7. U.S. Cultural Activities
8. Polish Government Activities

DEPARTMENT OF STATE
BUREAU OF
INTER-AMERICAN AFFAIRS
SEP 11 1961

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POLITICAL EVENTS

1. Janio QUADROS In Paraná

August 5 and 6 President QUADROS made a flying visit to Paraná ostensibly to inaugurate a University Of Paraná mobile teaching unit and to inaugurate a Banco do Brasil mobile rural credit unit. His reception was generally unenthusiastic, being met by less than 100 people on arrival in Ponta Grossa and again in Curitiba. In particular, the press was miffed because it was held at arm's length -- on presidential orders. SOURCES: Personal observations and conversations, some local press.

UNCLASSIFIED

COMMENT: The visit appears to have been more a round of simple politicking, fence mending, and grass roots soundings in general. The president found that although there are grumblings about some of his external policies, that most business and political leaders in Paraná still want him because of his domestic

cc. American Embassy, Rio de Janeiro (2)
EMRowell:jk
REPORTER

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-2-) DTG 281420Z AUGUST (DEFENSE MESSAGE), FROM USARMA, USSATRA, ALUSNA RIO DE JANEIRO

REPORTS THAT GENERAL AMAURY KRUEL HAS BEEN IN FACT ARRESTED. SUBJECT ARRESTS CONFIRM EARLIER STATEMENTS MADE BY MILITARY MINISTERS THAT WHATEVER FORCE REQUIRED TO MAINTAIN PEACE AND ORDER WOULD BE USED.

SCP-3.

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FROM: USARMA, USAIRA, ALUSNA RIO DE JANEIRO

TO: Secretary of State

ACTION:
INFO:
RM/R FILES

NO: DTG 281420Z AUGUST (DEFENSE MESSAGE)

Defense Dept.

files. no action req. E&T/B: J.W. Wilson - bus. 9-28-61.

PRIORITY

ACTION DA, COFS, USAF, CNO INFORMATION 1127 USAF FAG FT BELVOIR, CINCLANT, CINCLANTFLT, COMFIFTEEN, COMTEN, COMSOLANT, CHNAVMIS RIO DE JANEIRO, CINCARIB, CGUSARCARIB, CAIRC ALBROOK AFB, WHITE HOUSE, DEPARTMENT STATE

DA FOR ACSI, COFS; USAF FOR AFCIN

THIS IS A JOINT ARMY, NAVY, AIR FORCE MESSAGE.

1. PUBLIC STATEMENT MADE BY MARSHAL DENYS 27 AUGUST TO UPI IS AS FOLLOWS:

"THE TIME HAS COME TO CHOOSE BETWEEN DEMOCRACY AND COMMUNISM IN BRAZIL. I HAVE NOTHING AGAINST THE PERSON OF MR. YOAO GOULART BUT ONLY AGAINST THE FORM OF GOVERNMENT HE STANDS FOR."

2. THE WAR MINISTER THEN DEPLORED THE FACT THAT HE WAS FORCED TO ARREST MARSHAL LOTT, HIS PERSONAL FRIEND. IN AN OFFICIAL NOTE, THE WAR MINISTER ANNOUNCED TO THE UPI THE ARREST OF LOTT WHO IS TO REMAIN IMPRISONED FOR 30 DAYS. HOWEVER, THE WAR MINISTER DENIED THAT HE ORDERED THE ARREST OF GENERAL AMAURY KRUEL.

3. ATTACHE COMMENT:

MARSHAL LOTT IS REPORTED BEING HELD IN THE ARMY FORT SITUATED ON THE ILHA DA LAYE IN GUANABARA BAY. RADIO REPORTS

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Discontinued by RM/R

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FEB 2 - 1962

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FROM: ATTACHES BRAZIL

TO: Secretary of State

NO: 281715Z AUGUST (AIR FORCE MESSAGE)

NIACT

ACTION COFS USAF DEPTAP, CNO, 1608 ATW CHASN AFB, AFMTC, CAIRC, 370 PMN. MATS LNO RECIFE, MATS LNO RAMEY, MATS SCOTT AFB, EASTAF, MCGUIRE; INFORMATION DEPT OF STATE, 1127 USAF FAO, CINCLANT, CINCLANTFLT, COMFIFTEEN, COMTEN, COMSLANT, CNAVMIS BRAZIL, CINCARIB, CGUSARCARIB, USAIRA BUENOS AIRES, USAIRA MONTEVIDEO, CHUSAFMSN ASUNCION, BUSMC ARMY SECT BRAZIL, USUSMC AIR SECT BRAZIL

. THIS IS A JOINT USAF NAVY ARMY MESSAGE J22. CAT.

MESSAGE IN THREE PARTS.

PART I. IN VIEW PRESENT SITUATION BRAZIL EMBASSY AND FAB EARNESTLY REQUEST MINIMIZE US MILITARY AIR TRAFFIC TO AND THROUGH BRAZIL. WEEKLY SCHEDULED MATS FLIGHT TO RIO TO CONTINUE. BAFWILL SUPPORT AND PROVIDE PROTECTION AS REQUIRED FOR OTHER ABSOLUTELY ESSENTIAL TRAFFIC. THEREFORE, EXCEPT FOR SCHEDULED MATS RUN TO RIO BLANKET DIPLOMATIC CLEARANCE SUSPENDED FOR MATSVC AFMTC, CAIRO, IAGS, AND ANY OTHER AIRCRAFT USING R, B, AND H FLIGHT DESIGNATORS FOR ENTRY BRAZIL. FOR URGENTLY REQUIRED TRAFFIC REQUEST PROCESS DIPLOMATIC CLEARANCE USING PROCEDURES FOREIGN CLEARANCE GUIDE AND GIVING FULL DETAILS PURPOSE OF FLIGHT.

PART II. LOCAL IAGS COMMANDER CONCURS AND IS ISSUING SEPARATE INSTRUCTIONS TO HIS AIRCRAFT PRESENTLY IN BRAZIL CEASE OPERATION

PART III. JOINT MESSAGE BRAZIL SITUATION SENT TO DATE, 21. NUMBERING SYSTEM STARTS WITH THIS MESSAGE TO FACILITATE IDENTIFICATION FOR ALL CONCERNED, SCP-3. Note: Mr. Crane (ARA) notified 10 PM, 8/28

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FROM: USARMA, USAIRA, ALUSNA Rio de Janeiro

TO: Secretary of State

NO: DTG 281430Z August (Joint Services Message)

File. No action. EST/B: JW Wilson. Ins. 9-28-61.

PRIORITY

ACTION DA, CNO, COFS USAF, INFORMATION 1127 USAF FAG FT. BELVOIR, CINCLANT, CINCLANTFLT, COMFIFTEEN, COMTEN, COMSOLANT, CHNAVMIS RIO DE JANEIRO, CINCARIB, CGUSARCARIB, CAIRC ALBROOK AFB, JCS, STATE DEPARTMENT, WHITE HOUSE SITUATION ROOM

DA FOR ACSI

COFS USAF FOR AFCIN

THIS IS A JOINT ARMY, NAVY, AIR FORCE MESSAGE

FILED
FEB 2 - 1962

Quadros Resigns.

Reference our 272128Z.

Consulate telegram 40 from American Consul Porto Alegre follows:

"General Machado Lopes says situation here very tense but orderly so far. He says Brizola adding to tension and apparently wished provoke General into first move which could cause civil conflict. General determined not to be provoked but maintain order. Will report developments. Signed Warner."

Attaches comment: One Navy destroyer escort is on station at Porto Alegre at this time. SCP-1.

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Control: 20575

Rec'd: August 28, 1961
12:32 p.m.

Panama

FROM: CINCARIB QUARRY HEIGHTS CZ

TO: Secretary of State

NO: CC68468E, 280200Z

PRIORITY

ACTION JCS WASHDC, JACE AJCC FTRITCHIE MD, INFORMATION STATE DEPARTMENT.

1. Amembassy Rio de Janeiro 271945Z addressed to CINCARIB, OSD, DEPTAR, DEPTAIRFORCE, and DEPTNAVF contains latest information available here on Brazil situation.

2. SCP-4

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Rec'd: August 28, 1961

10:36 p.m.

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FROM: Recife

TO: Secretary of State

NO: 64, August 28, 7 P.M.

File, no action.
EST/B: J.W. Wilson-Lurs.
9-28-61.

PRIORITY

ACTION RIO PRIORITY 86, DEPARTMENT 64.

Situation here continues calm but general uncertainty plus spate of rumors are contributing to uneasiness on part both leaders and population. Unless countered by firm decisions relating presidency and future course contemplated by military, uneasiness might lead to some instability if leftist and communist leaders are able exploit situation. These leaders, however, still being watched closely by army.

Leaders of Pernambuco Students Union Central Committee of Recife University Students, and Pernambuco Workers Syndicate have issued joint statement which is carefully worded to avoid crackdown and which calls for mass meeting tomorrow night down town square. They have not yet applied for permission to hold meeting. Military intends prevent according latest information. One Communist Minstrel observed in action today with small crown downtown street.

No anti-American demonstrations thus far.

RABIDA

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FROM: Paris

TO: Secretary of State

NO: 1087, August 28, 8 p.m.

ACTION:
INFO:
RM/R FILES

File, no action
EST/B: J W Wilson - lwis
9-28-61

ACTION DEPARTMENT 1087; INFO RIO DE JANEIRO 6.

Reference Rio de Janeiro's 6.

Following receipt reference telegram, Embassy has made inquiries Foreign Minister (Spitalier) who informs us French have not seen Goulart, and do not know how long he plans remain Paris. Was surprised and interested possibility Kubitschek visit but could give no information concerning this. Promised to keep Embassy informed any developments which might come to light.

FIGARO (August 28) announcing arrival Goulart Paris, quotes Brazilian Ambassador as saying Goulart intends making no statement. Reporters and public not allowed approach on arrival Orly airfield. Story continues to say Brazilian circles Paris believe Goulart has not taken decision future course action and awaits arrival Parliamentary delegation before doing so. Afternoon FRANCE-SOIR announces Goulart "appears to have decided prolong his stay" in order receive Parliamentary delegation from Brazil which might be en route to Paris.

GAVIN

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0128

I am certain nation must recognize that present situation exacts and will exact of me most noble and highest disinterestedness in matter of personal investitures, alongside sacred duty of defending democratic institutions.

In this instant, I renew my faith in vigorous civic virtues of our people who, consistent with their glorious history, will once more know how to maintain their traditions of devotion to order and the regime.

UNQUOTE

BOND

DMJ/1

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6:52 p.m.

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FROM: Rio-de-Janeiro

TO: Secretary of State

NO: 525, August 28, 6 p.m.

ACTION:
INFO:
RM/R FILES

File no action.
EST/B: J.W. Welson-Lues.
9-28-61.

NIACT

ACTION DEPARTMENT 525, INFORMATION BUENOS AIRES PRIORITY 31.

DEPARTMENT PASS CINCARIB.

Following is translated text press release issued Brasilia by Agencia Nacional this date.

BEGIN QUOTE

Concerning latest political events, President of Chamber of Deputies, Ranieri Mazilli, in exercise of Presidency of Republic, made following pronouncement:

To Brazilian people:

I have just signed message communicating to National Congress that, in examination of present political situation created by resignation of President Janio da Silva Quadros, the Military Ministers, in capacity of Chiefs of Armed Forces, responsible for internal order, have manifested to me absolute impropriety, for reasons of national security, of return of Vice President Joao Belchior Marques Goulart to the country.

I wish to inform nation that, if two houses of Congress should deem it advisable to recognize motives invoked in message, I consider myself made ineligible to present myself as a candidate in substitution for Mister Janio Quadros, in actual exercise of Presidency of Republic.

I am

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TEL 534 FR RIO DE JANEIRO TO SECSTATE

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Control: 20844
Rec'd: August 28, 1961
7:13 p.m.

1961 AUG 29 AM 6 19

ACTION: EST/A 6
INFO:
RM/R FILES

FROM: Buenos Aires

TO: Secretary of State

NO: 364, August 28, 6 p.m.

PRIORITY

ACTION DEPARTMENT 364, INFORMATION RIO-DE-JANEIRO PRIORITY 27.

Deputy Foreign Minister Camillion, who probably best informed Argentine official on Brazil after serving two years there as MINCOUN prior to April this year, told me today that Quadros resignation due (1) letter's mental unbalance or (2) his fear in face of domestic pressures which should have been easily surmounted. He drew invidious comparison between Quadros situation, with US and other international support plus domestic acclaim at least from some quarters, and that of Frondizi 1958 and 1959 when latter overcame more serious threats.

Camillion predicted that Brazil would soon be governed by (1) Goulart, with Conservative Cabinet imposed on him, or (2) military who would set aside Constitution and take over GOB.

RUBOTTOM

DMJ/1

732.00/8-2861

DEC 1 2 50 PM '61

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ACTION ASSIGNED TO.	ACTION TAKEN No action	
NAME OF OFFICER & OFFICE SYMBOL EST/A WRW	DATE OF ACTION 8/29/61	DIRECTIONS TO RM/R file

0124

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Page 2 of
Encl. No.
Desp. No. 3
From Belo Horizonte

as yet no evidence of a work stoppage.

Richard Reynolds Martin,
American Vice Consul

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0123

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HANDLING INDICATOR

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732.00/8-2861

FOREIGN SERVICE DESPATCH

FROM : AMCONSUL, Belo Horizonte, Brazil

NO. 3

TO : THE DEPARTMENT OF STATE, WASHINGTON.

DATE August 28, 1961

REF : -

28 AGO 1961

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

SUBJECT: MINAS GERAIS STATUS REPORT

732.00/8-2861

Minas Gerais has remained relatively quiet since the resignation of Jânio QUADROS on August 25.

On the evening of Jânio's resignation some students did attempt to organize a meeting in the central square of the city, but Military Police reinforcements broke up the group before any damage was done, and the head of the Diretório Central dos Estudantes da Universidade de Minas Gerais was arrested.

Federal buildings in the city as well as the telephone and power companies are being guarded by the army while roving groups of State military police are patrolling down-town streets.

All aircraft arriving at Pampulha are being inspected before passengers are allowed to disembark. The airport itself is also closed off and while cars are allowed to pass through to the airport, they can leave and depart by only one route.

The Consulate was informed this morning that cars are being stopped and searched at the Pampulha Dam as they enter the city.

Except for the frustrated meeting mentioned above the city has been calm until now. There has been a rumor today that a general strike may be called. Some construction projects have been visited today by union employees attempting to gather support for a general strike. There is

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LWS

Cos: Pol. Section
Couns. for Cons.Affairs -Emb/Rio

RRMartin:kfk
REPORTER

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

0122

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-2- 53Ø, AUGUST 28, 8 P.M., FROM RIO DE JANEIRO

REPORTS ALL QUADROS DIPLOMATIC INITIATIVES (E.G. OBSERVER TO BELGRADE CONFERENCE, NEGOTIATIONS FOR RESUMPTION RELATIONS WITH USSR) "INDEFINITELY POSTPONED" BUT EMBASSY NOT YET ABLE CONFIRM THIS VERSION.

NON-CABINET APPOINTMENTS INCLUDE GENERAL ERNESTO GEISEL, CHIEF MILITARY HOUSEHOLD; FLORIANO AUGUSTO RAMOS, CHIEF CIVIL HOUSEHOLD; GILBERTO AMADO PEREIRA ALVES, PRIVATE SECRETARY; REYNALDO GONCALVES RIBEIRO, PRESS SECRETARY.

BOND

SMD/

NOTE: PASSED CINCARIB 8/29/61.

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INCOMING TELEGRAM *Department of State*

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Control: 21017
Rec'd: AUGUST 28, 1961
10:49 P.M.

FROM: RIO DE JANEIRO

TO: Secretary of State

ACTION:
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RM/R FILES

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NO: 530, AUGUST 28, 8 P.M.

File, hearing
E&T/B: J Wilson - kms.
9-28-61.

PRIORITY

ACTION DEPARTMENT 530, INFORMATION BUENOS AIRES 33

DEPARTMENT PASS CINCARIB

WITH EXCEPTION MILITARY MINISTERS (DENYS - WAR; HECK - NAVY; MOSS - AIR), ALL QUADROS CABINET RESIGNED OVER WEEKEND. IN ADDITION MAZZILLI QUICKLY FIRED ALL MEMBERS CIVIL HOUSEHOLD OF PRESIDENCY (EXCEPT WAR MINISTER DENYS' SON); STATE REPRESENTATIVES (SUB-CHIEFS) CIVIL HOUSEHOLD; ENTIRE TECHNICAL ADVISORY COMMITTEE ("ASSESSORIA TECNICA") INCLUDING INFLUENTIAL LEFTIST ECONOMIST CANDIDO MENDES DE ALMEIDA; CHIEF MILITARY HOUSEHOLD.

FINANCE MINISTER MARIANI SUBSEQUENTLY ACCEPTED MAZZILLI INVITATION REMAIN. EDUCATION MINISTER TINOCO DID NOT. ONLY NEW MAZZILLI CABINET APPOINTMENTS TO DATE: JOSE MARTINS RODRIGUES, JUSTICE; JOSE DE SEGADAS VIANA, LABOR. RODRIGUES AN UNDISTIIGUISHED TWO-TERM PSD FEDERAL DEPUTY WITH SIZEABLE LOCAL FOLLOWING CEARA. VIANA REPORTED ON SEPARATELY. OTHER CABINET APPOINTMENTS RUMORED BUT UNCONFIRMED.

FOREIGN MINISTRY TEMPORARILY IN HANDS AMBASSADOR ILMAR PENNA MARINHO, WHO IRONICALLY IS NOTORIOUS AS "BIGGEST JANISTA" FOREIGN OFFICE. REPORTEDLY, ALL AMBASSADORS APPOINTED BY QUADROS FROM OUTSIDE DIPLOMATIC CORPS (INCLUDING SAN TIAGO DANTAS, SOUZA DANTAS AND RUBEN BRAGA) HAVE RESIGNED. PRESS REPORTS

(3)

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732.00/8-2861 XR 732.13

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CONFIDENTIAL

-2- 516, August 28, 1 p.m., from Rio de Janeiro

and believes it should be treated with considerable reserve. All other indications continue be that Denys and military firmly committed to preventing Goulart succession under any conditions.

If Goulart in fact prevented from assuming Presidency by whatever means, or even if Communists convinced he likely be so prevented, believe we can expect serious civil disorders throughout country. While military could undoubtedly restore order, barring serious defections in military to Goulart cause, many heads and windows likely be broken in process. In short present lull may prove to be merely calm before the storm.

BOND

MLJ

Note: Passed CINCARIB 8/28/61, JNA.

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Control: 20540
Rec'd August 28, 1961
1961 AUG 28 PM 4 07
1:54 p.m.

ACTION: ARA
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FROM: Rio de Janeiro

TO: Secretary of State

NO: 516, August 28, 1 p.m.

NIACT

ACTION DEPARTMENT 516, INFORMATION BUENOS AIRES PRIORITY 29.

DEPARTMENT PASS CINCARIB.

Re EMBTEL 503 repeated Buenos Aires 26.

After flurry of activity during night August 26-27 reported reference telegram, situation (in Rio and Brasilia and apparently other major cities as well) has settled down to one of watchful waiting, characterized by outward calm but underlying tension and anxiety. Few scattered attempts to subvert public order have been handled firmly and effectively by military. Rumors continue rife and certain proportion reports even from generally reliable sources continue be proven false by events. (For example although Marshall Lott's arrest confirmed, arrest of former Air Minister does not appear to have taken place as reported reference telegram.) There is no doubt however that widespread arrests of Communists and suspected Communists have taken place although number of principal party leaders (including Prestes) have escaped arrest by going underground. It also clear that, despite conflicting reports re actual individuals involved, considerable number of pro-Goulart and pro-Lott officers have been taken into custody. State of siege not yet declared but Congress prepared do so when and if situation demands.

3

Embassy has been unable verify report contained EMBTEL 509 /and

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

Rio 516

732.00/8-2861

XR 732.11

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INCOMING TELEGRAM *Department of State* 732.00/8-2761
XR 732.56

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Control: 20498
Rec'd: August 28, 1961
12:49 p.m.

FROM: Rio de Janeiro

TO: Secretary of State

NO: 271610Z August

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NIACT

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ACTION CNO, HQ USAF, DEPTAR, INFORMATION DEPARTMENT STATE, 1127 FAG, HQ MATS, 1208 ATW CHARLESTON AFB, CINCLANT, CINCLANTFLT, COMSOLANT, CHNAVMIS BRAZIL, CINCARIB, CGUSARCARIB, CAIRC, COMTEN, COMFIFTEEN.

FROM ATTACHES AMERICAN EMBASSY BRAZIL

USAF FOR AFCIN. DEPTAR FOR ACSI.

THIS IS A JOINT ARMY NAVY AIR FORCE MESSAGE.

This message in 2 parts.

Part 1: Request immediate assistance in securing 100 hand tear gas bombs by first available MATS airlift preferably on aircraft departing Charleston 28 August. US Embassy has requested through normal channels. Delivery date not known.

Part 2: Request cancellation of all TDY and leave travel by military to or through Brazil. Charge d'Affaires concurs this message.

SCP 3.

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Control: 20106

Rec'd: August 27, 1961
9:58 p.m.

1961 AUG 28 AM 5 54

ACTION: _____
INFO: _____
RM/R FILES _____

File, no action. EST/B: J.W. Wilson - lues. 9-28-61

Rio 510

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FROM: Rio de Janeiro

TO: Secretary of State

NO: 510, August 27, 9 p.m.

PRIORITY

ACTION PARIS PRIORITY 6; INFORMATION DEPARTMENT 510.

We understand Vice President Goulart now in Paris and will be met there by Brazilian Congressional DEL which was to have left Brazil today for purpose working out with him solution present political crisis. Also understand former President Kubitschek leaving for Paris tomorrow to try persuade Goulart resign. In view crucial importance Goulart's role in present crisis we would be most grateful for any information Embassy may be able obtain re activities or statements of Goulart in Paris and in particular re his talks with above-mentioned emissaries.

K wants run again?

BOND

AAL

Note: Mr. Hemba (EST) notified 11:10 pm; Advance copy to SO 8/27/61 CWO-M

732.00/8-2761 XR 732.12

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0116

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-2- 509, August 27, 9 p.m. From Rio de Janeiro

Ironical feature of this situation is that foregoing proposal represents in essence what understood to have been position of Marshal Lott, who now held under arrest at Lages fortress in Rio harbor.

BOND

FH

Note: Passed OSD, Army, Navy, Air, CINCARIB 8/27/61, 10:45 p.m.

Mr. Hemba (EST) notified 10:50 pm;
Advance copy to SO 8/27/61 CWO-M

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Control: 20099
Rec'd: August 27, 1961
9:21 p.m.
1961 AUG 28 AM 5 54
ACTION:
INFO:
RM/R FILES

Rio 509

FROM: Rio de Janeiro

TO: Secretary of State

NO: 509, August 27, 9 p.m.

File. No action.
EST/B: J.W. Wilson. Ins.
9-28-61.

NIACT

ACTION DEPARTMENT 509; INFORMATION BUENOS AIRES PRIORITY 28

DEPARTMENT PASS CINCARIB

Re EMBTEL 503 repeated Buenos Aires 26.

While Embassy has been unable obtain conclusive confirmation, War Minister Denys reported independently by 2 well-placed sources to have agreed permit Goulart assume Presidency subject his acceptance following conditions:

(1) Cabinet to be submitted military for prior approval;

(2) Goulart to sever all ties with Communists.

This formula reportedly submitted Goulart forces and will presumably be conveyed to Goulart himself by Congressional delegation which was to have left Brazil today to meet Vice President in Paris.

If this report true it may reflect concern on Denys part over conspicious lack of public and press support for his efforts contravene Goulart's constitutional right succeed to Presidency, and pressures undoubtedly being brought to bear on him from all parts of country to preserve integrity of constitution even at cost of accepting President who anathema to virtually everyone but extreme left and ultra-nationalists.

732.00/8-2761

XR 732.11

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Ironical

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0114

certain that my comrades of armed forces will know how comfort themselves at high level of legalistic traditions which mark their history in country's destiny.

UNQUOTE

BOND

AAL

Note: Mr. Hemba (EST) notified 11:10 pm. Advance copy to SO 8/27/61 CWO-M

32

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Control: 20097

Rec'd: August 27, 1961

1961 AUG 28 AM 5 54

6:14 p.m.

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FROM: Rio de Janeiro

TO: Secretary of State

NO: 507, August 27, 6 p.m.

ACTION:
INFO:
RM/R FILES

File. No action.
EST/B: J W Wilson - lwes.
9-28-61.

Rio 507

732.00/8-2761

XR 732.11

PRIORITY

ACTION DEPARTMENT 507; INFORMATION BUENOS AIRES 27.

Marshal Lott yesterday issued following proclamation which one Rio paper carried today despite efforts by authorities prevent publication:

QUOTE

I learned today of decision Minister War Denys manifested to REP Rio Grande Do Sul Government Deputy Rui Ramos in Planalto Palace Brasilia not permit present President Republic Joao Goulart enter in exercise his functions and even detain him moment reaches national territory.

I sought by telephone dissuade that eminent colleague not practice such violence (but) without result.

Although removed from military activities I maintain obligation of honor to my class, my country and its institutions, wherefor I feel I have unavoidable duty manifest repudiation of abnormal and arbitrary solution which it is sought impose upon nation.

Within this orientation, I exhort all country's active forces, forces of production and thought, students and intellectuals, workers and people in general, take decisive and energetic position for respect constitution, for full preservation democratic Brazilian regime, certain

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JAN 3 - 1962

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Control: 20096

Rec'd: August 27, 1961
8:14 p.m.

ACTION:
INFO:
RM/R FILES

Rio 506

file no action
ARA:EST/B
JW Wilson (mb)
8-29-61

FROM: Rio de Janeiro

TO: Secretary of State

NO: 506, August 27, 6 p.m.

PRIORITY

In view increasing seriousness situation in Brazil and possibility widespread disorders if not actual civil hostilities, urge Department endeavor discourage unessential travel US citizens to Brazil until further notice.

BOND

AAL

732.00/8-2761

SCS civil handle informally if receives inquiries

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JAN 3 - 1962

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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 #: 21

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BOX: 1576

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Folder Title: 732.00/8-2761 TS

Document Date: 27/08/61

Document Ser.#:

TEL 113 FR SAO PAULO TO SECSTATE

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X Security-Classified Information

NND: 949515

WITHDRAWN: 02/24/95 by: JAS

FOIA RETRIEVAL #: 949515 01576 00021

CONFIDENTIAL

-2- 512, August 27, 10 p.m., from Rio de Janeiro

against "Brazilian Nationals." However, no evidence this yet in wind and at moment all is peaceful".

BOND

CJ/1

CONFIDENTIAL

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INCOMING TELEGRAM *Department of State* ACTION COPY

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Control: 20117

Rec'd: August 28, 1961

11:32 P.M.

1961 AUG 28 PM 9 40

ACTION: ~~SSMB~~

INFO:

RM/R FILES

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RMR

FROM: Rio de Janeiro

TO: Secretary of State

NO: 512, August 27, 10 p.m.

PRIORITY 732.00

File. No action: E87/B: J W Wilson - lms. 9-28-61

FOLLOWING REPEATED YOU:

81 from Recife, August 27, 5 p.m. signed Rabida.

"Rio pass Department

Local situation quiet calm, no sign any tension, rather considerable relief Quadros out. One front page editorial ascribed resignation entirely to "emotional instability causing no surprise to those who know him well".

While Governor during early stage of uncertainty sent telegram federal legislature asking refuse resignation, plus state legislature, representatives judiciary and other basic groups since have indicated support of and sympathy for military position. Leftist Vice Governor and mayor have been itching capitalize on situation but thus far have been effectively restrained from inflammatory tactics. Mayor today dedicated new schools here. Communists reportedly have been warned by military to keep quiet. Schools and banks closed tomorrow.

Comments: Despite warnings, Communist groups may be expected try provoke unrest, and extent to which they may succeed will depend upon evolving situation. Some form anti-American demonstration would not be surprising with efforts blame US with allegations meddling and with effort force military defend US interests thus smearing military with defense Americans against

Rio de Janeiro - 512

732.00/8-2761

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0108

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

RG: 059 TAB #: 20

ENTRY: CDF60-63 1 / 3 / C /
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BOX: 1576

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Folder Title: 732.00/8-2761

Document Date: 27/08/61

Document Ser.#:

TEL 271127Z FR DA TO SECSTATE

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NND: 949515 WITHDRAWN: 02/24/95 by: JAS

FOIA RETRIEVAL #: 949515 01576 00020

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CONFIDENTIAL

-2- 503, August 27, 4 p.m., from Rio de Janeiro

today, continuing efforts find compromise solution. UDN, PSD and Conservative wing PTB (under leadership San Tiago Dantas) believe they can rally two-thirds vote of both Houses required amend constitution to provide for election new president by Congress. In order make such transition possible they hopeful of persuading Goulart remain out of country until after 30 days from date of President's resignation, at which time post of Vice President would automatically become vacant.

Efforts of Chamber in this direction have so far been seriously impeded by obstructive facts of acting President Sergio Magalhaes who in addition being Goulart supporter is under strong communist influence. Latest word from Brasilia is that Magalhaes has been persuaded resign and is expected do so this afternoon. In this event would be replaced by Clelio Lemos (PSD).

Candidates principally mentioned in event election by Congress are in addition Denys, Mazilli, Juracy Magalhaes and Carvalho Pinto.

Despite obvious rift in military leadership as between Denys and Lott camps, sources close to Denys continue assure us situation within military well under control and that loyalty all three services to Denys beyond question.

In addition foregoing developments, spate of sensational rumors, many obviously launched by communists, have contributed to uneasiness which underlies outward calm prevailing Rio and reportedly other cities as well. This uneasiness aggravated also by threat of general strikes in number of major cities.

BOND

AAL

Note: Mr. Bowdler (ARA) and SCA D.O. notified 7:25 pm; Advance copy
Passed CINCARIB, 8/27/61, DPB. to SO 8/27/61
Passed OSD, ARMY, NAVY AIR CWO-M

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Control: 20086

Rec'd: August 27, 1961
4:48 p.m.

FROM: Rio de Janeiro

TO: Secretary of State

NO: 503, August 27, 4 p.m.

File. No action
E87/13: J.W. Wilson - lms.
9-28-61

NIACT

ACTION DEPARTMENT 503; INFORMATION BUENOS AIRES PRIORITY 26.

DEPARTMENT PASS CINCARIB

Re EMBTEL 488 repeated Buenos Aires 24.

Following are principal developments past 12 hours in highly confused, rapidly moving and increasingly dangerous situation.

(1) Marshal Lott, former Air Minister de Mello and at least four other pro-Goulart Generals placed under arrest early this morning on orders War Minister Denys.

(2) Rio Grande Do Sul Governor Brizola already proclaiming brother-in-law Goulart president and has announced will resist anti-Goulart coup with force.

(3) Aircraft carrier MINAS GERAIS together with cruiser and destroyer left Rio this morning loaded with Marines under orders sail south but remain at sea pending further orders. Three troop transports also now loading in Rio harbor.

(4) Congress planning vote nation-wide state of siege, probably today.

Meanwhile Congress, which called back into session 4 A.M. today,/

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Rio de Janeiro-503.

732.00/8-2761

FILED DEC 4 - 1961

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0105

GER:JKHolloway

(Drafting Office and Officer)

SECRET

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Number 1 of 4 copies, Series A

(133)

DEPARTMENT OF STATE 732.00/8-2661

Approved in S
9/9/61

Memorandum of Conversation

13763

DATE: August 26, 1961

SUBJECT: Quadros' Resignation

	U.S.	France	Germany
PARTICIPANTS:	The Secretary Secretary McNamara Mr. Nitze - Defense Mr. Bohlen - S/B Mr. Kohler - EUR Mr. Bundy - White House Mr. Kearney - L Mr. Hillenbrand - GER Mr. Holloway - GER	Ambassador Alphand M. Winckler, Counselor M. Pelen, Counselor M. Froment-Meurice Gen. Ezanno U.K. Ambassador Caccia Lord Hood, Counselor Air Chief Marshal Mills Mr. Thomson, First Secretary	Ambassador Grewe Mr. Krapp, Minister Mr. Schnippenkoetter, Counselor Dr. Sahm German Foreign Ministry General Steinhoff

September 14, 1961

(For distribution See Below)

732.00/8-2661

The Secretary said we had been aware that Quadros was in difficulty, particularly because of his actions in the field of foreign affairs, but we had not expected his resignation and we had no hand in it. In fact, we had had high hopes that Quadros would be able to do much for Brazil, as he had done for Sao Paulo. Our present information is limited and we would appreciate any information which the Ambassadors might have. Ambassador Alphand asked as to the provisions of the Brazilian Constitution. The Secretary said that ordinarily the Vice President would succeed but that there was some confusion about this as the Vice President was, at this moment, out of the country.

COPIES TO: S/S - 2 cc S/B - 4 ARA - 8
G - 1 L - 5 EST - 9
S/P - 2 EUR - 6 The White House-Mr. Bundy - 10
INR/D - 3 GER - 7 OSD - 11 OSD/ISA - 12

(15)

13, 14, 15

September 14, 1961

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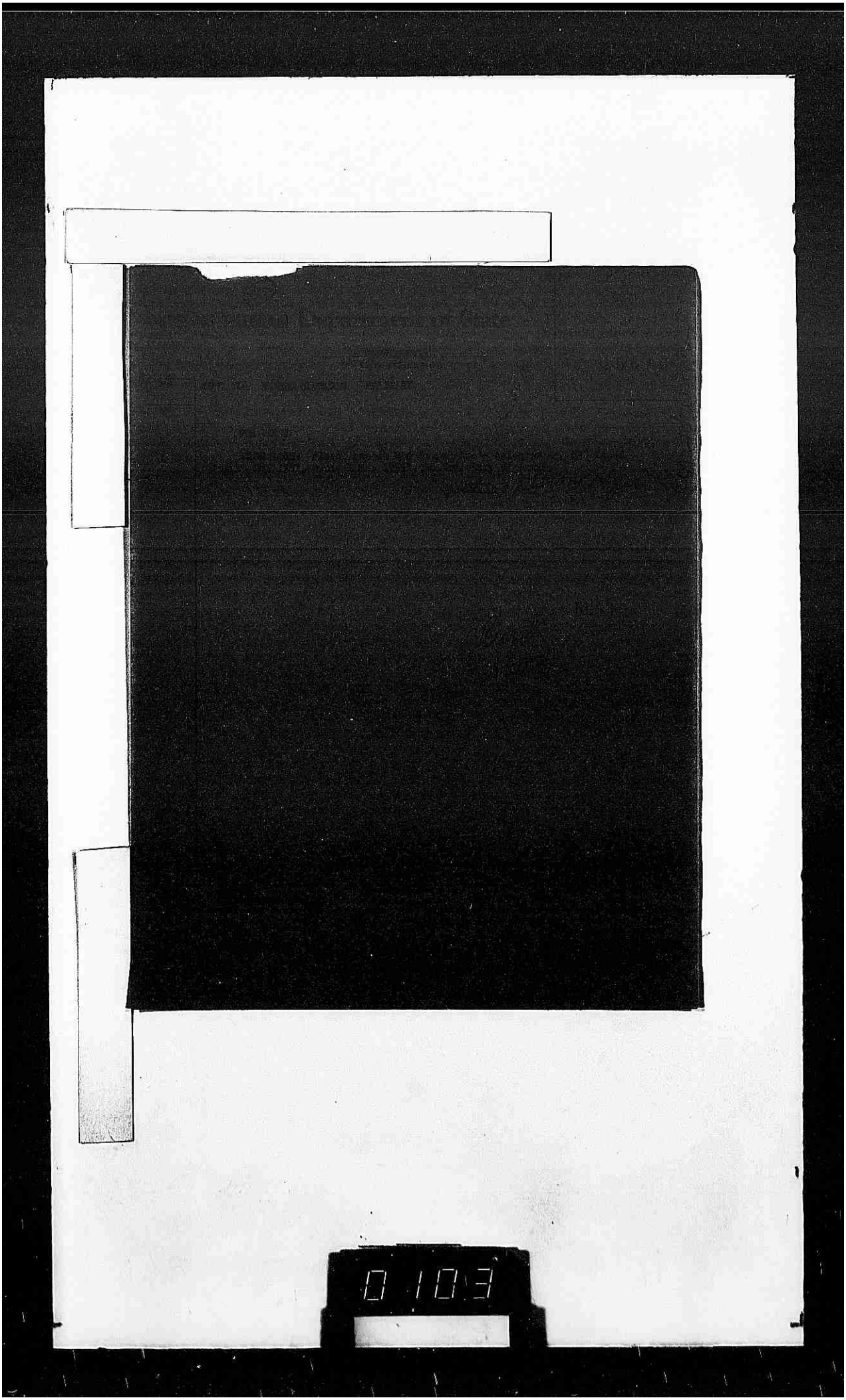
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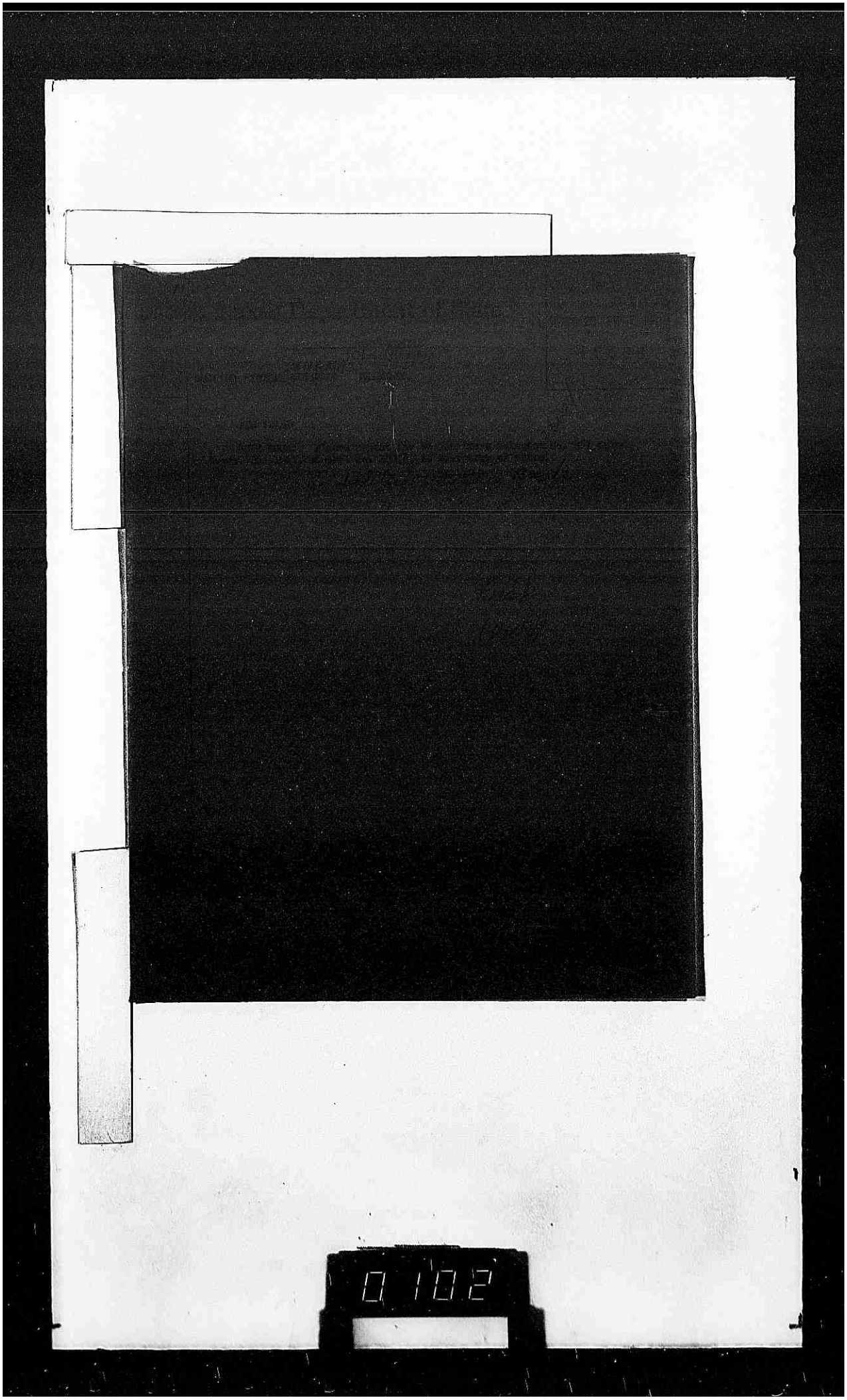
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RMR

CONFIDENTIAL

NUMBERED

Control: 19951

Rec'd: August 26, 1961

9:45 p.m.

ACTION: EST/B

INFO:

RM/R FILES

Rio 490

732.00

IR 732.11

FROM: Rio de Janeiro

TO: Secretary of State

NO: 490, August 26, 9 p.m.

Two tels to POLAD CINCARIB drafted by EST/B:JWWilson:lms 8/28/61.

Tele. EST/B-JWWilson-9-28-61

PRIORITY

Department requested pass Embassy telegrams 478 and 487 to CINCARIB.

BOND

HC

Done 8/28/61

732.00/8-2661 XR 732.11

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1961 AUG 31 PM 2 12

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732.00/8-2661

INFO: NR 632.00

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INR-10

FROM: Amembassy RIO DE JANEIRO

TO: Secretary of State

NO: A-80

Army MAI NSA-4
NAVY-4
AIR-2
OSD-20

File no action
ARA:EST/B
gw wilson
9-5-61 (mb)

Foreign Minister Arinos August 22 expounded at length GOB foreign policy to well-attended gathering sponsored National Law School. According incomplete press accounts, Arinos first made distinction between foreign policy based on "experience" (which he approved) and that based on "partisan positions" (which he did not), then: (1) stated that the "continental phase" of Brazil's foreign policy was "outmoded" and therefore, though Brazil's ties with the Latin Americans were still "solid", Brazil feels that hemispheric objectives can be best achieved in the "international arena" of the battle against hunger and poverty; (2) made all out appeal for "taking advantage of the contradictions of international life" in order benefit our country; (3) called for policy of "fighting for peace and re-establishing primacy of negotiation and conciliation"; (4) said world now divided into two blocs but that "this situation can be overcome"; (5) alleged North-South division of world between "have" and "have nots" more important than East-West division; (6) called upon the underdeveloped countries to join forces to convince the "countries [who are] masters of war" that, "though we are weak for war, we are strong for peace"; (7) denounced those who make "traitorous and unjust" criticism of Brazil's foreign policy.

732.00/8-2661

Embassy unable so far procure full text Arinos hour-long remarks. Basis newspaper accounts, however, his speech obviously directed at Lacerda's recent attacks on Quadros foreign policy (Embtels 411, 423, 433) and, as such, represent one of his more lucid expositions of the Brazilian "independence and peace" line--which, as indicated above, is frequently indistinguishable in practice from the neutralism of the so-called non-aligned powers.

BOND

FOL:RAQuinn:gw
8-24-61

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-2- 489, August 26, 9 p.m. from Rio de Janeiro

All Rio papers give last night's street violence prominent picture play while editorially decrying "excesses".

BOND

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INCOMING TELEGRAM *Department of State*

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Control: 19952

Rec'd: August 26, 1961 9:43 p.m.

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INFO:

RM/R FILES

FROM: Rio de Janeiro

TO: Secretary of State

NO: 489, August 26, 9 p.m.

File ho action E 8/18 J Wilson Lms. 9-28-61

732.00 732.11

ACTION DEPARTMENT 489, INFORMATION BUENOS AIRES 25, CINCARIB UNNUMBERED.

Quadros resignation completely dominates Brazilian press and public opinion today. Appears be generally accepted opinion (reflected both press news play and popular discussion) Goulart will soon return and assume presidency, that, though present hour grave, Brazilian genius for political compromise will again produce peaceful legal solution.

Editorial reaction ranges from black despair of violently pro-Quadros CORREIO MANHA ("so desolate is this hour...") to undisguised joy of Quadros-hating DIARIO CARIOCA ("a happy event...country has repelled the usurper"). With exception pro-Quadros DIARIO NOTICIAS, all papers explicitly or implicitly rule out Quadros return to power as solution crisis. Leftist, pro-PUB ULTIMA HORA and sometime pro-Quadros JORNAL BRASIL support Goulart's assumption Presidency as only answer and DIARIO NOTICIAS calls Goulart best solution failing Quadros return. Other hand, conservative press (which generally hostile Goulart) almost universally takes refuge in generalized expressions support for "legality" and "constitutional processes" while pointedly noting armed forces have power decision. Same segment press generally censures Quadros for precipitate action, while condemning resignation statement as "emotional" and "vague". Several commentators draw parallel between yesterday's events and those of August 1954 and almost all, including generally rabble-rousing ULTIMA HORA, urge populace remain calm.

All Rio

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Control: 19877
Rec'd: August 26, 1961
5:51 p.m.

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ACTION: ESTB
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RM/R FILES

File, no action.
ESTB: J W Wilson - lms
9-28-61.

Rio de Janeiro - 488 732.00/8-2661

FROM: Rio de Janeiro

TO: Secretary of State

NO: 488, August 26, 6 p.m.

NIACT

ACTION DEPARTMENT 488; INFORMATION BUENOS AIRES PRIORITY 24.

DEPARTMENT PASS CINCARIB

Re EMBTEL 487 repeated Buenos Aires 23.

Confronted by apparently insoluble divergence between Denys and LOTT groups re handling Goulart, faced with possibility civil strife, military leaders Brasilia have reportedly appealed to Congress to find legal solution to impasse. Effort obtain PTB support of appeal to Goulart either to resign or stay out country failed by only two votes. Deliberations now going on in and around Congress apparently envisage possible constitutional changes designed legalize retention Mazzilli in presidency or election new president (possibly Marshal Denys) by Congress instead of people. Meanwhile PTB Deputy Doutel de Andrade taking first available flight Paris in effort intercept Goulart and persuade him postpone return. Latest information indicates Goulart further delayed and due London only tomorrow afternoon.

BOND

FILED
DEC 4 - 1961

AL

Note: Passed CINCARIB, 8/26/61, 8:00 P.M., DPB.
Mr. Crane (ARA) notified 8:30 pm. Advance copies to SS and SO. Relayed to the White House 8-26-61. CWO-M.

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Unannounced by EMB

0097

CONFIDENTIAL

-2- 55, August 26, 8 P.M. from Recife

hands Communists alleging American complicity resignation. Accordingly unless Consul is advised otherwise will assume Embassy and Department taking action cancel visit and that Embassy and Department will inform commanding officers. Ships will be tomorrow on listening watch 500 kilocycles. Please confirm cancellation earliest.

RABIDA

LSA

NOTE: Passed OSD, Army, Navy, Air 8/27/61
OPNAV Duty Commander alerted 2 a.m., 8/27/CWO-JRL

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Control: 19999
Rec'd: August 27, 1961
12:28 A.M.

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File: no action.
EST/B: J W Wilson - Lus.
9-28-61.

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FROM: Recife

TO: Secretary of State

NO: 55, August 26, 8 P.M.

NIACT

ACTION DEPARTMENT 55, RIO DE JANEIRO 80

Consulate telegram to Department 53, Rio 77, August 25 was drafted by Walters during my absence visiting Maceio. Situation there quiet and normal.

Upon returning earliest opportunity today find situation here at Recife not really tense at present rather one of relative calm with no indication likely storm.

Military well aware Communist groups ready exploit situation and prepared act to maintain law and order. Military watching situation carefully and controlling effectively with limitations against public meetings and censorship radio press against inflammatory statements. Leftist mayor last night tried issue call mass meetings but this frustrated by military clampdown on radio.

Public appears not particularly concerned and while surprised by resignation which initially caused some shock most groups adopting wait see attitude. Communist students may be expected try organize anti-American demonstrations but nothing serious anticipated basis current outlook as qualified below.

ACTION

In order avoid any provocation spark Communist propaganda or action, prudence appears require cancellation naval visit scheduled 29th vessels SPIEGEL GROVE and YORK COUNTY as appearance ships and sailors this particular time could play into /hands

732.00/8-2661 TS

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CONFIDENTIAL

-2- 112, August 26, 3 p.m. from Sao Paulo

As for position Carvalho Pinto, Gouvea said Governor had full faith in Armed Forces and repeated this several times. Informed me Golart in London this morning and would reach Brazil 8 o'clock tomorrow morning. He noted that Goulart under constitution would assume presidency for remainder presidential term. Said [illegible] did not know thinking military on this but felt they would be in favor of following constitutional procedures. (CAS has report from Police Secret Service that military will permit Goulart take over presidency, though no mention on what terms).

He had no thoughts on course future events Brazil, saying forces for balance and stability were military and church, that too early foresee what Janio might do or reaction Armed Forces thereto.

He seemed much disappointed at Janio's resignation.

COCHRAN

MEM

Note: Advance copy to ARA, SO, SS 8/27/12:50 p.m. IWH

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0094

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Control: 20066
Rec'd: August 27, 1961
10:51 a.m.

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FROM: Sao Paulo

TO: Secretary of State

NO: 112, August 26, 3 p.m.

NIACT

ACTION DEPARTMENT 112, REPEATED INFORMATION RIO DE JANEIRO NIACT 32

Just had talk with Portugal Gouvea, Chief Cabinet and Alteego Governor Carval Pinto. He stated Janio spent night Cumbica Air Force Base and presumably still there, although would naturally leave eventually. Governor saw him last night and learned of no reason Janio's resignation other than those given in press this morning (1) Lacerdas criticisms and (2) fact Marshal Denys yesterday in order of day for holiday spelled out meaning autodetermination as involving periodic free elections.

(Comment: Gather Janio interpreted this to mean Armed Forces not in agreement his policies in Cuba).

Gouvea rejected Janio resignation another Janio move to force his recall to power by people; said Janio considered his resignation final. Added that had already been formalized by Legislative Assembly taking notice of his act, and by assumption office by Mazzili.

He several times expressed inability understand reasons Janio's action, for which he (and Governor, I gathered) considered there inadequate justification, since there was opposition, and differences with legislative, in any government. In reply question he said he knew no basis for Janio's reference to pressures on him from abroad.

732.00/8-2661 TS

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0093

CONFIDENTIAL

-2- 487, August 26, 6 p.m. From Rio de Janeiro

military leadership which support him should choose to side with Goulart, civil war would be real possibility. Should Goulart be blocked from Presidency, with or without support Lott group, Communists (with constitution on their side) could be expected launch widespread disturbances designed intimidate military into either making good on Goulart succession or calling Janio Quadros back "to save country".

In latter connection Embassy by no means discounts possibility Quadros resignation was characteristically Byzantine tactic whose end product he envisaged as his triumphant return to office, on his own terms, to bring order out of chaos he knew was likely to follow his dramatic exit.

Number of responsible Brazilians with whom Embassy has been in contact during past 24 hours, most of whom have nothing but contempt for Goulart, have expressed hope he will be allowed assume office in orderly manner, in confidence he can be controlled by military and, through military, by other conservative elements. This they seem to feel would be best guarantee against return of either Quadros or Kubitschek (whose return would appear be real possibility in event new elections) both of whom they fear would be too strong to control and could ruin country, each in his own way.

BOND

FH

Mr. Crane (ARA) notified 8:30 pm. Advance copies to SS and SO. Relayed to the White House 8-26-61. CWO-M.

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Control: 19876

Rec'd: August 26, 1961
5:57 p.m.

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ACTION: EST/B

INFO:

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File. No action.
EST/B: J W Wilson - lms
9-28-61

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FROM: Rio de Janeiro

TO: Secretary of State

NO: 487, August 26, 6 p.m.

NIACT

ACTION DEPARTMENT 487; INFORMATION BUENOS AIRES PRIORITY 23

Re EMBTEL 478 repeated Buenos Aires 22.

Although constitution does not specifically cover present situation in which President of Chamber has assumed Presidency of Republic upon resignation of President and in absence of Vice President, clear consensus has emerged that if Goulart returns Brazil he will be entitled succeed to Presidency for remainder Quadros term. This has presented serious problem for military leadership, predominant element of which headed by War Minister Denys, strongly against allowing Goulart become President. Opposing this point of view has been minority group of generals under Marshal Lott who favor allowing Goulart take over Presidency in accordance normal constitutional procedures. This group, who may well be motivated more by devotion to constitution than by love for Goulart, have apparently envisaged situation in which Goulart, although President, would in effect be prisoner of and controlled by military leadership. Denys evidently unwilling take this risk and has expressed view Goulart would be another Fidel Castro.

Latest information from Brasilia indicates Denys point of view has prevailed but that Lott and his supporters disposed continue fight for Goulart succession. If foregoing information accurate, strategy of Denys' group would presumably be to request Vice President's resignation upon arrival and to take more forceful action to remove him from political scene should not accede. In latter case, and if Lott and elements of

Rio de Janeiro. 487 732.00/8-2661

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Control: 19713
Rec'd: AUGUST 26, 1961 AM 9 1
8:03 AM

FROM: RIO DE JANEIRO

File location: ACTION: EST/B: JWilson INFO:
Lms. 9-25-61 RM/R FILES

TO: Secretary of State

NO: UNNUMBERED, AUGUST 26.

732.00/8-2661

ACTION CNO,STATE DEPARTMENT, ARMY, AIR FORCE, COMFIFTEEN, COMTEN, COMSOLANT, CG USARCARIB, CAIRC, CINCARIB.

THIS IS JOINT STATE ARMY NAVY AIR FORCE MESSAGE

SCATTERED RIOTING NOW EXISTS IN RIO DE JANEIRO. RADIO REPORTS MOB DEMONSTRATIONS BROKEN UP BY MILITARY POLICE IN FRONT OF O GLOBO AND TRIBUNA DE IMPRENSA. 2 PROMINENT RADIO NEWSPAPERS. AT ØØØ1Z A MOB OF UPWARDS 5ØØ PEOPLE ATTEMPTED ATTACK US EMBASSY. RIOTERS THREW EXPLOSIVES AND ROCKS BREAKING 15 WINDOWS. DISPERSED BY LOCAL MILITARY POLICE. SPORADIC EXPLOSIONS WERE HEARD IN DOWNTOWN RIO FROM EMBASSY BUILDING. ARMY ASKED UNOFFICIALLY IN NAME OF CHARGE D' AFFAIRES TO PROVIDE SECURITY FOR AMERICAN EMBASSY. BRAZILIAN ARMY, AIR FORCE, NAVY HAS BEEN ALERTED AND STANDING BY FOR APPROPRIATE ACTION. ACCORDING TO RADIO BROADCASTS AT 252ØØ LOCAL JANIO QUADROS IS CONFINED TO PLANE AT CUMBICA AIR FORCE BASE SAO PAULO. HE DID NOT MAKE BROADCAST TO BRAZILIAN PEOPLE AS SCHEDULED 193Ø LOCAL THIS DATE.

MESSAGE UNSIGNED

AB

Note: Mr. Wilson (ARA) informed 2:10pm 8/26/FMH

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CONFIDENTIAL

-2- 478, August 26, 2 A.M. from Rio de Janeiro

Dantas, Permanent UN Representative).

Principal element uncertainty present situation revolves around position Vice President Goulart who expected arrive Brazil within next few hours. While earlier information had indicated Goulart, who anathema to military and other conservative elements presumably now in power, might not be allowed assume presidency, latest information from Brasilia indicates he may in fact be permitted replace Mazzilli in presidency upon arrival to serve 60-day period prior new elections.

News broadcasts report governors Espirito Santo, Sao Paulo, Minas Gerais, Goias, Piaui, Parana (all present Sao Paulo to attend academic meeting) have telegraphed president's chamber and senate urging they not accept Quadros resignation. Quadros meanwhile reported confined by military to military airport Sao Paulo.

While Quadros message to congress re resignation (Embassy telegram 476) has been widely broadcast, his "Message to Brazilian People", which according early reports he recorded before departure Brasilia and which was to have been broadcast tonight government radio program Voz do Brasil, was not broadcast, presumably because new government in control.

Military on nationwide alert. Scattered acts of violence by mobs of up to 500 persons have erupted in Rio during night, main targets being Embassy (15 windows broken by rocks) and newspaper offices O GLOBO and TRIBUNA DA IMPRENSA. Mobs dispersed by military police using tear gas and hand grenades and situation apparently quiet as of midnight.

BOND

LSA

Note: Relayed OSD, A, N, A, 5:15 a.m., 8/26/CWO-JRL

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Rec'd: August 26, 1961
3:28 A.M.

ACTION:
INFO:
RM/R FILES

FROM: Rio de Janeiro

TO: Secretary of State

NO: 478, August 26, 2 A.M.

File no action
EST/B: J W Wilson-lwr
9-28-61

Rio de Janeiro 478

732.00/8-2661

NIACT

ACTION DEPARTMENT 478; INFORMATION BUENOS AIRES PRIORITY 22

Circumstances surrounding resignation Janio Quadros still far from clear. According official version released by press secretary, President informed chiefs military-civil households early morning August 25, and later his military minister, his decision resign, stating he would not "exercise presidency with authority damaged (alcancada) before world, nor remain in government injured in confidence, respect, dignity indispensable to president" and listening in silence when military ministers appealed to him not resign. Information obtained indirectly from military source confirms military ministers did not wish him resign but adds their presentation to him of list conditions they considered essential maintenance public institutional security provoked his action.

Announcement intention resign came less than twelve hours after circumstantial allegations by Governor Lacerda on Rio TV Minister Justice Pedroso Horta had solicited his support for scheme strengthen Quadros powers by emasculating legislature. These allegations, of whose validity there are various indications, had heavy repercussions in congressional and other political sectors and undoubtedly contributed weaken Quadros position.

Since swearing-in late afternoon August 24 Mazzilli has appointed new mayor Brasilia and chief military household and has reportedly been accepting resignations cabinet ministers and other presidential appointees (including Santiago /Dantas

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law." Arinos called Jagan "an interesting figure of a leader" and pooh-poohed the idea of territorial ambitions on Jagan's part.

(7) President Quadros visit to the US and Latin American Countries: Quadros plans to visit the US and all the South American countries and Mexico in one fell swoop. He will travel by military aircraft and be accompanied by a small party.

(8) Neutralism: Brazil "sympathizes" with the work of the neutralist countries but does not "possess either the external or internal conditions" for adopting neutralism.

BOND

POL:HWQuinn:ss Aug 25/61 RShields

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INCOMING AIRGRAM **Department of State**

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Action ARA-13 Info RMR-1 INR-10 EUR-15 CIA-15 USIA-15 ID-1

FROM: RIO DE JANEIRO

TO: Secretary of State

NO: A-86

Date Sent: August 26, 1961

Rec'd: AUG 31 11 10 AM '61

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File notation ARA: Est 13 9 w attch 9-5-61 (mb)

Following highlights (not otherwise reported) August 23 press conference Foreign Minister Arinos:

(1) Cuban "Refugees" in Brazilian Embassy: Quadros has in fact written to Castro requesting safe conduct for the 121 Cuban "refugees" presently in the Embassy. (Arinos made point they are "refugees" rather than political "asylees"). Contrary to press reports, however, despatch of a new Brazilian Ambassador to Cuba has not been made conditional upon solution of the "refugee problem" (though he then said that he himself thought that Embassy was unfit for ambassadorial residence because it was over-run by the Cuban "refugees").

(2) Further Brazilian appeals to Castro: President Quadros has appealed verbally to Cuba re the freedom of religion--his appeal getting an "excellent reception." He has also requested clemency for the 44 students reportedly about to be shot by Castro.

(3) Cuba-U.S. Relations: Professed to see a "shift" in the position of Cuba which might facilitate rapprochement between Cuba and the U.S. Denied Brazilian efforts at mediation but stated Brazil involved, together with Ecuador, Mexico, Argentina, Chile and Uruguay, in an effort to resolve the present impasse.

(4) Berlin: Brazil in favor of: "self-determination in principle" but in practice, feels this "political doctrine" must give precedence to the necessity for a "peaceful solution."

(5) Re-activation of diplomatic relations with the USSR: The secret negotiations are still going on.

(6) British Guiana: The question of its independence within two years is an "internal matter" to be decided by the British Community. "Brazil supports the principle of self-determination

This [illegible] RM/R [illegible]

732.00/8-2661

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-2- 107, August 25, 11 p.m., from Sao Paulo

difficulties. Present indications here are that country more apt move right than left.

COCHRAN

JAA:LM

Note: Passed OSD, ARMY, NAVY, AIR 8/26/61, JAA

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Control: 19597

Rec'd: August 26, 1961
3:48 a.m.

File. No action.
EST/B: JWWelsen-
lues. 9-28-61

ACTION:
INFO:
RM/R FILES

FROM: Sao Paulo

TO: Secretary of State

NO: 107, August 25, 11 p.m.

NIACT

ACTION DEPARTMENT 107; INFORMATION RIO DE JANEIRO NIACT 31

Situation here apparently quiet, center of city and traffic normal.

Reactions Brazilians to events of day vary. Some ashamed of Janio's resignation, feel he has let them and country down both in fact and in eyes world. One small group tends carry it all gaily, insisting Janio will return to Presidency though cannot say where his support will come from, others point out this improbable as he could only return as dictator. Most are stunned and concerned about future. Feel second crisis will arise tomorrow with expected return Goulart whom they feel "imcompetent" occupy presidency, and "worse than Janio". Considerable expectation that military will take over as guardian democratic institutions, as has happened in past, rather than permit Janio assume presidency, although a few army may let him do so to preserve legalities.

Jango

Have been unable reach contacts close to Governor. Also unable determine present whereabouts Janio, though radio reports he still at Cumbica Air Force Base. Feeling here is that Janio's resignation document is acme both of egocentrism and demagoguery, considering it carefully phrased to arouse masses, with clear appeal nationalism and anti-Americanism. Appears however mass appeal likely be ineffective as masses unorganized. Political powers here thoroughly surfeited Janio's unpredictability and withdrawal in face

732.00/8-2561 TS

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Control: 19390
Rec'd: August 25, 1961
8:41 p.m.

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FROM: OUSARMA RIO-DE-JANEIRO

TO: Secretary of State

NO: 252359Z August (Army Message)

EMERGENCY

ACTION DEPTAR, INFORMATION CGUSARCARIB, CINCARIB, STATE DEPARTMENT.

ACSI PLEASE PASS TO AFCIN AND DNI.

FOR ACSI SIGNED LONNING.

Reference this message confirms RBEPLA 6/252200Z.

General Orlando Geisel appointed New Chief of Military household. Vice President Goulart expected to arrive Brasilia. ARMA and Assistant AIRA plan to depart for Brasilia tonight to cover Goulart arrival. Students demonstrating near Embassy in Rio. Military police arrived and disperced a mob of approximately 500 by the use of gas grenades and smoke bombs. Window broken in ground floor of Embassy.

DMJ

Note: Mr. Woodward (ARA), Mr. Crane (ARA), SS, INR, SCA notified 9 p.m.; advance copies to SO and USIA. 8/25/61, CWO-M.

Army Dept.

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EST/B: J Wilson-lwis
9-28-61.

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Control: 19587
Rec'd: August 25, 1961
2:51 a.m.

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File. No action.
E&T/B: JW Wilson-Lucas,
9-28-61

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NAVY

FROM: Recife

TO: Secretary of State

NO: 53, August 25

PRIORITY

ACTION RIO DE JANEIRO 77, DEPARTMENT 53

Quadros resignation shocks Recife. Now awaiting Quadros declaration as leaders believe Quadros definitely out but many professional class see bluff or return with power mandate. Fourth Army Commander declared armed forces now acting and continue act within Constitution preserve law and order. See Constitution Article 79. Sampaio noncommittal.

BMR

Situation now quietly tense awaiting next Quadros or Leftist move. Mass meeting tonight at law school and downtown attracted moderate curious crowds as party lining student leaders recently anti-Janio now proclaim general strike support Quadros and try promote U.S. complicity.

RABIDA

JEF

732.00/8-2561 TS

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Rec'd: August 25, 1961
5:50 p.m.

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FROM: Rio-de-Janeiro

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EST/B: JW Wilson-
lms. 9-28-61

ACTION:
INFO:
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TO: Secretary of State

NO: CRITIC Unnumbered, 252100Z August (Air Force Message)

ACTION NAS FORT MEADE, MARYLAND, STATE DEPARTMENT.

CRITIC

THIS IS A JOINT STATE, ARMY, NAVY, AIR FORCE MESSAGE.

Janio Quadros resigned office of President this morning. Resignation has been accepted by Congress, and Ranieri Mazilli, President of Chamber of Deputies, assumed office of President at 1715 hours local today. Quadros now in Sao Paulo preparing broadcast to Brazilian people scheduled 1930 local. More information will follow. This authenticates telephone call from Minister Bond to Hemba State Department.

DMJ

Note: Advance copies to Mr. Woodward (ARA) Mr. Crane (ARA) SS, SO, USIA and INR D.O. notified 6 p.m. 8-25-61 CWO-M

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0081

Executive Power. The Governor also declared that just as he had supported Quadros during the campaign both as a candidate himself and as president of the UDN he now continued that support as a member of the largest party backing the present administration.

On the evening of the day that the Governor dismissed the Secretary of Agriculture he spoke before a group of local lawyers once again reafirming his backing of the government's present policy. Brazil, he said, is free to conduct its policy as it sees its own self interest --- without ideological affiliation and without compromiss. He did add, however, that as Brazilian tradition had in the past led it to join the fight against dictatorships of the right so now, under a strengthened democratic regime, Brazilian public opinion would never allow the infiltration of materialistic communism which he stated has succeeded only thru evident or disguised totalitarianism. The governor is also reported to have discussed the dismissal of Abel Rafael Pinto with his other state secretaries, telling them that he himself is favorable to increased commercial relations with the Iron Curtain countries, including Russia, but that the reopening of diplomatic relations with Russia at this time is open to debate and certain restrictions.

Interestingly enough, there has been little if any local criticism of the governor's action. It is felt here that the governor had every right to dismiss a secretary who had chosen to publically disagree with a known position of the governor. (The Consulate was informed that Abel Pinto has for some time made his own position clear when speaking "off the record" to reporters). Moreover, as an old integralista, Abel Pinto could not call forth as much support as might have been the case had he been a member of another party. Finally, there have been periodic rumors starting as early as last February that Abel Pinto would shortly be returning to his seat in the Chamber of Deputies. His appointment was a surprise to begin with and many felt that it was merely a payment for support given Magalhães Pinto during the last election.

It appears that Governor Magalhães Pinto was placed in an almost impossible position by the declarations of the ex-secretary of agriculture. While those who know the man personally are inclined to believe that despite his dismissal of the Secretary, his personal beliefs may be more in agreement with Abel Pinto than his actions would lead one to believe, nevertheless he was caught between a vocal state secretary and his loyalty to the UDN. Given the current political situation where the UDN appears to need Janio more than Janio needs the UDN, given also the fact that Janio has within the past few weeks bailed out the state government to the tune of Cr$3,500,000,000, it is not surprising that the decision was made to drop Abel Pinto from the government.

===

Edward Reynolds Martin
American Vice Consul

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FROM : AMCONSUL, Belo Horizonte

NO. 2

TO : THE DEPARTMENT OF STATE, WASHINGTON.

DATE August 25, 1961

REF : ---

File. No action. EST/B: J Wilson - lwc 9-18-61

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				6	4	10	4	5		10	4					

SUBJECT: MINAS GOVERNOR DISMISSES STATE SECRETARY OF AGRICULTURE

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

The dismissal of the Minas Gerais State Secretary of Agriculture Abel Rafael Pinto on August 25, has added local flavor to the furor caused by the decoration of "Che" Guevara and the threatened resignation of Carlos Lacerda.

On his return from a meeting of PRP leaders in Brasilia, Sr. Abel Rafael Pinto called reporters together to announce the opening of a "campaign against the 'cubanization' of Brazil" which is, he said, proceeding step by step as the result of the present foreign policy of the Federal government. As an example he cited the then projected decoration of Guevara at whose "bloody hands", the secretary maintained, hundreds of Cubans had been sent to the "paredon". This new campaign is to be directed at the Armed Forces, the clergy and other democratic forces within the country in order to demonstrate to the President "that the conscience of the country has not been cloriformed."

As the result of the publication of this interview in local newspapers, the secretary was called to the governor's palace for a long conference with Governor Magalhães Pinto following which it was announced by the palace that the secretary had been dismissed. In a final letter to Abel Rafael Pinto, governor Magalhães Pinto indicated his continued support of the present policies of the Quadros government. These policies, the governor stated, were the fulfillment of the campaign promises made last year by the President to raise the prestige of the country and the authority of the

Ccs:Pol.Section-
Couns. for Cons. Affairs)-Embassy/Rio

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Rec'd: August 27, 1961

8:06 a.m.

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FROM: Sao Paulo

TO: Secretary of State

NO: 105, August 25, 4 p.m.

ACTION: ESTB

INFO:

RM/R FILES

File. to action. EST/B: J W Wilson-Lus 9-28-61.

Mr. Romano

Why so slow delivery? WHC 8/27

NIACT

ACTION DEPARTMENT 105, INFORMATION RIO DE JANEIRO NIACT 30

FLASH

Police Secret Service have report Quadros in Sao Paulo and has resigned as result Lacerda disclosures. OESTADO newspaper has same report.

COCHRAN

MEM

NOTE: Mr. Bowdler (ARA) informed 8/27/9 a.m., FMH

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Document Date: 25/08/61

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0077

___ O ESTADO DE SÃO PAULO
___ FOLHA DE SÃO PAULO
___ CORREIO PAULISTANO
___ DIÁRIO DE SÃO PAULO
___ A GAZETA
___ ULTIMA HORA
___ DIÁRIO OFICIAL

DATE AUG 2 3 1961

___ MATO GROSSO
___ O ESTADO DE MATO GROSSO

GOIAS

___ FOLHA DE GOIAS
___ O POPULAR
___ DIARIO DO OESTE
___ DIARIO DA TARDE

"Quando falo em renuncia, falo no meu direito de existir", diz Lacerda

Na segunda parte de sua palestra de ontem á noite no auditorio do Teatro de Cultura Artistica, no quadro da Semana de Unidade Nacional, o sr. Carlos Lacerda prosseguindo na analise das correntes politicas atuantes no Brasil declarou que temia não haver cumprido sua missão integralmente, levado pela força das injustiças desacalmadas que lhe traziam aquele sentimento de perigo — um pressentimento de grandeza proxima — onde ele via o sofrimento e a contradição.

Não tenho mais que dizer ao povo que acredito ainda no que acreditei", disse o governador Carlos Lacerda, porém agora o que é paz se chama guerra, e o que é guerra, paz, e se chamará ainda, o que é agressão de autodeterminação e o que é autodeterminação de provocação".

Referiu-se o sr. Carlos Lacerda, ao regime cubano, declarando que o grito de "paredon" que um provocador proferira no auditorio, é o mesmo que proferiam os nazistas quando tomaram o poder na Alemanha, analisando também as contradições do regime cubano, ao lembrar que teve oportunidade de entregar as chaves do Estado da Guanabara a um ex-ministro de Fidel, que lutara em Sierra Maestra contra a ditadura de Batista. Aquele mesmo Batista disse o governador que Blas Roca, o secretario do Partido Comunista Cubano, louvava através de artigos em jornais esquerdistas.

Cristianismo

"O que é realmente incompreensivel, é que neste País cristão, se louve um tal regime, como se a cruz fôsse feita para esconder á sua sombra aqueles que a armaram no Calvario", disse Carlos Lacerda, acrescentando mais adiante — "Será possivel que já se embotou a consciencia brasileira, e nem a verdade é capaz de despertá-la?

Abandono do Governo

Declarou o sr. Carlos Lacerda que o primeiro impeto que lhe vinha era abandonar o governo de seu Estado e percorrer o País de ponta a ponta para esclarecer a opinião publica contra aquela contradição que aponta nos designios do governo da Nação, pois o exercicio da autoridade não é pactuar, e sim lutar por paz, pão e liberdade. Se não suportar o sacrificio desse povo em cujo nome eu vim aqui falar, resta a alternativa de continuar, disse o governador da Guanabara, porém a tentação que sinto, a sedução que sofro é a de sair.

Referindo-se aos assobios dos provocadores na platéia, disse: "Essas piruetas totalitárias, já as vi brincando de matar e sibilando para matar", disse ele, e continuando: "Não me assombram nem me assustam, sobretudo me entediam e me desconsola a incapacidade do argumento". E referindo-se ao presidente, disse Carlos Lacerda: "Ele tem a rara virtude de saber ouvir, a questão é que nem sempre sabe ouvir quem deve".

Trust da estupidez

"Governador ou não, disse Lacerda, a luta que estou sustentando no Brasil e sobretudo no Estado da Guanabara, visa substituir o uso e sobretudo o "trust" da estupidez.

Quando o discurso do governador Carlos Lacerda se aproximava de seu final diminuiram as interrupções que se notaram no Inicio, porém o orador ainda interrompeu ligeiramente o seu discurso para dirigir-se aos presentes, que tentavam impedir a uma moça de se manifestar.

"Aqueles mesmos que me combatem hoje, não sabem o quanto os estou defendendo, disse ele, se as coisas continuassem como estão talvez nós nos encontrassemos para a mesma cordial discussão de hoje, na mesma cadeia. O problema da liberdade só não existe para os comunistas".

Irrecuperaveis

"Gostaria que soubessem que Jânio Quadros é ainda como presidente aquele que foi como candidato, a não ser que fôsse o traidor de si mesmo. Em sua campanha eleitoral, no Nordeste, declarou o presidente que os comunistas são irrecuperaveis para a democracia.

"Eu gostaria que eles compreendessem, acima do odio para que foram treinados, que, quando eu falo em renuncia, falo no meu proprio direito de existir — não acredito que exista entre os que me ouvem quem já não me tenha compreendido. Não posso e não devo dizer mais, pois não desejo alarmar ninguém. Acredito que tudo isso vai acabar bem, pois acredito na capacidade politica do presidente da Republica. Creio ter dito bastante e até demais".

Argumentos fracos

A uma determinada hora de seu discurso, quando recomeçavam os apartes da assistencia, disse o governador Carlos Lacerda: "Até agora eu debati com os senhores e os seus argumentos não me convenceram. E finalizou: Até agora ouvi uivos, rugidos e suspiros e eu não vim aqui para ouvir rugidores".

Encl. 1 to Desp # 65
São Paulo 8/25/61

O ESTADO DE SÃO PAULO
FOLHA DE SÃO PAULO
CORREIO PAULISTANO
DIÁRIO DE SÃO PAULO
A GAZETA
ULTIMA HORA
DIÁRIO OFICIAL

MATO GROSSO
O ESTADO DE MATO GROSSO

GOIAS
FOLHA DE GOIAS
O POPULAR
DIÁRIO DO OESTE
DIÁRIO DA TARDE

DATE AUG 23 1961

QUARTA-FEIRA, 23 DE AGOSTO DE 1961
EDIÇÃO DE HOJE 40 PAGINAS

O ESTADO DE S. PAULO

Previsão do tempo — Às 6 h. de hoje e 18 h. de ontem
TEMPERATURA — Estável.
TEMPO — Bom.
VENTOS — Do Este, fraco.

Lacerda Adverte a Nação: Em 1937 Também Foi Assim

"O que não sabem os que me combatem é o quanto eu os estou defendendo", externou ontem à noite o sr. Carlos Lacerda, falando a uma assistência tumultuada por um grupo de agitadores extremistas, que tentaram impedir que o governador da Guanabara falasse, no Teatro de Cultura Artística, onde se realizava mais uma sessão da Semana de Unidade Nacional, promovida pelo Centro Acadêmico 22 de Agosto.

O sr. Carlos Lacerda advertiu que em 1935 o governo federal já recebera subsídios idênticos aos comunistas, encorajando indiretamente o levante armado de 35, com o subsequente golpe de Estado com "a garantia das liberdades públicas". "Se a razão entendedor, mais palavra basta", exortou o sr. Lacerda.

Um dos mais sérios pronunciamentos feitos nos últimos tempos, a palestra do sr. Carlos Lacerda foi constantemente interrompida por espaços de um pequeno grupo de agitadores, mas constantemente apiedado pela grande maioria dos presentes. Lacerda falou por cerca duas horas, embora as entendesse, a pretexto de defender o presidente da República, fizessem o máximo para chatear-lhe a palestra. Ela o que Carlos Lacerda disse, ao começo entre vaias e, ao fim, sob as aplausos da assistência:

"Esperemos que nossas relações com a Rússia produzam seus primeiros resultados. Enquanto não se inverterem os acontecimentos, é bom que o presidente Quadros veja as coisas em seu justo ângulo. Não se deixe pois de ouvir as vozes de seus pais e espíritos de seus irmãos, a fina-flor da Sã Cultura comunista em São Paulo. Este espetáculo era indispensável. É bom que o sr. Jânio Quadros veja como está minada a mocidade de São Paulo. É bom que ele saiba de pormenores frutos de sua política externa. É bom que ele veja como começou a subversão".

E depois de um novo surto de vaias: "Nós dizem-se partidários do presidente. É bom que se defenda o culto da democracia, este ARO da Liberdade. É bom que se veja um homem livre batendo pela liberdade de sua Pátria. Estejam certos — disse o governador, dirigindo-se aos aparteadores — com a Democracia vocês nunca serão familiares, mas também nunca ficarão pisoteados".

Após um intervalo de apupos intensos, e depois Lacerda, sorrindo, disse: "Como eu desconfio que Jânio Quadros, no Palácio da Alvorada, contemplasse o fruto da sua obra. Gritam o nome de Jânio, mas pensam no nome de seu chefe. Vim pronunciar uma conferência, mas se quiserem assistir a debate sobre o verso patrão Fidel Castro, vou abster-me! Gostaria muito de ouvir o gênio do grupo: que venha para cá discutir".

Conflitos

Seguiram-se conflitos entre os espectadores, favoráveis e contrários a Lacerda. A Polícia — guardas-civis e investigadores — só pouco lhes retirando do pleno os mais exaltados. Ao que observou o sr. Lacerda, sempre no seu estilo: "De certo modo, a Constituição já está feita; pela milhares de pessoas, em São Paulo e no Brasil, ficou demonstrado que há um estranho tipo de democracia: neste recinto. Querem provocar a intervenção da Polícia, querem provocar vítimas. Conheço esta técnica há muito tempo, desde que tinha esta idade. Provocando a intervenção policial, querem comprometer o governo. Pois não. A técnica é perfeita, mas só tem um defeito: é comunista demais. Só os tolos acreditariam que vocês representam a maioria do povo de São Paulo".

E sempre aparecendo por vezes estridentes: "Viva Fidel, viva Cuba, fuzilem. Aqui, ulvam. Gritam o nome de Jânio Quadros, quando ele manda um Exército combater! desordem estabelecida no Recife".

A CONFERÊNCIA

Decorreram cerca de vinte minutos, antes que o sr. Carlos Lacerda, depois da retirada de alguns mais exaltados, pudesse iniciar sua conferência. Lacerdista, aliás, que quando fosse falar o representante eleito do povo da Guanabara, o Povo teria direito de expulsar do recinto "mais duzia de desordeiros, para garantir a palavra de homens livres contra o império dos escravos". Contudo, a conferência inteira do sr. Lacerda decorreu pontilhada de apartes e apupos, sem, no entanto, o tom agressivo e a extensão dos primeiros vinte minutos.

Disse, antes, que fora convocado para falar sobre "O mais novo, o mais complexo" dos Estados do Brasil. As demais unidades federativas, disse, possuem, antes de tudo, uma estrutura administrativa, um sistema construído "ao longo de passos anos de evolução".

A Guanabara, ao contrário, foi "batizada de Estado". Não lhe prepararam a adversão. Sua Constituição foi votada ao longo de 48 horas, entre os entusiasmos de festas que cercavam a inauguração de Brasília. "Nascera por cesárea, portanto".

Um dos aparteadores, a esse altura, sugeriu-lhe que se apresentasse ao que o governador, sorrindo, retrucou: "É uma idéia. Mas aconselho não me apresentar, porque é sua inteligência".

Lembrou, mais adiante, que acolhera a candidatura à Presidência de Jânio Quadros, que lhe deu "ordem para que ocupasse aquela posição política".

POLITICA DE DOIS LANCES

Narrou então o sr. Carlos Lacerda, sempre em meio a apupos espasmódicos, que adotara uma política aparentemente paradoxal: Nacionalismo, e Livre Iniciativa. Expos depois as linhas mestras desse planejamento, acentuando que a ação atual já não comporta "limitações mútuas".

"Etapa da maconha"

A essa altura, uma jovem, no auditório, exaltou-se contra o conferencista. Disse, sorrindo, o sr. Lacerda: "Também conheço esta técnica. Agora, é a etapa da maconha". E quando os apupos se avolumaram: "Se não sabia que a esposa do Jânio Quadros já estava para nascimento de comunistas, neste País".

Encontrou depois os dados de Guanabara uma receita de 32 bilhões, dos quais 72,3% são entregues à União, contra 27,7% que ficam com o Estado, quando, em relação a outras unidades, somente 42,3% vão para a União e o restante fica com o Estado.

Contribuição da Guanabara, em tributos, para a União: Imposto de Consumo, 19%; Imposto de Renda, 25,6%; Imposto do Selo, 99%. E não se esqueceu 39% dos depósitos bancários do todo o País estão no Rio. Volumes de títulos negociados: uma vez e meia mais que São Paulo".

"Mas, voltemos e revertemos da receita — prosseguiu Lacerda. A Guanabara precisa só 5% do que recebe, e não poderá produzir nada mais".

UMA CILADA

A dada altura, o governador da Guanabara acusou uma espécie de cilada aos perturbadores suposta mente lotados que ensaiavam a insuficiência no plenário. Disse: "Uma das provas de que as tropas de Marx foram ultrapassadas..." Seguiu-se uma saraivada de apupos, ao que o governador, sorrindo, disse: "Eu outro vez mandem gente mais velha e mais competente, sem bobos! A esta altura já não sei se vocês marxistas ou discípulos de Jânio Quadros, os amigos de Jânio Quadros, os apoiadores da renúncia".

E prosseguiu sua explanação procurando advertir que Marx não previra que a tecnologia traria "a eliminação da riqueza". A máquina vai se encarregando, também, de substituir o homem em quase todos os setores, "entre outros: o proletariado, entre outros: o proletariado, entre outros: o terreno de mineração"; professores, publicistas, publicistas, cientistas, jornalistas e de prefeitos, tenentes em geral".

Por fim, disse, a Guanabara precisaria, enquanto se acelera a industrialização para o papel de "fornecedor de cifra" ao Brasil. Daí a ênfase que deu à educação de base: das cerca de 60.000 crianças que não a tinham no início de que governou, cerca de 40 mil estão, também a Rendas de Segurança, e, de acordo com a Universidade do Trabalho, ampla e eficiente educativo.

E após apartes que então recrudesceram: "Rita é uma mentira boa. Trata-se da corrupção Jânio Quadros de que a maioria de São Paulo acha que ele deve aproveitar-se mais cedo ver mais do Partido. Julgam que Jânio Quadros é to bagem? O Partido Comunista está tão crescendo que pensa que pode governar sozinho!"

Depois de analisar diversos outros problemas da administração de seu Estado, Lacerda fez um esboço histórico da gênese do "princípio da cisão" no Brasil. Disse: "Em 1935 o governo federal já recebera subsídios idênticos aos comunistas, encorajando indiretamente o levante armado de 35, com o subsequente golpe de Estado com a garantia das liberdades públicas". "Se a razão entendedor, mais palavra basta", exortou o sr. Lacerda.

POLÍTICA DE DOIS LANCES

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(Classification)

Quadros' important former friend - O Estado - is opposing his current actions strongly. At the other end, the leftist press has moved far behind him. O Estado (and Lacerda) openly claim that the situation is becoming ripe for a coup d'état and a reactionary rightist dictatorship. The pink press is gleeful. Other papers flutter. The municipal and state legislative assemblies are sharply divided, with a minority of members of the latter signing a statement endorsing the President's foreign policy. The UDN - the major party backing Quadros for the 1960 election - is pushed toward an opposition role (for which it would probably be better fitted by tradition and temperament).

It was with this dramatic stage setting that Lacerda arrived in São Paulo on August 22 to speak at the "National Unity Week." He failed to appear at a press conference scheduled for him on the afternoon of the twenty-second, rumor having it that Paulista Governor Carvalho Pinto talked him into cooling off before meeting his local public.

As it turned out, coolness was needed. When Lacerda tried to deliver his "National Unity Week" speech on the night of August 22, heckling from the leftists (and counter-attacks from supporters) delayed his speech nearly half an hour. When it came, it impressed very deeply the audience, which included nearly everyone in the environs with a television set. Even reporters cool to Lacerda called the speech his "great hour." His criticisms were directed especially at the foreign policy of the federal administration. His calmness and coherence was notable. Frequent interruptions made it difficult to obtain an accurate text of the speech, the enclosed clippings from O Estado de S.Paulo containing the best available.

There is hopeful local speculation to the effect that Lacerda's stay in São Paulo marked the climax of his threat to resign the Guanabara governorship. Be that as it may, the climax in São Paulo opinion is far from past. Responsible circles - notably O Estado - have gone too far in their criticism of the President's current policies to back out. Quadros will need to veer to the right if he wishes to effect a reconciliation. He is obviously sensitive to Paulista opinion and may make the necessary tack, but there were ample indications that he should have done so before now. The Paulistas whom he has frightened are too influential to be ignored. If Quadros does not wish to take the steps which would calm them, he may be tempted into repressive measures (such as the recent restrictions on information media and journalists) which would further stir them up. Pressures against preservation of the status quo are heavy. It will be important to note whether the President retrieves the situation with his usual aplomb or whether other Cassandras join O Estado and Lacerda.

William P. Cochran, Jr.
Minister Consul General

Enclosure: Clippings on Lacerda's speech from O Estado 8/23/61

cc: Amembassy, RIO

CONFIDENTIAL

0074

Paulista friends, for it is realized that the new president inherited problems which cannot be solved overnight; but the fiscal problems became publicized at a time when Quadros' foreign policies exceeded the bounds of tolerance.

There had been no objections to the attempted development of greater commercial relations with the Soviet bloc, although businessmen seemed to realize that the trade increase was unlikely to live up to its advance billing. The renewal of political relations with the USSR also came to be taken for granted (not without loud dissent), the idea of increased international prestige offsetting worries about subversion. Conservative Paulistas did not like the new line toward Cuba, but it was made easier to accept by the fact that it did little direct harm to Brazil and seemed, on the contrary, to have a most desirable loosening effect on Uncle Sam's purse strings (this thesis was furthered by the results of the Montevideo Conference, where the Brazilian delegation was adjudged to have "won a victory"). These basic changes in Brazilian policy, then, were tolerable, but moderate Paulistas could not comprehend other minor Quadros moves which seemed to indicate far too much real sympathy for the bloc. Among these: Quadros' decoration of the members of the Russian Good Will Mission, contrasted with cool treatment of American officials; the ultra-touchy reaction to Ambassador Cabot's speech; and - the last straw - the awarding of Brazil's highest decoration to Guevara on August 19. São Paulo papers had criticized even the invitation extended to Guevara to visit Brasilia, since at Punta Del Este he had made an objectionable statement in opposition to American aid to northeastern Brazil. The reaction of moderate local papers to his decoration was bewildered disgust.

At the same time, the local press has become increasingly concerned with Quadros' domestic policies and political maneuvers. Censorship of information media is highly unpopular; government prohibition of "bathing beauties" seems ludicrous; and the new requirement that journalists hold formal degrees has been called "dictatorial." The President's interference with state politics has long been criticized (though less so in São Paulo than in other states, since Governor Carvalho Pinto has remained close to Quadros). The President's disdain for political parties and the federal legislature has been seen as an attempt to break down the democratic system. Until recently, however, there was no prominent politician on whom the growing local conservative opposition to Quadros was willing to focus.

The break of Guanabara's Governor Carlos Lacerda with Quadros on August 19 provided such a focus. He provided no new issue, but he polarized existing sentiments. The most powerful São Paulo newspaper, O Estado (one of the most influential in the Americas) has made a hero of Lacerda. Other moderate papers (A Folha, Correio Paulistano) have agreed with Lacerda's criticisms but have disliked his exaggerated means of delivering them. Their coolness toward the man has moderated their echos of his ideas. The leftist press, significantly, has moved solidly behind Quadros. At one end of the political spectrum, then,

0073

R POUCH
PRIORITY

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XR 732.11
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FOREIGN SERVICE DESPATCH

FROM : Amcongen, SAO PAULO

65
DESP. NO.

TO : THE DEPARTMENT OF STATE, WASHINGTON.

August 25, 1961
DATE

REF :

File, no action
ARA/EST/B
AUG 25 1961
GW Wilson
12-11-61

For Dept. Use Only	ACTION	DEPT.				
20	ARA-4 *	INFO	RM/R-2	INR-7	P-3	
	REC'D 8-31-61	OTHER	CIA-10	USIA-10	NSA-4	OSD-5

DEPARTMENT OF STATE
BUREAU OF INTER-AMERICAN AFFAIRS
SEP 6 1961

SUBJECT: Lacerda's Visit Polarizes São Paulo Criticism of Quadros

SUMMARY

Events in the past week - especially Governor Lacerda's break with President Quadros and subsequent visit to São Paulo - have brought the growing local criticism of Quadros to a focus. The seriousness of São Paulo disenchantment is illustrated by (1) Warnings by influential newspaper O Estado, formerly a strong Quadros supporter, that the President is leading the country toward a coup which he will not be able to control; and (2) Pressures on the UDN to switch to an opposition role. A brief summary of the reasons for the increasing criticism is given.

Despatch 61 of August 23 reported a sudden intensification in criticism of President Quadros by responsible São Paulo circles. The criticism has continued and has increased in intensity to the point of real significance. The causes are apparently three: a certain disillusionment with the President's fiscal measures, a conviction that his foreign policy has gone past the bounds of reason, and increasing concern with his domestic political intentions. Quadros had won conservative São Paulo support for the 1960 Presidential elections by virtue of his solid fiscal and administrative policies as state governor. Local business (the most important in Brazil) was understandably anxious to see order brought to the nation as it had been to the state. Measures severe enough to halt the galloping inflation, however, would clearly cause resentment in other circles; so counterbalancing leftist flirtations in the President's foreign policy were expected and, to a point tolerated.

Conservative disillusionment with Quadros' fiscal measures has so far been only minor. The Paulista press has recently pointed out, however, that the cost of living continues to rise unchecked (as factory workers have claimed all along), that the worsening of the exchange rate has not stopped, and that Quadros has issued new currency in amounts which appear far from disinflationary. These disclosures in themselves would not prompt drastic criticism from influential old

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NUMBERED

Control: 19063
Rec'd: August 25, 1961
2:07 p.m.

File location ARA:EST/B gw wilson 8-29-61

INFO:
RM/R FILES:

FROM: Rio-de-Janeiro

TO: Secretary of State

NO: 457, August 24, 7 p.m.

Following is Recife telegram 71 August 24, 11 a.m. priority to Rio, signed Rabida.

"Press reports army detaining various peasant league leaders at municipality of Sape. Approach roads reportedly being controlled by military. Conditions at Sape said to be 'uneasy'. (Reference last paragraph despatch 41) further information being obtained.

Rio please pass Department."

BOND

DMJ/3

Note: Mr. Crane's office (ARA) notified 6:10 p.m. 8-25-61 CWO-M

Rio 457
732.00/8-2461

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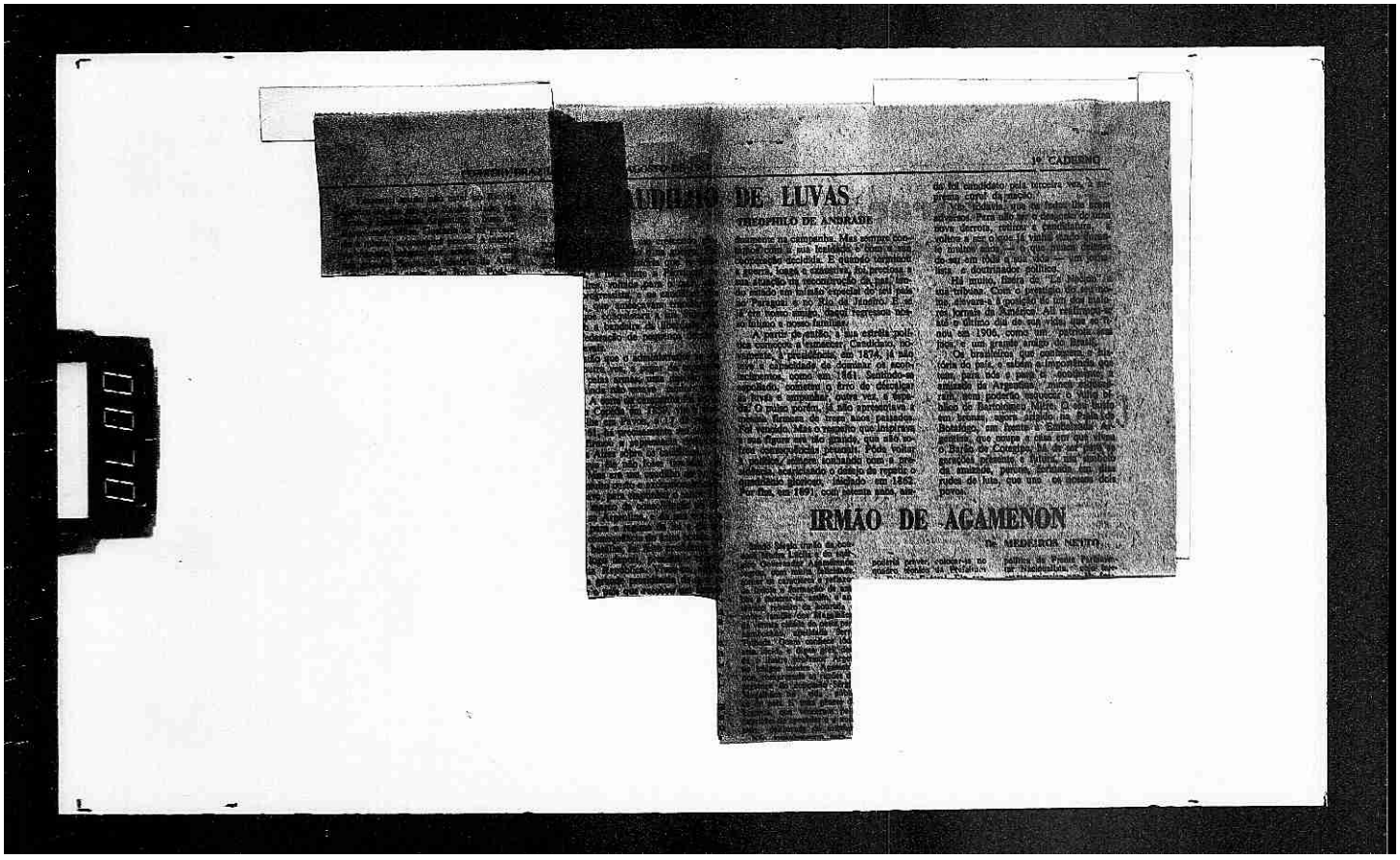


[illegible] DE LUVAS

THEOPHILO DE ANDRADE

[illegible] na campanha. Mas sempre contamos com a sua lealdade e com a sua cooperação decidida. E quando terminou a guerra, longa e exaustiva, foi preciosa a sua atuação na reconstrução da paz, tendo estado em missão especial do seu país no Paraguai e no Rio de Janeiro. E se já era nosso amigo, daqui regressou nosso íntimo e nosso familiar.

A partir de então, a sua estrela política começou a esmaecer. Candidato, novamente, à presidência, em 1874, já não teve a capacidade de dominar os acontecimentos, como em 1861. Sentindo-se espoliado, cometeu o êrro de descalçar as luvas e empunhar, outra vez, a espada. O pulso porém, já não apresentava a mesma firmeza de trezes anos passados. Foi vencido. Mas o respeito que inspirava a sua figura era tão grande, que não sofreu consequências pessoais. Pôde voltar à política, sempre tonhando com a presidência, acariciando o desejo de repetir o quadriênio glorioso, iniciado em 1862. Por fim, em 1891, com setenta anos, atado foi candidato pela terceira vez, à suprema coroa da nação.

Vio, todavia, que os fados lhe eram adversos. Para não ser o desgosto de uma nova derrota, retirou a candidatura, e voltou a ser o que já vinha sendo durante muitos anos — o que nunca deixara de ser em toda a sua vida — um jornalista e doutrinador político.

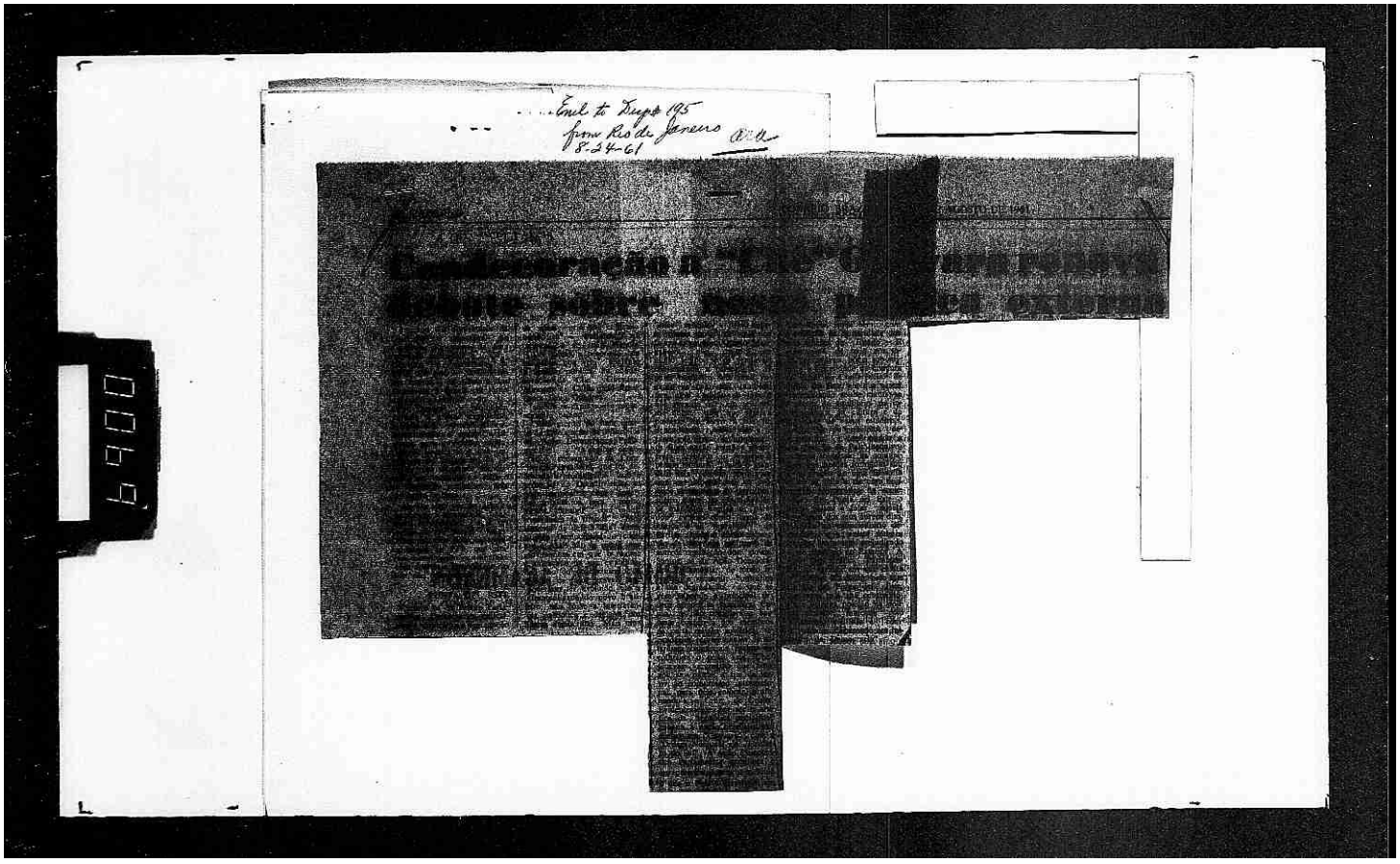
Há muito, fizera de "La Nación" a sua tribuna. Com o prestígio de seu nome, alevantara a posição de um dos maiores jornais da América. Ali realizou-se até o último dia de sua vida, que se tornou em 1906, como um patriota sem luca e um grande amigo do Brasil.

Os brasileiros que conhecem a história do país, e sabem a importância que tem, para nós e para o continente, a amizade da Argentina, nunca esquecerão, nem poderão esquecer o Vulto bíblico de Bartolomeu Mitre. O seu busto em bronze, agora erigido na Praia do Botafogo, em frente à Embaixada Argentina, que coupa a casa em que viveu o Barão de Cotegipe, há de ser para as gerações presente e futura, um símbolo da amizade, perene, fortalada em dias rudes de luta, que une os nossos dois povos.

IRMÃO DE AGAMENON

De MEDEIROS NETTO

[illegible] poderia provar, colocar-se no quadro [illegible] da Prefeitura [illegible] política de Frente Parlamentar Nacionalista, [illegible]


Encl to Desp # 195
from Rio de Janeiro
8-24-61

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Encl. No.
Desp. No. 195
From American Embassy-Rio
Brasilia

During the plenary session of the Chamber on August 21st, João Mendes criticized President Quadros, amidst vociferous heckling from Nationalist elements in the Congress, stating that "We of the FDP are radically opposed to the degradation of our principal honorary decoration", and lamenting the recognition by the President of a representative of a dictatorial and tyrannical regime which violates the most sacred democratic rights dear to the Brazilian people.

Recent private comments of various members of Congress point to an increasing strengthening of the Frente Democratica Parlamentar, and the determination of its members, individually and in groups, to counteract ultra-nationalistic attempts to influence legislation, as well as balance off further acts of the President which they may consider favorable to the Communist sector and to accelerate the recent trend to the left.

For the Charge d'Affaires ad interim:

Eugene Delgado-Arias
Officer-in-Charge

Enclosure: As stated.

Clipping - Correio Braziliense
August 22, 1961

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EDelgado-Arias:avh

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XR 732.21

FROM : American Embassy, Rio de Janeiro-Brasilia

NO. 195

TO : THE DEPARTMENT OF STATE, WASHINGTON

DATE August 24, 1961

REF :

File: Boatman
ES7/8: Jaffe-Ewing
9-25-61

SEP 16 1961

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	REC'D 9-21-61				AIR 6	ARMY 4	CIA 10	NAVY 4	OSD 5	OCB	USIA 10	NSA 4					

SUBJECT: Recent Activities of the Frente Democratica Parlamentar

MICROFILM

732.00/8-2461

The Frente Democratica Parlamentar (also called the Ação D.P. met in the Congress on the evening of August 10th under the chairmanship of Deputy João Mendes, to establish certain lines of action in its campaign to attain its objective of countering Communist and ultra-Nationalist efforts in Congress. The principal decision taken by the group at this meeting was to set up a sub-committee to study proposed legislation on agrarian reform. This sub-committee was charged with the responsibility of integrating all proposals for such legislation so as to best meet the objectives of the FDP. The most publicized of such projects has been the one adopted by the Committee of the Chamber chaired by ultra-Nationalist PSD Deputy Jose Joffily, and which President Janio Quadros publicly commended. One of the provisions of the Joffily Bill would give the Ligas Camponesas participation in the supervision of a land redistribution program. From all reports within the Congress it does not appear that this particular version, with its extreme leftist overtones, has much chance of being passed.

Leaders of the various parties composing the FDP were requested at a later meeting to consult the sub-committee before taking any official position on agrarian reform legislation in the name of their parties.

Among those present at this subsequent meeting was PSD Deputy Clelio Lemus, Second Vice President of the Chamber. He was overheard to say to the Chairman of the FDP that the PSD would stand with the UDN in backing Governor Lacerda in his criticism of President Quadros' recent decisions on foreign policy. This had particular reference to the President's decoration Ernesto "Che" Guevara with the ~~Order of the Cruzeiro do Sul~~

DEPARTMENT OF STATE
BUREAU OF
INTER-AMERICAN AFFAIRS
SEP 25 1961
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FORM 6-61 FS-439 GPO 912986

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ACTION ASSIGNED TO:	ACTION TAKEN
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0067

anchor inside the estuary proper.

Comment: (UNCLASSIFIED)

Congestion has been considerable all this week and threatens to remain so. A number of grain ships in port are aggravating the situation.

2. Oranges and Hides for Soviet Bloc (LIMITED OFFICIAL USE)

The reporting officer has been informed by the manager of S.A. Frigorifico Anglo here that an exporter of Casablanca, Morocco, of citrus fruits to Russia, recently unable to fill an order, passed on to an associate in Brazil the business of furnishing 100,000 boxes of oranges worth about $325,000 to the Soviet Union. The associate, one Felix Van Parys of CITROBRASIL in Sao Paulo, visited Moscow in May to clinch the deal, which finally involved Van Parys splitting the order equally with two Brazilian fresh fruit exporters named Coccoza and Fischer in Sao Paulo. The deal was paid for in U.S.-U.S.S.R. clearing dollars with the rate fixed by the Bank of Brazil, with Russia to pay 80% of the drawing value and 20% of the transportation of the fruit. Part of the oranges left Santos on July 15 for Leningrad aboard the German M/V Quadriga.

The reporter's source emphasized that this was strictly a private transaction and had no connection with the Russian Trade Mission's visit to Brazil.

Comment: (LIMITED OFFICIAL USE)

The source added that Frigorifico Anglo annually sells at least 150,000 salted hides from its plant in Barretos to Czechoslovakia and Poland, shipped under the terms of the International Hides Agreement, and that annually Anglo exports considerable fruit to East Germany and to Poland, paid for by barter arranged in such entrepots as Hamburg and Amsterdam. (See Weekly Comment of February 9, Economic item 2.)

IV CONSULAR

1. General (UNCLASSIFIED)

The post's consular operations have continued normally during the past week, although shipping and seamen work has remained at a higher than normal volume.

V ADMINISTRATIVE - Negative.

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Minister" toward the portworkers.

4. Red-Liner Speaks on Agrarian Reform (UNCLASSIFIED)

On August 17 communist-lining Federal Deputy Frota Moreira spoke on agrarian reform to a gathering of local unions leaders and members at the headquarters of the Coffee Loaders and Sackers Union. On the platform were City Central Secretary Vitelino Ferreira de Souza (anti-communist), City Councillor Antônio Rodrigues (communist) and labor lawyer Frederico Jose Aflalo (communist).

Comment: (UNCLASSIFIED)

Press coverage was only fair, and many of the city's most notable union figures were absent in Brasilia (see Labor item 1 below).

Moreira urged all unions to support the First National Congress of Cultivators and Workers to be held in Belo Horizonte October 1-3.

II LABOR

1. Stevedore-Shipping Company Dispute Continues (LIMITED OFFICIAL USE)

With the afternoon of August 17 set as the time for a meeting of Santos union representatives with President Janio Quadros in Brasilia, on August 10 representatives of the Santos Centro de Navegaçao met with Labor Minister Francisco Castro Neves in Rio to present management's side of the dispute over payment of stevedores' vacation pay directly to the union (see Weekly Comment of August 11, Labor item 1). The reporting officer is reliably informed that the Labor Minister, apparently in an effort to play for time, accepted the shipping companies' proposal that they deposit the disputed vacation pay with an agency of the Brazilian Government pending results of the stevedores' legal appeal of the case.

This week the Captain of the Port of Santos, whose ouster the unions continue to demand, sent President Quadros his own private report on the dispute.

Comment: (LIMITED OFFICIAL USE)

The whole controversy is now in the hands of the President, who faces the unenviable task of seeking a solution acceptable to both labor and capital and the armed forces, the latter being offended at the Labor Ministry's initial handling of the dispute.

III ECONOMIC

1. Congestion of Port of Santos (UNCLASSIFIED)

On August 18 there were 10 ships anchored in the Santos roads outside the estuary awaiting berthing space and the same number ~~at~~ /anchor

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0065

the PTB of its ex-president Jose Gonçalves, ex-4th vice president Jorge Bittar, ex-secretary general Benedito Neves Goes, ex-3rd secretary Manoel de Almeida (communist President of the big Santos Port Services Workers Union mentioned in Labor item 1 below), ex-4th secretary Floreal Fernandes, ex-1st treasurer Odair Ribeira Leal (President of the Small Craft Merchant Marine Engineers Union here), ex-2nd Treasurer Francisco Palma Rocha, and ex-members of the party's municipal directorate City Councilmen Joao Inacio de Souza, Joaquim Coutinho Marques and Antonio Rodrigues (the latter of whom is a communist), plus 37 other members of the party's municipal directorate. On August 14 Souza, ex-PTB leader in the Santos City Council, publicly denounced Gomes as a "traitor" to his party.

Comment: (OFFICIAL USE ONLY)

The dissidents, most of whom are sympathetic toward Vice President Joao Goulart, make up a large majority of the local PTB bigwigs. Left with Mayor Gomes are only 1st Vice President Remo Petrarchi (the Mayor's chefe de gabinete) and 3rd Vice President Flavio Conceiçao Paiva (the Mayor's Municipal Secretary of Government). The dissidents will most likely try to force Gomes and his cohorts out of the party but are themselves in the awkward position of being rebels, while Gomes can lay claim to party leadership as its legitimate chief. With support from Ivete Vargas and his power and prestige as Mayor of Santos Gomes will be difficult to dislodge; while the dissidents, having resigned from the PTB, can now speak only from outside the party.

Triumphant for the moment over his PTB opponents, Gomes may try to use what remains of the Santos PTB as a nucleus for a new local political machine with himself as its boss.

3. Ex-Labor Minister Speaks in Santos (UNCLASSIFIED)

On August 11 ex-Labor Minister and present Federal Deputy Joao Batista Ramos spoke in public before the Santos City Council on the Brazilian Social Security Law and expressed his conviction that it will become in the very near future "a real instrument in favor of the worker". O Diario praised the speech, while A Tribuna growled that Batista Ramos spoke in platitudinous generalities "which made his speech like a political rally".

Comment: (UNCLASSIFIED)

Batista Ramos was later quoted by O Diario as commenting on the local stevedore dispute (see Labor item 1 below) that President Quadros had "exceeded his authority" in the matter, that he thought "the Captain of the Port acted precipitantly" in arresting Manoel de Almeida and that he supported the "courageous and honest attitude of the Labor

☆ U. S. GOVERNMENT PRINTING OFFICE: 1959-462479

0064

PRIORITY (Security Classification)

737.00/8-2361

FOREIGN SERVICE DESPATCH

FROM : Amcongen SAO PAULO

63
DESP. NO.

TO : THE DEPARTMENT OF STATE, WASHINGTON.

August 23, 1961
DATE

REF :

L-2 AF-5 AC-1

19 For Dept. Use Only	ACTION	DEPT.
	ARA-4	INFO RMK-2 REP-1 P-3 INR-7 E-7 ICA-11 IC-4 EUR-9
	REC'D 8-31	OTHER Cia-10 Usia-10 OSD-5 Com-10 Lab-8 HEW-5 Army-4 Navy-4 Air-6 NSA-4 Agr-10 FR-3 FRB-2

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 August 18, 1961.

William P. Cochran, Jr.

William P. Cochran, Jr.
Minister Consul General

att 1

Enclosure:
Santos Weekly Report
dated August 18, 1961

cc: Amembassy, Rio

LAPyle/mec
REPORTER

LIMITED OFFICIAL USE

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0063

FORM DS-1350

LIMITED OFFICIAL USE

OPERATIONS MEMORANDUM

TO: American Consulate General Sao Paulo

Date: August 18, 1961

FROM: American Consulate SANTOS, Brazil

SUBJECT: Weekly Comment on Events in Santos

REF:

I POLITICAL

1. Political Victory for Mayor Gomes (UNCLASSIFIED)

Last weekend Mayor Jose Gomes met with President Janio Quadros during the latter's vacation at nearby Bertioga and received a promise of Cr$100.000.000,00 in federal aid for improvement of the depressed Areia Branca section of Santos and held out hope of federal and state assistance in the construction of a children's hospital in Santos.

The Mayor's coup follows hard on his success in getting Governor Carvalho Pinto to agree to increase state aid to Santos (see Weekly Comment of August 11, Political item 1).

Comment: (OFFICIAL USE ONLY)

Gomes rapprochement with state and local janista-carvalhista forces is clearly and literally paying off. Even the bitterly anti-Gomes newspaper O Diario had sullen words of praise for the Mayor's accomplishment.

Gomes is scheduled to visit the President in Brasilia next week to discuss further cooperation between the federal government and the municipality of Santos.

Gomes' political stock is higher now than at any time since he became Mayor last April.

2. Local PTB Fight Continues (OFFICIAL USE ONLY)

The local PTB organization, which fell apart in June as a result of a bitter fight between Mayor Gomes and the "orthodox" leadership of the party, is still in a state of dissolution (see Weekly Comments of June 30 and July 14, Political items 1). The Mayor, backed by Regional President Ivete Vargas, has become head of a "Reconstruction Commission" whose actual function is to purge the local PTB of anti-Gomes elements. This week the Reconstruction Commission accepted resignations from

/the

CONSULATE GENERAL OF THE UNITED STATES OF AMERICA

AUG 18 1961

SÃO PAULO BRAZIL

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★ U.S. GOVERNMENT PRINTING OFFICE: 1959-506166

0062

AIR POUCH
PRIORITY

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FOREIGN SERVICE DESPATCH

FROM : Amcongen SAO PAULO

63
DESP. NO.

TO : THE DEPARTMENT OF STATE, WASHINGTON.

August 23, 1961
DATE

REF :

File, hearing
EST/B: J Wilson-Luis
9-18-61.

AUG 23 1961

L-2 AF-5 MC-1

19 For Dept. Use Only	ACTION	DEPT.
	ARA-4	INFO RMK-2 REP-1 P-3 INR-7 E-7 ICA-11 IO-4 EUR-8
	REC'D 8-31	OTHER cia-10 ucia-10 OSD-5 Com-10 Lab-8 NEW-5 Army-4 Navy-4 Air-4 Arpr-10 AR-3

SUBJECT: Santos Weekly Report.

DEPARTMENT OF STATE
BUREAU OF
INTER-AMERICAN AFFAIRS
SEP 6 1961

Transmitted herewith for the information of the Embassy and the Department is the weekly report from the American Consulate at Santos, dated August 18, 1961.

William P. Cochran, Jr.

William P. Cochran, Jr.
Minister Consul General

CLASSIFIED FILE

Enclosure: att 1
Santos Weekly Report
dated August 18, 1961

cc: Amembassy, Rio

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REPORTER

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0061

Luiz Arcoverde were all reported to have been favorably impressed by their guided tour of Cuba. Deputy Cunha Primo returned just in time to staunchly defend the awarding of the Southern Cross to Guevara for "the contributions he has made to Latin America." Vice Governor Silveira was reported to have given a "sensational interview" to the Cuban publication El Hoy.

COMMENT:

The combination of these three incidents has provoked an angry outburst from certain local elements. Interviews with several local businessmen and civic leaders, all former supporters of the Quadros candidacy, revealed strong sympathy for the stand taken by Carlos Lacerda and a disgust, as well as distrust, for the present foreign policy being conducted by their President.

Vice Mayor Artur Lima Cavalcanti, often opportunist with his pleasant and winning ways, has shown that he will play his cards with the leftists when the chips are down. He will undoubtedly continue to play on the Arraes team as either a candidate for federal deputy or vice governor.

Pelopidas de Silveira, in his statement, did not directly attack the U.S., but [redacted] otherwise he did not deviate from the straight communist line about Cuba.

Governor Sampaio's message to Carlos Lacerda represents more his disenchantment with the Quadros administration than it does his support of the strong Lacerda anti-communist stand.

The public appearances and conversations of priest Wanderley Simoes with Mayor Arraes has led some to conjecture that Simoes will be used as a possible running mate with Arraes to counter mounting Church opposition to the latter's leftist policies.

Albert A. Rabida
American Consul

2 cc - Amembassy, Rio de Janeiro

766

0060

In the opinion of one Councilman (Moury Fernandes), Vice Mayor Lima Cavalcanti "lost a wonderful opportunity to remain quiet," for the Council's subsequent counterattack utilized large portions of mud and vitriol as ammunition to besmirch the heretofore shining political image of the rising young politician Lima Cavalcanti. The Council became more incensed when their Council President Jose de Melo (PRP) was barred from speaking at the welcoming ceremonies for Mayor Arraes. The former Council president, and leading communist spokesman, Paulo Duarte, was chosen to speak in behalf of the City Council.

Other reactions to the Guevara decoration:

Pernambuco Governor Cid Sampaio, not to be outdone by São Paulo's Carvalho Pinto, telegraphed on August 21 a plea to Lacerda to remain on the job. "The country requires . . sacrifice to permit our people to conquer in this decisive moment . . . You can not abandon the responsibilities that we all have . v. "

Pernambuco State Deputy Francisco Falcão (PTB) requested a legislative vote of applause for Carlos Lacerda's actions.

Pernambuco State Deputy Constancio Maranhão (PTB) (villain of ABC's TV show "The Troubled Land") presented a motion to the legislature to consider Snr. Guevara as a "persona non grata" in Pernambuco because of insulting statements about Brazil made by the Cuban leader during the Punto Del Este Conference.

The City Council of Jaboatão, an industrial town near Recife, once entitled the "little Moscow " of Brazil during the legality of the Brazilian Communist Party in 1945-1947, also passed a vote of protest against the awarding of the Order of the Southern Cross to Guevara.

II. Arriving four hours late - 2 a.m. Tuesday morning (August 22) - a smiling Miguel Arraes was met by the enthusiastic remnants of a large throng that had been organized to greet Arraes upon his return from his first trip abroad. A two hour "spontaneous" political rally was then held at the airport followed by a luncheon later in the day. The speeches at both affairs made it clear that Arraes is definitely a candidate for the governorship of Pernambuco in the 1962 elections. Local PSD leader Rego Maciel (ex-Mayor of Recife) pledged his party's continuing support for the Recife administration and its leader as did Catholic priest and State Deputy Wanderlei Simoes(PSD).

III. The Pernambuco delegation to the Cuban July 26 celebrations returned home on August 19. Vice Governor Pelopidas da Silveira issued a statement the following day. Noting that he had gone to Cuba to dig out the "real" truth, he declared that he had discovered that Cuba "is the realization of a true democracy: the people in power." The rest of his prepared statement was equally euphoric about the Cuban Government, reforms, progress, justice, conditions, et al. Other delegates, such as State Deputy Cunha Primo, PSB leader Jose Guimaraes Sobrinho, journalist Reinaldo Camara, and state judges Edgar Homen de Siqueira, Pedro Martiniano Lins, and Jose Pereira de Oliveira, and state Attorney General

0059

AIR PRIORITY
HANDLING INDICATOR

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AUG 26 1961
732.00/8-2361
XR 090.3237

FOREIGN SERVICE DESPATCH

FROM : Amconsul, RECIFE

55
NO.

TO : THE DEPARTMENT OF STATE, WASHINGTON.

August 23, 1961
DATE

REF :

737.00

55 For Dept. Use Only	ACTION	ARA4	INFO	Dep't	RM/R 1	REP	AF	ARA	EUR	FE	NEA	CU	INR 7	E	P	IO	ICA
				OTHER	AGR	COM	FRB	INT	LAB	TAR	TR	XMB					
	REC'D 9/1				AIR 6	ARMY 4	CIA 10	NAVY 4	OSD 5	OCB	USIA 10	NSA 4					

SUBJECT: PERNAMBUCO POLITICAL PYROTECHNICS: Guevara, Arraes, and the Tourists (Cuba)

732.00/8-2361

The local reaction to President Quadros' decoration of Cuban leader Che Guevara, the return of the Pernambuco delegation to the Cuban July 26 festivities, and the triumphal return of Recife Mayor Miguel Arraes from a 30 day visit to France were the fuses of a lively display of political pyrotechnics in Recife during the past five days.

I. The biggest boom was provided by the Janio-Guevara affair. The normally leftist Recife City Council, blending anti-Janio sentiments with minority anti-communist sentiments, protested against the decoration of Guevara and sent a telegram of moral support to Guanabara Governor Carlos Lacerda. The protest and telegram (authored by Wanderkolk Wanderley, PDC) read, in part, as follows: "The recent decoration of Snr. Ernesto Guevara, who has done nothing outstanding in our country, represents an offensive degrading and humiliation for outstanding persons previously decorated . . . To show our neutrality, establish diplomatic relations and recognize the great scientific progress of Russia, it is not necessary . . to give an exaggerated emphasis of personal sympathy for Russian Communism . . ."

The Council's action, on the eve of Mayor Arraes' return, caught acting Mayor Artur Lima Cavalcanti by surprise. His initial reflex was to issue a sharp reprimand to the Council. The insulted Council refused to roll over and play dead at Cavalcanti's command to "reconsider this dispatch, recognizing democratically your error . . which betrays the political philosophy of the people of Recife who are traditionally tied to interests that are manifestly not those defended by the unfortunate Governor of Guanabara, at a time when the Federal Government is taking the right step in amplifying the relations of our country and in traveling a course acclaimed by the Brazilian people. I consider it strange, therefore, that some representatives of the people of Recife would align themselves with the reactionary plot led by Snr. Carlos Lacerda."

LWS

CLASSIFIED FILE

DEPARTMENT OF STATE
BUREAU OF
INTER-AMERICAN AFFAIRS
SEP 5 1961

ETWalters:etw
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

0058

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

RG: 059

TAB #: 18

ENTRY: CDF60-63

1 / 7 / C / ---

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Folder Title: 732.00/8-2361 LWS

Document Date: 23/08/61

Document Ser.#:

DESP 61 FR SAO PAULO TO STATE

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NND: 949515

WITHDRAWN: 02/24/95 by: JAS

FOIA RETRIEVAL #: 949515 01576 00018

INCOMING TELEGRAM **Department of State** ACTION COPY PERMANENT RECORD COPY

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35

Action

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ARMY
NAVY
AIR
RMR

CONFIDENTIAL

Control: 17018

Rec'd: August 23, 1961
11:21 a.m.

ACTION: BTB
INFO:
RM/R FILES

File, no action. E87/B: J.W. Wilson - lms. 9-28-61.

FROM: Rio de Janeiro

TO: Secretary of State

NO: 433, August 22, 7 p.m.

ACTION DEPARTMENT 433; INFO BUENOS AIRES 19.

Reference EMBTELS 411, 413 repeated Buenos Aires 15, 16.

Repercussions Guevara award ceremony reported reference telegrams continue agitate Brazilian political and military circles though most observers now agree military overthrow of regime unlikely. War Minister Denys reportedly standing firm behind Quadros and serious coup d'etat still impossible without him.

Thus assured his position, Quadros reported press today saying government not thinking of re-examining its foreign policy, addition instructing Foreign Minister assure conclusion expanded trade treaty with Cuba.

Governor Lacerda has still not taken drastic step resignation, while both Finance Minister Mariani and Air Minister Moss deny rumored resignations. However, press continues report Mariani's imminent departure from cabinet due both alleged policy differences with Quadros and close family relationship to Lacerda.

Though it apparent this juncture Quadros recent leftist moves culminating Guevara award have alienated considerable portion conservative Brazilian opinion, it not certain Quadros has suffered net loss his political support. Press coverage and political debate indicate he receiving support all shades leftist opinion (e.g., Rio Communists tonight staging anti-Lacerda rally (while continuing enjoy at least some support in conservative circles.

BOND

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732.00/8-2261

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

0056

September 15, 1961

Dear Mr. [illegible]

Thank you for your letter of August 22, 1961, regarding the reported intention of the Governor of the State of Guanabara, Carlos Lacerda, to resign. While the political situation in Brazil is certainly fluid at the present time, recent reports indicate that the Governor has not yet resigned.

Sincerely yours,

Robert F. Woodward
Assistant Secretary

Mr. W. H. [illegible],
President,
Westinghouse Electric
International Company,
40 Wall Street,
New York 5, N.Y.

FW 732.00/8-2261

RM/R
Anal 32
Rev
Cat

B.R. [illegible] LTB
ARA:EST/B:LTBriggs/mb
9-11-61

S/S CR
SEP 13 1961 PM
SEP 15 1961

435046

0055

THE NEW YORK TIMES - August 22, 1961

CRITICIZES QUADROS: Carlos Lacerda, who scored attitude of Brazil's President Janio Quadros toward Cuba and Communist lands.

QUADROS ANGERS BRAZIL GOVERNOR

Ex-Backer Threatens to Quit Over Ties With Reds

Special to The New York Times.

RIO DE JANEIRO, Aug. 21 — The anti-Communist Governor of the state of Guanabara has threatened to resign in protest against President Janio Quadros' policy of closer relations with Communist countries.

The Governor, Carlos Lacerda, who had supported Senhor Quadros in his campaign for President, also denounced the President's awarding of a medal Saturday to Maj. Ernesto Guevara, Cuba's Minister of Industry.

Speaking at the opening of a regional convention of the International Free Trade Unions Organization, the Governor declared last night that he would take to the streets and fight rather than permit the "hopes of the Brazilian people to be frustrated or detoured by a policy of successive capitulations to Communist tyrannies."

The delegate gave him a standing ovation.

Will Address Students

A spokesman said today that the Governor had not carried out his resignation threat but that he intended to speak to students at São Paulo tomorrow and over a television-radio hook-up in Rio de Janeiro Thursday.

President Quadros, who was elected overwhelmingly as an anti-Communist candidate, pinned Brazil's highest medal on Major Guevara Saturday as the Cuban paid a visit to Brasilia on his return from an Alliance for Progress conference in Uruguay.

Senhor Lacerda last year led the Conservative National Democratic Union party to supply the chief support for Senhor Quadros' overwhelming electoral victory on an anti-Communist platform with promises to slow down inflation.

Since taking office, President Quadros has announced that he is renewing relations with the Soviet Union to increase Brazil's trade. He also is establishing contacts with Communist China. Senhor Quadros has followed a hands-off policy on Cuba in the Western Hemisphere and an "independent" policy in the world.

Grievance on Aid

Senhor Lacerda has been complaining that President Quadros failed to send aid promised the old Federal District of Rio de Janeiro, now known as the State of Guanabara.

President Quadros sent for Senhor Lacerda to go to Brasilia last Friday. The Governor was reported to have criticized the President's foreign policy as helping the Communists.

According to one version, the conversation was broken off and Senhor Lacerda continued the debate with Minister of Justice Oscar Pedroso Horta.

Before returning to Rio de Janeiro, Senhor Lacerda supposedly sent the President word that he intended to resign.

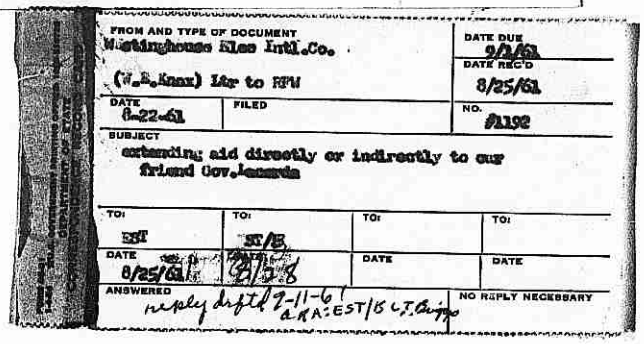
0054

ARA ROUTING SLIP

**Please circulate the attached in the numerical order indicated after the office symbols.
**The action office is circled

ROUTING			ACTION REQUESTED
Office	Routing Order	Copy to	1. For preparation of reply to be signed by: ARA ☐ DAS ☐ RFW ☐
ARA			2. No reply appears necessary ☐
DAS			3. For appropriate handling ☒
COAS			4. For information ☐
			5. For clearance ☐
SPE			6.
ARA/P			7.
EX			Please furnish ARA with copy of reply or inform this office of action taken.
RPA			
RPA/			
REA			
REA/			
EST	1	cont	
EST/ B	2		COMMENTS: RFW sig if reply required
WST			
WST/			
CMA			
CMA/			PROPOSED DUE DATE 9/1/61
OAP			Date 8/25 Initials [illegible]
OAP/			

0053



FROM AND TYPE OF DOCUMENT
Westinghouse Elec Intl.Co.

(W.E.Knox) Ltr to RFW

DATE DUE 9/1/61

DATE REC'D 8/25/61

DATE 8-22-61

FILED

NO. #1192

SUBJECT
extending aid directly or indirectly to our friend Gov.Lacerda

TO:	TO:	TO:	TO:
EST	ST/B		
DATE 8/25/61	DATE 8/28	DATE	DATE

ANSWERED reply drftd 9-11-61 a.R.A: EST/B L.T. Briggs

NO REPLY NECESSARY

0052

received 8/28/61

File
Reply drafted by a RA: EST/B
L.T. Briggs
9-11-61

Westinghouse

ELECTRIC INTERNATIONAL COMPANY
A DIVISION OF WESTINGHOUSE ELECTRIC CORPORATION

CABLE: WEMCOEXPO
PHONE: WHITEHALL 3-4321

40 WALL STREET
NEW YORK 5, N.Y., U.S.A.

August 22, 1961

The Honorable Robert F. Woodward
Assistant Secretary for Inter-American Affairs
Department of State
Washington 25, D. C.

732.00/8-2261

Dear Mr. Woodward:

This refers to my letter of August 1st and your letter of July 24th with reference to the advisability of extending aid, directly or indirectly, to our friend Governor Lacerda of the new State of Guanabara in Brazil. In this connection, I am sure that you have seen the article appearing in today's issue of THE NEW YORK TIMES. In any event, I am attaching a copy.

I can only add that I hope this Governor of an important Brazilian state will not carry his hatred of Communism to a point that he will resign. If he does, I feel that we will miss his moderating views in official Brazilian Government circles. In any event, I am happy when individuals such as Governor Lacerda are prepared to "stand up and be counted" when the question of attempting friendship with Communist Russia and Communist China is on the agenda.

Sincerely yours,

Bill Knox

W. E. Knox
President

Attachment

FILED
SEP 21 1961

RM/R
Anal 32
Rev.
Cat.

(3)

(1192)

435045 YOU CAN BE SURE... IF IT'S Westinghouse

0051

(I suppose we'll soon be hearing that Janio staged this whole performance just so that he would drive the public into forcing him to take a more anti-Communist line. There is no doubt that he is a clever politician; but I do not believe he is that Machiavellian.)

As I told Ambassador-designate Lincoln Gordon some two weeks ago: "If the dollar-hungry nations of the world needed any convincing that the way to get money out of the United States is to play footsie with the Soviets and spit repeatedly in the face of Uncle Sam, the example here in Brazil should serve to settle all doubts."

In our early days as a nation, we had little power, but we respected ourselves, and insisted that others respect our rights. Now, with great power, I wonder if we do not carry restraint in its use to the point of losing the respect even of our friends. I am beginning to question whether the current doctrine - that economic collaboration must not involve any political quid pro quo - is not pernicious. We get no economic return; we seek and receive no political concessions - so our aid drops gently from heaven at no cost, and becomes charity... and often, waste. I don't believe we can buy friends that way; and I do believe that by trying to do so, we lose not only friends, but respect. It seems to me that a policy of tougher dealing is called for - and will be welcomed by our many Brazilian friends. How can they know we resent the way we are being treated - including P. L. 480 implementation, etc. - unless we do resent it, and show it? Brazil will not again be "our best friend in Latin America" until we demonstrate that we merit Brazilians' admiration and respect.

I do not want to "lose Brazil"§; but I do not believe that our adoption of a stronger attitude will have such a result. There are too many reasons why Brazil and Brazilians won't want to "lose" the United States. And there are indications§§ that such a revulsion of American public opinion might well occur if Janio persists in his present course, and we abet him by our quiescence and acquiescence.

William P. Cochran, Jr.
Minister Consul General

§ Of course, Brazil has never been ours to "lose"; but the phrase is useful as meaning to lose Brazil's friendship, close cooperation and support.

§§ Based on sense of recent inquiries from head offices in the U.S., to representatives here.

GPO 862647

interests. He has taken certain sound and necessary measures in the economic field, although even here his record is not perfect, vide the continued excess expenditure and the continued inflationary printing and issuing of currency in large amounts to meet the resulting deficit. In the political foreign relations field, however, his numerous measures seem indeed to have been deliberately mal-intentioned ("acinte", a phrase used by both Folhas of São Paulo and O Globo of Rio de Janeiro).

Of course, I think part of this is our own fault; that we were much too eager, even before Janio was inaugurated. He needed us as much as we needed him, but we (according to the press) rushed in with offers. President Eisenhower, like Premier MacMillan, invited Janio to visit him before being inaugurated - and both were ignored. We sent Mr. Berle flying down to request Janio's support in the Cuba situation, and were rebuffed. The press also reported that we equally promptly offered a loan of $200 millions. These steps tended, I fear (hindsight, of course), not to persuade Janio of our basic good will and desire to cooperate, but to confirm him in his self-assessment as a genius, and as indispensable. It also confirmed him in his beliefs that the world is his putty, to be kneaded into the shape he desires; and that Brazil is a great and powerful nation, fully ready to take its place at the captain's table in international affairs.

It seems unnecessary to retail and detail all his actions adverse to our interests (and by my yardstick, to Brazil's), but two or three warrant comment. Obviously, recognition of the Soviet Union is within Brazil's sovereign right; but it is no demonstration of friendship for us, nor is it certain that Brazil, even with our help, will be able to contain or control the resulting subversion and propaganda.

As for timing, I note that shortly after we agreed to a billion-dollar U.S. aid package - rescheduling old debts and opening new credits - Janio expressed his gratitude by granting high decorations to the entire membership of the Soviet Goodwill Mission, who - as the press here has pointed out - had done nothing whatever for Brazil. Similarly, we committed ourselves to a 20 billion dollar hemisphere social and economic development program at Punta del Este, from which Brazil will inevitably reap large benefits; and Janio promptly rewarded the principal thorn in our side there - a professional agitator and unquestioned Communist - by receiving him and decorating him, too, with the Cruzeiro do Sul.

It is difficult to see how Janio could more openly dramatize his break with past traditions of consultation and collaboration with the United States. Of course, his measures are motivated more by a desire to show independence and a spirit of bravado: "I'm important, too", than by anti-Americanism as such; yet an astute politician must realize the full implications and reverberations of his acts.

GPO 902667

0049

AIR POUCH — CONFIDENTIAL
HANDLING INDICATOR

FOREIGN SERVICE DESPATCH

For Department Use Only
732.00/8-2261
XR 090.3237
XR 632.61

FROM : Amcongen, São Paulo

TO : THE DEPARTMENT OF STATE, WASHINGTON.

August 22, 1961
DATE

REF :

SEP 21 1961

20 For Dept. Use Only	ACTION	ARA-4	DEP	RM/R 2	REP	AF	5	1	3	NEA	CU	INR 7	E	P 3	IO	ICA
	INFO		OTHER	AGR	COM	FRB	INT	LAB	TAR	TR	XMB					
	REC'D 9-23-61			AIR	ARMY	CIA 10	NAVY	OSD	OCB	USIA	NSA	NSC				

SUBJECT: Comments from São Paulo on Brazilian Political Scene

The political pot in São Paulo is boiling more merrily than for a long time. For some months, people here have been deeply disturbed at the trend of Janio's foreign policy; his most recent action - decorating psuedo-Cuban "Ché" Guevara with the Grand Cross of the Cruzeiro do Sul - has sickened and dismayed them. This attitude is noticeable among Americans, and among educated, articulate, cosmopolitan and pro-American Brazilians. (I have already reported my conviction that, like an iceberg, the great hidden mass of Brazilian opinion is pro-American). Both Folhas and O Estado (the latter for the second day) today carry editorials criticizing Janio; and Carlos Lacerda, Governor of Guanabara, has been particularly outspoken in his criticism in São Paulo of Janio's departure from the traditional norms of Brazilian foreign policy.

Ever since Janio took office, we have heard about his difficult internal position, which would make it necessary for him to make occasional gestures towards and concessions to the leftists and nationalists§, but not to be misled, Janio's heart was in the right place, and in six months all would be clear. Even the American Chamber of Commerce let itself be persuaded into adopting this attitude. Well, six months have passed, and Janio's acts, in the area of foreign policy, at least, seem on balance to have been quite uniformly and consistently contrary to our best aims and

§ Although I have never found anyone, including apologists for Janio, who admitted believing that these two groups were so powerful that appeasement was necessary.

DEPARTMENT OF STATE
BUREAU OF INTER-AMERICAN AFFAIRS
SEP 2 5 1961

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WPCochran, Jr/lfw
REPORTER

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FORM 5-61 FS-439 GPO 912595

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Control: 15539
Rec'd: 1961 AUG 22 AM 6 11
August 21, 1961
9:13 p.m.

ACTION:
INFO:
RM/R FILES

File
No action
ARA: EST/B
JW. Wilson
8-22-61

FROM: Rio de Janeiro

TO: Secretary of State

NO: 423, August 21, 10 p.m.

PRIORITY

ACTION DEPARTMENT 423, INFORMATION BUENOS AIRES 16

Tense politico-military situation reported EMBTEL 411 continued unabated today. Quadros reportedly standing firm on his right to conduct Brazilian foreign policy basis his leftist-neutralist campaign statements, thus next move up to Lacerda and his military supporters. Embassy continuing receive confirmatory reports displeasure and agitation rampant military and political circles reported REFTEL but Lacerda has not resigned and military forces favoring him have not yet publicly demonstrated disagreement with President by handing back own medals (previously indicated as next step crescendo protests).

Some observers (both pro and anti-Lacerda) believe Lacerda using this issue as convenient vehicle to remove himself from politically-hopeless gubernatorial post.

All Rio press today headlined "continuing crisis". Editorial opinion divided with strongly pro-Janio CORREIO MANHA and ultra-nationalist URTIKA HORA supporting Quadros and attacking Lacerda while pro-US O GLOBO and conservative O JORNAL blast Quadros award to Guevara and generally back Lacerda.

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-2- 411, August 20, 6 p.m. from Rio de Janeiro

air force and navy) with pro-Lacerda officers planning hand back own awards as sign protest.

Embassy notes Lacerda key figure in 1954 politico-military crisis which resulted downfall Vargas. Cannot therefore be lightly dismissed.

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6:41 P.M.

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gw milcarro (ltr)
8-23-61

1961 AUG 21 AM 6 42

ACTION:
INFO:
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FROM: Rio de Janeiro

TO: Secretary of State

NO: 411, August 20, 6 p.m.

PRIORITY

ACTION DEPARTMENT 411, INFORMATION BUENOS AIRES 15.

Reference: Embassy telegram 403 (not repeated Buenos Aires).

Award of Brazil's highest decoration to Che Guevara by President Quadros yesterday triggered series portests, particularly within military circles. Prime mover in this protest movement Guanabara Governor Lacerda, who evening August 18 flew Brasilia reportedly to tell Quadros leftist drift his foreign policy had gone too far. Also reported Lacerda received support this stand from members military who walked out on Guevara award ceremony. Yesterday Lacerda returned Rio to (1) award visiting anti-Castro leader, Manuel Varona, key to city with maximum attendant publicity; (2) call meeting State Secretariat where reportedly announced intention resign and blasted Quadros foreign policy; (3) hold series meetings with military leaders (e.g. Cordeiro Farias) for purpose obtaining support his stand. Reportedly Lacerda successful obtaining this support. Military leaders including War Minister Denys, Air Minister Moss and Marshal Lott have also been discussing measures for curbing President's increasingly leftist policy in addition to informating Quadros of displeasure among military. Situation sufficiently serious bring Quadros to Rio yesterday for series meetings with Lacerda plus others. Unconfirmed press reports indicate Quadros patched up quarrel with Lacerda late last night, but discontent still rampant military circles (particularly air force

1324, 12/31/60

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PAGE 1 OF ___ PAGES

1961 AUG 22 PM 2 17 Aug 19, 1961

Action ARA-13

Info RM/R-2 EUR-15 S/S-25 S/P-1 Q-2 IO-7 INR-10 Cia-15 Usia-15 OSD-20 Army M41 Navy-4 Air-2 NSA-4 NSC-1

FROM: Amembassy RIO DE JANEIRO

TO: Secretary of State

NO: A-71

RPTD INFO: Amembassy BELGRADE A-1

Date Sent: Aug 19, 1961
Rec'd: 732.00/8-1961

ACTION:
INFO:
RM/R FILES AUG 21 11 14 AM '61

File no action
ARA: EST/B gw wilson (mb)
8-23-61

Brazilian Socialist Party's National Executive Committee issued following manifesto August 15:

BEGIN QUOTE Brazilian Socialist Party . . . urges Brazilian people fully support group nations which will meet Belgrade next September for purpose attempting construct formula for preservation peace.

[The fact] is that two powers [who are] economically and militarily strong, though they desire peace, [are] dominated by feelings of political supremacy, [and therefore] do not cease, by means of reciprocal threats and preparation of terrifying instruments of war, to maintain cold war which could, through imprudent or unforeseen occurrence, cause catastrophe of immense proportions. And into this cold war they are dragging their satellites, because, whether they wish it or not, all countries are satellites which ally themselves to either these two powers because of disproportionate strength they possess. END QUOTE

Although Socialist Party not strong (9 out of 326 deputies in National Chamber), its neutralist manifesto interesting for two reasons: (1) It represents some improvement over party's usually pro-Communist stands; (2) it possibly indicative of growing trend toward neutralism in leftist-intellectual circles which Berlin crisis may have accentuated.

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POL: gw
August 17, 1961

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7:17 p.m.

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8-23-61

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FROM: Rio de Janeiro

TO: Secretary of State

NO: 403, August 19, 5 p.m.

Quadros yesterday awarded "Che" Guevara Grand Cross Cruzeiro du Sul and was scheduled decorate him this morning. Guevara arrived Brasilia last night belatedly and press says President postponed trip Espirito Santo order receive him.

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Control: 13410

Rec'd: August 18, 1961 10:08 a.m.

File. No action ARA: EST/B - gw Wilson (MB) 8-21-61

Action ARA

Info P USIA NSC INR CIA NSA OSD ARMY NAVY AIR RMR

FROM: Recife

TO: Secretary of State

NO: 47, August 17

ACTION DEPARTMENT 47, INFORMATION RIO DE JANEIRO 62.

Today's afternoon paper reportedly will publish story AMCON here broken into and robbed last night. Story false. Should read Argentine Consulate.

RABIDA

SGC

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stated that "Even Cuba is acting reasonably, at least for the time being."

8. Titov

If the second Russian in space was intended to divert attention from the Montevideo Conference, the attempt partially backfired, Punta del Este taking up much front page space that might normally have gone to the astronaut. The Brazilians, too, had just said goodbye to Gagarin and were not inclined to effervesce over his successor. Titov nevertheless reaped a harvest of headlines for two days, but moderate editorial comment was typified by Folha's opinion that "The new Soviet success, though most important, does not alter the balance of power...."

9. Berlin

Berlin was increasingly in the headlines, and Krushchev's bombast pushed local feeling more strongly than ever behind the U.S. position. Even far-leftist Ultima Hora once called his bomb-rattling "stupid." The U.S. approach appeared ultra-reasonable in contrast. According to O Estado, "There is another reason, too, for the verbal furor of Nikita Sergeivitch: the olympic and determined calm of John Kennedy."

Miscellaneous
10. List of Substansive Despatches

45. Santos Weekly Report
47. Bi-weekly Economic Review
48. Champion Cellulose SA Exports Paper Pulp
49. Expression of Appreciation for Colaboration extended by Agricultural Officer Fred Treager
51. Trade Contact Survey - Wilson Plastica
52. Trade Contact Survey - Eshelman & Sons
53. Trade Contact Survey - Watts Regulator Company
54. Trade Contact Survey - The Eagle Pitcher Company
55. São Paulo Summary No. 7. Week Ending August 12, 1961.

William P. Cochran, Jr.
Minister Consul General

Contributors: Pyle, Proper.

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

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The Mayor stated that he will under no circumstances be a candidate for state Governor in 1962, but that, on the other hand, he has no intention of resigning from his present job because of ill health. The medical treatments recently prescribed for him, he said, "affect his stomach, not his work."

COMMENT (Confidential) During Prestes Maia's previous term as appointive mayor, when he had no City Council to worry about, he proved an honest and effective administrator, but he is having a great deal of trouble adapting to the role of a practical politician. He has no use for many of the councilmen (in this the press has often agreed with him) and he has made little effort to obtain sufficient support from them to get his programs off the ground. The councilmen - almost all of whom aspire to the state legislature - resent his neglect of them deeply. The mayor is now obviously attempting to detour this impasse by appealing directly to the public. He is perhaps inspired in this by President Quadros' success in neglecting the federal legislature, but it remains to be seen whether - lacking Quadros' demagogic qualities - he will be successful.

Local Press Reactions

6. Punta del Este

All responsible papers paid eloquent tribute to U.S. participation in the Montevideo Conference, and even the pink press did no more than repeat shopworn anti-U.S. generalizations with a certain lack of enthusiasm. The conclusion of the moderate press was that the American delegation had confounded its worst critics, appearing more progressive than many of its Latin American counterparts. In the words of O Estado de S. Paulo: "The spirit of President Kennedy's 'Alliance for Progress' continues to be expressed by the U.S. delegates .... (but) the attitude of the majority of Latin American delegates is less positive and less lucid." In leftist Ultima Hora, columist Domar Campos said that "More important than financial aid in the relations of Latin America with the U.S. is frank and sincere understanding. The Montevideo Conference has just demonstrated that the first of these elements (financial aid) is no longer a problem. It is the second which still is not clear." Moderate Folha de S.Paulo more nearly summed up the local reaction in its statement that "...the Conference marks the beginning of a new era in inter-American relations." Several papers commented that the Brazilian delegation, in particular, had "won a victory."

7. Cuba

Except for scattered articles on the airplane kidnapping incidents, commentary on Cuba concentrated on "Che" Guevara's performance at Punta del Este. Early statements followed the expected trend, i.e. O Estado reported that Guevara's long speech terminated in disorder. And without applause." By way of contrast, Ultima Hora (far left) said that he "was applauded with enthusiasm by members of several delegations, especially by the Brazilians." Later in the week, however, Guevara's performance sometimes won grudging approval even from the moderates, as when A Folha

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A São Paulo PSB state convention held on August 5 decided not to support any gubernatorial candidate proposed or sponsored by President Janio Quadros, former president and Goiás senator Juscelino Kubitschek, vice-president João Goulart, or governor Carvalho Pinto. It was announced that another state PSB convention will be held in October 1, at which time a gubernatorial candidate would be chosen. The members of the state PSB directorate indicated that their gubernatorial candidate would defend the principles of the party even though they do not expect him to win.

COMMENT: (Confidential) Leftist oriented Febus Gikovate appears to have won a Pyrrhic victory in his battle to retain the presidency of the state regional committee. While he will no longer be challenged by Freitas Nobre for the state presidency he is leading a group that does not have a single outstanding personality in São Paulo; a group that has been seriously weakened by the sizeable PSB group that broke away to support Janio Quadros for president last year and later formed the Ação Socialista (Socialist Action) which recently merged with the Movimento Trabalhista de Renovação - MTR (Labor Renovation Movement; see São Paulo despatch 38, August 1, 1961).

5. Prestes Maia's Problems (Official Use Only)

São Paulo mayor Prestes Maia made three public speeches during the past week: one to law students, one to a labor group, and one over television (the latter to be the first of a series of weekly addresses). On each occasion, the mayor spoke far longer than has been his usual custom. The most basic of the several problems he discussed was that of finance. He reported that the previous administration (under mayor Ademar de Barros) had willed him a deficit of two billion cruzeiros, a series of debts, public works in disrepair, and a bureaucracy whose salaries make up 60% of the city's expenses. Mayor Prestes Maia also claimed that the City Council had been totally unwilling to vote the funds necessary for proper functioning of the municipal government.

It was because of the city's shaky finances that four secondary schools were transferred to state auspices (see despatch 44, August 8, 1961), causing protests and demonstrations by students. Another demonstration took place during the past week, and the mayor's opposition in the City Council howled for the resignation of municipal secretaries Fernando de Azevedo (Education and Culture) and Monteiro de Carvalho (Finance). Maia showed no signs of obliging.

In another controversial move, mayor Maia has held unconstitutional - and refused to implement - the pay raise granted to city employees holding university degrees in the last days of Ademar de Barros' mayoralty (see despatch 356 of March 28, 1961). Various councilmen - including his supporters - have accused him of insufficient contact with the council and have said that the mayor, while treating them courteously, does not do anything for them

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saying that "this courageous companion of the administration has been placed in charge of an unprecedented program for the renovation of agriculture."

Meanwhile, adherents of another possible pro-administration gubernatorial candidate, brigadier Faria Lima, president of the National Bank for Economic Development (BNDE), were reported to have ordered thousands of cards to be used in behalf of the candidacy of Faria Lima.

COMMENT: (Confidential) An officer of the Consulate General was informed at the end of the past week by an American businessman, whose wife is a member of the prominent Vidigal family of São Paulo, that Faria Lima suffered a heart attack a few days ago. Nothing was said regarding the severity of the attack. Should Faria Lima have in fact suffered such an attack (which the Consulate General is endeavoring to verify through other sources) it could affect the gubernatorial contest next year if Faria Lima's activities are seriously curtailed as a result. A number of politicians in São Paulo have speculated in recent weeks that José Bonifaçio and Faria Lima would cancel each other out of the gubernatorial race which would permit Quadros forces to suggest a third candidate around whom the carvalhista and janista supporters could rally.

It is known that Faria Lima recently underwent a tonsillectomy and that visits which he had previously planned to make to various cities in São Paulo during August have now been postponed to September 15 or a later date.

4. PSB Crisis (Official Use Only)

Federal PSB deputy Ruy Novais and the vice-mayor of São Paulo, Freitas Nobre, resigned from the PSB this past week. Ruy Novais declared that a representative of the party's national directorate had recently stated that the São Paulo regional directorate was "incompetent" and unable to give the party proper guidance along socialist lines. Freitas Nobre criticized the local PSB for publicly supporting another PSB candidate during the recent mayoralty campaign.

Febus Gikovate, president of the PSB state executive commission, retorted by saying that Ruy Novais' association with the party had been a mistake, that he was never "tied" to the party. Gikovate accused Freitas Nobre of committing an error when he stated that he was also resigning from the PSB state directorate because he had never been elected to that body but had been elected a delegate to the national convention.

The administrative secretary of the PSB state regional committee, João Zicardi Navajas, issued a statement this past week stating that the PSB will "march with the left" and support those opposed to capitalism. The party, Navajas said, will oppose the present São Paulo city administration, not because it is opposed to Prestes Maia personally, but because it cannot support a "dirty capitalist regime" which "torments" workers and "other segments of society".

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Continuing, Carlos Lacerda stated that what he did think dangerous was the fact that Brazil is not "internally prepared to defend itself against Communism". In conclusion he said that Brazil should not exchange "certain friends for uncertain friends".

Repercussions were also heard in the state Legislative Assembly. State PDC deputy Modesto Guglielmi criticized Janio's foreign policy, and singled out the re-establishment of diplomatic relations with the USSR and the sympathetic attitude which Brazil had displaced toward Cuba, as the objects of his attack.

A party colleague, Roberto Cardoso Alves, while not disagreeing with Guglielmi's remarks, reminded him that the PDC state directorate was still considering the position that the party should take in respect to Cuba; that while he (Cardoso Alves) disagreed with the "methods" used by Fidel Castro, the recent Latin American Conference of Christian Democrats in Venezuela had expressed itself in favor of the "reforms" made in Cuba.

Janio's foreign policy however, was supported by Paraná governor Ney Braga during a press interview in São Paulo this past week. During the time between a change of planes Ney Braga said that the establishment of diplomatic relations with all of the Communist countries indicated that Brazil had reached political "maturity"; that "it is necessary not to confuse the re-establishment of relations with Communist countries with kindliness toward Brazilian Communists".

COMMENT: (Confidential) There was an expectancy by some local politicians that Carlos Lacerda would meet with Janio at Bertioga before returning to Rio. Carlos Lacerda returned without seeing the President (except briefly at the Museum of Brazilian Art), which makes one wonder if Janio may not have been expressing presidential displeasure.

3. 1962 Gubernatorial Race (Official Use Only)

São Paulo state Secretary of Agriculture, José Bonifaçio Coutinho Nogueira, held the spotlight this past week among the possible gubernatorial contenders in 1962. In a week where little activity occurred either in pro-administration or the opposition camps, José Bonifaçio visited a number of towns throughout the state dedicating public works included in the governor's Plan of Action, or agricultural projects under the jurisdiction of the Secretary. José Bonifaçio did not campaign. However, no one was apparently deceived. Most people seemed to realize that he was doubtless attempting to build public support for his candidacy in 1962 which may have prompted a city councilman at Jundai to exclaim "We are in front of Carvalho Pinto's successor." José Bonifaçio's possible candidacy received two further boosts this past week. Federal UDN deputy Nicolau Tuma suggested that the parties supporting the state administration appoint a commission to coordinate and direct activities designed to popularize José Bonifaçio's candidacy. Governor Carvalho Pinto publicly praised his Secretary of Agriculture

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to rest for several days at the home of José Ermirio de Moraes, Janio's rejected nominee as Ambassador to Bonn. (See São Paulo despatch 2, July 5, 1961).

On August 12 the President drove to São Paulo to confer privately with governor Carvalho Pinto for over an hour. At the end of the week it appeared likely that the governor would meet with Janio again at Bertioga before his departure for Brasilia. The president's contacts will apparently be confined to politicians. Abreu Sodré is expected to meet with Janio. The president advised local labor leaders who wished to see him that they could do so at Brasilia; that he (Janio) would ask the Brazilian Air Force to provide transportation.

COMMENT: (Confidential) Despite the president's often repeated statement that governor Carvalho Pinto is the political leader of São Paulo many local politicians believe that Janio's visits to São Paulo are intended to keep his political base in the state secure, and to ascertain the strength of possible pro-administration gubernatorial candidates for election in 1962. While the relationship between the president and governor Carvalho Pinto now seems to be much closer than it was some months ago, it would also appear that the President is going to take a much firmer hand in the choice of the pro-administration gubernatorial candidate than he did in the recent mayoralty campaign in São Paulo. In view of the fact that a number of political parties supporting the state administration will start to hold their state conventions to choose a gubernatorial candidate after the beginning of next year the President and Carvalho Pinto will doubtless take a more definitive position before the end of 1961.

2. Criticism of Janio's Foreign Policy (Official Use Only)

Janio's foreign policy, particularly his "hands off" policy toward Cuba and his cordial gestures toward the USSR were roundly attacked in São Paulo this past week. The two leading daily newspapers, the Estado de S.Paulo and Folha de S.Paulo on August 6 published editorials taking President Quadros to task for his recent actions and statements in the field of foreign relations (see São Paulo despatch 43, August 7, 1961).

On August 9 Guanabara governor Carlos Lacerda arrived in São Paulo to attend the opening of the Museum of Brazilian Art (see Item 1). Carlos Lacerda (whose earlier criticism of Janio's rapprochement with Cuba and the USSR was defended by Estado in its August 6 editorial) was immediately bombarded with questions by newsmen upon his arrival. The Guanabara governor characterized Janio's domestic policies as "excellent" and a "miracle that no one could bring about". In the field of foreign relations however, Carlos Lacerda continued his criticism. He said that he did not agree with Janio's foreign policy because "it is dangerous and wrong". He added that this does not mean that I "diverge" from the President. Regarding the re-establishment of diplomatic relations with the USSR Carlos Lacerda asserted that he did not feel that the resumption of relations with the Soviets was dangerous. He pointed out that practically all countries maintain diplomatic relations with the USSR.

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AIR POUCH
PRIORITY

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FOREIGN SERVICE DESPATCH

FROM : Amcongen, SÃO PAULO

55
DESP. NO.

TO : THE DEPARTMENT OF STATE, WASHINGTON.

August 16, 1961

REF :

CONSULATE GENERAL OF THE UNITED STATES OF AMERICA
AUG 16 1961
SÃO PAULO, BRAZIL

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	REC'D 8/23	INFO OTHER CIA-10 USIA-10 OSD-5 army-4
		JAB-8 Navy-4 air-6 NSA-4

SUBJECT: São Paulo Summary No. 7, Week Ending August 12, 1961

Index:

Political
1. Janio Quadros Visits São Paulo
2. Criticism of Janio's Foreign Policy
3. 1962 Gubernatorial Race
4. PSB Crisis
5. Prestes Maia's Problems

Local Press Reaction
6. Punta del Este
7. Cuba
8. Titov
9. Berlin

Miscellaneous
10. List of Substansive Despatches

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

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Political

1. Janio Quadros Visits São Paulo (Official Use Only)

President Janio Quadros returned to São Paulo on August 10 to inaugurate the first exposition of Brazilian baroque art at the Museum of Art of the Armando Alvares Penteado foundation. The president was accompanied to the new museum by dona Eloá, São Paulo governor Carvalho Pinto and his wife, the state Secretary of Health, Fauze Carlos, and the president of the State Legislative Assembly, Abreu Sodré. Before a large gathering of people prominent in São Paulo's political, artistic and cultural life as well as a number of distinguished guests from other states which included Carlos Lacerda, governor of Guanabara, the President bestowed the national Order of Merit on Annie Alvares Penteado, president of the foundation. Janio's admiration of Abraham Lincoln was again demonstrated by his remark made at the conclusion of the ceremonies at the museum, when he was presented with a painting of the great emancipator by a local artist, that he would "hang it in my room where it will be permanently close to me".

Janio departed almost immediately after leaving the museum for Bertioga, a seaside resort a few miles from Santos, where he was expec

see last page/mec
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DESP. NO.

TO : THE DEPARTMENT OF STATE, WASHINGTON.

August 16, 1961
DATE

REF :

File no action: E&T/B: Wauchon-lwc 9-15-61

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	REC'D 8-19	OTHER cia-10 Lab-8 Com-10 TR-3 usia-1 NSC-1 INT-7

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 August 11, 1961.

William P. Cochran, Jr.
Minister Consul General

732.00/8-1661

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

Enclosure:
Santos Weekly Report
dated August 11, 1961

cc: Amembassy, Rio

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GLENN FORD, DEPOIS DE 14 ANOS DE OSTRACISMO, PERDEU 22 QUILOS E VOLTOU A SER A MAIOR SAPATEADORA DO MUNDO.

UM milagre aconteceu na Broadway: um milagre como raramente acontece – o da volta de uma estrêla ao palco dos seus antigos triunfos, com o mesmo êxito dos tempos passados, depois de um longo período de reclusão e de renúncia. A estrêla que voltou era, há vinte anos, um dos grandes nomes da constelação da Metro. Por amor, encerrara a sua carreira, deixando de ser a famosa Eleanor Powell para ser apenas a senhora Glenn Ford. A êsse amor quis consagrar tôda a sua vida. Mas, um dia, viu seu companheiro tornar-se indiferente, consagrar-se a novos amôres e, por fim, pedir o divórcio. O mundo parecia ter acabado para ela. E agora? Quem se lembrava, ainda, de Eleanor Powell, de suas comédias musicais, de seus sapateados dinâmicos?

Quando tudo parecia terminado, ela encontrou alguém que lhe deu coragem: Peter Ford, nascido em 1945, de seu casamento com Glenn Ford. O rapaz, ao vê-la triste e abatida, animou-a a tentar uma volta. Disse que seus colegas lhe tinham dito que uma "mamãe tão bacana" não poderia ficar arquivada. Fôra exibido, na televisão, um dos seus primeiros filmes "Nascida para Dançar", e a meninada achava que ela era "a maior", no gênero "tap-dancer". Então, Eleanor começou a treinar outra vez. Vestia todos os dias a sua malha e dançava, com intervalos, a princípio, cinco minutos, depois dez e até quinze. Começou a perder pêso (passou de 73 a 51 quilos) e voltou à silhueta antiga, à graça e à ligeireza dos tempos em que era uma grande "star".

Ao considerar-se em forma, Eleanor Powell autorizou um agente a procurar contratos. Mas as emprêsas não se lembravam mais de Eleanor Powell: só pensavam em Frank Sinatra, que era um artista modesto, no tempo de suas glórias, ou de Elvis Presley e de Sammy Davis. Por fim, o filho de Eleanor resolveu intervir. Estava afito para ver a mãe numa situação mais folgada, sem depender apenas da pequenina mesada que Glenn Ford, um dos milionários de Hollywood, avaramente lhe paga. E, em segrêdo, combinou com a cantora Pearl Bailey que levaria Eleanor para ver o seu "show". Fingindo surprêsa, Pearl anunciaria a presença da ex-Sra. Glenn Ford, pediria para ela os aplausos do público e a convidaria a subir ao palco para fazer um número. A coisa funcionou e, pela primeira vez, em tantos anos, Eleanor sentiu que não fôra de todo esquecida. No dia seguinte, a notícia estava em todos os jornais. A exibição constituira um triunfo. E os contratos começaram logo a surgir.

O primeiro foi para uma temporada no "Sahara", grande cabaré de Las Vegas. Em sua estréia, todos os números foram bisados. Ela teve que dançar durante 45 minutos. Dançou, sem perder o fôlego. E recebeu uma das mais calorosas e prolongadas ovações de tôda a sua vida. Nesse espetáculo, ela não apenas dançou. Também cantou, como outrora cantava nos filmes. E criou um número muito dinâmico e bonito, a Dança do Matador, em homenagem a Tyrone Power e em lembrança de seu filme "Sangue e Areia". Gastou 75 mil dólares em seu guarda-roupa de grande luxo, dando parte do dinheiro à vista e assinando promissórias sôbre o resto. Todo êsse esfôrço gigantesco foi compensado: já tem dois milhões de dólares assegurados em novos contratos. Até de Hollywood há produtores que lhe acenam com papéis de destaque em filmes importantes. Não terá uma semana vazia, nos próximos meses.

Presentemente, ela gasta um par de sapatos especiais por semana (tem sempre uma dúzia em seu camarim). Seu novo repertório inclui, entre números antigos, repassados, e números novos, nada menos de 48 rotinas coreográficas. A maior sapateadora do mundo, mais veloz que uma metralhadora, voltou a ser o grande cartaz que era no passado. Triunfaram a sua tenacidade férrea e o amor e dedicação do jovem Peter Ford, um filho como poucos existem no mundo, solidário e carinhoso, pronto a apagar seus desgostos com uma palavra consoladora e afetuosa.

Reportagem de Odilla Liotti

EXCLUSIVO

PAULO DE TARSO, PREFEITO DE BRASÍLIA, ARRASTA O PDC PARA A ESQUERDA E DEBAT

PAULO DE TARSO COM

SAÍDA DA MISSA, COM A FAMÍLIA

conserve sempre
seus encantos...

com a umidade
que só ela pode dar...

A hidratação perfeita das camadas subcutâneas é o segredo da juventude da pele! Nivea tonifica e protege as células, evitando o ressecamento prematuro!

NIVEA Creme

NIVEA CREME
Tonifica e dá vida aos tecidos cutâneos, assegurando pele macia como uma pétala!

NIVEA VANISHING-CREAM
Base ideal para pó. Conserva sua maquilagem mais aderente e sedutora, durante todo o dia!

NIVEA MILK
O creme líquido preferido pelas mulheres que conhecem o melhor! Use-o tôdas as noites no rosto, colo, braços e pernas. Agradável sensação de frescor envolverá todo o seu corpo.

USE OS PRODUTOS
NIVEA
e seja sempre bela

Dévis Nacido - 2000.

Helena Sangirardi ensina a fazer

PÃO DE PASTA DE AMENDOIM

SUELY LIMA DE ABREU ENFEITANDO...

INGREDIENTES COMPLETOS PARA A RECEITA.

JUNTE O LEITE TODO DE UMA VEZ.

FOTOS DE ALBERTO JACOB

UM pão feito em casa é sempre alguma coisa de notável, para grandes e pequenos. Trazemos hoje, para nossas leitoras, um pão de sabor diferente, muito leve, indicado para o lanche da tarde ou o café da manhã. Sirvam-no, de preferência, no dia seguinte.

INGREDIENTES

1) — 2 xícaras de farinha de trigo.
2) — 2 colheres (sopa) de fermento em pó.
3) — 1 colher (chá) de sal.
4) — 1/3 de xícara de açúcar.
5) — 1/2 xícara de pasta de amendoim.
6) — 1 1/2 copos de leite.

ABECEDÁRIO

a) — Peneire, juntos, a farinha de trigo, o fermento, o sal e o açúcar.
b) — Junte a pasta de amendoim e misture bem.
c) — Adicione então o leite (foto 3) e misture tudo até conseguir uma massa bem lisa e macia.
d) — Bata um pouco essa massa com as mãos.
e) — Despeje em pirex retangular, em formato de pão-de-fôrma.
f) — Alise por cima com o auxílio de uma faca.
g) — Asse em forno moderado durante uma hora, mais ou menos.
h) — Deixe esfriar na própria fôrma.
i) — Sirva só no dia seguinte.

ATENÇÃO — Não estranhe a falta de qualquer gordura porque a pasta de amendoim é que serve como tal, para esta receita.

haverá harmonia, porque haverá sempre um elemento perturbador: a injustiça social.

O senhor se considera identificado com o Socialismo?

— O fato de a verdade cristã estar no Socialismo não faz com que ela deixe de ser cristã. O Manifesto de Marx antecedeu de 50 anos à Encíclica de Leão XIII, mas Cristo antecedeu a Marx em alguns séculos. Marx pregou algumas verdades cristãs, o comunismo executou umas poucas, desvirtuou outras e criou um divórcio entre certos "cristãos" e essas verdades. Êstes "cristãos" preferiram ficar com seus privilégios a ficar com o Cristianismo.

Conta com apoio na hierarquia da Igreja Católica no Brasil?

— As idéias que tenho apresentado suscitaram polêmicas em todo o País e no exterior, de maneira até surpreendente. Se as verdades que apresento são, como estou convencido, absolutamente ortodoxas, por

CAUSAS POPULARES, PORQUE CRISTO DISSE QUE É DOS POBRES O REINO DOS CÉUS.

que a polêmica? Porque elas se chocam com um estado de coisas que precisa ser substancialmente alterado em nome do Cristianismo. Venho recebendo manifestações de apoio de muitos setores da Hierarquia católica. Os que divergem das minhas afirmações não me têm negado a autenticidade cristã, que não me poderiam negar.

Houve, no Brasil, precursores dêsses princípios?

— Sim. Aí estão Alceu do Amoroso Lima e Edgar da Mata Machado. Aí está o Padre Orlando Vilela, que, em 1951, dizia: "O que não está certo é que se deixe de combater o Capitalismo por mêdo do Comunismo e que se deixe de lutar por um mundo nôvo só porque os comunistas também lutam por um mundo nôvo. O mêdo do Comunismo não nos deve levar ao ponto de

ATAÍDE COMBATEM OS EXCESSOS DO CAPITALISMO E OS DO COMUNISMO.

cruzar os braços diante de uma economia sem justiça, sem amor, dura, cruel, implacável." Êsse mesmo sacerdote, citando Berdiaeff, acrescentava: "O Comunismo não é cristão. O Capitalismo parece cristão. Há uma distância maior entre o *ser* e o *parecer* do que o *ser* e o *não ser*. No fundo, são ambos portadores do mesmo espírito ateu e anticristão." Com base em textos como êste, sustento que o Capitalismo é o adversário mais perigoso do Cristianismo, porque lhe tira a autenticidade, sem a qual êle não poderá superar o Comunismo. Os sucessos comunistas serão tanto maiores quanto maior fôr a confusão entre Capitalismo e Cristianismo.

O senhor também combate a "civilização cristã e ocidental"?

— Para começo de conversa, não existe uma civilização cristã perfeita no plano temporal. Existem aspectos e momentos cristãos nas civilizações. Há um ideal cristão para o qual devem convergir as civilizações. Logo, civilização ocidental não é sinônimo de civilização cristã. O Ocidente não é proprietário do Cristianismo. Torna-se mesmo pretensioso quando se intitula dono dêle. Nem mesmo a experiência ocidental de realização das verdades cristãs pode ser considerada suficientemente autêntica e meritória ao ponto de justificar essa identificação.

Considera então o Cristianismo uma religião do Oriente?

— Os que distinguem o Oriente do Cristianismo começam por renegar a Cristo, que nasceu em Belém e pregou sua Mensagem na Palestina. Destinatário e dona dessa Mensagem não é o Ocidente nem o Oriente, mas tôda a Humanidade. Justamente por isto o Cristianismo pode ser o interlocutor e a ponte entre os mundos ocidental e oriental, que só se entenderão na medida em que falarem a linguagem cristã. Entendimento universal só se fará em tôrno de problemas universais e à base de um pensamento ecumênico como o do Cristianismo. O problema mais universal é o da miséria, comum aos mundos em choque. A luta contra ela só pode ser vencida, para uni-los, se colocada numa escala universal.

Esta sua luta poderá cindir os católicos brasileiros?

— No mundo inteiro ela tem provocado divergências entre os católicos. No Brasil, não creio que se chegue a uma cisão, porque em todos êles haverá sempre o respeito à missão sobrenatural da Igreja, que constitui a sua essência, e haverá sempre a adesão aos ensinamentos pontifícios, nos quais nos baseamos, além do aprêço ao Apostolado Hierárquico da Igreja.

Por que o senhor, ao mesmo tempo que se mostra partidário da propriedade privada, critica fortemente a organização das sociedades anônimas?

— Tenho as minhas razões. Acredito que o homem tem direito natural à propriedade privada. Mas a Sociedade Anônima, não. O direito natural desta situa-se no plano Institucional. E o que o homem instituiu pode ser por êle revogado. Assim, a propriedade das grandes emprêsas nada tem de comum com o direito natural primário da pessoa à propriedade. Nesse terreno, aliás, sempre sustentei a tese de que o Estado pode e, em certos casos, deve desapropriar ações das grandes Sociedades Anônimas para converter em realidade a doutrina social cristã, que recomenda a co-propriedade e a co-gestão como meios de transformar emprêsas capitalistas, que existem para o lucro, em comunidades voltadas para o "homem", pondo têrmo ao divórcio anticristão entre propriedade e responsabilidade, na vida das Sociedades Anônimas. A emprêsa, a meu ver, não pode ser propriedade apenas do capitalista, o que equivaleria a ignorar os valores humanos nela inseridos, especialmente a contribuição do trabalho para os resultados econômicos que ela obtém. É farisaica a atitude dos que procuram confundir a propriedade das grandes emprêsas, fora da escala humana, com o direito natural da pessoa humana aos bens primários: alimento, vestuário, habitação, saúde, educação etc.

Quais os principais adversários de suas idéias?

— Em primeiro lugar, estão aquêles que reagem contra o Comunismo mais em função de seus privilégios do que de sua fé católica. Êles sentem que seu patrimônio privilegiado corre risco na medida em que a Igreja deixar de ser escudo contra as justas reivindicações sociais. Em segundo lugar, estão os marxistas, que professam um ateísmo militante, e que estão certos de que a vitória das verdades cristãs será a superação do Comunismo.

As massas católicas estão em condições de entendê-lo?

— Confio mais nelas do que nas elites econômicas. Os privilégios que as nossas idéias combatem constituem a base do domínio injusto que tais elites exercem sôbre as massas. Todavia, se por clites se entende a reunião dos mais capazes e dos mais lúcidos, estas idéias podem ser aceitas por elas, como já o foram, pois eu delas as aprendi.

Entende que o Capitalismo deve ser reformado?

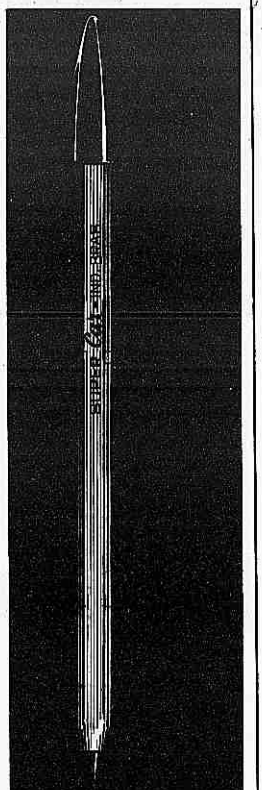
— Não. A democracia cristã não deve ser reformista. Nosso objetivo não é o de reformar o Capitalismo, mas sim o de superá-lo. Êle deve ser superado pela visão cristã do mundo. A atitude dos cristãos em face do Capitalismo deve ser a de inhumar o cadáver. A Igreja não pode identificar-se com um sistema econômico que agoniza. Se o grande escândalo do século XIX foi a perda, pela Igreja, da classe operária, o grande escândalo do século XX está sendo o risco de perder a juventude. Mas creio que há sempre motivos de confiança e otimismo, sobretudo quando vemos o Papa João XXIII, ao comemorar o 70.º aniversário da "Rerum Novarum", lançar-se à vanguarda da reforma social da Igreja.

danse du feu

Ardente fragrância do desejo. Envolvente carícia da esperança. Inesquecível toque do amor.

COLÔNIA
SABONETE
TALCO

margareth duncan



CAPITALISMO COMUNISMO CRISTIANISMO

Qual o sentido geral de suas idéias a respeito do Cristianismo, Capitalismo e Comunismo

— O Capitalismo não é o dogma econômico do Cristianismo. Trata-se de uma heresia, já condenada pela "Rerum Novarum". Não existem novidades no que digo. Elas são teses ortodoxas da Igreja. A apresentação é que tem sido veemente, porque nós achamos que as teses de vanguarda precisam sair dos documentos pontifícios para a rua, com obstinação e disposição de luta. A confusão entre o Cristianismo e o Capitalismo é um êrro ideológico e tático, porque confunde a verdade cristã com uma heresia e porque alia uma verdade eterna com um sistema decadente.

Acredita que o Capitalismo está em decadência?

— Sim. O Comunismo vai vencê-lo e já o está vencendo. Os próprios Estados Unidos já começam a abandonar a ortodoxia do Capitalismo. É muito fácil prever o resultado final: uma parte do mundo já é comunista e a ela o Capitalismo não tem acesso, inclusive por motivos de ordem policial; a outra parte é capitalista, mas está minada pelo Comunismo, que derrotará o Capitalismo, mas será derrotado pelo Cristianismo. Tudo dependerá da disposição em que os cristãos se mostrarem à altura da Mensagem cristã e quiserem levá-la às últimas conseqüências, mesmo que ela lhes seja hostil.

Como pode ser localizado e identificado o Capitalismo que condena?

— Refiro-me sempre ao Capitalismo histórico, sem o limitar a um país, mas identificando-o como um sistema econômico centrado no lucro e não nas necessidades humanas. Para os cristãos, as coisas existem no sentido de suas necessidades e não do lucro. Com o Capitalismo, a humanidade não resolveu até agora nenhum dos seus problemas, inclusive e sobretudo o da fome. Dois terços dos homens não consomem o mínimo de calorias necessárias à subsistência, que é de 2.700. Històricamente, o Capitalismo tem perpetuado a miséria. Não resolveu os problemas de alimentação, habitação, vestuário. No entanto, existe um Plano da Providência para a Humanidade. Deus o fêz. Há, um direito ao uso das coisas da Natureza. Sua donatária é a Humanidade. Uma estrutura social que não consegue realizar êsse direito deve ser superada em nome do Cristianismo.

Considera o Capitalismo responsável pela miséria?

— A miséria não está prevista no Plano da Providência Divina. Existe no mundo riqueza suficiente para que não haja miséria. Pode haver pobreza, no sentido da humildade e da renúncia aos bens terrenos, mas não miséria. Ela só existe porque há os privilégios. Imputar a Deus a instituição da miséria seria culpá-lo de uma imperfeição. A grande luta dos políticos cristãos tem de ser, assim, a de eliminar a miséria no mundo. Basta que as coisas sejam bem distribuídas para que não exista miséria. Mas o Capitalismo sustenta que as coisas devem existir em função do lucro. Logo, a luta do Cristianismo é contra os privilégios, a má distribuição e o Capitalismo, que tem procurado sempre apresentar o Cristianismo como seu sistema, para escudo de seus privilégios. Êle busca fundamentar as injustiças sociais que comete, pela distorção das verdades evangélicas. A única atitude para os democratas-cristãos é a de lutar pela superação do Capitalismo e do Comunismo.

Por que sòmente agora resolveu defender essas idéias?

AS ORAÇÕES FERVOROSAS E O MISSAL, QUE CONDUZ NAS MÃOS, NÃO O AFASTAM DAS

— Por uma questão de amadurecimento. Tenho hoje uma experiência política à luz da qual leio os documentos da Igreja. Já defendia essas idéias como vereador e deputado federal. Só que não era ainda Prefeito de Brasília. E agora torna-se mais fácil entender que o fascínio exercido pelo Comunismo sôbre a Humanidade não vem do fato de ser ela anticristã, mas pelo de ser anticapitalista. O homem é contra o Capitalismo e não contra o Cristianismo. No dia em que a Humanidade perceber que pode lutar pelas reformas sociais de base e contra as injustiças sem precisar ser comunista, o Comunismo perderá seu fascínio.

Em quais autores se baseia?

— Em Leão XIII e Pio XI, que lançaram a "Rerum Novarum" e a "Quadragésimo Ano", além de Keteler e Gibbons, dois pensadores ca-

O PAPA JOÃO XXIII, COM A RECENTE ENCÍCLICA, E O LÍDER CATÓLICO TRISTÃO DE

tólicos que influíram no aparecimento dessas duas Encíclicas. Baseio-me também na palavra de Berdiaeff e na de Maritain, que, traduzido por Alceu do Amoroso Lima, diz: "Se fôsse apenas um sistema econômico, poder-se-ia conceber, qualquer que fôsse o valor intrínseco de tal sistema, um Comunismo cristão." Maritain escreve no condicional, porque a Igreja não tem sistema econômico para impor dogmàticamente.

Quais as credenciais que apresenta para defender essas idéias?

— Geralmente os que procuram divulgar o pensamento de vanguarda da Igreja não são católicos, ou pelo menos não são católicos praticantes. São, assim, fàcilmente fichàveis como comunistas. Mas, aos que me pretendessem fichar, eu perguntaria e responderia, como São Paulo: "Vocês são católicos? Eu também sou. Vocês têm a confiança da hierarquia? Eu também tenho. Vocês são bons chefes de família? Eu também sou. Vocês têm muitos filhos? Eu também tenho. Vocês pertencem à burguesia? Eu também. Existe apenas uma diferença: eu não devo fidelidade à minha classe burguesa, mas ao Cristianismo. Para dar testemunho da verdade cristã estou disposto a romper com minha classe. Pois na concorrência entre as classes, admitida por Pio XI, penso ser um dever indeclinável do cristão tomar o partido do Proletariado, para refazer o equilíbrio social e permitir a realização do bem comum de tôdas as classes. O interêsse de tôdas as classes coincide com o do Proletariado, que procura ascender a um nível humano de vida. E sem essa ascensão não

0029

Manchete
August 5, 1961

Enclosure
Despatch 116
Rio de Janeiro
[illegible]

APIA

POR MURILO MELO FILHO

PORTADOR de um nome apostolar, o Sr. Paulo de Tarso, atual Prefeito do Distrito Federal, empenhou-se numa cruzada política que vem sensibilizando largas áreas do país: a de dar ao Partido Democrata Cristão uma linha mais avançada, mais progressista e mais humana, que o coloque, não entre as organizações do centro, ou da direita, mas entre as da esquerda. Suas teses, consideradas revolucionárias e surpreendentes, chegaram a escandalizar certos meios católicos e mereceram, mesmo, restrições francas do Arcebispo de Pôrto Alegre, D. Vicente Scherer. Mas sua posição fortificou-se muito, quando o atual Papa, João XXIII, advogou para a Igreja Católica uma atitude de mais ampla compreensão ante as reformas sociais do nosso tempo. É bem provável que, graças a êsse imprevisto pronunciamento de Sua Santidade, encontre agora o Sr. Paulo de Tarso um ambiente cada vez mais propício e arrebate a liderança nacional do PDC, com a bandeira que desfraldou.

Sem temer a celéuma e as controvérsias, pronto para discutir com franqueza suas idéias e pontos de vista, o seu sucesso pessoal tem sido enorme. Mais de 50 convites, de vários pontos do País, amontoam-se em cima de sua mesa, para conferências. Para atender imediatamente a todos, êle teria que prejudicar as atividades em que se empenha para organizar e humanizar Brasília. De quando em quando sai, porém, para fazer conferências nas cidades do litoral, geralmente a convite de estudantes e de líderes operários.

Amigo pessoal do Presidente Jânio Quadros, a quem acompanhou na viagem a Cuba, o Sr. Paulo de Tarso é deputado federal (em gôzo de licença) do Partido Democrata Cristão e pai de cinco filhos, morando, com sua família, na granja do Riacho Fundo, residência oficial do Prefeito do DF., nas cercanias do Plano-Piloto. A coincidência entre os seus pontos de vista e as idéias da Encíclica "Mater et Magistra" dá um caráter de viva atualidade à entrevista que êle acaba de conceder a MANCHETE.

Capitalism but to bury it.

(3) Christian Democrats must fight for the defeat of Capitalism and Communism. When mankind realizes that to battle for basic social reforms does not require one to be a Communist, Communism will lose its appeal.

(4) The concept of private property and "Christianism" are not in conflict, only the idea of corporate monopoly, on an inhuman scale, is unacceptable.

The article avers that much support for these ideas has been expressed by many members of the Catholic hierarchy.

For the Ambassador:

Harry Weiner
Second Secretary of Embassy

APPROVED:

Niles W. Bond
Deputy Chief of Mission

Enclosure: As stated

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FOREIGN SERVICE DESPATCH

FROM : Amembassy RIO DE JANEIRO — 116 DESP.

TO : THE DEPARTMENT OF STATE, WASHINGTON. — August 16, 1961 DATE

REF :

AUG 19 1961

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SUBJECT: PROMINENT MEMBER OF CHRISTIAN DEMOCRATIC PARTY SETS FORTH IDEOLOGY

There are enclosed three copies of an article from the weekly Manchete, August 5, 1961 entitled "Capitalism, Communism, Christianism" setting forth the view of Paulo de Tarso Santos, Mayor of Brasilia and friend of President Quadros. Tarso's "Christianism", a highly idealistic approach to the achievement of humanitarian objectives, has obvious anti-U.S. implications.

Speeches to students by Tarso, who is currently on leave from his elected post of Federal Deputy (PDC-São Paulo), have already been reported by the Embassy (Weekas 23 and 25). "Christianism"'s importance lies beyond any limited political potency it may attain within or without the PDC because it illustrates an ideological approach receiving wide attention, and some acceptance, among young intellectuals and students of the middle classes.

According to Manchete, Tarso has recently had more than 50 invitations to deliver speeches throughout Brazil. Because of his official duties, he accepts only occasionally, usually to address students and labor leaders. Additional impetus to Tarso's popularity has come from an unexpected source--the recent Papal encyclical "Mater et Magister," with its emphasis on the role of the Church in social and economic development. Church officials, who heretofore have tried to restrain, to some extent, the excesses of Tarso's ideas, may now have lost some of their leverage.

The basic tenets of "Christianism" as set forth in the article enclosed, are noted below:

(1) Capitalism is in a state of decay and is being defeated by Communism. The United States itself is beginning to abandon orthodox Capitalism. Capitalism has failed to solve the problems confronting humanity, especially the problem of hunger.

(2) The Christian Democrats' objective is not to reform

732-00/8-1661

LWS

HWeiner:jw REPORTER

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DEPARTMENT OF STATE BUREAU OF INTER-AMERICAN AFFAIRS AUG 21 1961

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0026

OFFICE OF THE ASSISTANT SECRETARY -- ARA

Staff Assistant

Room 4029 NS Extension 4151 or 4152

To: S/S - Ro - Mr. Olsen

No answer required.

Date 8/14 B. Romano
From

0025

EXECUTIVE SECRETARIAT

ACTION SLIP

(To Remain With Correspondence)

TO: ARA - Mr. Romano Control # 12766

Date August 10, 1961

Subject: Cable of August 4 to the President from the Portuguese movement of Brazil

Please let me know by 8/14 if we intend to reply.

* PROMPT HANDLING IS ESSENTIAL: RETURN BASIC CORRESPONDENCE WITH REPLY. IF DELAYED CALL TELEPHONE EXTENSION BELOW.

ACTION:

XX For appropriate handling.

☐ For direct reply.

*☐ Prepare reply.

A response for signature by the _____

should be submitted to S/S by _____. 8/11

Appropriate clearances

should be obtained, including _____.

☐ For your information.

Remarks: If no answer is required, send the package back with the caption, "NO ANSWER REQUIRED". Be sure the White House memo is also returned. If an answer is required, call me at the extension below.

cc:

No action required.
LT Bruce
EST/B, Aug. 14, 1961
x4772

Gerald Olsen
S/S-RO
Ext. 4154

M-229
2-61

0024

THE WHITE HOUSE
WASHINGTON

August 5, 1961

12766

Respectfully referred to the Department of State for translation and appropriate handling.

RM/R

FILE

Ralph A. Dungan

RALPH A. DUNGAN
Special Assistant to the President

0023

DEPARTMENT OF STATE
DIVISION OF LANGUAGE SERVICES

(TRANSLATION)

LS NO.
22078
T-52/R-XX
Portuguese

[TELEGRAM]

RIO DE JANEIRO 3 20h6 AUGUST 4, 1961

HIS EXCELLENCY

PRESIDENT JOHN KENNEDY

THE WHITE HOUSE

WASHINGTON, D.C.

YOUR INCOMPREHENSIBLE INTERNATIONAL POLICY PERMITS RECENTLY CREATED COUNTRIES TO ANNEX FOREIGN TERRITORIES RECOGNIZED BY THE UNITED NATIONS THROUGH RESOLUTION 1542 OF DECEMBER 15, 1960, WHICH CONSIDERED SAO JOAO BATISTA AJUDA PORTUGUESE TERRITORY. WE DARE TO HOPE THAT THE SUPPORT OF YOUR GOVERNMENT, WHICH CONSISTENTLY INVOKES RESPECT FOR INTERNATIONAL TREATIES AND THE PRINCIPLES OF NONINTERVENTION AND SELF-DETERMINATION, WILL CONDEMN PUBLICLY AND VIGOROUSLY THE ASTONISHING, UNPROVOKED, AND ILLEGAL AGGRESSION COMMITTED BY DAHOMEY.

MOVEMENT OF PORTUGUESE OF BRAZIL

0022

WH approves recommendation that
no reply is necessary.
(Yates to jc 8/15/61)

ARA informed JMO 8/16/61

12766

AUG 15 1961

RM/R

FILE

MEMORANDUM FOR MR. RALPH A. DUNCAN
THE WHITE HOUSE

Through: Mr. McGeorge Bundy

Subject: Cable of August 4 to the President from the Portuguese Movement of Brazil

Enclosed is the subject cable and a Department translation, which you requested in your memorandum of August 5.

No reply is necessary.

(s) Melvin L. Manfull
L. D. Battle
Executive Secretary

S/S-RO
AUG 15 1961
A true copy of signed original

Enclosures:

1. Cable of August 4 to the President from the Portuguese Movement of Brazil.
2. Department translation.

S/S-RO:GOlsen:mmb 8/14/61

DEPARTMENT OF STATE
EXECUTIVE SECRETARIAT

Disseminated by RM/R

732.00
8-1561

0021

INCOMING TELEGRAM

Department of State

PERMANENT RECORD COPY

CORRECTION ISSUED

CONFIDENTIAL 9/4/61, 10 p.m. MCC

Control: 23387

Rec'd: August 31, 1961
2:17 p.m.

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FROM: Montevideo - CORRECTED PAGE 1

TO: Secretary of State

NO: 230, August 30, 8 p.m.

PRIORITY

ACTION DEPARTMENT 230, BUENOS AIRES, RIO DE JANEIRO UNNUMBERED

President Haedo at lunch today at his request at Embassy residence stated his main purpose for meeting was to make known to USG Uruguayan position on Berlin. Said he wanted express in presence Foreign Minister and Defense Minister Uruguayan support US position on Berlin and declared in case of crisis or conflict US could count on Uruguay. This was decision not only of majority of MCC but was fully supported by Colorado opposition, including leader of list 15 Luis Batlle Berres and list 14 Cesar Batlle Pacheco. He underlined fact Uruguay could definitely be counted on in democratic camp during any emergency.

Brazilian situation was mentioned at some length. Haedo said arrival of Goulart expected tonight or tomorrow in Montevideo and he would be given full honors in accordance with position of Vice President of Brazil who may become President. Uruguay would allow Goulart free passage in case he wanted to go through to Brazil or political asylum if he requested it. He said however GOU would not allow Uruguay to be used as base for conspiracy against governments of neighboring countries. He expressed his admiration for Denys but stressed Uruguay maintains position of non-intervention and respect for constitutional procedures of GOB. Haedo expressed high regard for Goulart as politician and statesman saying he was easier to understand and get along with than Quadros. He called Quadros "romantic" who had collapsed under mounting pressures of opposition in Brazil. He mentioned unfortified nature of Brazilian-Uruguayan boundary but expressed belief Brazilian problem would be solved peacefully. He made mention, however, of special

status

4 MC/1

CONFIDENTIAL

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CLASSIFIED FILE

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ACTION ASSIGNED TO NAME OF OFFICER & OFFICE SYMBOL	ACTION TAKEN DATE OF ACTION	CLASSIFIED BY RM/R DESTROYED RM/R

Montevideo 230 Aug 30, 1961 7:20 PM 8-1361

737.00

0020

page 5 encl 1 Sao Paulo A-45

On July 31 Radio A Tribuna, with a power of 1,000 watts, was inaugurated here. The new radio station is owned and operated by the morning newspaper A Tribuna belonging to the Nascimento-Santini family.

A part of the inaugural ceremonies was the awarding of A Tribuna's Nascimento Junior trophies to the best radio personalities in Santos for the years 1959 and 1960. Mayor Jose Gomes, a professional announcer, gained an award as the best "radialista" of 1959.

Comment: (OFFICIAL USE ONLY)

Gomes' prize was no surprise. Besides being a well-known radio personality, Gomes has won the cordial endorsement of A Tribuna, a feat never achieved by his predecessor Silvio Fernandes Lopes. The conservative A Tribuna warmly supports Janio Quadros and approves of Gomes' moderate measures and efforts toward a rapprochement with the local janista-carvalhista forces.

A Tribuna's editorial support means a good deal to Gomes, and more than offsets the leftist O Diario's increasingly virulent attacks on his administration.

2. USIS Films Continue Reaching Large Santos Audience (UNCLASSIFIED)

During the month of July the Santos municipal government, using two film projectors loaned by USIS/Sao Paulo and films from USIS/Santos, made 61 showings before 18,649 Santos adults ans schoolchildren. (See Weekly Comment of July 7, Psychological item 1.)

Comment: (UNCLASSIFIED)

During the month of July USIS/Santos' regular program of film exhibitions continued, with the feature film on the Castro-communist take-over of Cuba being widely shown and exciting considerable favorbale comment.

☆ U. S. GOVERNMENT PRINTING OFFICE: 1959-406476

0019

page 4 encl 1 Sao Paulo 045

and that some difficulty with the sinking of piles was being experienced. This source expressed doubt that the mill would be ready by the end of 1962.

3. Sao Paulo - Curitiba Highway in Operation (UNCLASSIFIED)

On July 30 the reporting officer travelled in 6 hours driving time the 400-kilometer highway from Curitiba to Sao Paulo, opened for "light traffic" only earlier in the month.

Comment: (UNCLASSIFIED)

Thirty miles of this road are still being graded, while 15 or so more miles are still under various stages of construction. No trucks or busses are yet allowed to pass on this BR-2 south of the town of Jacupiranga.

Other than this 45 miles, the road is in excellent shape. The reporting officer estimates that all work on the highway will be completed by the end of the year.

IV CONSULAR

1. General (UNCLASSIFIED)

The post's consular operarions have continued normally during the past two weeks. This week the reporting officer has been engaged in a protection case involving a Mr. Ronald Chastain and his two small children, left shelterless when Mr. Chastain fell ill while visiting this city. Thanks to the American Society in Sao Paulo temporary lodging was found for the Chastain children while Mr. Chastain regained his health to the extent of being able to return to his home in Curitiba.

V ADMINISTRATIVE

1. Consulate Visited by Legal Expert (UNCLASSIFIED)

On August 2 the reporting officer entertained to lunch Mr. Harry L. Jones, Director of the Commission on International Rules of Judicial Procedure in Washington, who is presently visiting this country to attend a law seminar in Curitiba.

Comment: (UNCLASSIFIED)

Every facility was extended to Mr. Jones by the Consulate.

VI PSYCHOLOGICAL

1. New Santos Radio Station Inaugurated (UNCLASSIFIED) /On

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0018

page 3 encl 1 Sao Paulo A-45

4. Pro-Castro Rally on July 26 (UNCLASSIFIED)

It is reported in the press that a rally was to have been held in the working-class Macuco district of Santos on July 26, commemorating the Castro movement in Cuba.

Comment: (OFFICIAL USE ONLY)

The reporting officer, absent from Santos on that date, is endeavoring to obtain details of the scheduled rally.

II LABOR - Negative.

III ECONOMIC

1. Congestion of Port of Santos (UNCLASSIFIED)

Congestion of the port has increased lately, with as many as 18 ships waiting in the Santos roads outside the estuary to berth alongside earlier this week. But on August 4 there were but 4 ships anchored in the roads and another 10 inside the harbor proper awaiting berthing space alongside.

2. Steel Mill Being Constructed Near Santos (UNCLASSIFIED)

7,000 men are presently working to construct a Cr$70.000.000.000,00 privately-owned steel mill at Piaçaguera near Cubatao, which is scheduled for completion by the end of next year. Plans for this ultra-modern Companhia Siderurgica Paulista (COSIPA) include 3 blast furnaces capable of producing 15-ton ingots (compared to 7 by Volta Redonda), with each furnace able to produce 1,600 tons of pig iron a day. About $100,000,000 is being spent on the acquisition of equipment from abroad, with the U. S. reportedly furnishing about $30,000,000 worth.

The Sao Paulo State Development Bank is assisting COSIPA in its financing, particularly with respect to the acquisition of foreign credits.

By the end of 1961 it is expected that 12,000 persons will be engaged in this mammoth undertaking, which will have its own port, connected with Santos by a 6 kilometer canal.

With the PETROBRAS refinery and its 4 satellite plants already in full operation nearby, the Cubatao industrial complex, with the addition of COSIPA, is taking shape as one of Latin America's most important industrial centers.

Comment: (OFFICIAL USE ONLY)

An American employed by COSIPA told the reporting officer this week that construction was proceeding more slowly than planned.

/end

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0017

page 2 encl Sao Paulo D-45

2. Mayor Gomes Under Fire (UNCLASSIFIED)

A storm of criticism continues to beat about the head of Mayor Jose Gomes. He is being vigorously accused of neglecting the interests of the poor people of Santos for permitting plans to go forward to take up the tracks of the long streetcar line #1 linking Santos with Sao Vicente (see Weekly Comment of July 14, Political item 2); and his economy measures have found little popular favor. He is also variously accused of dragging his feet while the question of his legal status as Mayor is finally resolved (see item 1 above) and of having betrayed the PSP-PTB alliance which launched him as Mayor in favor of a loose coalition of conservatively-oriented but disparate political groups.

Comment: (OFFICIAL USE ONLY)

Much of this criticism of the Mayor is communist-inspired. Gomes is being loudly attacked by the communist-infiltrated Union of Local Improvement Societies (see Weekly Comment of June 14, Political item #3). The Mayor is also being bitterly criticised by the leftist O Diario, while the communist party organization here is known to be actively working against him.

Gomes in addition has alienated the local PSP (which he has virtually frozen out of city politics) and destroyed the local PTB organization (see Weekly Comment of July 14, Political item 1). In fact, the Mayor's eclectic choice of advisors has failed to satisfy completely any local political entity.

One irritant in Gomes' administration was removed this week with the forced resignation of Alvaro de Andrade, one of the Mayor's chief administrative aides. The reporting officer had been given to understand that Andrade had been abusing his position and angering a number of Gomes' well-wishers by cavalierly demanding graft and erecting a barrier between Gomes, a longtime personal friend, and his associates.

3. New Municipal Secretaries Named (UNCLASSIFIED)

On August 3 Olavo de Paula Borges, previously Municipal Secretary for Legal Affairs, took office as Secretary for Finance, replacing Artur Rivau, who resigned July 18 (see Weekly Comment of July 21, Political item 1). Moved into the Legal Secretaryship was Carlos Pacheco Cirillo, hitherto chief of the City Hall's legal department and a respected Professor of Administrative Law at the Catholic Law Faculty of Santos.

Comment: (UNCLASSIFIED)

Cirillo's appointment continues Mayor Gomes' policy of trying to select qualified technicians for important posts in his city government.

/4. Pro-Castro

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0016

FORM DS-622
8-1-51

page 1 encl 1 Sao Paulo D-45
ARA

OFFICIAL USE ONLY

OPERATIONS MEMORANDUM

TO: American Consulate General Sao Paulo

Date: August 4, 1961

FROM: American Consulate SANTOS, Brazil

SUBJECT: Weekly Comment on Events in Santos

REF:

I POLITICAL

1. Political Parties Move to Unseat Mayor Gomes (UNCLASSIFIED)

On July 31 the local UDN, PSP and PRT entered appeals before the Superior Election Tribunal in Brasilia of the May decision by the Regional Election Court (TRE) upholding Gomes' right as Vice Mayor-Elect to succeed as Acting Mayor after the death of Mayor-Elect Luiz La Scala, Jr. (see Weekly Comment of May 12 et sequitur, Political items 1). These appeals were made possible by the publication last week of the TRE's May decision, which had been delayed for some weeks, presumably by delaying tactics on the part of Gomes' allies. (See Weekly Comment of June 23, Political item 1.)

The TRE's logic in allowing Gomes to succeed as Mayor followed Federal precedent by which a Vice President-Elect may succeed a deceased President-Elect without necessity of new elections.

Comment: (OFFICIAL USE ONLY)

The reporting officer expects the case to drag out for some time in the Superior Election Tribunal and anticipates an ultimate victory for Gomes. But in the meantime an aura of suspense will hang over Santos politics until the Superior Tribunal settles the issue. This feeling of suspended animation will continue to disturb local politics and will make the task of administering the municipal government yet more difficult.

On August 3 the Santos City Council defeated, by a vote of 15 to 12, a proposal for the Council to send a special commission to Brasilia to deliver the appeals of the TRE's decision. The vote represented a victory for the Mayor, as the presence of a local commission in the capital lobbying for the appeals could only have embarrassed the Santos government.

/2. Mayor Gomes

VPRandolphIII/vpr

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0015

AIR POUCH
PRIORITY

OFFICIAL USE ONLY
(Security Classification)

DO NOT TYPE IN THIS SPACE
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XR-832.00

FOREIGN SERVICE DESPATCH

FROM : Amcongen SAO PAULO

45
DESP. NO.

TO : THE DEPARTMENT OF STATE, WASHINGTON.

File no action
Q RA, EST/B
JW Wilson (inb)
9-7-61

Agust 9, 1961
DATE

REF :

55 For Dept. Use Only	ACTION * ARA-4	INFO	DEPT. PM/A-2 INR-7 REP-1 E-3 ICA-11
	REC'D 8/18		OTHER CIA-10 USIA-10 OSD-5 army-4 navy-4

SUBJECT: Santos Weekly Report

air-6 NSA-4 COM-10 INT-7
TAR-2 LAB-8 TR-3 FRB-3

Encl Reprod in RD

Transmitted herewith for the information of the Embassy and the Department is the weekly report from the American Consulate at Santos, dated August 4, 1961

In connection with Item 2 under the Economic Section on page 3 of the Santos weekly report it is true that the Companhia Siderurgica Paulista (COSIPA) was originally under private management. This year however the National Economic Development Bank (BNDE) stepped in to provide the bulk of the current capital which forced the resignation of the private enterprise directors and the election of new directors named by the BNDE. COSIPA is now controlled by the federal government.

William P. Cochran, Jr.
Minister Consul General

732.00/8-961

DEPARTMENT OF STATE
BUREAU OF
INTER-AMERICAN AFFAIRS
AUG 24 1961
11 10

Enclosure:
Santos Weekly Report
Dated August 4, 1961
Amembassy Rio

cc:

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.

LWS

0014

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

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Document Ser.#:

DESP 83 W/ATT 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 01576 0016A

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CONFIDENTIAL

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38
São Paulo

35. Repetitive of Annual Statistic Report on production of Pharmaceuticals in Brazil Calendar year 1960.

36. Finance- Speech in São Paulo on Finance Policy and Economic Development.
37. CERP reporting - São Paulo Quarterly Review.
38. São Paulo weekly Summary No. 5 week ending July 29, 1961.

William P. Cochran, Jr.
Minister Consul General

Contributors: Pyle, Shea, Mason, Silveira

Distribution: INS-RAR, Embassy Rio3, Amconsulates Belem, Belo Horizonte, Curitiba, Porto Alegre, Recife, Salvador, Santos.

CONFIDENTIAL

surrounding us, so that Brazil can no longer be the stage for a revolution led by a foreign Communist representative"; O Estado de S.Paulo - "We have no illusions about the ebulient atmosphere to be created with the installation of the Soviet embassy in Brazil"; A Gazeta - "Where there is Red representation there is a propaganda nucleus against Democracy and for its destruction"; A Hora added next day - "Let's not forget what we know about other countries where the Russians have installed diplomatic representations".

11. TUNIS AND FRANCE

The Bizerte incident was considered by many editorialists as a mistake by Bourguiba, who, said O Estado de S.Paulo - "wants to survive politically, but who wants to survive on the Western side". In Diário de S.Paulo, editorialist Libero Malavoglia considered Bourguiba's invitation to Dag Hammarskjoeld to visit Tunis, as "remedy to correct his (Bourguiba's) recent mistakes". For A Gazeta, oil is the reason behind Bourguiba's military initiative, a "fatal mistake". Correior Paulistano said Bizerte's case was "one of the shameful contradictions the civilized nations have to face", but that Bourguiba may be trying "a policy of fait-accompli". When France announced she would not obey some of the UN decisions, O Estado commented: "It is cause for sadness and worry to see one of the Western 'Bigs' following the Soviet steps, translate Russian sophistries into French, claim as supreme law that of national selfishness".

12. Russian Economic Mission

O Estado de S.Paulo, under the title "Failed Mission": "We don't exaggerate when we state that there are no practical results (from the Mission's visit). Economically, there's no possibility of an exchange worth the name; politically, the Brazilian people feel an instinctive repulsion for Soviet Communism, in theory as well as in practice". A Hora: "The Russians are not causing the expected emotional impact.

Miscellaneous
13. List of Substansive Despatches

27. Labor Leaders Regret Transfer of Labor Officer
28. Redemption of Mutilated U.S. Currency
29. Follow up of Despatch 254 of 1-4-61
30. Follow up of Despatch 342 of 3-20-61
31. Electric Power - Centrais Elétricas de Urupungã (CELUSA) Increases Capital
32. Successful Outcome of Visit to U.S. of Father Godinho
33. Bi-weekly Economic Review July 14-27, 1961
34. Export Trade - Brazilian Buses and Auto Parts Exported to Argentina, Spain.

Minister's appearance brought to a successful closing the second national meeting of non-Communist trade union leaders and workers held in São Paulo during the last ten days. (See São Paulo Despatch 26, Item 7, Democratic Trade Union Congress). An estimated 700 delegates from all over Brazil attended the "Renovation" meeting and went on record for inter alia elimination of the imposto sindical (compulsory union dues collected by the employees turned over to the Labor Ministry and apportioned out to the Unions), the introduction of collective bargaining as the term is understood in the U.S., and greater independence for the trade unions from government control. The delegates were a varied group and consisted of union leaders, ex-Communists who are leading the Trade Union Renovation Movement (MRT)and a large group from the Catholic Worker Circles.

COMMENT: It is still too early to evaluate the full impact of the meeting. It was not as forcibly anti-Communist as the Democratic Trade Union Congress. Nevertheless the tenor was anti-Communist. Informed and reliable labor leaders report that the leaders of the Renovation group and the Catholic Worker Circles resolved a number of thorny issues which kept them at loggerheads in the past and agreed to work together in the future. These same labor leaders report that Padre Velloso, a Jesuit from Rio de Janeiro, has been "appointed" by the hierarchy of the Roman Catholic Church to lead and coordinate non-Communist trade union activities throughout Brazil.

Local Press Reaction

9. Kennedy's Speech

President Kennedy's speech on Berlin was considered by O Estado de S.Paulo as "definitive, without any need for interpretation". It is "clear, logical, irrefutable, solemn". Summed up O Estado: "The United States, the Atlantic allies, and all free men have found a leader up to their hopes and the dangers they have to face". Diário de São Paulo praised Kennedy and expressed the opinion that the President has been trying to awaken Europe to the new social and economic realities of the world: "The American understanding is not being imitated by the wealthy countries of the Old Continent". Folha de S.Paulo said that "Kennedy's firmness, as shown in his last speech, is a powerful contribution toward avoiding war, since the Communists will not block Berlin if they are really convinced that the United States will defend that city".

10. Reestablishment of Diplomatic Relations Between Brazil and the URSS

Except for pro-Communist Ultima Hora and one or two political commentators, almost all editorialists accepted the reestablishment of diplomatic relations with the URSS as an accomplished thing but warned Brazil of the dangers. In Ultima Hora, editoralist Dorian Jorge Freire said that Janio Quadros "answered the will of the people" when he decided to reestablish "relations that should have never been broken". In the same paper, Wilson Rahal stated that the "reestablishment was easier than even the optimists could expect", and that "it was received with calm - if not with rejoicing". Other papers disagreed: A Hora - "Those who preach benevolence with Communism should pay attention to the dangers

0009

6. Professor Lincoln Gordon Visits São Paulo (Official Use Only)

Lincoln Gordon, professor of Economics at Harvard University, paid a brief visit to São Paulo toward the end of the past week. During his stay he addressed the School of Business Administration of the Getulio Vargas Foundation. In his discourse entitled "Nature of the Alliance for Progress", (he stressed that he was giving his personal opinion and was not speaking as an official representative of President Kennedy) professor Gordon stated that if the United States had not paid as much attention to South America as it should have, it should not be blamed on ill will. He pointed out that United States post-war aid to Europe had also benefited South America, as had more recent American government support of the Inter-American Development Bank. He clarified a former statement stating that he had not compared the Brazil of today with the United States in 1870, but had only compared certain aspects of the United States at that time with what could be observed here. He answered questions relating to the "Alliance for Progress". Asked if he would be nominated for Ambassador to Brazil he said that only President Kennedy could answer that question.

COMMENT: (Confidential) Professor Gordon's speech received relatively good press coverage. He stated he was perturbed however, by the fact that the press had quoted him in a misleading manner and out of context, as stating that the present attitude of the United States had resulted from the impact created by the Cuban Revolution which focused American attention on South America, whereas he had cited this only as a partial and secondary cause.

7. Telephone and Gas Increases (Official Use Only)

São Paulo mayor Prestes Maia is expected to shortly issue a decree, following studies made by the Department of Municipal Services, authorizing an increase in gas and telephone rates in the capital city by 10 and 24 per cent respectively. It is reported that the mayor would ask the city council to approve the new rates which are intended to compensate the companies for recent wage increases.

COMMENT: It is noteworthy that the mayor has given advance warning of his intentions to increase gas and telephone rates, and will ask the concurrence of city council. The mayor gave advance notice of transit fare increases the previous week (see São Paulo despatch 26, July 25, 1961), which was doubtless intended to allay public opinion and reduce the chances of violent retaliation against the municipal transit system, as well as privately owned bus lines. His course of action this past week may have been similarly motivated.

Labor

8. First National Meeting of Trade Union Renovation Movements (Confidentia

Minister of Labor Castro Neves was the keynote speaker and went on record for elimination of the imposto sindical at the closing session of the First National Meeting of Trade Union Renovation Movements. The

taken in various towns in São Paulo showing possible opposition gubernatorial candidates such as PSP senator Auro Soares de Moura Andrade, PSP president Adhemar de Barros, and Renato da Costa Lima, former head of the Brazilian Coffee Institute, running ahead of José Bonifacio Coutinho Nogueira, state Secretary of Agriculture and other possible pro-administration gubernatorial candidates. The opposition deputies claimed that pro-administration sources had deliberately influenced the recent public opinion polls in order to encourage opposition leaders to become gubernatorial candidates for the election in 1962, in order to split the opposition vote, thereby enabling the pro-administration gubernatorial candidates to win.

COMMENT: (Confidential) This is particularly interesting because two pro-administration supporters recently expressed their opinion to officers of the Consulate General that Adhemar de Barros and Moura Andrade had bribed IBOPE to issue public opinion polls (purportedly taken in towns throughout São Paulo on the public's reaction to possible gubernatorial contenders next year which showed them in first place, or ahead of pro-administration "hopefuls") in order to enhance the possibility of their selection as candidates in the 1962 elections.

5. Celebration of the Cuban Revolution (Official Use Only)

The Frente da Juventude de Esquerda (Leftist Youth Front) sponsored a public rally in a downtown São Paulo square on July 26 to celebrate the eighth anniversary of the Cuban Revolution. In attendance were students, representatives of the Trotskites, the Revolutionary Worker's Party, the PTB, and passers-by. A few banners were displayed reading "Cuba is Our Example" and "Long Live the First Workers State of the Americas" as well as a few pictures of Castro. Amazonas federal deputy Almino Afonso, PTB leader in the federal chamber and the principal speaker at the rally, praised the accomplishments made by Castro. He declared that the problems of Brazil were identical to those of Cuba. He defended the Peasant Leagues as the only way to "fight against the exploitation of man by war". He called for suspension of payments of Brazil's foreign debt, which is "hanging the labor class", "until the people have a dignified standard of living". Afonso affirmed that Cuba, despite the fact that it does not have political institutions (i.e. elections, legislative chambers etc.) generally associated with a democracy, is an "authentic democratic nation".

COMMENT: This rally was no more successful in attracting public support than other pro-Cuba rallies which have been held recently in São Paulo. Even leftist Ultima Hora, which does not hesitate to stretch the truth to serve its own purposes, would only say that "more than 1000 were in attendance". Reports doubtless more accurate estimated that possibly 600 per present. A discordant note was also struck by an attending student who shouted that the São Paulo Committee for Solidarity with Cuba "always meet behind closed doors".

0007

father in Europe, and through letters to Teotonio Monteiro de Barros, PSP regional president, as well as to other party members, that his health was improving; that he believed that he would shortly be in perfect health; that while he did not wish to be a gubernatorial candidate he could not refuse if he were asked. In the interim he was said to have asked his party colleagues to refrain from entering into any commitments.

COMMENT: Perennial candidate Adhemar de Barros is apparently considering the possibility of running again for governor if his health permits. A definite decision will probably not be forthcoming until Adhemar's return from Europe, which is expected to be sometime between October 1961 and February 1962.

3. A New Political Party Emerges (Official Use Only)

Following a series of week long meetings initially began by federal deputy Fernando Ferrari after his arrival in São Paulo on July 23, the Movimento Trabalhista de Renovação -- MTR (Labor Renovation Movement) and the Ação Socialista (Socialist Action) groups voted to merge and to transform the MTR into a political party. Ferrari, president of the MTR, was not present when the merger of the two groups was finally approved on July 29, but he was represented by Dervile Alegretti. Professor Alipio Correia Neto, (president and formerly regional president of the PSB before a break with the party because it supported Lott during the 1960 presidential campaign) in whose office the amalgamatinn was approved, headed the Ação Socialista representatives. Participants at the meeting included delegates from various towns in São Paulo representing the two groups, as well as dissidents of the PTB. Reportedly under the terms of the merger the name of the MTR will be retained and that of the Ação Socialista will be dropped. Within the next few days the MTR is expected to seek registration as a political party with the Regional Election Tribunal. A commission was appointed during the meeting on July 29 to formulate the statutes of the new party and to establish a regional, as well as municipal directorates throughout the state of São Paulo.

COMMENT: (Confidential) Fernando Ferrari's attempt to merge his MTR with other groups, particularly the Ação Socialista and the Movimento Popular Janio Quadros (MPJQ) has had at least partial success. While it is possible that the MTR may attract some PSB and PTB dissidents, it is starting off with virtually no political base in São Paulo. As this post has previously reported Ferrari ran a poor third in São Paulo against João Goulart during the vice-presidential election in 1960, despite the fact that Goulart and the PTB are weak in the state. This happened despite Ferrari's personal popularity and the support given him by the PDC, which is strong in São Paulo.

4. Public Opinion Polls Manipulated? (Official Use Only)

Several opposition state deputies this past week were reported to feel that supporters of the administration of Carvalho Pinto had brought pressure to bear on the Instituto Brasileiro de Opinião Publica e Estatistica (IBOPE) in order to influence recent public opinion polls

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the improvement of penitentiary facilities, the establishment of more police stations, hospitals (including the recently opened Hospital for Public Servants), gas and water networks, new city parks, a new organization to procure supplies for the capital, the construction of houses financed by the Instituto de Previdencia do Estado de São Paulo (IPESP), and financial assistance to the Companhia Municipal de Transportes Coletivos (CMTC), the municipal transportation system which serves São Paulo. The governor said SABE would perform similar functions. During the inaugural ceremonies the governor signed contracts for public works, most of which were destined for the capital city, totaling almost 2 billion cruzeiros. The governor utilized the occasion to praise the work of all of the state secretaries but he gave particular emphasis to the efforts of José Bonifaçio Coutinho Nogueira, state Secretary of Agriculture, to improve the position of agriculturists. In closing the governor eulogized president Janio Quadros. Carvalho Pinto declared that he had continued the "administrative renovation" begun by Janio during his tenure as governor of São Paulo. Carvalho Pinto subsequently accepted the suggestion that he grant two audiences a month to representatives of districts and associations throughout the state. On July 28 the governor held his first meeting with over 200 representatives of local groups to discuss the problems of their districts.

COMMENT: (Confidential) The governor is clearly moving ahead on the 1962 elections. The establishment of SABE, doubtless designed to give the governor contact with and place him in a position to exert pressure at the grass root level, together with the Second Plan of Action for 1962-1966, which has been under consideration for some time, place powerful political weapons in the hands of the governor. He has indicated that the Second Plan of Action will serve as the platform of the pro-administration gubernatorial candidate in 1962. The governor's establishment of SABE does not come as a surprise. Several pro-administration politicians have told officers of the Consulate General during the past several weeks that the governor would utilize the same tactics used successfully by Janio Quadros in the election of 1958 -- that he would go "all out" as the electoral campaign progressed.

2. 1962 Gubernatorial Race (Official Use Only)

Governor Carvalho Pinto continued this past week to give tacit but unmistakable support to the candidacy of his Secretary of Agriculture, José Bonifaçio Coutinho Nogueira, for the governorship in 1962. (See also Item 1). Meanwhile, José Bonifaçio without ostensibly campaigning but doubtless attempting to build public support for his candidacy traveled to many towns in the state to address agriculture associations (as in Pinheiros where he was guest of honor at a dinner attended by over 1000 representatives of agricultural cooperatives), to lay corner stones and to dedicate buildings for agricultural use.

Also during this past week one source reported that former mayor Adhemar de Barros, national PSP president, had informed party stalwarts through his daughter Mariazinha Figueiredo Ferraz (wife of the president of the municipal chamber) who has just returned from a visit with her

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AIR POUCH
PRIORITY

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FOREIGN SERVICE DESPATCH

FROM : Amcongen, SAO PAULO

DESP. NO. 38

TO : THE DEPARTMENT OF STATE, WASHINGTON.

August 1, 1961

REF :

CONSULATE GENERAL OF THE UNITED STATES OF AMERICA
AUG 2 - 1961
SAO PAULO, BRAZIL

55 For Dept. Use Only	ACTION	DEPT.	INFO	OTHER
	ARA-4	RMR-2	INR-7	REP-1 P-3 EUR-5
	REC'D 8/5	CIA-10	USIA-10	OSD-5 Army-4 Navy-4

SUBJECT: São Paulo Summary No. 5, Week Ending July 29, 1961
[redacted] air-6 NSA-4 LAB-8

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6. Professor Lincoln Gordon Visits São Paulo
7. Telephone and Gas Increases

Labor
8. First National Meeting of Trade Union Renovation Movements

Local Press Reaction
9. Kennedy's Speech
10. Reestablishment of Diplomatic Relations Between Brazil and the URSS.
11. Tunis and France
12. Russian Economic Mission

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

732.00/8-161

Political

1. Governor Carvalho Pinto Prepares for the 1962 Election (Official Use Only).

São Paulo's governor Carvalho Pinto on July 25 announced the formation of a new organization of the state government to be called Serviço de Assistencia aos Bairros (Service of Assistance to the Districts-SABE) which will receive and examine the feasibility of public works proposed by district associations throughout São Paulo to determine their suitability for state aid. The announcement made before a large audience which included a number of state secretaries and deputies, councilmen from various towns and representatives of districts throughout the state, stated that the new organization would function as an adjunct of the governor. Jorge Cunha Lima, sub-chief of the governor's Civil House, was appointed to head the new service. In his address inaugurating SABE the governor declared that "never in my government were the districts forgotten". He enumerated the public works made possible by the state in the capital city of São Paulo during the last two years, 150 new schools

see last page/mec
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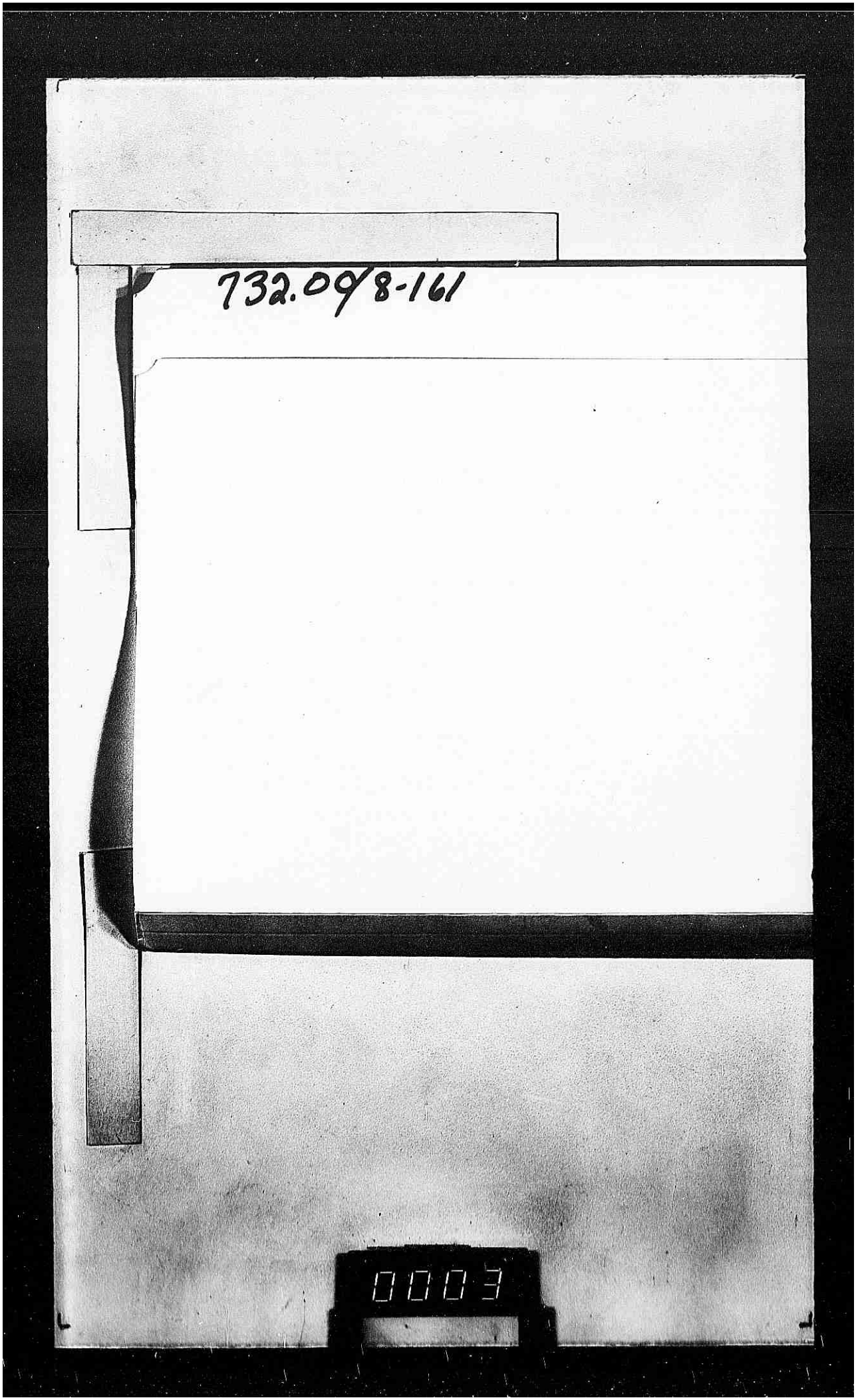
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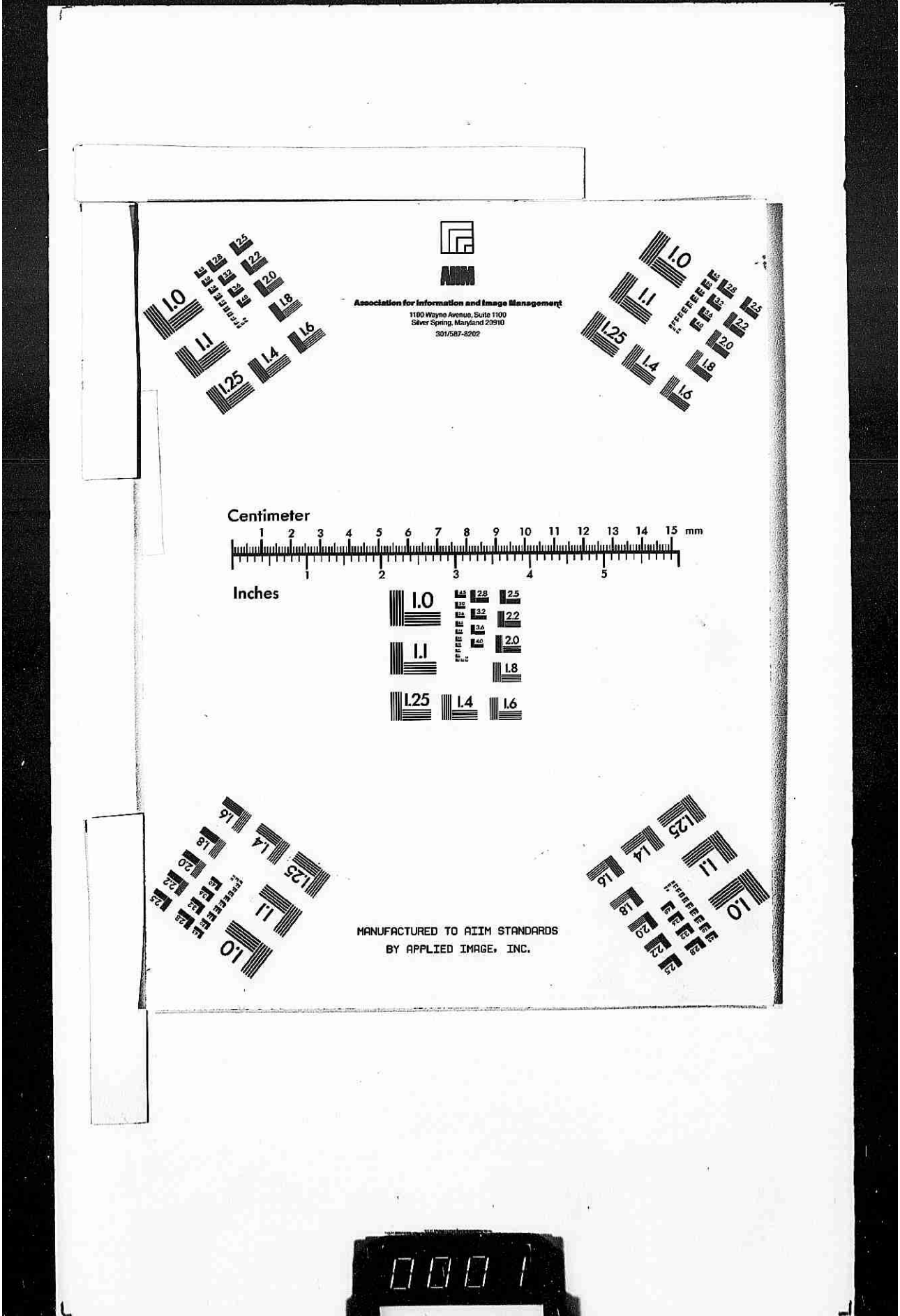
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9**.84	Medical sciences (dentistry and human reactions to environmental elements, etc.)
.841	Medical aspects of radiology, radioscopy, chemistry, and biology including warfare
.85	Electronics (communications devices, radar, sonar, etc.)
.86	Engineering
.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
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	Roll 2	732.99/9-2060-732.00/7-2861
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	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
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	Roll 13	832.062/9-160-832.10/2-2161
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Records of the U.S. Department of State
Relating to Internal Affairs of Brazil, 1960-1963

Department of State Decimal Files 732, 832, and 932

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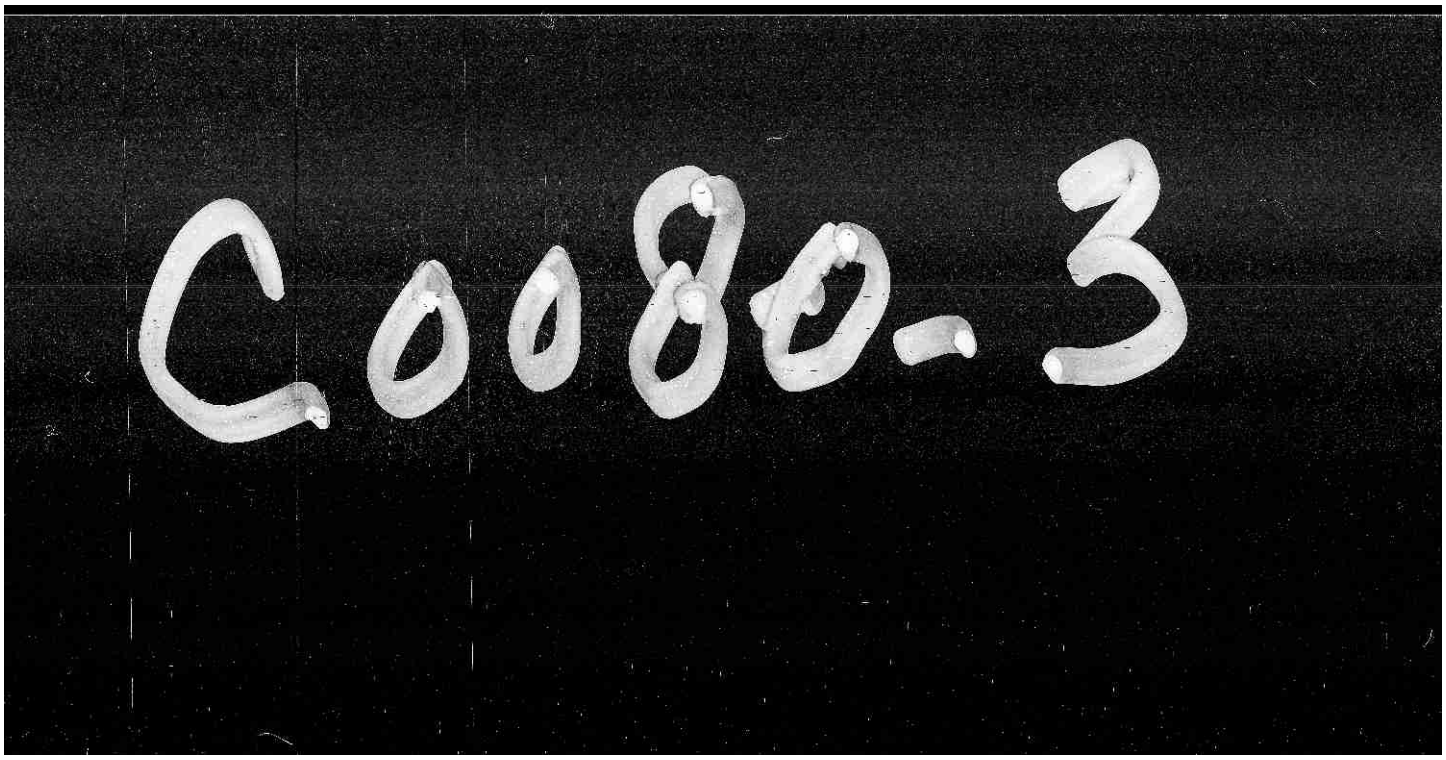
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