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ROLL 13

A MICROFORM PUBLICATION BY SCHOLARLY RESOURCES INC.

MARCH, 2001

Records of the U.S. Department of State Relating to Internal Affairs of Brazil, 1960-1963

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

PUBLISHER'S NOTE

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ACKNOWLEDGMENT

This publication is produced with the cooperation of the National Archives and Records Administration.

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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

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

7**.5512 Pay, Subsistence, Retirement, Pensions
.552 Marine Corps
.553 Schools and academics
.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

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

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

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**.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**.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**.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**.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**.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**.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)

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

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

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

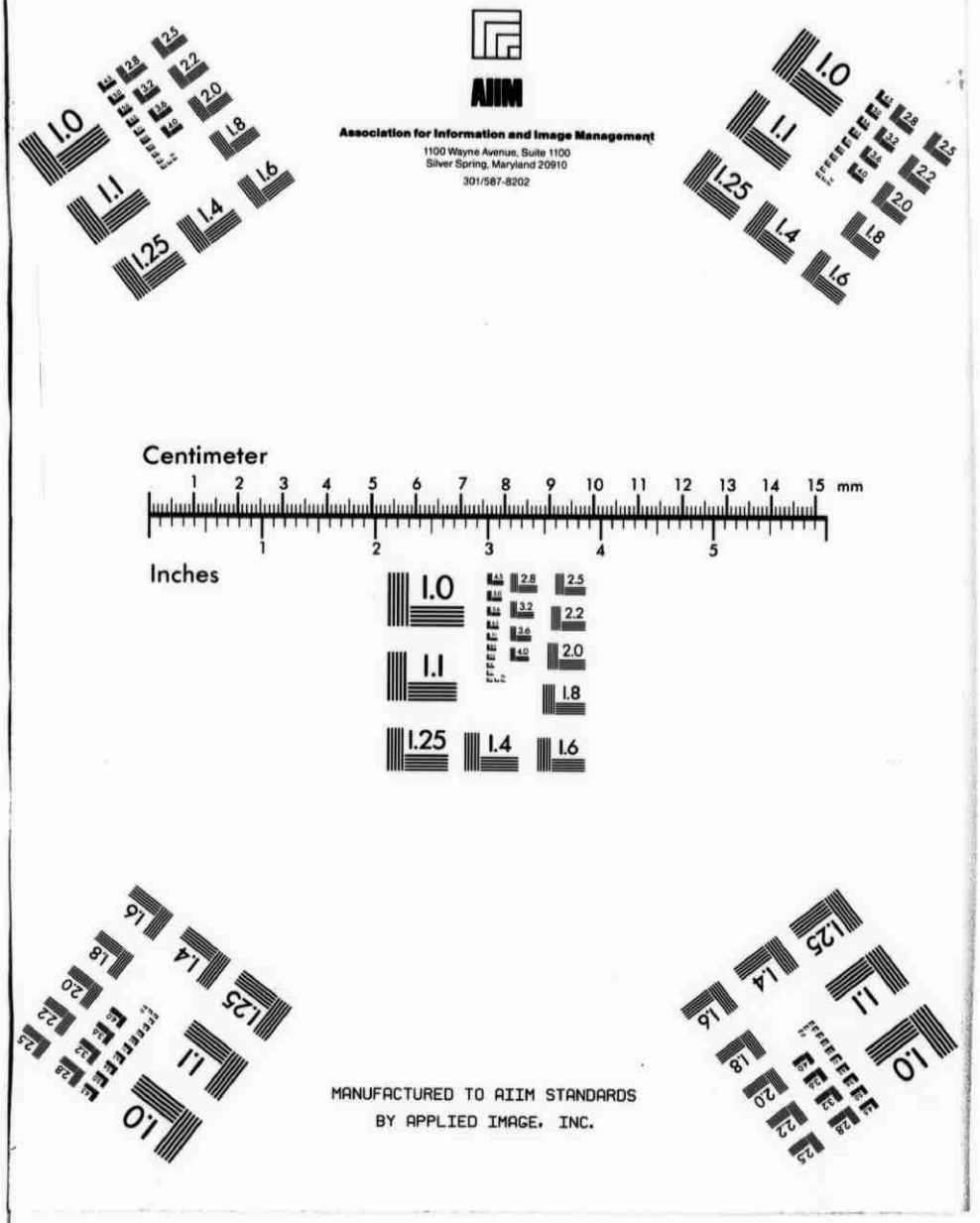
.8133 Mechanics of gases

9**.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**.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
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.89	Other sciences, Philosophy


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FROM : American Embassy, Rio de Janeiro — 191 DESP. NO.

TO : THE DEPARTMENT OF STATE, WASHINGTON. — September 1,1960 DATE

REF :

SEP - 9 1960

20 For Dept. Use Only	ACTION	DEPT.
	ARA-3	INFO RPM/R-2 REP-1 INR-7 G-1 P.3
	REC'D 9-16-60	OTHER CIA-10 LAB-6 USIA-5 OCB-2

SUBJECT: THIRD NATIONAL LABOR CONGRESS SCUTTLED

R/MR

SUMMARY

Preparations for the Third National Labor Congress commenced in the hands of the Communists, with the non-Communist leaders of the Confederations of Workers of Industry, Commerce and Land Transport out of the country. Between the return of the three Presidents and the opening of the Congress the Communist domination of the scene appeared to be lessened substantively in the sense that they agreed to modify their main objectives in order to maintain apparent labor unity and to keep the three Presidents from opening a separate front. Once the Congress opened, security officials of the nation stimulated the three Presidents and a few allies to take advantage of Communist theft of credentials and undemocratic and discourteous tactics to leave the Congress and declare it closed. All efforts by the Vice President of Brazil and the Communists to win the dissidents back, failed.

The Communists are deeply concerned with their unexpected failure and the PTB may have lost valuable political ground. The Communist-labor issue has been more clarified by this development than by any act in recent years and the non-Communists have taken considerable heart. However, any very definite evaluation of these events must await the results of the more important October Presidential election.

PREPARATIONS

Despatch 95 of August 4,1960 describes the preparations of the Congress. Little of significance occurred between that despatch and the opening of the Congress.

As the Congress opened on August 11 , the expectations were for Communist control behind the facade of formal chairing by the Presidents of four of the five legally recognized Confederations. The four included the three western oriented Confederations of Industrial, Commercial and Land Transport Workers plus the Communist dominated Confederation of Workers of Credit Institutions. The newest Confederation of Workers in Maritime, River and Air Transport had no funds and played no role in the Congress. Agreement had been reached to approve a resolution to establish a committee to study the creation of a central or unity Confederation and upon another to permit existing Brazilian labor organizations (carefully undefined), to decide upon their own international

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affiliation (with no reference to the legally required government approval). Resolutions favorable to Castro were expected, as were those favorable to more trade with Russia, the establishment of diplomatic relations between Brazil and Russia etc. The closing ceremony of the Congress was planned for Brazil's large basketball stadium which holds nearly 100,000 persons. The ceremony was planned for the electoral benefit of candidates Lott and Goulart, who were to be present. President Kubitschek was also invited and it was expected that he would announce formal approval of the new Social Security law.

The main purposes of the Congress were to demonstrate Communist dominance over the labor movement and the utilisation of that control for the benefit of the Lott-Goulart slate in the election.

OPENING OF THE CONGRESS

The opening day's sessions set the stage for future developments. Sessions began at least an hour late. The non-Communists seemed to observers, including the author, to have a majority of the estimated 1,500 - 2,000 delegates present, but to be more poorly organized and let themselves be outshouted and out-maneuvered by the Communist bloc. In the opening session the non-Communists managed to win a test for union, or "bloc" voting, as distinct from individual "delegate" voting, simply by a showing of "delegate" cards. However when the vote was taken that afternoon on two competing slates for control of the key "drafting" committee, the vote was by voice and noise and the Communists won. This voting procedure was followed in committees and in plenary sessions, even when chaired by a President of one of the "Three Confederations", who were individually cowed when they acted as Chairman/by Roberto Morena or some other Communists whispering suggestions in their ears). The "bloc" voting victory was as hollow as their tactics and leadership were faulty and fearful. In these opening sessions the Communists also showed clearly their tactics they voted in bloc, shouted louder, were better organized and dominated the platform.

AUGUST 11 (NIGHT) AND AUGUST 12

The evening of August 11 and the morning and afternoon of August 12 were devoted to Committee sessions. The key committee was the "Third" whihh was assigned the task of considering the problems of creating a unified central confederation, relations with the labor movements of other countries, Cuba etc. A tumultous session on the night of August 11 over the election of the committee by delegates and others present led nowhere. When the committee opened its session on August 12 the non-Communists were a majority and quickly elected their slate. However, the Communists objected, appealed to Sindulpho Pequeno as chairman and asked to have the election annuled. In his usual weak fashion when openly confronted, Pequeno yielded, declared the slate annuled, stalled until the Communists gathered enough supporters from other Committees to shout louder and elect their slate - not by "bloc" voting, but by voice.

§ [redacted]pho Pequeno, President of the National Confederation of Land Transport Workers.

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The evening of August 12 was devoted to a plenary session. Before and after his arrivial as an observer the author was warned that "toughs" would be present and that if the Communists tried anything, there would be violence, including possibly shooting. Some delegates stayed, nervously, near the exits. However, none of the controversial subjects had yet cleared the Committees and the likelihood of violence seemed remote. And so it was. The session approved resolutions on miminum wages and other "non-controversial" subjects.

The only noteworthy event of the evening was the unexpected invitation to foreign representatives to come to the platform as guests of honor. The invitation was extended, contrary to previous agreements that such activities would be limited to the closing session, by the then chairman Ruberto Menezes Pinheiro, President of the Communist dominated CONTEC. The ICFTU (International Confederation of Free Trade Unions) and ORIT (The Inter-American Regional Organization of Workers) delegates felt slighted and with the exception of a Paraguayan who was not sitting with them at the moment, did not accept. This left the stage to the WFTU delegates who received a good hand as they walked up.

AUGUST 13 - KEY DAY - SATURDAY

The morning and afternoon were again spent in Committee sessions. At the afternoon session of the Third Committee it was announced that Vice President Goulart was waiting below to address the Committee. A number of those present hissed and objected to the presence of a politician. It was finally agreed that he would be received as the Vice President and not as a candidate. He appeared, asked for unity and generally supported the Communists side, with no hostile demonstrations during his presence.

At a Saturday session of the Third Committee there occurred one of the checks to the Communists from a leader who often supports them. A resolution in support of Castro was presented by the Communists. At this point, Mr Luis Menossi, President of the São Paulo State Federation of Building Trades proposed an amendment expressing sympathy for the labor leaders jailed by Castro. The entire resolution was dropped,for the time.

However, more important than the Committee activities, plans were prepared for the evening. About the middle of the afternoon, the author was informed that because of the Communist tactics and their theft and illegal use of 600 credentials, the Confederations had decided to walk out of the Congress at the evening session. Rumors were also rife concerning the alleged presence of ruffians and of the probabilty of violence.

As usual, the evening meeting began an hour late. As chairman, Deocleciano de Hollanda Cavlcanti recognized as the first speaker Oswaldo Veloso Rosas, CNTI librarian and CNTI delegate from the Federation of Industrial Workers of the state of Alagoas. Veloso is a short, pudgy individual, ganerally quiet but a forceful speaker. He started right in attacking the Communists. He accused them of stealing the 600 credentials, of obstructing their oponents from speaking, of unruly tactics, of voting by voice, etc. He shook his fist, howled at them and was quite belligerent. As anticipated, the Communists had been tipped off and, contrary to their prior practices, were quiet and controlled. Roberto

§Marcel Bras
Giacomo Adduci
Jean Marillier



Morena spent his time at the speakers table with his arm around Angelo Parmigiöni's shoulders and obviously being as friendly as possible. Since the Communists wouldn't cooperate by creating a din some anti-Communists did, going beyond their previous role. Enough anti-Communists were tipped off (or naturally sympathetic) so that they made quite a racket. A few Communists who apparently hadn't been tipped off and weren't smart enough to watch their leaders also finally began to shout. After letting the noise develop unhindered for quite awhile Cavalcanti finally asked for quiet and of course couldn't get it. He quickly shouted that he wouldn't preside over such an unruly meeting and walked off, bumping into two or three people as he did so. Syndulpho Pequeno shouted "Long live Brazil; down with the Communists" into the microphone and followed immediately behind Cavalcanti. Parmigiöni stood indecisive, talking to Morena (who it was later said was urging him to take the chair). Pequeno (a huge fellow) returned, grabbed Parnegiöni by the arm and off they went, all three immediately whisked away by Cavalcanti's waiting Cadillac and chauffer.

At the time few people left the stage or floor. In fact some of the non-Communist leaders were circulating on stage and else where, to the puzzlement of the apparently informed onlookers. However, they were passing the word of the walkout, which wasn't as well known as some believed.

With the walkout, the ICFTU and ORIT representatives, all of whom had been previously informed, also left their regular places in the rear of the third balcony, whith was always sparsely occupied. The author remained another fifteen minutes in order not appear in any plan, in case his movements should be noted, and to see what would follow.

After a very few minutes of pandemonium the microphone was taken by Huberto Menzes Pinheiro, the sole remaining Confederation President (CONTEC). He is a forceful, able presiding officer and, especially since the opponents were now leaderless, quickly restored order. He cleverly called for the national anthem to be sung and the fireworks were over. The next speaker Luis Menossi attacked the "traitorous pelegos" (hirelings) who had left - and the author departed.

Nearly all reports on the future progress of the meetings are consistent. The non-Communists began to walkout in ones, twos and small groups as the word spread, so that by the end of the evening there were an estimated 500 to 600 in attendance rather than 1,500 - 1,800, as at the beginning of the evening.

The three Confederation Presidents immediately sent telegrams to the President, Vice President and Ministers of Labor and Justice explaining why they had had to leave the Congress.

Vice President Goulart was probably informed of the walkout before it occurred, though possibly not since he made no special efforts to stop it. At any rate he knew soon after and spent the night attempting to talk to the leaders of the dissidents and patch things up. By this time the dissidents included five groups, the followers of each of the three Confederation Presidents, the group of São Paulo leaders generally led by Dante Pelacani, President of the



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National Printing Trade Workers and a number of loosely coordinated Catholic groups, each with a few individuals from various unions. (The Catholics have no labor movement of their own in Brazil, nor are they attempting to form one. They are rather, attempting to educate individuals and to increase their influence within the existing system).

Vice President Goulart succeeded in having the Paulistas led by Pelacani and the Catholics led by Father Pedro Velaso come to his apartment, where he "surprised" them by disclaiming any help or liking for Communism, but appealing for unity on a non-partisan basis to help labor. However, he could never get the three Confederation Presidents to come. They said that they would be glad to see him at their meeting place. Without the three Confederations, Goulart could get nowhere and his negotiations failed. (The Minister of Labor and Goulart's special labor warhorse, Gilberto Crocket da Sa were with him during these attempts)

AUGUST 14 - SUNDAY

By Sunday morning all delegates were informed and attendance at the morning session was limited to an estimated 300 -400.

The mass-meeting planned for that evening had to be moved from the huge basket-ball court to the same João Caetano theater where all other sessions had taken place. Instead of a triumphant huge crowd led by Communists in a salute to Lott and Goulart, with a new Social Security Law announced by the President himself, the meeting had to be content with the presence of the Minister of Labor, who promised nothing except to study their petitions. In order to give the President, Vice President and Lott an excuse for not being present, despite all previous publicity, the meeting was called two hours earlier than originally planned. This provided an excuse for not being present, but fooled no-one. A crowd of adequate size was finally worked up by inviting the PTB candidate for the Governorship of the new state of Guanabara to address the meeting and by using his loudspeaker trucks to attract an audience.

The true colors of the Communists were openly displayed at the final session. Marcel Bras spoke, representing the WFTU. No reports on the meeting are clear or full. However, resolutions were passed which approved the creation of a central confederation, the establishment of relations with the WFTU, and help for Castro. A National Executive Committee was established to prepare for the Fourth National Labor Congress in 1962.

DECLARATION OF THREE CONFEDERATIONS AND ICFTU AND ORIT

On August 14 the Presidents published a joint declaration in which they affirm that following the democratic principles of the Brazilian Constitution, they accepted the collaboration of all groups, without inquiring into their "political color or religious creed". They then state that despite their efforts the "Communist Group", in a spirit of intolerance, attempted to transform the meeting into one of extremist political character. They state that the "Communists" used all the usual "bolshevik" tactics including the theft of 600 stolen credentials. (This charge has never been denied by anyone. In fact,



the Communist apologists criticise the non-Communists for negligence in letting them be stolen). The manifesto than refers to their persistent efforts to have the Communists abandon their hypocritical position openly favoring labor unity and the defense of democracy, while in reality dividing the workers and attacking the basic principle of democracy.

The manifesto then quotes Luis Carlos Prestes' statement at the recent Rio de Janeiro Communist Party Congress§ as quoted in the press. "We are internationalists. We subordinate the interests of the Brazilian working class to those of the international proletariat. United we are invincible and we will oblige any Government to cede to our interests. This power can be seen in the forthcoming Third National Workers Congress of Brazil, from which the Brazilian worker will come out more united by creation of the Union Central." The document ends by stating that in view of the tumultous situation created by an organized minority and with the democratic forces unable to stop the insulting acts, and heeding the appeal of innumerable participating state delegations who threatened to abandon the meeting, they found it necessary to close the Third National Workers Congress on August 13 at 20:30.

At the same time, the ICFTU and ORIT representatives present at the Congress also made public their declaration, which concluded; "This international delegation which at all times maintained its respect for the regulations approved by the Congress and acted within the limits of the invitations received, expresses its complete support for the Confederations affiliated with the ICFTU and ORIT and to all Brazilian workers who demonstrated in such a complete form their clear union support and their undeniable desire to strengthen their Patria by strengthening liberty and democracy." The manifesto of the Three Confederations is the first document of these organizations in several years to call the Communists by name and apply the term to a specific situation and individuals.

CAUSES OF THE SPLIT

The Three Confederation Presidents have indicated in the above described manifesto why they broke with the Congress and closed it. The specified reasons (false credentials, disorder, discourtesy) played a role but are by no means the whole story or the crucial reasons.

The important substantive issues faced by the Congress have been indicated (1) the creation of a "central" (2) international affiliations and (3) Cuba. At least the first two of these three problems seemed to have been compromised before the meeting began. Although Benedito Cerqueira and a few of the most vigorous leaders of the Communist group threatened to return to their original demands for the immediate creation of a central and disapproval of affiliation with the ICETU and ORIT, no specific acts on these problems had occurred which would have justified breaking on these issues and, in fact, they were not mentioned as contributing factors. While a resolution opposing sugar shipments to Cuba would have been unpalatable to the Confederation Presidents, they were much less concerned with this more distant problem than with the creation of a central which would have undermined the importance of their organizations, or the international affiliation issue which would have undermined their moral positions.

Why then did they suddenly become sensitive to tactics and problems with which they have long been familiar and which they have long endured without

§Held during the first week of August, 1960, in preparation for the forthcoming Fifth National Congress of the Communist Party of Brazil.



revolting? It should perhaps first be repeated that their lack of courage in attacking the Communists during recent years was the result of the PTB (Brazilian Labor Party) - Communist alliance and of the help which the Vice President and Labor Ministry have been giving to the Communists. Anti-Communists have been deposed for that reason and it has come to be widely accepted that if a labor leader values his position, he is very careful on the Communist issue. Since the Brazilian Government is still all-powerful in the labor field and can dispose any union leader at a moments notice, the general pro-Communist attitude of the Government and the absence of a strong official anti-Communist Government bloc was enough to prevent any effective open anti-Communism.

The split in the Congress was the result of at least a temporary change in the Government forces. The President of Brazil has always been anti-Communist but is not very well informed or interested in labor. The National Security Council (CSN) has been anti-Communist but generally ineffective because of the President's lack of interest as opposed to the active PTB-Communist alliance and Goulart's free hand in labor. On this occasion the CSN became alarmed, obtained the President's approval and proceeded to arrange the break by the Three Confederation Presidents, the Paulista and the Catholic leaders. The CSN took the initiative in arranging the plan, promised protection to the Three Presidents and forced the issue. While this action is not widely known nor its details revealed, Goulart has publicly blamed the CSN for the split.

SPECIAL ROLES

The Third Congress provided an exellent opportunity to assess the roles of a few key labor leaders who have attempted to play a somewhat ambiguous role.

Benedito Cerqueira, President of the Rio de Janeiro union of metalworkers has long played with the Communists and is stated by Security officials to have once been listed as a member. He denies being or having been a Communist and has applied for a Point IV labor leader grant. In late months he has been actively leading the Communists and has just returned from a trip to Communist China. At the Congress he was one of the leading spokesman for the Communists. He will not be further considered for a Point IV grant.

Clodsmidt Riani, Vice President of CNTI has long played with the Communists and yet denies being one. He applied for a Point IV grant. Because of his real leadership abilities and his potential value, a calculated risk was taken and he was sent to the U.S. Articles published in the press by him during his visit and shortly after his return appeared to justify the decision to send him. However in the preparations for the Congress and following the split he has sided clearly with the Communists, at times serving as their leader.

Dante Pelacani is President of the National Federation of Printing Trade Workers and he is an admitted ex-Communist who states that he has broken completely. He is now leading Janio Quadros' labor election efforts. He has showed real leadership ability in São Paulo, his home. At the Congress he played an equivocal role. A CSN official defends him but he alienated the anti-Communists of São Paulo.



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ARy Campista former Vice President and presently First Secretary of the CNTI has supported the Three Presidents following the break, though he was not included in their planning. However, his years of double playing have created so much lack of confidence that some suspect him of acting as a "plant" for the Communists within the anti-Communist camp.

Luis Menossi, President of the Construction Workers Federation of São Paulo has long played a double game. He was originally selected to play the role later taken over by Veloso to deliver the haranguing anti-Communist speech. However, he begged off and is widely regarded as the one who betrayed the plan to the Communists. (So many knew of the plans that it would be impossible to guess who betrayed them-perhaps several did) . In contrast to this stand, it should be noted that it was he who introduced the amendment to the pro-Castro resolution, proposing sympathy for labor leaders jailed by Castro.

IMMEDIATE RESULTS OF THE CONGRESS SPLIT

The first, and unchallengable result was the cancellation of the big closing session which was to have been a "big event" for the Lott-Goulart campaign. It is not possible to say how many votes the cancellation of the session will cost the slate. The rank and file cynicism of their leadership in Brazil is so great that the workers rarely elect their own leaders and are not eager to follow their suggestions in voting for others. Goulart has lost so much prestige that big rallies might not have much influence on votes. However, the cancellation will certainly win no votes for Lott or Goulart and may well cost them a goodly number. This may be a large figure if the public identification of this Communist split together with Goulart's clear cooperation with the Communists side continues until the election. Since help to the Lott-Goulart slate was the principal objective of the Congress, one can imagine the chagrin felt on this issue along.

The second objective of the Congress was to show the Communist domination of the Brazilian labor movement and to futher stimulate their unity objectives. These objectives were set back considerably and, at best, will take time to reestablish. They may never be repaired, but this depends more upon political than upon labor developments. The Commies feel their loss so keenly that party members are calling for self-evaluation and criticism over the failure.

The anti-Communists have been enormously encouraged in various trades and regions. Some of the anti-Communists are attempting to destroy the São Paulo Council of trade unions and others are considering doing the same in the state of Espirito Santo and perhaps elsewhere.

The Catholic influence among labor leaders has been strengthened. Padre Veloso claims 300 of the delegates to the Congress. Whatever the number of real supporters, their role in supporting the split has encouraged them all and increased their prestige. They are now considering arranging some form of nationwide cooperation among their hitherto independent state groups.

The Communist issue in Brazilian labor has been highlighted as it has not been for several years, perhaps since 1946. The anti-Communist press



has used the Congress to attack and the hypocrital and pro-Communist Ultima Hora temporarily ran for cover, blaming Roberto Morena in part for the fracasso; of course it called for the immediate reestablishment of labor unity on a non-partisan basis.

On specific issues, the Congress was of no value, in fact harmful to the Communist aspirations. These include the establishment of a unity central, breaking international affiliations with the ICFTU and ORIT, a useful resolution on Cuba and the inclusion of rural workers as an important element in the national labor scene.

LONGER - RUN RESULTS

If the Communist menace to the Brazilian labor movement was ever to be conquered, the first step had to be a public recognition of the issue by labor leaders themselves. This has now occurred. How far this step will lead to futher helpful ones will depend in large measure on future political developments. However, the actions this far have stimulated the anti-Communists, shown the fear and weakness of Goulart and others of the issue (Goulart's lack of appearance at the closing session shows clearly his fear of the issue). Events may have further alerted President Kubitschek and Marshall Lott and may strengthen the hands of the CSN. As already indicated, the non-Communists are attacking in São Paulo and Espirito Santo. Perhaps enough steam can be generated to influence the politicians and permanently change the recent unfavorable growth of Communist influence.

However, if the non-Communist labor leaders are to develop a permanent upper hand, they must also develop a useful, positive labor program. At present unions do little more than provide limited medical aid for a few members. Even under present government regulation they could help improve working conditions, establish effective grievance procedures and stimulate the extension and improvement of the currently very deficient public schooling (10% of children of school age finish first grade; 1% finish high school). It would not take many years of good leadership for the unions to begin to try to influence real wages. There is much that must be done if a strong non-Communist labor movement is to be established.

For the Ambassador
John T. Fishburn
John T. Fishburn
Labor Attache'

Approved by:
Philip Raine
Philip Raine
Counselor of Embassy
for Political Affairs

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	9-27-60	OTHER CIA-10 USIA-10 *LAB-6 NSA-2 ARMY-2 NAVY-3

SUBJECT: The Ligas Camponesas of Pernambuco and [illegible] Rio de Janeiro-2

DEPARTMENT OF STATE
BUREAU OF
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SEP 28 1960

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I. General Background

Economic conditions make the Brazilian Northeast a splendid garden of weeds for Communist cultivation. Overpopulated for its present economic resources, the area is beset by periodic droughts that sear the arid interior and drive the population excess to the narrow coastal green belt, site of the sugar latifundia. The recent surplus of sugar production, some degree of agricultural mechanization, the fantastic Brazilian population boom, and lack of industrial employment opportunities in the urban areas are some of the factors that have placed the rural worker in a vicious economic squeeze. Recife, as the prime example of Northeastern economic-socio-political problems, is populated by an estimated 300-400,000 marginal inhabitants in a total population of 800,000; this large number is "marginal" in that they barely manage to exist from day to day. Other thousands of refugees from the interior have settled in a tight semi-circle around Recife. Many are now living as squatters or tenant farmers on plantations or are uncomfortably camping out in one of the outlying villages and towns near the metropolitan Recife area.

In this climate, the Communists have moved fast and expertly to capitalize on the abundant crop of human misery. Of their many effective tools, the most sinister is the Ligas Camponesas (Rural Leagues), whose loudly avowed mission is agrarian reform. The individual Ligas are similar to the cells of a normal militant Communist organization. In Pernambuco, according to their leader,

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0013

the Ligas can now count on 3,000 well endoctrinated, well disciplined members.

The recognized leader of the Ligas is Francisco Julião, a Pernambuco State Deputy, and a leading member of the locally influential PSB (Brazilian Socialist Party). A clever and cocky person, born and educated in Pernambuco, Julião has assisuously maintained his reputation as a man of the soil and a man of humble origins. Recently he has diversified his approach in order to be more acceptable in intellectual circles. Returning from an excursion to Cuba (with Janio Quadros, whom he opposes politically) in March 1960, He has become increasingly friendly with student groups. In addition to straight Marxist-Leninist articles in Communist publications, one of his writings appeared in Senhor, the Brazilian equivalent of Esquire; the article was pacific in tone and apologetic for the necessity of the Ligas Camponesas. During this period, he has also branched out to assume command of the local pro-Fidel Castro/Cuba movement, tying it very neatly in with his Ligas activities.

Many of Julião's adversaries describe him as a demagogic, uncouth person, extremely ambitious and extremely dangerous. Many of these same people consider him to be unusually honest for a Brazilian radical leader. They respect his ability as an inspiring leader of the illiterate and underprivileged rural masses. ("When you have nothing, you have nothing to lose - so why not be a Communist?") Some of his enemies do not recognize Julião as a foe, believing that the noise from the Ligas is a by-product of an election year and will soon fade away. This latter ~~latter~~ opinion, or worse - complete ignorance of the man and the movement, has been expressed by landowners and generally well informed persons in neighboring Alagoas, Paraiba, and even in Pernambuco itself.

Rumours regarding the smuggling of small arms into rural Pernambuco, the close cooperation between the Ligas and the Communist elements which control the Recife city administration, its ties and "cultural" exchanges with the Cuban Government, and its faithful adherence to the successful Chinese model for agrarian reform movements, as well as its skillful probings of the economic malignancies and its tight organization portend a much longer and more active life for the Ligas than most wish to believe.

0014

II. Historical Sketch

According to Brazilian intelligence sources, the Sociedade Agricola e Pecuaria dos Plantatores de Pernambuco, commonly called the Ligas Camponesas, has sprung from purely Communist origins. After the PCB (Brazilian Communist Party) was outlawed in 1947, the Communists moved their attention to the interior, ala Mao Tse Tung. They found their equivalent of Kiangsi Province in Pernambuco. By 1950, there were 40 Ligas in the state's "zona da mata" (coastal forest zone). During that year, in the name of agrarian reform, there was a series of fires, acts of sabotage, and physical violence. Police pressure in 1951 caused the disbandment of the Ligas and the formation of rural unions so that national labor laws could be used as shields for Communist activities. Ten of these union directorates were exclusively manned by Communists. Finally, in 1956, the unions were closed after having been declared illegal entities because of their control by the PCB. In 1957, the Communists resolved to try again and the Sociedade was established with headquarters in the city of Vitoria de Santo Antão. The prime organizers of the renovated Ligas were State Deputy Julião, lawyers Djacy Florencio Magalhaes, Uberacy de Silva Barbosa, and farmer Jose Ayres dos Prazeres.

The renovated Ligas spread rapidly, organizing cells whenever possible within each of the sugar plantations, farms, villages, and cities. In 1958, the Ligas sponsored the First Congress of Farm Workers, Peasants, and Fishermen of Pernambuco. Since that time, authorities reports that the Ligas have presented a constant threat to the Pernambuco landowner.

The Ligas' recent, more publicized, activities have included:

The forceable seizure of the Engenho Galiléa, a small sugar plantation. The move by the Ligas was followed by State legislative action expropriating the property and initiating the first step of Governor Sampaio's colonization plan, which is to be his answer to the demand by the unemployed peasant for land and work.

Threats to occupy the small engenhos of Pindobal and Malemba near the village of Paudalho. The plantations were hit by sit-down strikes of the workers, but the invasion by compatriots and their planned seizure of the farm was foiled by the presence of armed police (March 6, 1960).

0015

On June 6, 1960, a platoon of military police was necessary to prevent an invasion by 150 campeneses of the Engenho Manassu, near Jaboatao.

Speaking in Rio de Janeiro on July 20, 1960, Ligas leader Francisco Julião threatened an anonomous Pernambuco town with an "agrarian strike" in order to force the firing of a certain obnoxious public official. The strike would actually be a blockadeof the city; no farmers would deliver any produce to market, and the town would be starved into submission.

On July 27, 1960, Deputy Julião related that he was considering a march on Recife by 100,000 of the Ligas members to demonstrate the non-subversive nature of the Ligas Camponesas and impress the public and the authorities with the magnitude of the need for drastic agrarian reform.

In early August, Francisco Juliao presided, in Londrina, Parana, in southern Brazil, at the First Congress of the Rural Workers.

On August 20, the Governor of Piaui suggested to the State Assembly that Cr$1.5million be set aside to help the Ligas kick off their activities in the State. The money would be used primarily for a rural convention.

A judge, in Cabo, Pernambuco, rendered a decision on August 19 for the Engenho Camacari to be returned to its lawful owner. The suit had been filed after the ~~xx~~ tenants, refusing to pay further rental on their plots of land within the plantation, had assumed effective control of the property. Acting on orders from the court, military police moved onto the property and evicted several of the squatters. The pathos of the dispossessed peasants was prime meat for sympathetic journalists.

During June and July (1960), it was known that Julião and/or his lieutenants made several forays into the neighboring states of Paraiba and Alagoas to spread the gospel of agrarian reform.

0016

III. Impressions of a Visit to the Engenho Galilea - Domicile of a Liga Camponesa

Engenho Galilea - 1242 acres of green, mountainous, controversial farm land in the narrow, fertile, Pernambuco coastal strip. An hour's drive from Recife, West through Jaboatao and Moreno - textile mill towns, the "Engenho" (sugar plantation and mill)lies about three miles south of highway BR-25, an important link with the interior for Recife.

In conversation with State officials, I had been assured that everything was under control at the Engenho. In a counter-move to the seizure of the Engenho by the Ligas Camponesas, Governor Sampaio, early this year, had pushed through special legislation to confiscate the strife-torn plantation. ("I was actually doing the owner a favor. The State worked out a way to purchase the farm from the owner, an old man whose children had deserted the Engenho for the luxury of city living. The plantation was bankrupt; the owner sick and tired after battling the Ligas for years; and although the children - absentee landlords - objected, we really did them a favor.") The State had moved onto the Engenho and taken control with an administrator, much to the Ligas' displeasure. They had anticipated that the effective control of the Engenho would be turned over to them. The Governor stated that he had won the battle of the Engenho Galilea - a victory over one of his bitter political foes, Francisco Julião, Socialist (PSB) State Deputy, leader and organizer of the Ligas Camponesas. Other State officials reiterated this. The members of the Ligas on the Engenho, now [illegible] and led by the State, were losing their interest in the radical programs of their leaders. With true Brazilian hospitality, the State officials invited guests to call at the Engenho at any time. However, three months later when their offer was accepted, they appeared somewhat less enthusiastic about the idea of a foreigner, particularly an American, poking around the Engenho. But, with an admonishment for discretion, a letter of introduction to the administrator was furnished.

Driving to the Engenho Galilea, I gave a ride to a man hiking down the road. The hiker, a man in his fifties, lean, sun-baked, gave me exact directions for driving to the Engenho Galilea; he had once worked there. And now? -- He was living in the city. Did he like city living better than the country? Definitely not (Hell no!) ! It was just that a man can not get a job in the country now. The "big landowners" are making it awfully tough on the little guy, so he is now in the city, trying, not too successfully, to keep from starving.



Turning off the highway, we entered a countryside that resembles a tropical backwoods Kentucky. Winding, at times in 4-wheel drive, up and down, through streams and over treacherous wooden bridges, we finally turned a corner and suddenly found ourselves at a deadend, facing an old brick structure and a suspicious group of laborers. Yes, this was the Engenho Galilea; yes, this was the "casa grande"(plantation headquarters); no, neither the administrator nor the agronomist was there at the moment; but, yes, they might be back before too long.

After a long 20 minute wait, we watched a new Ford pickup truck roar up the hill and deposit three surprised young men- the administrator, the agronomist, and a general assistent. Recovering from their initial shock of meeting us, the trio immediately sat us down on the front porch of the Casa Grande to detail their plans, their accomplishments, and their problems. The Casa Grande, now being re-conditioned, would be a combination school, clinic, administrative office, and commissary for the Engenho. Other construction by the State would include a residence for the administrator and a chapel for the Engenho priest. The State will also have several acres set aside as an agricultural experiment station. The rest of the Engenho will be divided into 10 hectare (about 25 acres) lots which will be "sold" to the individual farmer who will be expected to pay off his loan in 10 years with the profits of his produce and crops. The State will help him build his house, and the agronomist will advise him and instruct him regarding the crops to grow. A cooperative will be formed to market his produce in Recife in order to eliminate middle-man exploitation. With 10 hectare plots, the Engenho will support 45 family units. There are now 143 families (1050 people) on the Engenho. (The few adobe and thatched huts that are planted on the hillsides belie the intensity of the plantation's population.) The State is now negotiating for two other enghnhos to absorb the excess population from Galilea. The optimum individual farm size would be 25 hectares; the State is settling for 10 hectares; while the Ligas is calling for 1 hectare lots, which the agronomist believes would perpetuate their marginal existance. The present work being done on the Casa Grande and the roads is being performed by the inhabitants of the Engenho, with the State paying for their labor. "The State has had the Engenho for five months, and although there isn't much to see yet, more has been done for these people than the Ligas has accomplished in 5 years."

Both the administrator and the agronomist were well indoctrinated regarding the Ligas Camponesas and its leader, Francisco Juliao (labeling both with Communist tags) whom they described as taking advantage of the ignorance and misery of the rural worker to foment rebellious movements.

0018

Later, during a tour of the Engenho, we were shown the first headquarters of the Ligas. A thatched roof covers a small semi-enclosed area that serves as the headquarters, convention hall, and recreation area of the local Liga. This "hall" occupies the military crest of a hillside next to a primitive manioc flour mill. From the ceiling of the meeting hall hang several strings of colored pennants that add a festive touch to the simple structure. Here in 1955 the first Liga was organized under the presidency of Zeze (Jose Francisco de Souza) and the guidance of Francisco Juliao. Originally, the organization was called a social and recreation group. The former landowner, Oscar de Arruda Beltrão, after being named honorary president, had encouraged the group --for a short time.

Key members of the Liga were met, including the notorious Zeze, a leather-beaten, reserved, very polite old farmer. We were introduced as UN (FAO) technicians; it was later explained that the members of the Liga have been fed such a consistant diet of anti-American propaganda that it might not be safe (or politically wise) to reveal our true identities. The conversation with the Ligas members was rather one-sided, dominated by the State officials who talked to and about (in their presence) the farmers as if they were kindergarten students. Previously, we had been informed that many of these men, including Zeze, were close to defecting from the Liga. However, when allowed to speak, they responded in tones that did not reflect great enthusiasm for their present or future situation. They responded, this vanguard of the rural revolution, with shrugs and smiles as the State officials described their misguided past and their glorious future. It was obvious that whatever recent doubts may have been planted in their minds regarding the man and his schemes, Francisco Juliao is still a demigod.

Departing from the Engenho, I had the impression that the Governor's victory had not yet been won, despite the counter-attack so commendable and imaginative that he has launched. But then such manuevers require time, more time, for the successful conclusion - the happy ending - and it is early yet . . . or is it already too late? . .

The issue remains in doubt as the plague of the Ligas Camponesas continues to spread throughout the Northeast.

0019

IV. The Hymn of the Ligas Camponesas

"Comrades and brothers in suffering
Our song of pain rises from the land.
It is a cursed seed that the wind
Broadcasts through the valley and over the hill.

Chorus:"The flag that we adore
Should not be stained
With the blood of a race
Chained to a hoe

"We do not wish to live in slavery
Nor leave the country where wex were born.
For the land, for peace, and for bread
Comrades, we band together and we march.

"Our hands are goldenly callused
Attesting to our hard and honored labor.
Brazil without us has no treasure
Without us Brazil has no future."

Edward T. Walters
American Vice Consul

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1 cc - ConGen,AmEmbassy, Rio

0020

RM/R

TRANSFER-[redacted]
SHEET

April 17, 1961
(DATE)

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Please send the following papers to the catalogue Section for necessary corrections.

FROM Lima

TO

☐ TEL
☒ INST.
☐ DESP
☐ AGM
☐ LTR
☐ NOTE

194

FROM: Date Oct. 3, 1960

TO Date

(a) File No. from 832.062/10-360

to 823.062/10-360

(b) Additional information Please chg XRs from 832.07

to 823.07

832.062/10-360
(OLD FILE NUMBER)

☒ All cards (other than "name" cards) in the Card Indices have been changed or corrected as indicated above.

☐ All "name" cards have been changed or corrected, etc.

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Control: 6537
Rec'd: October 12, 1960
6:49 p.m.

FROM: Rio de Janeiro

TO: Secretary of State

NO: 511, October 12, 6 p.m.

FOR STEPHANSKY

Tell Fishburn members of special groups can not leave until after October 25. Labor Ministry designated 25th as date for selecting labor representatives on boards of pension institutes.

CABOT

MM-10

Fishburn informed - clas X Walker ICA
10-13-60
Jsen

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10-13-60

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Rec'd: October 18, 1960
9:44 p.m.

Action
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Info

FROM: Rio de Janeiro

TO: Secretary of State

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NO: 536, October 18, 8 p.m.

Strike by stevedores halted normal activity in Brazil's principal ports today. Although National Federation of Stevedores is Communist-dominated, Minister Labor source said strike essentially non-political dispute regarding paid vacations and early settlement anticipated.

CABOT

CWD:BHH/2

832.062/10-1860

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FOREIGN SERVICE DESPATCH

FROM : Amcongen PORT OF SPAIN

TO : THE DEPARTMENT OF STATE, WASHINGTON DATE October 20, 1960

REF : Congen Despatch #22, July 22, 1960

Barbados-1
Caracas-1
Kingston-1

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	EUR.3	Pmr/R.2 REA/1 IAR.2 ICA.1 E.2 G-1 MRA-4
	REC'D 10-24	OTHER Claslo Conw.17 Lab.6 INT.2 Army.4 Navy-3 Georgetown-1 ISA.2

SUBJECT: Venezuelan Diplomatic and Labor Pressures Suspend Trinidad Oil Shipments to Dominican Republic

For the past several weeks the Venezuelan Government and Venezuelan trade unions have been seeking to persuade the Trinidad Government, local oil company executives, and trade unions to implement various resolutions intended to bring economic pressures on the Dominican Republic. Specifically, they have been seeking the curtailment of deliveries of oil products (about 1500 barrels per day) from Trinidad to the Dominican Republic, and they threatened to suspend the shipment of crude Venezuelan oil to Trinidad (about 100,000 b/d) if there was no compliance. The Consulate General has just received a note from Texaco Trinidad to the effect that they have decided to "make no further cargo liftings to the Dominican Republic until further notice." All shipments of oil products from Trinidad to the Dominican Republic have come from the Texaco refinery for the account of the three major companies (Texaco, Shell, and Esso).

Venezuelan Consul General Humberto Egui-Luna first raised the issue with the Premier, Dr. Eric Williams, late last month and is reported to have elicited a heated rather than a warm response. Williams reportedly told Egui-Luna that the diplomat was to be seen when he wanted a favor for his own government but less evident when it came to answering Trinidad's requests. Williams asked what was Venezuela doing about Trinidad's application for a suspension of the 33 1/3 sur-tax on goods imported from Caribbean territories, and what was it doing about facilitating migration of Trinidadians. Egui-Luna confessed that he personally could do no more than to advance Trinidad's case as effectively as possible. Williams is supposed to have concluded the discussion with the comment that he would discuss oil exports to the Dominican Republic when Egui-Luna had answers to these other questions. The same point was more subtly made a matter of public record last week when Williams wrote into the "throne speech" given by Sir Solomon Hochoy at the reconvening of the Trinidad Legislative Council: "With respect to Venezuela, my Government awaits patiently and hopefully some tangible evidence of reciprocity of our efforts to improve relations between the two countries."

IGChesla:wed
REPORTER

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When Egui-Luna discussed the issue with Texaco Trinidad officials, he reportedly spoke in fairly restrained terms, urging them to look into the matter and not to feel that they were under any urgent pressure. TUC officials, on the other hand, say that Egui-Luna dropped the threat early in their conversation that continued handling will result in a suspension of crude oil shipments from Venezuela to Trinidad with attendant effects on employment in the Trinidad oil industry.

The visit of the Venezuelan trade union officials grew out of the meeting with Egui-Luna, who was reportedly told by the TUC spokesman that diplomatic representatives should take up their threats with government officials, and trade union officials should be approached by their counterparts. The Venezuelan contingent consisted of Augusto Malve Villalba, General Secretary of the Venezuelan Congress of Trade Unions (CTU); Horatio Scott, Secretary of the Transport Workers Union and also Public Relations Secretary of the CTU; Elio Aponte, Secretary of the National Federation of Workers and also Cultural Secretary of the CTU. They told TUC officials that they were under an obligation to cooperate, since their representative to the CWV meeting in Caracas in July (see referenced despatch) had signed a resolution calling for economic action against the Trujillo regime.

Comment: There was some doubt locally whether the Venezuelans would in fact curtail the shipment of oil to Trinidad if there was no compliance with this threat. It is believed here that economic conditions in Venezuela could not easily take additional losses in the Caribbean market, while the shut-off of crude from Venezuela to Trinidad could be easily replaced with Middle East oil. On the other hand, Texaco's decision gets both the Trinidad Government and the trade union leaders off a bit of a political hook without significantly affecting the economic interests of any party on the island.

In trade union circles these pressure tactics lost much of their effectiveness because the Venezuelan representatives are not affiliated to ORIT/ICFTU, and Villalba is believed to have some pro-Communist connections. Indeed, the principal reaction to the whole episode at TUC headquarters is only indirectly related to the pressure brought to bear on them. This episode has caused them to believe that their major mistake was in sending a delegate to the Caracas meeting cited above without previously consulting ORIT as to the sponsorship and main purpose of the conference. They indicated that future invitations to international meetings will be more carefully scrutinized, and consistently checked out with ORIT.

Edwin G. Moline
American Consul General

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FROM: Sao Paulo - CORRECTED COPY

TO: Secretary of State

NO: 104, October 31, 5 p.m.

PRIORITY

SENT DEPARTMENT 104; REPEATED INFORMATION RIO 45.

Metalworkers and typographical workers of Sao Paulo, total employment about 150,000 on strike as of today for increased wages. Strike only partially effective thus far. Large Ford plant still open. Textile, chemical, packing house and other workers also threaten to strike. Local strike coordinating committee under considerable Communist influence. Reportedly, if successful here, Communists will press for nation-wide labor strikes. Strike peaceful thus far. Top state officials currently engaged in mediation discussions with strike leaders.

COCHRAN

HB-2

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832.062/10-3160

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FROM: Sao Paulo

TO: Secretary of State

NO: 105, November 1

PRIORITY

SENT DEPARTMENT 105, REPEATED INFORMATION RIO 47

Strike of metal workers now virtually hundred percent in Sao Paulo City. Typographical workers also have gone on strike and already closed two major newspapers in capital and two dailies in Santos and spreading. State Military Police in capital all on 24 hour duty. Six of their shock platoons equipped with armored cars and tear gas standing by. No major violence yet reported. State and federal authorities mediating employer employee difference over wage increase as last reported far apart. -

COCHRAN

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11-14-60

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Control: 5499
Rec'd: NOVEMBER 9, 1960
7:45 PM

FROM: RIO DE JANEIRO

TO: Secretary of State

NO: 631, NOVEMBER 9, 7 PM

STRIKE MARITIME RAILWAY PORT WORKERS NOVEMBER 8 PARALYZED PORT ACTIVITIES AND RAIL TRAFFIC RIO AND VICINITY AND SIMILARLY AFFECTED TRANSPORT OPERATIONS VARIOUS OTHER AREAS. STRIKERS MOSTLY GOVERNMENT EMPLOYEES BELONGING UNIONS UNDER COMMUNIST INFLUENCE OR CONTROL. STRIKE'S AVOWED OBJECTIVE TO PRESSURE CONGRESSIONAL REPRESENTATIVES INTO PASSING BILL TO RAISE CIVIL SERVANTS PAY TO "PARITY" WITH SALARIES MILITARY PERSONNEL DOING SIMILAR WORK. ALLEGED PRIVILEGED POSITION MILITARY INCOME-WISE HAS FANNED LABOR RESENTMENTS ARISING OUT OF LEGITIMATE ECONOMIC GRIEVANCES AND COMMUNISTS EFFECTIVELY EXPLOITING SITUATION IN FURTHERANCE APPARENT OBJECTIVE MAKING DISPLAY STRENGTH TO OFFSET POOR SHOWING RECENT ELECTIONS.

WHEN STRIKE CALLED DESPITE CONCILIATORY GOVERNMENT GUESTURES ADMINISTRATION MOVED ENERGETICALLY DECLARING IT ILLEGAL AND ALLEGING SUBVERSIVE INTENT. MILITARY INTERVENED VARIOUS STRIKE-BOUND OPERATIONS AND SECURITY MEASURES WERE STRENGTHENED RESULTING IN CONSIDERABLE NUMBER ARRESTS. MINISTERS JUSTICE AND TRANS-PORTATION NOVEMBER 8 ISSUED COMMUNIQUES WARNING STRIKERS WOULD LOSE JOBS IF FAILED REPORT WORK NOVEMBER 9 AND AFFIRMING GOVERNMENTS READINESS TAKE OTHER "EXTRAORDINARY MEASURES" IF NECESSARY. GOVERNEMENT ALSO SOUNDED OUT CONGRESSIONAL OPINION RE POSSIBLE STATE OF SEIGE.

GOVERNMENT'S HARD LINE PROVOKED WAVE UNEASINESS AND PROTEST IN OPPOSITION PRESS BUT APPARENTLY WAS EFFECTIVE AMONG STRIKERS SINCE MANY RESUMED WORK TODAY. GOVERNMENT CONSIDERS STRIKES END IMMINENT AND PLANS ISSUE CONCILIATORY COMMUNIQUE TONIGHT TO ALLAY FEARS PRODUCED BY ITS STRONG INITIAL STAND.

CABOT

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Control: 6608
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November 11, 1960
2:25 p.m.

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FROM: Rio de Janeiro

TO: Secretary of State

NO: 638, November 11, 4 p.m.

Reference: Embassy telegram 631.

Strike of government maritime port railway workers suspended last night for ten days after period confusion during which government released arrested labor leaders, apparently gave assurances quick passage "parity" bill and tacitly agreed not penalize workers who had ignored its injunction return work November 10 or lose jobs. Government's well publicized threat impose state of siege combined with these concessions to weaken will of extremist strike leadership pursue announced intention continue strike until parity bill actually passed. Congress now working urgently on parity legislation.

Land and maritime transport service resumed in Rio area beginning midnight. Resumption such service other areas may be delayed due communication difficulties.

Some reason believe strike represented in part test strength between Goular and Kubitschek.

CABOT

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FOREIGN SERVICE DESPATCH

FROM : Amcongen SÃO PAULO

223
DESP. NO.

TO : THE DEPARTMENT OF STATE, WASHINGTON.

December 5, 1960
DATE

REF :

20 For Dept. Use Only	ACTION	DEPT.
	ARA-3	RM/R-2 REF-1 INR-7 E-3 ICA-11 P-3 I0-4
	REC'D 12-24-60	INFO OTHER CIA-10 USIA-10 IAB-6 COM-6 HEW-5 NSA-2

SUBJECT: Settlement of Strike at AYMORE Biscuit Factory ARMY-2 NAVY-4

832.062/12-560 HBS

Francesco de Paula Vicente de Azevedo, State Secretary of Finance, called this afternoon to congratulate me upon my appointment as Minister, and I took advantage of the opportunity to ask him about the role he had played in the recent settlement of the 159 day strike at the Aymoré Biscuit Factory. I asked him what the workers' demands had been, and he replied that they wanted first, a collective bargaining agreement to include consultation (the employers say control) over hiring and firing. Second, they demanded the "family allowance", that is, an extra wage increment for each child. Dr. Azevedo said that he felt, and told the workers, that this was contrary to the best interests of the workers themselves. A man with 10 children might draw a nice salary for a while, but he was producing no more than the worker next to him, and management would sooner or later find some way to ease him out -- with the payment of indemnity, of course, but he would none-the-less shortly be without a job. The third demand had been for the summary discharge of the Chief of Personnel for the company. This the owners were opposed to, on the grounds that he was a perfectly satisfactory and efficient employee, but Dr. Azevedo gave me the impression that there had been some spirit of concession on this point and that he may be dismissed or transferred to some other type of work.

Dr. Azevedo commented that he had entered the picture only when all other previous efforts of settlement had collapsed. The owners were returning to Rio in disgust, and the workers were planning to meet to organize a general strike to support them. He said he had done something different, in that he had had one group in his downstairs study and another in his upstairs living room, going back and forth between them, and spending some 12 consecutive hours in the negotiations. Since they were not face to face, apparently both sides felt they could respond to his mediation efforts with less loss of face. He said that he himself had gotten his start running a factory and he felt that the one thing which had to be

WPCochran, Jr. /fmw
REPORTER

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0030

maintained was the authority of management; thus, he had replied to the first demand -- for control of hiring and firing -- pointing out that under Brazilian law this was a right of management. He said that this was the fifth factory which had had trouble over these negotiating points. The others had had to give in to the workers' demands after strikes of 10 or 15 days; but that the Aymoré factory, being owned by British interests, had been able to hold out against these demands which he considered excessive.

As has been previously reported, the settlement allowed the company to discharge some 85 of its workers. In Brazil, it is customary in a strike settlement to pay the workers their wages for the days on strike. The Aymoré strikers deviated from this in that they were paid for only 60 days of the 159 days. With the paternal organization of labor in Brazil, unions have no strike funds. Consequently, this settlement will be something of a blow to the workers; on the other hand, there was very little reason for workers not to strike, when they got paid while on strike -- a situation which led to exploitation by agitators.

I think everyone breathes a sigh of relief, primarily because a settlement has been reached, but also because it was not on the usual basis of a complete surrender to the workers' demands.

William P. Cochran, Jr.

William P. Cochran, Jr.
Minister Consul General

0031

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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FOREIGN SERVICE DESPATCH

FROM : AmEmbassy, Rio de Janeiro 558
DESP. NO.

TO : THE DEPARTMENT OF STATE, WASHINGTON. January 4, 1961
DATE

REF : Embassy's Despatch ara 380, November 7, 1960 Rio de Janeiro - 10

20 For Dept. Use Only	ACTION	DEPT.
	ARA-3	RM/R-2 REP-1 INR-7 E-3 ICA-11 IO-4 G-1
	REC'D 1-11-61	INFO OTHER CIA-10 USIA-10 LAB-6 COM-6 HEW-5 NSA-2 ARMY-2 NAVY-4

SUBJECT: Communist-Supported Candidate Wins Social Security Election In Guanabara's Industrial Unions

Summary

In an election at the Ministry of Labor in November, a Communist-supported candidate for the newly-created post of labor representative in the Guanabara state council of the Industrial Workers Pension Institute (IAPI) won the election, with 15 out of 28 local unions of industrial workers casting their votes in his favor. Most of the local unions which voted for the Communist-supported candidate are either dominated by Communists or under considerable Communist influence, although the losing non-Communist candidate for the post claims that the Communists purchased some of their votes.

- - - -

The new Social Security Act, signed into law by President Kubitschek on August 26, provides for a considerable infusion of labor representatives into policy making posts in Brazil's social security system, both at the national and state levels. As reported in the reference despatch, non-Communists won all of the top national posts in an election on October 28 in which the national labor confederations plus several national federations voted. However, at the local level in Rio de Janeiro, in an election in which each of the city's local unions of industrial workers had one vote, a Communist-supported candidate won the post of labor representative in IAPI's Guanabara state council by 15 to 13.

The non-Communist candidate was Floriano da Silveira Maciel, President of Rio's local union of chemical and pharmaceutical industry workers. Maciel visited the United States in 1956 as an ICA labor leader grantee. Although personally anti-Communist, he has not always been publicly anti-Communist. Since the open split between Communists and non-Communists at the Third National Labor Congress last August, he has consistently and publicly supported the non-Communists. Maciel was opposed by Plinio Alves, President of Rio's local union of workers in the shoe industry, a union dominated by Communists.

DEPARTMENT OF STATE
BUREAU OF
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David P. Mann:gdm
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Although the voting was by secret ballot, Maciel is sure that the following ten local unions, in addition to his own union, voted for him: hat and umbrella workers, construction workers, glass workers, bakers, sugar workers, laundry and dry cleaning workers, rubber workers, brick and cement industry workers, furniture industry workers, and a union of skilled technicians in the textile industry.

The local unions believed to have cast their votes for Alves, in addition to his own union, are: leather workers, paper workers, wood products workers, granite and marble workers, electricians, flour millers, oil refinery workers, clothing workers, sandal and slipper workers, marble quarriers, textile workers, metal, machine and electrical workers, and a small union of certain pharmaceutical workers who were recently authorized by the Ministry of Labor to withdraw from Maciel's union. Of the foregoing unions which voted for Alves, the textile workers union, one of Rio's largest unions, is one in which the Communists have thoroughly consolidated their position and enjoy full control without opposition. The Secretary of the textile workers, Hercules Correa dos Reis, a Communist, won election last October as a PTB Deputy in Guanabara's state legislature. The wood products workers union is a traditionally Communist union of which Roberto Morena, a leading Communist in labor circles, is an officer. The President of the large metal, machine and electrical workers union, Benedito Cerqueira, is active in WFTU affairs, and went to Peiping earlier this year to attend the 11th General Council Session of that organization.

Two of the following three local unions must have voted for Maciel and one for Alves, in order for the total vote to be 15 to 13: printing industry workers, tobacco workers, and brewery workers. The President of the printers, Giovanni Romita, was an unsuccessful Socialist Party candidate for the Guanabara legislature last October. He actively sought Communist support, but the very small size of his total vote indicates that such support was not given. The President of the brewery workers, Waldemar Viana de Carvalho, is a PTB politician who has usually appeared to have friendly relations with Communists. The President of the tobacco workers, Antonio Gonçalves, is known as a non-Communist, but prior to agreement among all non-Communist unions to support Maciel as their candidate, he (Gonçalves) actively competed with Maciel for such support and disappointment could have caused him to vote for Alves (this is not very probable, however).

One additional industrial local union, the meat workers, sent an elector to vote in the election, and because of the known non-Communist orientation of the union it was assumed by everyone that this vote would go to Maciel. The Communists, however, challenged his right to vote, alleging that the meat workers had



not complied in full with the Ministry of Labor's regulations regarding selection of electors. Apparently the union had in fact been careless in this respect, and the Ministry's ruling was that this elector was ineligible to vote.

The results of the election showed the approximate strength of Communists and non-Communists in Rio de Janeiro's local unions of industrial workers. Many of the unions which voted for the Communist-supported candidate, such as the textile workers, wood products workers, metal, machine and electrical workers, and clothing workers, doubtless did so out of conviction. On the other hand, Maciel believes that the Communists purchased some of their votes; if such was in fact the case, the directors of those unions presumably have no real convictions either for or against Communism.

For the Ambassador,

David P. Mann
Assistant Labor Attache

Approved:
Philip Raine
Counselor of Embassy
for Political Affairs

John T. Fishburn
Labor Attache

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0035

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PAGE 1 OF 1 PAGES

1961 JAN 13 AM 8 30

Date Sent: Jan 11, 1961
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JAN 14 9 20 AM '61

FROM: RIO DE JANEIRO

TO: Secretary of State

NO: G-259

CUBA SERIES

National Confederation Industrial Workers and National Confederation Land Transport Workers inform Embassy they recently received (and are ignoring) telegrams from Cuban Confederation Labor and Cuban Federation Transport Workers, respectively, stating Cuba faced imminent invasion by US Marines and requesting of Brazilian Confederations "mobilization and solidarity."

CABOT

832.062/1-1161 HBS

DPMann:RHShields:jw
January 11, 1961

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FOREIGN SERVICE DESPATCH

FROM : Amconsul SANTOS, Brazil

DESP. NO. 21

TO : THE DEPARTMENT OF STATE, WASHINGTON.

DATE January 31, 1961

REF : --------

20 For Dept. Use Only	ACTION	DEPT.
	ARA-3	RM/R-2 REP-1 INR-7
	REC'D 2-10-61	INFO OTHER CIA-10 HAB-6 USIA-10

SUBJECT: List of Labor Unions In Santos and Vicinity, Together With Their Addresses and Names of Principal Officials

As of possible interest to the Department, there is contained in Enclosure No. 1 a listing of the 62 labor unions (sindicatos) presently functioning in Santos and vicinity, arranged alphabetically, together with their addresses and telephone numbers, memberships and names of their principal officials, as of January 31, 1961.

This compilation is the fruit of one year's research by the reporting officer, since many of the local unions are reluctant to divulge information about themselves, especially concerning their membership rolls.

As is indicated by the enclosed listing, the 45 Santos labor unions which are members of the Forum Sindical de Debates (Santos City Central), which excludes from affiliation the 17 sindicatos patronais (employers' associations) in Santos, have a total claimed membership of over 40,000 persons and an actual active membership of at least 30,000. These figures would indicate that a considerable portion of the labor force of the city of Santos, estimated at roughly 80,000, are union members. Thus for Brazil, Santos may be considered a rather highly unionized city.

832.062/1-3161

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Virgil P. Randolph, III
American Vice Consul

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

Enclosure:
List of Santos labor unions.

cc: Amembassy Rio de Janeiro and American Consulate General, São Paulo

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LIST OF LABOR UNIONS IN SANTOS, BRAZIL, AS OF JANUARY 31, 1961

SINDICATO DOS AJUDANTES DE DESPACHANTES ADUANEIROS DE SANTOS
(Customs Brokers Assistants Union of Santos)
Address: Rua Martim Afonso 33, 2nd floor; Telephone: 2-9435
Membership: about 330
President: José Maia de SOUZA; Secretary: Geraldo Nunes GONÇALVES;
Treasurer: Reynaldo FONSECA.

SINDICATO DOS ARRUMADORES DE SANTOS
(Warehousemen's Union of Santos) (regognized March 13, 1959)
Address: Rua João Pessoa 428; Telephone: 2-2360
Membership: claims 1,200; actually has about 200
President: Ivanildo Henrique MOURA; Vice President: José Alves da SILVA; Secretary: Mario Fernandes GUIMARÃES; Treasurer: José da COSTA.

SINDICATO DOS AUXILIARES NA ADMINISTRAÇÃO DO COMERCIO DE CAFE EM GERAL DE SANTOS
(Office Helpers in the General Coffee Business Union of Santos)
Address: Rua São Francisco 188; Telephone: 2-7279
Membership: 1,100
President: Ernesto MARTINS; Vice President: Nivaldo Dias TAVARES;
First Secretary: Antonio PERES; First Treasurer: Manoel SILVA.

SINDICATO DOS CARREGADORES E ENSACADORES DE CAFÉ DE SANTOS
(Coffee Loaders and Sackers Union of Santos) (founded July 27, 1919)
Address: Rua João Pessoa 537/541; Telephone 2-2360
Membership: 1,400
President: José Silvano de ANDRADE; Vice President: Elpidio Caetano de LIMA; First Secretary: Expedito Guedes RODRIGUES; First Treasurer: Benedito João de ALMEIDA.

SINDICATO DOS CARREGADORES E TRANSPORTADORES DE BAGAGENS DO PORTO DE SANTOS*
(Baggage Loaders and Carriers Union of the Port of Santos)
Address: Avenida Conselheiro Nebias 157; Telephone: 2-5747
Membership: 60
President: Heitor RIBEIRO; Secretary: Pedro Olavo AMORIM; Treasurer: Alberto MONTEIRO.

SINDICATO DO COMERCIO ATACADISTA DE FRUTAS DO RIO DE JANEIRO*
(Wholesale Fruit Business Union of Rio de Janeiro)
Address: Rua Vasconcelos Tavares 34; Telephone: 2-8773
Membership: 200
Santos Regional Delegate: Armando de Solia.

*Denotes a sindicato patronal (employers' association) and not a member of the Forum Sindical de Debates (Santos City Central).



SINDICATO DO COMERCIO ATACADISTA DE GENEROS ALIMENTICIOS DE SANTOS*
(Wholesale Foodstuffs Business Union of Santos)
Address: Rua Braz Cubas 3, 3rd floor, room 2; Telephone: 2-3408
Membership: 20
President: Otavio Fernando VALEJO; Secretary: Norton Gabriel dos SANTOS; Treasurer: Mario PIERRI.

SINDICATO DO COMERCIO ATACADISTA DE SACARIAS EM GERAL DE SANTOS*
(Wholesale General Bag Business Union of Santos)
Address: Rua do Comercio 131; Telephone: 2-4125
Membership: 65
President: Attila CAZAL; Secretary: Mariano RAMIREZ; Treasurer: Rubens Junqueira de RESENDE.

SINDICATO DO COMERCIO VAREJISTA DE CARNES FRESCAS DE SANTOS*
(Retail Fresh Meat Business Union of Santos)
Address: Avenida Nossa Senhors de Fátima 359; Telephone: 2-4877
Membership: 200
President: Arthur Alves de AMORIM, Jr.; Secretary: Gaspar Prado de SOUZA.

SINDICATO DO COMERCIO VAREJISTA DE SANTOS*
(Retail Business Union of Santos) (founded January 22, 1931)
Address: Rua São Francisco 61, 7th floor, suite 70-71; Telephone: 2-8711
Membership: 750
President: Bruno Henrique FURBRINGER; Vice President: Rui AMADO; First Secretary: Evando SOARES; First Treasurer: Nelson AUGUSTO.

SINDICATO DOS CONDUTORES AUTONOMOS DE VEICULOS RODOVIARIOS DE SANTOS*
(Self-Employed Vehicle Operators Union of Santos) (recognized May 6, 1954)
Address: Rua Senador Feijó 250, 2nd floor, room 5
Telephone: 2-8609
Membership: claims 1,400; has at least 800
President: Daniel CORREA; Secretary: Manoel RODRIGUES; Treasurer: Américo LUIZ.

SINDICATO DOS CONDUTORES DE VEICULOS RODOVIARIOS DE SANTOS
(Vehicle Operators Union of Santos)
Address: Rua Braz Cubas 344; Telephone: 2-6085
Membership: claims 1,850; has at least 710
President: Urias GOUVEIA; Secretary General: Manoel dos SANTOS.

SINDICATO DOS CONFERENTES DE CARGA E DESCARGA DO PORTO DE SANTOS
(Tallyclerks Union of the Port of Santos) (founded December 18, 1932)
Address: Praça Azevedo Junior 12; Telephone: 2-2638
Membership: 486
President: Serafim MENDES; Secretary General: Orlando Villar SAMPAIO; First Secretary: Severino MORETTI; First Treasurer: Elysio PESTANA.

*Denotes a sindicato patronal (emplpyers' association) and not a member of the Forum Sindical de Debates (Santos City Central).

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SINDICATO DOS CONSERTADORES DE CARGA E DESCARGA DO PORTO DE SANTOS
(Coopers Union of the Port of Santos)
Address: Rua Visconde do Rio Branco 61; Telephone: 2-4425
Membership: 186
President: Anthony Cavalcanti de SOUZA; Vice President: Vitor Porta NOVA Filho; Secretary: Tertuliano José de FARO; Treasurer: Josué Bacellar CARREIRO.

SINDICATO DOS CONTABILISTAS DE SANTOS
(Accountants Union of Santos) (founded October 19, 1929)
Address: Rua do Comercio 15, first floor; Telephone: 2-7614
Membership: 550
President: Ynel Alves de CAMARGO; Vice President: Almir COSTA;
Secretary: Alberto Mendes CORREA.

SINDICATO DOS CORRETORES DE CAFE DE SANTOS*
(Coffee Brokers Union of Santos)
Address: Rua 15 de Novembro 183, first floor, room 3; Telephone: 2-7441
Membership: 348
President: Carlos Leite CESAR; Vice President: Aguinaldo DIAS;
Secretary: José Eduardo Cándido GOMES.

SINDICATO DOS CORRETORES DE NAVIOS DE SANTOS*
(Ship Brokers Union of Santos)
Address: Rua Braz Cubas 50, room 14; Telephone: None
Membership: 30 (limited by law as to number of members)
President: Oswaldo da Silva MONFORTE; Secretary: Everaldo Guilherme dos REIS; Treasurer: Florentino Diegues GONÇALVES.

SINDICATO DOS DESCARTADORES DE FRUTAS DO LITORAL DO ESTADO DE SÃO PAULO E DO PORTO DE SANTOS
(Fruit Cullers Union of the Coast of the State of São Paulo and of the Port of Santos)
Address: Rua da Constituição 222; Telephone: 2-8842
Membership: 62
President: Alberto Sampaio de MOURA; Secretary: Waldir de Souza VAZ;
Treasurer: José Gonçalvez COSTA.

SINDICATO DOS DESPACHANTES ADUANEIROS DE SANTOS*
(Customs Brokers Union of Santos)
Address: Rua Braz Cubas 3, first floor, room 7; Telephone: 2-3607
Membership: claims 200; has 154
President: Silvio Barros VASCONCELLOS; First Secretary: Waldemar de Melo VIEIRA; First Treasurer: Manoel RODRIGUES.

*Denotes a sindicato patronal (employers' association) and not a member of the Forum Sindical de Debates (Santos City Central).



SINDICATO DOS EMPREGADOS NA ADMINISTRAÇÃO DOS SERVIÇOS PORTUARIOS DE SANTOS
(Employees in the Administration of the Port Services Union of Santos) (founded May 14, 1933)
Address: Rua Julio Conceição 91; Telephone: 2-8731
Membership: about 2,200
President: Waldemar Neves GUERRA; Vice President: Vitorio SESSA; Secretary General: Antonio RODRIGUES; First Secretary: Oswaldo LOURENÇO; Treasurer: Sergio MARTINS.

SINDICATO DOS EMPREGADOS EM CASAS DE DIVERSÕES DE SANTOS
(Employees in Entertainment Establishments Union of Santos) (founded September 23, 1942)
Address: Rua Dom Pedro II 77, 1st floor, room 2; Telephone: 2-9787
Membership: claims 600; actually has about 100
President: Gentil Martins de ASSIS; Secretary General: José Bonifacio de Souza CAMPOS.

SINDICATO DOS EMPREGADOS NO COMERCIO DE SANTOS
(Commerce Employees Union of Santos) (recognized May 15, 1941)
Address: Rua Itororó 79, 8th floor; Telephone: 2-5891
Membership: claims 1,600; actually has 1,123
President: Alberto de CARVALHO; Secretary: Eduardo de CARVALHO; Treasurer: Orlando ALVES.

SINDICATO DOS EMPREGADOS NO COMERCIO HOTELEIRO E SIMILARES DE SANTOS
(Hotel and Allied Business Employees Union of Santos)
Address: Rua 15 de Novembro 10, 2nd floor, rooms 214-216
Telephone: 2-8376
Membership: claims 1,110; actually has 475
President: Antonio Madureira de CARVALHO; Secretary: Delfino MIRANDA; Treasurer: Lázaro Dias de SILVA.

SINDICATO DOS EMPREGADOS DE EDIFICIOS DE SANTOS*
(Building Employees Union of Santos) (recognized September 1960)
Address: Rua Dom Pedro II 77, room 2; Telephone: 2-9787
Membership: 122
President: Gentil Oswaldo DUBERGER; Secretary: Antonio Alonso DELGADO.

SINDICATO DOS EMPREGADOS EM ESCRITORIOS DAS EMPRESAS DE NAVEGAÇÃO DE SANTOS
(Employees in Steamship Company Offices Union of Santos)
Address: Rua Martim Afonso 5, 5th floor, room 57; Telephone: 2-8307
Membership: 353 registered, of whom 293 have paid current dues
President: Irênio Jacomo de ARAÚJO; Secretary: Oswaldo Rodrigues MARTINS; Treasurer: Holben FORTIS.

*This union is not yet a member of the Forum Sindical de Debates (Santos City Central).

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SINDICATO DOS EMPREGADOS EM ESTABLECIMENTOS BANCARIOS DE SANTOS
(Bank Employees Union of Santos)
Address: Rua 15 de Novembro 118; Telephone: 2-6611
Membership: claims 876; actually has about 450
President: Antonio GUARNIERI; Vice President: Augusto VERNDL; Secretary General: José Ayres LOPES; First Secretary: Aldo González VILA; First Treasurer: Nilo Joaquim FERREIRA.

SINDICATO DAS EMPRESES DE VEÍCULOS DE CARGA DE SANTOS*
(Cargo Vehicle Companies' Union of Santos)
Address: Rua Dom Pedro II 89; Telephone 2-3314
Membership: 32
President: José Soares RAPOSO; Secretary: Zoaymes de MORAIS.

SINDICATO DOS ENFERMEIROS E EMPREGADOS EM HOSPITAIS, CASAS DE SAUDE, DUCHISTAS E MASSAGISTAS DE SANTOS
(Nurses, Hospital and Clinic Employees, Bathhouse and Masseurs Union of Santos)
Address: Rua Senador Feijó 302; Telephone: 2-8698
Membership: claims 1,200; actually has about 700
President: Camila de ALMEIDA; Vice President: César BARBOSA; Secretary: Claudionor Cosmo da SILVA; Treasurer: Aureliano Marques RIBEIRO.

SINDICATO DOS ESTIVADORES DE SANTOS, SÃO VICENTE, GUARUJÁ E CUBATÃO
(Stevedores Union of Santos, São Vicente, Guarujá and Cubatão)
(founded December 1, 1930)
Address: Rua Eduardo Ferreira 79; Telephone: 2-2855
Membership: 2,929
President: Laerte Carneiro da SILVA; Secretary General: Domingos GARCIA; Treasurer: José TEODORO Neto.

SINDICATO DOS HOTEIS E SIMILARES DE SANTOS, SÃO VICENTE E GUARUJA*
(Hotel and Allied Industries /Owners/ Union of Santos, São Vicente and Guarujá)
Address: Praça da República 87, 11th floor, suite 114
Telephone: 2-7949
Membership: 400
President: Eugênio RIGATTO Neto; Secretary: Arlindo QUARESMA.

SINDICATO DA INDUSTRIA DA CONSTRUÇÃO CIVIL DE PEQUENAS ESTRUTURAS DE SANTOS*
(Small Buildings Construction Industry Union of Santos)
(founded January 27, 1955)
Address: Rua do Comercio 9, 2nd floor, room 3; Telephone: None
Membership: about 200
President: Waldemar S. GUIMARÃES; Secretary: Mario dos Santos CARVALHO; Treasurer: Manoel Antonio da ROCHA.

*Denotes a sindicato patronal (employer' association) and not a member of the Forum Sindical de Debates (Santos City Central).

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SINDICATO DA INDUSTRIA DE PANIFICAÇÃO E CONFEITARIA DE SANTOS*
(Baking and Pastry Industry Union of Santos)
Address: Rua Amador Bueno 155, 2nd floor; Telephone: 2-4266
Membership: 110
President: Dr. Benedito Gil ESTEVES; Secretary: Agostinho Antunes PROENÇA.

SINDICATO DOS JORNALISTAS PROFISSIONAIS DO ESTADO DE SÃO PAULO
(Professional Journalista Union of the State of São Paulo)
Address: Avenida Almirante Cochrane 9; Telephone: 4-7151
Membership: 80
Santos Delegate: Carlos HenriqueKLEIN.

SINDICATO DOS MEDICOS DE SANTOS*
(Doctors Union of Santos) (recognized July 20, 1959)
Address: Avenida Ana Costa 388 or P. O. Box 388; Telephone: 2-5156
Membership: 120
President: Dr. Nivio Dias FERREIRA; Secretary General: Dr. Mauricio FANG; Treasurer: Eduardo QUADROS.

SINDICATO DOS MOTORISTAS E CONDUTORES DA MARINHA MERCANTE DE SANTOS
(Small Craft Engineers of the Merchant Marine Union of Santos)
Address: Rua 7 de Setembro 99; Telephone: 2-8600
Membership: 750
President: Odair Ribeiro LEAL; Secretary: Benedito QUINTEIRO;
Treasurer: Euclides Fernandes CRISTO.

SINDICATO NACIONAL DE CONTRA-MESTRES, MARINHEIROS, MOÇOS E REMADORES EM TRANSPORTES MARITIMOS
(National Union of Mates, Seamen, Apprentices and Oarsmen in Maritime Transport)
Address: Praça da República 70; Telephone: 2-8743
Membership: claims 1,500 in Santos; 8,000 in all Brazil
Santos Regional Delegate: João Augusto de BRITTO.

SINDICATO NACIONAL DOS FOGUISTAS DA MARINHA MERCANTE
(National Union of Merchant Marine Firemen)
Address: Praça da República 70; Telephone: 2-6578
Membership: 380
Regional Delegate: Henrique Egydio dos SANTOS.

SINDICATO NACIONAL DOS OFICIAIS E MAQUINISTAS DA MARINHA MERCANTE
(National Union of Officers and Machinists of the Merchant Marine)
Address: Rua Braz Cubas 3, 10th floor, room 2; Telephone: 2-8796
Membership: 200
Santos Delegate: Adalberto SILVEIRA.

*Denotes a sindicato patronal (employers' association) and not a member of the Forum Sindical de Debates (Santos City Central).

0043

SINDICATO NACIONAL DE TAIFEROS, CULINARIOS E PANIFICADORES MARITIMOS
(Maritime Stewards, Cooks and Bakers National Union)
Address: Praça da República 70; Telephone: 2-8520
Membership: claims 1,000
Santos Regional Delegate: Ernani Leite RIBEIRO.

SINDICATO DOS OFICIAIS BARBEIROS, CABELEREIROS E SIMILARES DE SANTOS
(Master Barbers, Hairdressers and Allied Occupations Union of Santos)
Address: Rua Braz Cubas 68, room 4; Telephone: 4-9227
Membership: 150
President: Orivaldo Laudelino dos SANTOS; Secretary: Hélio Pinto CAETANO; Treasurer: Joaquim José Ventura de SA.

SINDICATO DOS OPERARIOS E CARPINTEIROS NAVAIS DE SANTOS
(Naval Workers and Carpenters Union of Santos)
Address: Rua da Constituição 222; Telephone: 2-8842
Membership: claims 160; actually has 119
President: Agricio SA; Secretary: Estevam Leopoldo de MENDONÇA;
Treasurer: Onofre Ferreira de LIMA.

SINDICATO DOS OPERARIOS NOS SERVIÇOS PORTUARIOS DE SANTOS
(Port Services Laborers Union of Santos) /Santos Dock Company Workers/
Address: Rua General Câmara 258; Telephone: 2-6518
Membership: 6,720
President: Manoel de ALMEIDA; Secretary General: Henrique Martins DOS SANTOS; Treasurer: Elmo P. GIANGIULIO.

SINDICATO DOS PESCADORES DE SANTOS
(Fishermen Union of Santos)
Address: Entreposto de Pesca Federal, Ponta da Praia; Telephone: 4-9894
Membership: claims 275
President: Anacleto Furtado de OLIVEIRA; Secretary: Agenor Nicolau DIAS; Treasurer: Antonio POMBO.

SINDICATO DOS PROFESSORES DE ENSINO SECUNDARIO E PRIMARIO DE SANTOS
(Secondary and Primary Education Teachers Union of Santos)
Address: Rua do Comercio 15, first floor; Telephone: 2-9059
Membership: claims 180; has at least 80
President: Leo José Ladeiro de MATTOS; Secretary: Salamão SILVA.

SINDICATO DOS SALÕES DE BARBEIROS, CABELEREIROS, INSTITUTOS DE BELEZA E SIMILARES DE SANTOS*
(Barbershops, Hairdressers, Beauty Salons and Allied Business Union of Santos)
Address: Praça José Bonifacio 48, first floor; Telephone: 2-8926
Membership: 250
President: Antonio CATALDO; Vice President: Manoel CORDEIRO.

*Denotes a sindicato patronal (employer' association) and not a member of the Forum Sindical de Debates (Santos City Central).

0044

SINDICATO DOS TRABALHADORES NAS EMPRESAS DE CARRIS URBANOS, TROLEIBUS E CABOS AÉREOS DE SANTOS
(Workers in Urban Transportation Companies Union of Santos)
(founded March 26, 1938)
Address: Praça José Bonifacio 25; Telephone: 2-5807
Membership: claims 2,500; actually has about 1,215
President: Antonio Vitor dos SANTOS; Secretary: José BARRETO;
Treasurer: Arnaldo de Souza DIAS.

SINDICATO DOS TRABALHADORES EM EMPRESAS DE COMUNICAÇÕES DE SANTOS
(Communication Company Workers Union of Santos)
Address: Praça José Bonifacio 59, 2nd floor, room E; Telephone: None
Membership: 85
President: Manoel Padron ARMADA; Secretary: None; Treasurer: Amauri SANTANNA.

SINDICATO DOS TRABALHADORES EM EMPRESAS COMERCIAIS DE MINÉRIOS E COMBUSTIVEIS DE SANTOS
(Workers in Mineral Products and Fuels Commercial Enterprises Union of Santos)
Address: Rua Itororó 79, 7th floor; Telephone: None
Membership: claims 250; actually has about 175
President: Júlio Gonçalves PINHEIRO; Secretary: Antonio RODRIGUES;
Treasurer: Miguel JORGE.

SINDICATO DOS TRABALHADORES NAS INDUSTRIAS DE CERVEJA E BEBIDAS EM GERAL, DO FRIO E DE CARNES E DERIVADOS DE SANTOS
(Workers in the Beer and General Beverage, Refrigeration and Meat and Similar Products Union of Santos)
Address: Rua São Francisco 96, room 1; Telephone: 2-7360
Membership: about 200
President: Benedito Lourenço da COSTA; Secretary: Francisco Pedro da SILVA; Treasurer: Manoel CORREIA.

SINDICATO DOS TRABALHADORES NAS INDUSTRIAS DA CONSTRUÇÃO E DO MOBILIÁRIO DE SANTOS, CUBATÃO, SÃO VICENTE, GUARUJÁ E CONCEIÇÃO DE ITANHAEM
(Workers in the Construction and Building Industries Union of Santos, Cubatão, São Vicente, Guarujá and Conceição de Itanhaem)
(recognized July 5, 1939)
Address: Rua Senador Feijó 250, 2nd floor, room 8; Telephone: 2-6110
Membership: claims 3,300; actually has about 1,150
President: Henrique MATHIAS; First Secretary: Sibronio AGUIAR;
Treasurer: Alfredo EGREJAS.

0045

SINDICATO DOS TRABALHADORES NAS INDÚSTRIAS DA DESTILAÇÃO E REFINAÇÃO DE PETRÓLEO DE CUBATÃO
(Workers in the Distilling and Refining of Petroleum Industry Union of Cubatão)
Address: Rua General Câmara 150; Telephone: None
Membership: claims 2,000
President: Ubirajara de Araújo FRANCO; First Secretary: Gelasio Ayres FERNANDES; Second Secretary: Adelson CUBAS.

SINDICATO DOS TRABALHADORES NAS INDÚSTRIAS DE EXTRAÇÃO DE MÁRMORES, CALCÁREOS E PEDREIRAS DE SANTOS, SÃO VICENTE, GUARUJÁ E CUBATÃO
(Workers in the Quarrying of Marble, Lime and Rock Industries Union of Santos, São Vicente, Guarujá and Cubatão)
Address: Rua da Constituição 222; Telephone: 2-8842
Membership: claims 280; actually has 140
President: Fausto de SOUZA; Secretary: José Carvalho GOMES;
Treasurer: Leonel Alba MORENO.

SINDICATO DOS TRABALHADORES NAS INDÚSTRIAS GRÁFICAS DE SANTOS
(Graphic Industries Workers Union of Santos)
Address: Rua Braz Cubas 68, room 1; Telephone: 2-8729
Membership: 292 qualified to vote in last election
President: Orlando SPOSITO; Secretary: Luiz VICENTE.

SINDICATO DOS TRABALHADORES NAS INDÚSTRIAS DE LATICÍNIOS E PRODUTOS DERIVADOS DO AÇUCAR E DE TORREFAÇÃO E MOAGEM DE CAFÉ DE SANTOS, SÃO VICENTE E GUARUJÁ
(Workers in Dairy, Products Derived from Sugar, and Coffee Roasting and Grinding Industries Union of Santos, São Vicente and Guarujá)
Address: Rua da Constituição 222; Telephone: 2-8842
Membership: claims 200; has 106
President: Luiz Antonio dos SANTOS; Secretary: José NASCIMENTO;
Treasurer: PedroAntonino de JESUS.

SINDICATO DOS TRABALHADORES NAS INDÚSTRIAS METALÚRGICAS, MECANICAS E DE MATERIAL ELÉTRICO DE SANTOS E CUBATÃO
(Workers in the Metallurgical, Mechanical and Electric Material Industries Union of Santos and Cubatão)
Address: Rua da Constituição 222; Telephone: 2-8842
Membership: claims 1,100; 482 qualified to vote in last election
President: Domingos ALVAREZ; Vice President: Vitelbino FERREIRA de Souza; Secretary General: Sebastião Belizario de ARAUJO; First Secretary: José Jorge de SOUZA; First Treasurer: Oswaldo PERREIRA.

0046

SINDICATO DOS TRABALHADORES NA INDÚSTRIA DE PANIFICAÇÃO E CONFEITARIA, PRODUTOS DE CACAU E BALAS, DOCES E CONSERVAS ALIMENTICIAS, MASSAS ALIMENTICIAS E BISCOITOS DE SANTOS, SÃO VICENTE, GUARUJÁ E CUBATÃO
(Workers in the Bakery and Pastry, Cocoa Products, Cookies, Cakes and Preserves, Dough and Crackers Industries Union of Santos, São Vicente, Guarujá and Cubatão) (founded September 18, 1938)
Address: Rua São Francisco 96, room 4; Telephone: 2-7360
Membership: 280
President: Antonio MOREIRA; Secretary: Wilson RODRIGUES; Treasurer: Alberto DIAS.

SINDICATO DOS TRABALHADORES NAS INDÚSTRIAS QUÍMICAS E FARMACÊUTICAS DE CUBATÃO
(Chemical and Farmaceutical Industries Workers Union of Cubatão)
Address: Rua Manoel Jorge 161, Cubatão, S. P.; Telephone: None
Membership: claims 1,200
President: Claudio José RIBEIRO; Secretary: Luiz Antonio BURLE.

SINDICATO DOS TRABALHADORES DA INDÚSTRIA DE TINTURARIAS E LAVANDERIAS DO VESTUÁRIO DE SANTOS
(Dry-Cleaning and Laundry Industry Workers Union of Santos)
Address: Rua Braz Cubas 68; Telephone: 2-8729
Membership: about 100
President: Benedito dos SANTOS; Secretary: João Marques de DEUS; Treasurer: Aníbal NASCIMENTO.

SINDICATO DOS TRABALHADORES NA INDÚSTRIA DE TRIGO, MILHO E MANDIOCA DE SANTOS
(Wheat, Corn and Manioc Flour Industry Workers Union of Santos)
Address: Rua Visconde do Rio Branco 34; Telephone: 2-4385
Membership: about 550
President: Paulo Sergio de ARAÚJO; Secretary: Vicente SORRENTINO; Treasurer: José Inácio BELCHIOR.

SINDICATO DOS TRABALHADORES NAS INDÚSTRIAS URBANAS DE SANTOS, SÃO VICENTE, GUARUJÁ E CUBATÃO
(Urban Industries Workers Union of Santos, São Vicente, Guarujá and Cubatão)
Address: Praça José Bonifacio 25; Telephone: 2-9257
Membership: claims 900; actually has 726
President: João de Morais CHAVES; Vice President: Eurico Rodrigues ANICETO; First Secretary: Nelson CARDOSO; Treasurer: Domingos Gomes EUSEBIO Filho.

0047

SINDICATO DOS TRABALHADORES NAS INDUSTRIAS DE VIDROS, CRISTAIS E ESPELHOS DE SÃO VICENTE E SANTOS
(Glass, Cristal and Mirror Industries Workers of São Vicente)
Address: Praça Barão do Rio Branco 160, 2nd floor, Room 24, São Vicente
Telephone: None
Membership: unavailable, but believed to be small
President: Gilberto Pereira da COSTA.

SINDICATO DOS VIGIAS PORTUARIOS DE SANTOS
(Port Watchmen's Union of Santos)
Address: Praça dos Andradas 4; Telephone: 2-7921
Membership: 170
President: Antonio Paulo Gonçalves da SILVA; Secretary General: Alvaro Ferreira LISBOA; Treasurer: Manoel PIMENTEL.

0048

AIR POUCH
PRIORITY

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(Security Classification)

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832.062/2-2061
XR 732.001

FOREIGN SERVICE DESPATCH

FROM : Amcongen, São Paulo

309
DESP. NO.

February 20, 1961
DATE

TO : THE DEPARTMENT OF STATE, WASHINGTON.

REF :

DEPARTMENT OF STATE
BUREAU OF
INTER-AMERICAN AFFAIRS
FEB 28 1961

2-20-61 Sy-2

For Dept. Use Only	ACTION	DEPT	INFO	OTHER
	Ara-4	Rep-1	RMR-12	INR-7 P-3 90-4 Y-1
	REC'D 2-24	Cia-10	Lab-6	USIA-5 Agr-8
		Com-6	Army-4	NSA-4
		Navy-4	FBI-1	

SUBJECT: Communists Set Sights on Union Elections

Communist Party trade union leaders and fellow travellers are concentrating their activities on coming elections in two important São Paulo state federations and a number of local unions. The federations involved are the State Federation of Food Workers and the State Federation of Construction Workers. The local unions include Brazil's largest - the São Paulo union of metalworkers, and the São Paulo local unions of paperworkers, rubberworkers, journalists, hotelworkers and warehousemen.

The State Federation of Food Workers and the State Federation of Construction Workers, which theoretically represent some 85,000 foodworkers and an estimated 140,000 construction workers, have been controlled for years by two of the Brazilian trade union movement's leading pelegos (labor leaders who maintain themselves in office by following labor ministry direction i.e. government hirelings), Francisco José de Oliveira and Luiz Menossi. Messrs. Oliveira and Menossi are non-Communists. However, over the years they have used every trick in the book, including temporary alliance with the Communists, in order to keep themselves in office.

The foodworkers' election is scheduled for March 6 - 8. The opposition to Oliveira is being led by Luiz Tenorio de Lima, president of the dairy employees' local union and a member of the Communist Party. The election in the construction workers' federation is scheduled for April, and the Communists in the large São Paulo local construction union are spearheading the Menossi opposition.

Other locals where the non-Communists face possible ouster are the important local unions of journalists and rubberworkers. The journalists' jurisdiction includes the entire state ofSão Paulo. The incumbent administration is non-Communist, having defeated the Communists in a closely contested election some two years ago. However, the non-Communist majority is badly split and two slates have been presented, one consisting of non-Communists and the other of some dissident Communists. As a result the third slate, which is controlled by the militant Communist minority, appears now to have a possibility of winning and recapturing the local.

JFShea/lfw
REPORTER

CONFIDENTIAL

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832.062/2-2061 HBS

CLASSIFIED FILE

0049

The rubberworkers' jurisdiction includes the city of São Paulo and the important ABC industrial triangle (the suburban cities of Santo Andre, São Bernardo and São Caetano). American firms which come under the rubberworkers' jurisdiction are Goodyear, Firestone and Goodrich. The president of the rubberworkers is Geraldo Santana de Oliveira who over the years has been a consistent non-Communist. However, he has made enemies because at times he has been over-zealous, high-handed and has used somewhat dictatorial methods. In a private conversation with the Consulate General's Labor Officer Oliveira reported the Communists are pulling out all stops in an effort to oust him from his fourteen year reign as president.

In coming elections in the São Paulo local union of paperworkers and hotelworkers, the Communists are expected to retain their control. The incumbent presidents, Silvestre Bozzo and Luiz Cristofoleti, who have consistent records of being Communist fellow travellers, are facing little opposition. It is interesting to note that José Antonio Ribeiro, non-Communist president of the State Federation of Hotelworkers, appears to have made a deal with Cristofoleti as he is listed on the latter's unity slate as a delegate from the local union to the federation. Brazilian labor laws require that officials of Federations be delegates from local unions affiliated with the Federations.

Elections in the São Paulo local union of warehousemen are also scheduled for this month. This local has been under goverament intervention since March 18, 1960 when the president and vice-president were shot to death by a member of the opposition spurred on by PTB state deputy José Rocha Mendes Filho (a member of the Communist Party, see São Paulo despatch 346, March 28, 1960, Item 8). Reliable non-Communist São Paulo trade union leaders report that the Communists are also making real efforts to capture this local.

Perhaps the most important elections are scheduled for October in the São Paulo local union of metalworkers. This local, which is Brazil's largest, bargains for an estimated 120,000 metalworkers and claims to have 75,000 dues paying members. It is one of Brazil's most militant unions and usually sets the wage pattern in São Paulo. In October - November, 1960, after a strike of six days, it won wage increases of 40%. For years it has been under considerable Communist Party control. However, the incumbent president, Remo Forli, an avowed Socialist and supporter of Janio Quadros, has at times exhibited some independence of action and might possibly break with the Communists if he gets Ministry of Labor support. The elections are still six months away and Forli as of this moment is reported to be in favor of a unity slate with three incumbent Communist Party members on the board of directors. However, O Movimento Renovador, a reform group, is actively campaigning in this sector and for the first time in years Communist control is being challenged. There is also a possibility that Forli, who like many Brazilian trade union leaders is an opportunist, might

0050

make a deal and line up with the opposition. In addition the non-Communist State Federation of Metalworkers led by its president, Domingos Alvares, intends to take an active part in this election and is attempting to pressure Forli into a break with the Communists.

COMMENT: As usual the non-Communist majority of São Paulo trade union leaders is disorganized and split in many warring factions, thus enhancing the chances of the Communist majority in these coming union elections. However, the Communists are facing organized opposition from O Movimento Renovador Sindical (Trade Union Renovation Movement) which has in its ranks a number of ex-Communist Party members and is concentrating on reform of the Brazilian labor movement with the aim of setting up responsible democratic trade unions free from government tutelage and interference (see São Paulo despatch 86, September 1, 1960, Divisions of São Paulo Labor Movement). In recent elections held in the large São Paulo local union of shoe workers, the non-Communists defeated the Communists in a bitter and close contest. The victorious non-Communists were supported by O Movimento Renovador Sindical and many São Paulo union leaders feel that the victory of the non-Communists was due in a large part to the efforts of the "renovators" (see São Paulo despatch 228, December 13, 1960, Item 11). The non-Communists' chances in these aforementioned elections could also improve with an all-out attack by the Communist trade union leadership on the Quadros administration. Such an attack would probably cause many of Quadros' non-Communist followers, who still at times on occasions line up with the Communists, to make a clean break. This, together with direct intervention by the Quadros administration in these union elections would go a long way towards insuring victory for the non-Communists.

William P. Cochran, Jr.
Minister Consul General

0051

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

RG: 059

ENTRY: CDF60-63

TAB #: 2

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832.062/3-261
MAR 6 1961

FOREIGN SERVICE DESPATCH

FROM : Amconsul, RECIFE
40
DESP. NO.

TO : THE DEPARTMENT OF STATE, WASHINGTON.
DEPARTMENT OF STATE
March 2, 1961
BUREAU DATE
INTER-AMERICAN AFFAIRS
MAR 24 1961

REF :

25 For Dept. Use Only	ACTION	DEPT.
	CAA-4	INFO Rep-1 RWR-2 INR-7 E-5 B/CEA-2 B/FAC-3
	REC'D 3-13	OTHER Cia-10 CCG-8 Lab-6 WH-Mc D-1

SUBJECT: Information Regarding The LIGAS CAMPONESAS for the FOOD FOR PEACE MISSION
USIA-5 Army-4 Navy-4 NSC-4

During the recent visit of the Food For Peace Mission (Messrs. George McGovern, Arthur Schlesinger, and Clarence Boonstra) to Recife, Mr. McGovern requested that the consulate send him a brief memorandum about the Ligas Camponesas. Attached as Enclosure Number 1 is the requested memorandum. Consulate Despatch Number 38 of February 27, 1961 on this same subject might also be of interest to Mr. McGovern. It is requested that the attached memorandum, with whatever additional material that the Department may wish to transmit, be forwarded to Mr. McGovern.

832.062/3-261

HBS

Ernest S. Guaderrama
American Consul

Attachments: As Stated.

1 cc - Amembassy, Rio de Janeiro

ETWalters:etw
REPORTER

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0053

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(Classification)

Page 1 of
Encl. No. 1
Desp. No. 40
From Recife

MEMORANDUM FOR THE HONORABLE GEORGE McGOVERN, Chairman - FOOD FOR PEACE.

SUBJECT: The Ligas Camponesas of Pernambuco

I. GENERAL

The Ligas Camponesas (Sociedade Agricola e Pecuaria dos Plantadores de Pernambuco - Rural Workers Leagues) form a cell-like structural network of organized "agrarian reform" leagues. Cells are presently established in most of the counties and, also, on the larger plantations in Pernambuco. Ligas activities have now spread to other northeastern states such as Paraiba and Piaui. In Pernambuco there are about 35 Ligas with approximately 25,000 to 30,000 registered members. The Ligas were officially organized in 1957 by communist and socialist leaders. Predecessor organizations - rural leagues and then rural unions - had been outlawed in 1951 and 1956 because of their domination by the illegal Communist Party of Brazil. The same control and guidance by the communists exists in the Ligas Camponesas today.

II. GOALS

The goals of agrarian reform, as interpreted by the Ligas, include many things: land and work for the peasant, enfranchisement of the illiterate peasant, unionization of the rural workers, social and economic legislation for the rural areas, and liberation of the peasant from the tyranny of the present feudal system dominating Brazilian and particularly northeastern agriculture.

III. METHODS

One of the Ligas leaders frankly stated that "we are building a revolution for the country." However, he noted, that now is not the time for this revolution because of the people's hopeful expectations regarding the new President, Janio Quadros, and SUDENE, the federal organization encharged with bringing the Northeast out of its historic economic doldrums. While waiting for the situation to deteriorate again, the Ligas are strengthening and expanding their membership. If the illiterates are given the right to vote, "the revolutionary forces would be able to take over all governmental offices in Pernambuco," according to Ligas leader Enildos Carneiro Pessoa who is a professor at the Catholic University of Recife.

Village meetings and guitar playing, propaganda singing minstrels, as well as direct personal conversations, are used to bring the Ligas message to the rural masses. Special poems and songs with political messages have been composed for memorization by the illiterates. The examples of successful agrarian reform in China and in Cuba are stressed by the Ligas. Recent moves against property owners have utilized the tactics of squatters rights to take over smaller sugar plantations. All such moves have been successfully contained by the state militia.

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0054

Ligas Camponesas (continued)

IV. LEADERSHIP

The effective leadership of the Ligas emanates from a group of lawyers who have been organized to give "legal assistance to the peasants in their continuing struggle with the property-owners and the government." Most of these men are either members of the Brazilian Socialist Party or the illegal Communist Party.

The recognized leader of the Ligas is Pernambuco State Deputy Francisco Julião de Paulo, a mystical, evangelical demagogue, who is regarded as a communist agitator by Brazilian police and intelligence officials. These authorities say that Julião's main objective is to promote, by means of the Ligas, the war between the classes, deemed necessary for the communist cause in Brazil. Dr. Julião, in conversations with Americans, denies that he is a Communist. He prefers to describe himself as a Christian and a Socialist trying to awaken and liberate the peasant through all peaceful means.

0055

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

RG: 059 TAB #: 3

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NUMBERED
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Rec'd: March 9, 1961
10:57 p.m.

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USIA
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OPRL
RMR

FROM: Arequipa

TO: Secretary of State

NO: 2, March 9, 8 p.m.

ACTION:
INFO:
RM/R FILES 3 cys - 3-15-61

SENT DEPARTMENT 2, LIMA 9

Extremely concerned local reaction to USOM last minute withdrawal Felipe Cano and Renee Cansino labor leader grants after invitation extended with resulting considerable personal expense grantee. Union delegation and Clisa owners made strong personal protest PAO and myself. Owners say cancellation may cause labor problems for company and possibly make enemy for them and United States of important local labor leader. Lament that program designed improve labor relations doing opposite. Cano, ex-union secretary general, leader majority faction union and presently regional coordinator for south of Federation Textile Workers of Peru, especially urged by union and owners apply trip. Even owners agreement pay salaries during travel originally contingent Cano grant. Union plans carry case National Federation Lima. Only information I have reason cancellation is letter to Cano saying ICA Washington did not wish give grants to three members same union. Regardless reason entire US effort local non-Communist labor field being jeopardized after considerable past progress by USIS and Labor Attache. Strongly recommend USOM reconsider cancellation Cano and Cansino grants as only possible solution this late date highly sensitive situation thereby avoiding damage US position. PAO concurs.

MCCAUSLAND

WP

832.062/3-961 HBS

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1961 MAR 10 AM 7:58

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0057

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Classification

NUMBERED
Control: 7144
Rec'd: March 10, 1961
6:37 p.m.

Action
ARA

Info
G
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BFAC
BIGC
ICA
P
USIA
INR

RMR

FROM: Lima

TO: Secretary of State

NO: 592, March 10, 6 p.m.

PRIORITY

SENT DEPARTMENT 592, REPEATED INFORMATION AREQUIPA 5

Reference: Arequipa's 2

Regret Consulate before sending message did not give Embassy opportunity relate confidential adverse information furnished by Department on Cano. Arequipa now informed and aware reconsideration Cano impossible.

what about Cansino?

While Cano naturally disappointed, Embassy's survey reveals decision has not had adverse repercussions Consulate feared.

NEAL

WP

832.062/3-1061 CJ

spoke with Miss Knight of ICA. Grant to Cansino OK but Cano refused on security grounds. She said no invitation extended by Washington ~~to~~ reason for refusal not as stated in arequipa's tel 2 (ICA didn't want to give 3 grants in same univ) She will send message with grounds for refusal- R Poole informed - he said Amb. Morales Carrion interested. Miss K said it is not too late to ask for visa waiver.

FILE

JUN 12 1961

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0058

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

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FOREIGN SERVICE DESPATCH

FROM : Amembassy, Rio de Janeiro — 824 DESP. NO. — MAR 22 1961

TO : THE DEPARTMENT OF STATE, WASHINGTON. — March 20, 1961 DATE

REF : Despatch 1253, June 27, 1960 and 230, September 15, 1960

5 For Dept. Use Only	ACTION	DEPT.
	ARA-3	REP-1 RM/R-2 INR-7 ICA-11 IO-4 CU-5 PER-2
	REC'D 3/24	INFO OTHER LAB-6 CIA-10 USIA-10 HEW-2 ARMY-2 NAVY-4 COM-6 AGR-2 INT-7

DEPARTMENT OF STATE
INTERAGENCY RECORDS UNIT
MAR 29 1961

SUBJECT: Medical, Educational and Legal Aid Programs of Brazilian Unions NSA-2

INTRODUCTION AND SUMMARY

Many labor unions in Brazil furnish their members with some health and educational services and often with legal aid in claiming benefits under workmens compensation or other labor and welfare laws. The furnishing of such services and aid is probably the major specific benefit provided by most unions. This would seem to be especially true from the point of view of rank-and-file members, apart from whether or not some union officers may be mainly interested in political activities. This despatch describes the specific services furnished by three local unions in Rio de Janeiro--the tobacco workers, petroleum distribution workers, and warehouse workers.

The major source of funds for most unions is still the Federal Government, which collects a compulsory annual union tax (equal to one day's pay) from all urban workers, regardless of whether unionized or not, and distributes 80% of the proceeds among officially recognized labor organizations. Thus the services furnished by most unions are mainly paid for with money collected as a tax, one result being that such services may, to some extent, be regarded as part of the Government's welfare and social services, with the unions acting in effect as agents of the Government for administering the services. However, some qualifications are necessary--namely, that all unions supplement their federal subsidy by collecting or seeking to collect monthly dues from members, although sometimes so low as to constitute little more than token contributions, while a very small number of unions enjoy a "check off" of dues of real substance resulting in an independent income far larger than the money received from the Government.

The Local Union of Tobacco Workers of Rio de Janeiro (state of Guanabara) has about 2,400 members, who may constitute as high as 90% of the workers in Rio's tobacco factories. White-collar workers of tobacco firms are also within the jurisdiction of this union, but a lower percentage of them are organized. In spite of the high percentage of workers in the factories who belong to the local, its membership is

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declining sharply due to increasing replacement of human labor by machines; a few years ago there were 4,000 members. Pursuant to the current wage agreement between the union and the tobacco manufacturers association, the minimum monthly wage for tobacco workers is Cr$13,000, which is the amount earned by more than half of the members (the legal minimum monthly wage in Guanabara is Cr$9,600). Quite a few members, however, earn Cr$15,000 and a very small number of highly skilled workers, mainly mechanics who maintain and repair the machinery, earn Cr$20,000 per month. The major source of income for the union is the union tax money paid to it by the Ministry of Labor, but this is supplemented by monthly dues of Cr$50 from each member.

A physician and a dentist, both under contract with the union, each spend six hours per week at the union to attend to members and their dependents. A stock of the more commonly-used medicines is maintained by the union, and these are furnished free when prescribed by the physician. When the physician advises specialized treatment and/or hospitalization, the union aids the member to apply for such care from the Industrial Workers Pension Institute (the Government's social security agency for industrial workers).

Courses offered by the union to members and their dependents are sewing, first aid and home nursing, and reading. The latter course attracts the largest number of students, a fairly high percentage of the workers in the tobacco industry being illiterate. Teachers and study material for these courses are furnished by SESI (Social Service of Industry), an organization which provides some social services for industrial workers and to which industrial firms are required by law to contribute.[1]

Two lawyers, specialists in labor law, are under contract with the union to be available several hours per week to advise members regarding their legal rights in disputes with employers, and they introduce a case into the labor court when such action is appropriate. Brazil's detailed labor laws and the labor courts deal with many matters which are often covered by collective bargaining contracts in the United States, and the disputes involve matters which would often be settled by an established grievance procedure in American industries. The Tobacco Worker's lawyers have been especially busy in recent years attending to disputes and claims which arise as a result of shrinking employment in the tobacco industry and replacement of many workers by machines.

The Local Union of Employees of Petroleum Distribution Companies of Rio de Janeiro (state of Guanabara) has approximately 4,200 members, most of whom work for several large non-Brazilian firms, such as Esso, Shell, and the Atlantic Refining Company. Employees of retail gasoline stations are also within the jurisdiction of this union, but very few

1. In a future despatch, the Embassy will report on the activities of SESI and a similar agency, SESC--Social Service of Commerce.

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of them have been organized. (The union does not include within its jurisdiction workers at refineries and similar installations concerned with production of petroleum products, who are in separate unions.) Monthly earnings of unskilled laborers are equal to the present legal minimum wage (Cr$9,600) but these members are a minority and a sizeable proportion of members are fairly skilled workers, including office workers, who earn 1 1/2 to 2 times the legal minimum.

The actual members of this union constitute about 50% of potential membership, but the effectiveness of organization varies greatly according to size of the company, with 70% or more of the workers at large companies organized, as contrasted with organization of employees of small firms being practically nil. The union is dependent upon the "union tax" for most of its income, although dues of forty cruzeiros per month are collected from each member.

The union owns and operates a free elementary school for children of members, a highly valuable service in view of the severe shortage of public schools. A staff of six teachers, all employees of the union, run the school. Unfortunately, the very considerable geographical size of Rio means that some members reside too far from the school to enroll their children, but the union hopes that some time it will have enough money to purchase a bus (much more expensive in Brazil than in the United States).

Other services offered by this union are (a) operation of a dental clinic for members and their families, with a dentist employed full time by the union; (b) a contract with an occulist, under which he reserves several hours per week for examination of members and their families; (c) legal assistance; (d) regular classes in English; and (e) occasional classes in sewing and cooking or other household arts for wives of members.

The legal assistance is furnished by two labor lawyers, both retained on a part-time basis, who advise members of their rights under the labor laws, and who enter claims against employers in the labor court. The absence of medical assistance as one of the services of this union is due in part to the fact that the major employers in this field offer some medical aid to their employees, but mainly due to lack of funds for such a program. Regarding the English classes, the members who enroll often do so in the hope that they can qualify for higher-paying jobs with their employers (three of the large oil distribution firms are American and British companies). The teacher for the English classes is a part-time employee of the union, but the teachers and study materials for the other adult classes are furnished by the Ministry of Labor.

The Warehouse Workers Local Union of Rio de Janeiro (state of Guanabara) has approximately 3,100 members, most of whom work at Government-owned warehouses at the port of Rio. Some others are employed at privately-owned warehouses, most of which are also near the port. Average monthly earnings of warehouse workers in recent months were nearly twenty thousand cruzeiros, or twice the legal minimum wage for Guanabara (i.e., exceptionally good wages in Brazil for essentially unskilled labor).

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The Warehouse Workers Union is one of the few really strong ones of Rio, and its contracts with the Port Authority and with the Warehouse Owners Association both provide for a closed shop, hiring through the union, and a checkoff of 12% of each worker's earnings. In exchange for the 12% which goes to the union, a warehouse worker receives inter alia sickness and disability payments, an old-age pension which continues to be paid to his widow after his death, medical and hospital care for himself and his family, funeral expenses, and legal aid. Except for the last one, these benefits are of the same type as those provided under Brazil's social security system, and thus supplement social security. The submission by a member of a claim for union benefits results in a simultaneous submission by the union of a claim in the workers behalf to the appropriate social security fund (the Transport and Cargo Workers Retirement and Pension Institute).

A staff of several doctors and nurses and a dentist, all of whom are employees of the union, are on duty daily at the union's out-patient clinic to treat members and their families. Medicines which may be prescribed are furnished without charge. For hospital cases (maternity included), the union leases some wards in one of the city's hospitals, and it owns an ambulance for transporting persons to the hospital. The union recently purchased a building in which it plans to establish its own hospital, after which the present leased wards will no longer be necessary.

The financial situation of the Warehouse Workers Union is much better than that of the vast majority of local unions, but information about its benefits is herein included in order to make it known that a few such unions do exist.

For the Ambassador,

David P. Mann
Assistant Labor Attaché

Approved:

Philip Raine
Counselor of Embassy for
Political Affairs

John T. Fishburn
Labor Attaché

DISTRIBUTION: Pol I, Economic, Congen São Paulo

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FOREIGN SERVICE DESPATCH

FROM : Amembassy, Rio de Janeiro — 840 DESP. NO.

TO : THE DEPARTMENT OF STATE, WASHINGTON. — March 22, 1961 DATE

MAR 24 1961

REF :

20 For Dept. Use Only	ACTION	DEPT.
	ARA-3	RM/R-2 REP.1 INR-7 ICA-11 IO-4
	REC'D 3-28-61	INFO OTHER CIA-10 LAB-6 USIA-10 Com-6 NSA-4 ARMY/AIR/NAVY-1

DEPARTMENT OF STATE
INTER-AMERICAN AFFAIRS
MAR 29 1961

SUBJECT: Minister of Labor Asks Unions Not to Strike

According to "Estado do São Paulo," the Minister of Labor, Sr. Francisco Castro Neves, on March 16, 1961, in a discussion with labor leaders in São Paulo, appealed to them to avoid strikes, in order to help the Government with its economic-financial policy. He stated that "this is one of the most serious moments and the worker must begin to set a good example since sacrifices will also be required of the employers." He added, "we will reduce their profits and make this a more humane nation. Therefore, the workers should wait a little longer for the results of the measures taken by the Government. They also ought to show their confidence in the employers." In response to questions, he is quoted as saying: "Do not plan strikes. This is the appeal which I am making to you, for the moment is most serious. For strikes, substitute public acts. We will seek to hasten the Labor Courts in their handling of collective contracts. The Government will respect the laws." The Minister added: "The Ministry of Labor will recognize the right to strike and will say when it should proceed and when it should not proceed, since the Ministry will not be demogogic. Although strikes should be avoided for the moment, they will only be prohibited in one or another exceptional circumstance, when they prejudice the people."

In his message to Congress on March 15, 1961, President Quadros, on the same theme stated:

> "The Government will completely insure the Constitutional concept which guarantees the workers the right to strike, but it will seek to help discipline the exercise of this right, /to keep it/ within the imperative limits of the public interest. Not this right, nor any other right, group, class or individual can claim a priviledged position in the national development effort. And without any prejudice to its /the strike's/ efficiency as the principal instrument available to the working classes in the struggle for their rights, it should not be utilized for ends which are inconsistent with the legitimate representation of the worker's interests, with political objectives, or anti-social practices."

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Shades of Getulio Vargas' Estado Novo. (The labor section of President Quadros' message to Congress will be the subject of a separate despatch.)

For the Ambassador,

John T. Fishburn
Labor Attaché

Approved:

Philip Raine
Counselor of Embassy
for Political Affairs

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Control: 18821
Rec'd: MARCH 28, 1961
10:21 PM
1961 MAR 28 PM 3 15

FROM: RIO DE JANEIRO

TO: **Secretary of State**

NO: 1287, MARCH 28, 6 PM

ACTION: RPAL
INFO:
RM/R FILES

DIRECTOR NATIONAL CONFEDERATION COMMERCIAL WORKERS CONFIDENTIALLY INFORMED EMBASSY TODAY PRESIDENT QUADROS HAS REQUESTED VOTE OF CONFIDENCE FROM LABOR ORGANIZATIONS FOR ONE YEAR PERIOD. CNTC VOTED CONFIDENCE, WHICH IT INTERPRETS AS PREVENTING STRIKES OR OTHER ACTIONS OF OBSTRUCTIVE NATURE. IT DELIBERATELY RETAINED RIGHT PUBLIC CRITICISM GOVERNMENT ACTS AND PUBLIC DEVELOPMENTS. MEMORIAL PRESENTING VOTE OF CONFIDENCE WITH INDICATED RESERVATION WILL BE DELIVERED IN FEW DAYS, AFTER WHICH IT EXPECTS MAKE MEMORIAL PUBLIC. THUS FAR NO PUBLIC REFERENCES PRESIDENTIAL REQUEST OR ACTIONS OTHER LABOR ORGANIZATIONS. PRESIDENT STATED, WITH REQUEST, THAT ALL LRPR EMPLOYERS TO MAKE RELATED SACRIFICE, ABSORB MUCH OF COST INCREASES AND KEEP PRICES IN LINE; LABOR BELIEVES THIS ALREADY ~~LARGE~~LY LOST.

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RJT

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FOREIGN SERVICE DESPATCH

FROM : American Embassy, Rio de Janeiro 904
DESP. NO.

TO : THE DEPARTMENT OF STATE, WASHINGTON.

APR 12 1961
April 3, 1961
DATE

REF :

For Dept. Use Only	ACTION	DEPT. INFO
REC'D	ARA-5	Rep-1 RMR-2 INR-7 G-1 Io-4 ICA-11
4-14		OTHER ARA-10 Lab-6 Com-6 Army-2 Navy-3 New-5

SUBJECT: Labor Ministers' Lip-Service to Free Trade Unionism

In his first press conference on February 7, 1961, new Minister of Labor Francisco Castro Neves stated that reform of the social security system would have top priority, and that he favored unionization of more workers (including farm workers), fewer restrictions on the right to strike, and gradual elimination of the union tax in order to free unions from dependence upon the Government. In announcing the program, Castro Neves was following what appears to be a firmly established tradition for new Ministers of Labor. A review of the Embassy's labor despatches over the past ten years shows that nearly every new Minister announced some such goals.

April, 1960 -- New Minister of Labor João Batista Ramos, on taking office, expressed support for a free trade union movement, reportedly citing the British trade unions as an example of the type of labor movement which he favors for Brazil. He also promised, inter alia, social security reform and more effective enforcement of the protective labor laws.[1]

March, 1956 -- New Minister of Labor Parsifal Barroso in his first press conference, stressed his interest in labor education which would train effective and democratic trade union leaders. He also expressed support for the goals of the International Confederation of Free Trade Unions (ICFTU) and the Inter-American Regional Organization of Workers (ORIT).[2]

832.062/4-361

1. Batista Ramos was replaced in November of 1960 by Allyrio de Salles Coelho, who apparently did not announce any general program, possibly because he would only occupy the position during the closing weeks of the Kubitschek administration.

2. Fernando da Cunha Nobrega replaced Barroso in July of 1958, but there is no record in the Embassy's files on what he may have announced as his program. Nobrega occupied the position until being replaced by João Batista Ramos.

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DEPARTMENT OF STATE
BUREAU OF INTER-AMERICAN AFFAIRS
APR 18 1961

LWS

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November, 1955 -- New Minister of Labor Nelson Omegna, in his first press conference, announced that he favored social security reform, free collective bargaining on a plant-to-plant basis, fewer restrictions on the right to strike, and a free union movement.

August, 1954 -- New Minister of Labor Napoleão de Alencastro Guimarães, on taking office, promised to reform the social security system, not to permit the Ministry of Labor to be used for political purposes by any political party, and expressed support for free enterprise and elimination of state controls. (He later mentioned to the Labor Attaché that free collective bargaining was also one of his goals).

February, 1954 -- New Minister of Labor Hugo de Faria, on taking office, promised, inter alia, to encourage the growth and development of a free trade union movement.

June, 1953 -- João Goulart, shortly after taking office as Minister of Labor, was quoted as saying, "We will free the workers from the pelegos who run the nation's unions." He also professed interest in a democratic trade union movement.

October, 1951 -- New Minister of Labor Jose de Segadas Vianna, on taking office, expressed support for a campaign to increase union membership, stricter enforcement of the protective labor laws, and reorganization of the Ministry for more effective service. Later, in his book "O Sindicato no Brasil," Vianna stated he favored a free trade union movement.

For the Ambassador,

David P. Mann
Assistant Labor Attaché

APPROVED:

Philip Raine
Counselor of Embassy for
Political Affairs

John T. Fishburn
Labor Attaché

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RMR

Date Sent: April 19, 1961
Rec'd:

FROM: AmEmbassy Taipei

TO: Secretary of State

NO: G-166

RPTD INFO AMEMBASSY RIO G-166

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EST/B: JWWilson
4/24/61.

RPA 27 11 45 AM '61

Outgoing Airgram 138, 4/26/61 sent to Rio.
ARA: EST/B: LTBriggs: jck

Director T.K. CHANG of the American Department, Chinese Foreign Ministry, says the Ministry has received word from Brazil that the Vice President of the Brazilian Industrial Union, Gabriel HERMES, is planning a trip to Communist China. Hermes has reportedly been consulting with the Chinese Communist representative in Cuba, and has requested President QUADROS' approval for his visit.

Coming on top of the current visit to Peiping of a 17-man economic mission headed by Otto Rocha DA SILVA, President of the Brazilian International Trade Promotion Association, the Hermes visit would be particularly disheartening to the GRC, Chang said. The Ministry would appreciate any additional information the Department might be able to supply.

832.062/4-1961 HBS

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~~Airgram~~ ~~Telegram~~ to Rio, Rpt Info Taipei.

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April 17, 1961

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OUTGOING AIRGRAM

Department of State

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Apr 26 6 03 PM '61

SENT TO: AMEMBASSY RIO DE JANEIRO G- 138

RPTD INFO: AMEMBASSY TAIPEI G- 78

832.062
4-196

Page 1 of 1 Pages

Reference Taipei G-166 repeated information Rio G-166

Only Gabriel Hermes identified in Department files is Doctor Gabriel Hermes Filho who visited United States under exchange program in 1952 while President Amazonia Credit Bank. Reported reelected to Chamber Deputies 1958 as ultranationalist.

Embassy requested attempt identify subject of Taipei message and in its discretion approach subject regarding his reported plan visit Communist China to suggest he visit Taipei also in order compare conditions. Reply direct Taipei repeating information Department.

BOWLES

832.062/4-1961

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Airgram transmission and classification approved by: RST - Mr. Romba

Clearances: FE/C - Mr. Rosen (in substance)

S/S-CR

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FOREIGN SERVICE DESPATCH

FROM : Amconsul SANTOS, Brazil — 40 DESP. NO. — MAY 12 1961 DATE — May 9, 1961

TO : THE DEPARTMENT OF STATE, WASHINGTON.

REF : -------

20 For Dept. Use Only	ACTION	DEPT.
	ARA-3	
	REC'D 5-18-61	INFO RM/R-2 REP-1 INR-7 E-3 ICA-11 P-3 IO-4
		OTHER HAB-6 CIA-10 USIA-10 COM-6 NSA-4 ARMY-4 NAVY-4

SUBJECT: Communist Victory in the Santos City Central

(BEGIN UNCLASSIFIED)

SUMMARY

The Forum Sindical de Debates de Santos, or Santos City Central, whose decisions and resolutions are theoretically binding upon all its members, has long been a focal cockpit in the struggle between the communists and their opponents in the Santos labor movement. The City Central's present leadership is determinedly and for the most part skillfully anti-communist, but on May 4 the communists were able to overcome all opposition and carry through a resolution which was in effect a vote of no-confidence in the domestic policies of President Jânio QUADROS.

- - -

In an extraordinary meeting held at night on May 4, the Forum Sindical de Debates (Santos City Central), which is often locally referred to as the "summit of Santos labor" and which represents over 50 labor unions, deliberated for a second time SUMOC Instruction 204, by which President Quadros recently devaluated the cruzeiro vis à vis the dollar. At the outset of the meeting a resolution condemning the SUMOC Instruction as "contrary to the interests of the workers" and urging all workers unleash an attack for higher wages "in view of the high cost of living" was introduced by Geraldo SILVINO DE OLIVEIRA, President of the 1,930-member Sindicato dos Trabalhadores nas Indústrias da Destilação e Refinação de Petroleo de Cubatão and a director of the Federation of the Workers in the Chemical and Pharmaceutical Indistries of the State of São Paulo. Silvino de Oliveira seized the initiative by broaching the resolution immediately, rather than allowing it to be considered as part of an agenda drawn up by a committee of the City Central which was not under communist control.

A few labor union officials present spoke against Silvino de Oliveira's resolution, including Vitelbino Ferreira de SOUZA, Vice President of the 500-member Sindicato dos Trabalhadores nas Indústrias Metalúrgicas, Mecânicas e de Material Elétrico de Santos e Cubatão, o

cc: Amembassy Rio de Janeiro; amconsul São Paulo.

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Metallurgical Workers Union, and Secretary of the Santos City Central; Augusto MENDES, a worker at the PETROBRAS "Presidente Bernardes" Refinery and recently defeated candidate for President of the refinery's workers' union (he was defeated by none other than Geraldo de Oliveira); and Expedito Guedes RODRIGUES, Secretary of the 1,400-member Coffee Loaders and Sackers Union and President of the Santos City Central.

These three anti-communists were beaten down by a formidable display of opposition which included José BARRETO, Secretary of the 1,215-member Public Transportation Workers Union; Waldemar Neves GUERRA, President of the 2,301-member communist-dominated Dock Company Employees Union; Aires de Abreu LADEIRA, Chairman of the Finance Committee of the 3,000-member Stevedores Union (which is under considerable communist influence); Antônio GUARNIERI, President of the 450-member communist-controlled Bank Employees Union; Agostinho SCHMIDT, a member of the 486-man Tallyclerks Union; and Odon PEREIRA DA SILVA, counselor of the Association of the Employees of the Sao Paulo Highway Department. Guerra and Guarnieri made the strongest and most influential speeches in favor of the resolution.

Debate was ended at 11 p.m. upon a motion of Orlando SPOSITO, President of the 300-odd-member Typographic Workers Union (and also President of the 100-member Sindicato dos Trabalhadores da Indústria de Tinturarias e Lavanderias do Vestuário de Santos, or Drycleaners Union). By a vote of 16 to 13, the Santos City Central resolved that SUMOC Instruction 204 (a) "at the moment does not support the workers' vital interests" (b) "its effects have in effect fallen upon the salaried class and not upon the employers, including the international trusts which encroach upon our country" (c) "the Santos City Central understands that the fundamental problems of the country cannot be solved merely by applying Instruction 204, but rather rest in the application of more far-reaching reforms which can alter for the better the economic and social structure of the country. These reforms require a joining of the efforts of all the workers of the country to those of the people in order to approve laws of a patriotic and nationalistic character in the National Congress" (d) "therefore, in face of a factual situation - the increasing cost of living, an old phenomenon in Brazil which has never been solved, despite promises, by any government - the City Central suggests, for the present moment, making an exception for the peculiarities of each professional class, that there be begun a powerful movement to obtain an increase in salaries as the most efficient and immediate means to cope with the results of the increase in the cost of living."

Voting against this motion were the following local unions: the Accountants Union, the Primary and Secondary Schoolteachers Union, the Santos delegacy of the São Paulo State Telephone Workers Union, the Public Transportation Workers Union, the Light & Power Company Workers Union, the Commerce Employees Union, the Metallurgical

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Workers Union, the Glass and Mirror Workers Union of São Vicente, the Vehicle Operators Union, the Nurses Union, the Coffee Loaders and Sackers Union, the Santos delegacy of the São Paulo State Journalists Union, and the Steamship Company Employees Union.

Voting in favor of the resolution were these unions: the Tallyclerks Union, the Santos delegacy of the National Marine Stewards Union, the Drycleaners Union, the Dairy and Sugar Products Workers Union, the Dock Company Employees Union, the Dockworkers Union, the Chemical and Pharmaceutical Industries Workers Union of Cubatão, the Santos delegacy of the National Seamen's Union, the Santos delegacy of the National Merchants Marine Firemen's Union, the Bank Employees Union, the Petroleum Industry Workers Union of Cubatão, the Stevedores Union, the Naval Workers and Carpenters Union of Santos and the Typographic Workers Union. In addition, the Retired Employees Association and the Master Pilots Union of the State of São Paulo also voted with the majority. These latter two entities rarely figure in the debates of the Santos City Central.

Comment: (BEGIN LIMITED OFFICIAL USE)

Adoption of the anti-SUMOC Instruction 204 resolution was a big victory for the local communists, who on April 15 had been defeated in the City Central on a similar motion by the combined efforts of its President Expedito Guedes Rodrigues and its Vice President, Ynel Alves de CAMARGO, President of the 550-member Accountants Union, both together with Vitelbino Ferreira de Souza, staunch anti-communists.

Geraldo Silvino de Oliveira, José Barreto, Waldemar Neves Guerra, Antônio Guarnieri, Orlando Sposito and Odon Pereira da Silva have all been reliably identified to the reporting officer as members of the Communist Party of Brazil (PCB): indeed, Pereira da Silva is the First Secretary for Agitation, Propaganda and Education of the Santos Municipal Committee of the PCB. Aires de Abreu Ladeira and Agostinho Schmidt are hitherto unknown to the Consulate, but presumably are also either communists or fellowtravellers.

The pattern of voting by the 29 labor organisms participating neatly and clearly reveals which local unions are under communist influence and/or control. All the unions voting against the communist-sponsored and supported resolution are known to the reporting officer as managed by non- or anti-communists; while all the unions voting for the resolution are known to be controlled or heavily infiltrated by communists or their sympathizers, as has been reported by this Consulate over the past six months. The only exceptions are the 486-member Sindicato dos Conferentes de Carga e Descarga do Pôrto de Santos, or Tallyclerks Union, which the reporting officer has not thought to be communist-oriented, although its President Serafim MENDES, hitherto considered by reliably sources to be anti-communist, is presently visiting the Soviet Union as a guest of the Russian

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Government; and the small (less than 125 members) Sindicato dos Trabalhadores nas Indústrias de Laticínios e Produtos Derivados do Açúcar e de Torrefação e Moagem de Café de Santos, São Vicente e Guarujá, i.e., Workers in Dairy, Products Derived From Sugar, and Coffee Roasting and Grinding Industries Union of Santos, São Vicente and Guarujá, whose officers have never up to this time been identified as communists or communist sympathizers.

The attention of the reporting officer has not before been drawn to the Retired Employees Association nor to the Master Pilots Union of the State of São Paulo, which until this date the reporter was unaware were actually members of the Santos City Central.

The communists and their sympathizers in the Santos trade union movement can be expected to press their victory in the City Central by continuing their agitation against the government for higher wages.

Virgil P. Randolph III

Virgil P. Randolph, III
American Consul

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INCOMING AIRGRAM *Department of State*

Amembassy RIO DE JANE

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B-02454

45

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PAGE 1 OF 1 PAGES

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RMR

Date Sent: May 20, 1961
Rec'd:

FROM: Amembassy RIO DE JANEIRO

TO: Secretary of State

NO: G-401

A-337
6/5

MAY 21 1 48 PM '61

Instruction drafted RMR:jl 5/22/61 file

Embassy desires soonest well documented study of Communist abuse of trade union funds and prestige. Director National Department of Labor seems to be unconvinced that Communists abuse unions for political purposes and has asked for any available documentation on such abuse. Study might also be useful with Minister of Labor. If no documented study available, Embassy requests selection of such material as can be found in this field for use in Brazil.

BOND

J.C. Crichton Rm 7310

George Lichtblau X5434 2476 ← Rm 7320

Bender #3414 (Sov)

Jackson Rm 6718

Bernie Mares

Sapos Communism in American Unions
" Left-Wing Unionism
Kampelman The Communist Party vs the CIO
Peterson Decline of American Communism
Hist of the Int'l Lbr Mvt
Hist of the Amer Lbr Mvt } John Z. Bowers
I Conkle
Ben Gitlow

832.062/5-2061

CLASSIFIED FILE

Authorizing Officer:
POL:PRaine

LABOR:JTFishburn:ss
May 17, 1961

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DEPARTMENT OF STATE INSTRUCTION

83

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ARA-6
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INR-6
E-9
S/IL-1
REP-1
LAB-6
CIA-14
USIA-10

NO.: A-337 June 5, 1961

TO: SUBJECT: Transmittal of Publications requested by Labor Attaché

TO: The American Embassy, RIO DE JANEIRO

832.062/5-2061

References: Embassy's G-401, May 20, 1961.

No studies or other material in Portuguese on Communist abuse of trade unions are available to the Department. Publications on this subject which the Department believes suitable are in English, with the one exception noted below.

In response to the Department's request, USIA is sending to the Labor Attaché, via air pouch, one presentation copy each of the following books:

"Communism in American Unions", by David J. Saposs

"The Communist Party vs. the CIO", by Max M. Kampelman

The foregoing treat in detail many aspects of Communist abuse of trade unions. Should the language not prove a barrier, the Labor Attaché may find them appropriate for presentation to the persons mentioned in the Embassy's airgram under reference.

In addition, the Department encloses the two booklets listed below as of possible use to the Labor Attaché for the purpose mentioned in Embassy's G-401. Chapter IV, "Metodos de Acción Comunista para Controlar los Sindicatos", pages 25-37, of the Peruvian booklet may be of interest.

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The Department welcomes the Embassy's comments on the usefulness of the books being forwarded by USIA and the enclosures to this instruction. If these items are not what the post has in mind, the Department would appreciate a more precise indication of the type of material desired.

BOWLES, ACTING

Enclosures:

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DRAFTED BY: ARA:RPA/LS:JLiebof:eh 6/2/61

APPROVED BY: ARA:RPA:HCReed

CLEARANCES: USIA/ICS/CL - Mr. Boone - in substance by telephone

EST - Mr. Wilson

EST - Mr. Wellman

S/S-CR

JUN 5 1961 PM

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(Security Classification)

Enclosures: 6 in S

1. Official Reports on the Expulsion of Communist-dominated Organizations from the CIO.
2. Los Sindicatos y la Amenaza Totalitaria, by Ricardo Temoche Benites (Spanish language).
3. Copy of USIA shipment notice.

0080

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FOREIGN SERVICE DESPATCH

1059
DESP. NO.

FROM : Amembassy RIO DE JANEIRO

TO : THE DEPARTMENT OF STATE, WASHINGTON.

May 25, 1961
DATE

MAY 30 1961

REF :

DEPARTMENT OF STATE
BUREAU OF
INTER-AMERICAN AFFAIRS
JUL 3 1961

20 For Dept. Use Only	ACTION	DEPT.			
	ARA-4	RM/R-2	REP-1	INTER-AMERICAN AFFAIRS	
	REC'D 5-31-61	INFO OTHER	LAB-6	CIA-10	USIA-10

SUBJECT: How to Choose a Labor Leader in Brazil

832.062/5-2561

BACKGROUND

As the Department is aware, the President of the National Confederation of Industrial Workers (CNTI) is Mr. Deocleciano Cavalcanti, who has held the position since the formation of the organization in 1946. As the Embassy has reported, Mr. Dante Pellacani, President of the National Federation of Printing Trades Workers, has informed the Labor Attaché that he is planning to be a candidate for Mr. Cavalcanti's position when the next elections for the leaders of the CNTI are held in December of 1961, if the usual election schedule prevails. As the Embassy has also reported, Mr. Pellacani is President Quadros' chosen leader with the Brazilian labor field. Mr. Pellacani directed President Quadros' electoral campaign among São Paulo labor groups and has since received a number of indications of the President's confidence in him. At the moment, he is the chief organized labor representative in the Directive Council of the National Department of Social Security, the highest governing body in this field.

Normally, there would be little reason to doubt that with sufficient support from President Quadros Mr. Pellacani could win any trade union position in Brazil. Normally also, that support would be expressed in an indirect fashion and would not be too evident publicly, although it would be clear to the individuals directly concerned with the election or voting in it. The following description of one aspect of this campaign is of unusual interest.

While in Brasilia, the author dined with Mr. Pellacani on the evening of April 12, 1961. At this dinner, Mr. Pellacani was asked about his campaign for the Presidency of the CNTI. Mr. Pellacani, in an unexpected manner, said that he and Mr. Cavalcanti were going to see President Quadros the following day to ask the latter whom he preferred for the presidency of the CNTI. The author was astounded at this

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LABOR:JTFishburn:ss
REPORTER 5/22/61

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reply and smiled in a friendly fashion, stating only that it would not be difficult to guess whomthe President might prefer.

The following evening the author dined with Mr. Deocleciano Cavalcanti and, of course, asked him about the results of the conversation which he and Mr. Pellacani had had with the President. Mr. Cavalcanti replied that the President had stated that the two would have to decide this issue between themselves. Mr. Cavalcanti then replied to a further question that he was most encouraged and planned to run for reelection. He was smiling and obviously feeling elated.

The author is somewhat puzzled to know how Mr. Pellacani or the President permitted President Quadros to be confronted with such a question. Put so bluntly, the question could only be embarrassing, no matter what he replied, since the implications that he controls the leadership of the Brazilian trade union movement are clear. Furthermore, if he should have declared against Mr. Cavalcanti, the latter would have a valuable weapon to use publicly against the President. The President is probably fully aware of the fact that when Mr. Cavalcanti was up for reelection in 1956 he was deposed because of the opposition of Vice-President Goulart. However, Cavalcanti appealed to the AFL-CIO which sent a strong note opposing government intervention in trade union activities and probably as a result of this, Mr. Cavalcanti was reinstated in his position. There is some possibility that Mr. Cavalcanti suggested this consultation and that, without adequate consideration, Mr. Pellacani accepted. If this is so, the President may be somewhat disappointed with Mr. Pellacani's lack of astuteness.

Mr. Cavalcanti is a most astute manipulator and could only have survived as President of the CNTI for the fifteen years of its existence by virtue of such abilities. While the author continues to believe that the new Administration feels the need for a change in the leadership in the older labor confederations and will find ways to make such changes, it is not entirely certain either that Mr. Cavalcanti will not be reelected or that even if he is not, that Mr. Pellacani will be chosen.

For the Chargé d'Affaires a.i.:

John T. Fishburn

John T. Fishburn
Labor Attaché

APPROVED BY:

Philip Raine

Philip Raine
Counselor of Embassy
for Political Affairs

DISTRIBUTION: POL I; POL II; Jim Shea, São Paulo, CF (3)

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

RG: 059

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NUMBERED

Control: 2158
Rec'd JUN 4 PM 4 26
June 3, 1961
11:09 A.M.

ACTION
INFO:
RM/R FILES

FROM: São Paulo

TO: Secretary of State

NO: 332, June 3, 7 P.M.

PRIORITY

SENT DEPARTMENT 332 REPEATED INFORMATION PRIORITY RIO DE JANEIRO 105.

Political aspects in Paulista railroad expropriation by state on June 1(see unclassified telegram this post June 2) will be recalled this post reported some weeks ago ex-Secretary Public Security privately advised that Minister of Labor Castro Neves was encouraging Paulista railroad workers strike. Later Governor Carvalho Pinto approved state subsidy understanding that matching federal subsidy forthcoming. President Quadros refused matching subsidy "pulling rug out" from under Governor (Castro Neves passed through capital city May 30). Strike called unexpectedly midnight May 31. State Secretary of Labor usually on top of all labor developments caught by surprise.

Hari Normanton, president local union, is Quadros man. Entire line paralized all day June 1. Governor, although champion of free enterprise expropriated railroad June 1. All of foregoing suggests Quadros wanted long and bitter railroad strike to embarrass Governor, and Governor violated own free enterprise convictions to out-maneuver Quadros and strengthen his own political base. All this preclude to political power battle of 1962 over Carvalho Pinto's succession.

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FOREIGN SERVICE DESPATCH

FROM : Amembassy RIO DE JANEIRO

1074
DESP. NO.

TO : THE DEPARTMENT OF STATE, WASHINGTON.

June 7, 1961
DATE

REF :

JUN 10 1961

For Dept. Use Only	ACTION REC'D	DEPT. INFO	
	ARA-3 6/12	RM/A-2 OTHER	INA-7 REP-1 CIA-10 USIA-5 ARA-6

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

SUBJECT: Second National "Encounter" of Labor Leaders

On May 20-21, 1961, the Communists and their friends in the labor movement sponsored the Second National Encounter of Labor Leaders, which was held in Belo Horizonte.

Before the meeting commenced, it was clearly and publicly denounced as a Communist-controlled meeting by Mr. Deocleciano Cavalcanti, President of the National Confederation of Industrial Workers; Mr. Angelo Parmigiani, President of the National Confederation of Commercial Workers; Mr. Miguel Mendonça, President of the Federation of Commercial Workers of the state of Minas Gerais; Mr. José Aparecida, President of the Federation of Workers in the Food Industry of Minas Gerais; Mr. José Alves Caxeado, President of the Land Transportation Workers of the state of Minas Gerais and four democratic federation presidents of the state of São Paulo--Mr. Antônio Magaldi, President of the Commercial Workers Federation, Mr. Olavo Previatti, President of the Paper Workers Federation, Mr. Portal da Silva, President of the Petroleum Distribution Union of São Paulo, and Mr. Darcyr Gatto, President of the Clothing Workers Federation of that state.

According to the Communist weekly, Novos Rumos, there were an estimated 500 participants from all parts of Brazil at the meeting. The principal labor leaders of the conference were Clodsmidt Riani, Vice-President of the National Confederation of Industrial Workers, probably the leading labor leader of the state of Minas Gerais (and a former Point IV labor grantee upon whom a calculated risk was taken), Mr. Benedito Cerqueira, President of the Metal Workers Union of Rio de Janeiro, and Mr. Luis Tenorio da Lima, newly elected President of the Food Workers Federation of São Paulo.

Unfortunately, the anti-Communist statements mentioned above either did not reach a number of non-Communist participants, or they were dissuaded from believing them. The presence of the Governor of the State and of the Minister of Labor helped the Communists conceal their control over the meeting, as did the presence of some of the more notorious opportunists in the movement. Consequently, there apparently were a number of non-Communists of lesser importance who attended.

LABOR:JTFishburn:ss
REPORTER

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A number of resolutions were approved, relating to: (1) the need for a higher minimum salary, together with allowances for occupational differences in skill and tied to the cost of living; (2) the need for union liberty; (3) the need for a new law covering the right of unions to strike; (4) the rent control law; (5) exemption from income tax payments for all individuals up to a limit of five times the minimum salary; (6) freedom of the existing Social Security Institutes from outside control; (7) land reform with several details; (8) control over remission of profits abroad; (9) the approval of a new anti-trust law; (10) the approval of a labor-parliamentary front; (11) the establishment of relations with all countries of the world; (12) support of the Cuban revolution, with respect for the right of "self-determination."

The meeting was attended and addressed by the Vice-President, who called the Democratic Resistence of Free Labor a betrayal of the Brazilian labor movement and made a not very veiled reference to the leaders of the confederations who had attacked the "Encounter" as agents of foreign nations.

The Minister of Labor, Francisco Castro Neves, attended the meeting and stated that the Government sees "eye to eye with the labor leaders," presumably referring to that meeting of labor leaders. However, a non-Communist labor leader who attended the "Encounter" has informed the Embassy that the Minister's talk was so "cool" that it left the audience noticeably disappointed. Other sources have stated that the Minister decided to attend only after the Janio-Jango exchange of letters on the Bank Workers Social Security investigation (see item 1, Despatch No. 1064 of May 19, 1961), in order that the Minister's absence might not be interpreted as a further Presidential rebuff for Jango. While the accuracy of this report is unknown, it coincides with the reliable report of his cool attitude.

The Governor of the state of Minas Gerais, Mr. José de Magalhaes Pinto, attended the conference briefly. The Embassy was informed that he was not aware of the nature of the meeting until too late to avoid fulfilling his commitment to attend.

The principal significance of the meeting was the attendance of the Minister of Labor, and the interpretation of this is open to question. As the Embassy has reported on various occasions, the anti-Communist elements of the Brazilian labor movement have been concerned about the Minister of Labor's apparent friendliness toward the Communists. The refusal of the Minister to accept an invitation to attend the founding meeting of the Democratic Resistence of Free Labor, or even to send a representative, coupled with his attendance at the "Encounter," has been publicly interpreted by the non-Communist elements in Rio as further indication of his partiality for the Communists. However, the non-Communist Paulista labor leaders have more faith in him and the

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information regarding his last minute decision to attend comes from that area. In support of the feelings of the Paulistas, the President has assented to address the opening session of the ORIT conference scheduled for August, and the Minister of Labor stated to visiting ICFTU and ORIT labor leaders, as well as to Brazilian ones, that he is determined to oust the Communists from their position of strength in the Brazilian labor movement and to separate them from their alliance with Jango Goulart. There is also some evidence that both President Quadros and Governor Carvalho Pinto are supporting the non-Communist labor leaders of São Paulo in their break with the Communists.

It is still too early and the evidence is sufficiently unclear so that it is not yet feasible to reach any clear evaluation of the position of the Government toward the Communists in the labor movement. The problem is of such importance that it is receiving careful scrutiny from a number of domestic sources as well as by the Embassy and Consulates.

For the Chargé d'Affaires a.i.:

John T. Fishburn

John T. Fishburn
Labor Attaché

APPROVED:

Philip Raine

Philip Raine
Counselor of Embassy
for Political Affairs

DISTRIBUTION: POL I; POL II; ECON; Congen São Paulo; Mr. Shea, São Paulo; All Consulates in Brazil.

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FOREIGN SERVICE DESPATCH

FROM : Amconsul SANTOS, Brazil

53
DESP. NO.

JUN 23 1961

TO : THE DEPARTMENT OF STATE, WASHINGTON.

June 29, 1961
DATE

REF : ------

For Dept. Use Only	ACTION	DEPT.
	REC'D 7-1	INFO OTHER Emb 2 RCPI INR-2 ICA-11 E-2 L-2 Cons-10 IRS Lab 8 USIA 10

SUBJECT: Activities of the Santos Centro de Navegação Against (1) Bill No. 850/55 and (2) Paid Vacations for Stevedores

MAY Army-Y Navy-Y

SUMMARY

The Santos Centro de Navegação Transatlántica is a wealthy and powerful association of the representatives of the shipping companies serving this port, Brazil's biggest. It claims to speak for Brazilian shipping interests not only in Santos but in every major port in the country and zealously strives to protect the interests of its members, especially against the encroaching power of organized labor. This despatch, separately in numbered sequence, relates the Centro's recent activities respecting two important and inter-related questions concerning legislative and judicial battles between the Centro and the large Brazilian stevedore unions.

(1) On June 22 the reporting officer received separately and almost simultaneously from two directors of the Santos Centro de Navegação Transatlántica the following information concerning the status of Brazilian draft Bill No. 850/55 which, if passed, would take the stevedore contracting business in Brazil out of the hands of private stevedore contractors (mostly shipping agencies) and give it to the various stevedore unions. The Bill, now over 5 years old, has from its inception been resisted by every means, fair or foul, at the command of the Brazilian shipping interests, which regard the Bill as a grave threat to their own business and injurious to Brazilian commerce as a whole.

On June 8 the bill's sponsor, Federal Deputy Aarao STEINBRUCH, petitioned the Speaker of the Chamber of Deputies to report the Bill out of the Chamber's Transport Committee where, largely through the efforts of the shipping interests' lobby, it has been bottled up for over 2 years, which is beyond the legal time limit for draft laws to remain in committee.[1] The Centro de Navegação in Santos now fears that the Bill will come up for debate and vote before the Lower Chamber within 2 weeks, and that its chances for passage are good. The Centro

[1] One of the reporting officer's informants stated that Steinbruch was moved to reopen the question of the Bill just at this time owing to his need for strong labor support in his campaign for Governor of the State of Rio de Janeiro

Virgil Randolph, III
REPORTER

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also fears that the Senate may also pass the bill in due course, which would leave President Jânio QUADROS in an awkward position, for Quadros is thought to oppose the Bill and would want to veto it if it passed through the Legislature, but fears that in so doing he must certainly alienate the country's large numbers of well-organized stevedores and arouse antagonism from labor in general, which favors adoption of the Bill as a nationalistic measure aimed at curbing (largely foreign) shipping interests and transferring more power to Brazilian labor.

Under the KUBITSCHEK Administration the Santos Centro de Navegação relied upon the Partido Social Democrático (PSD) to oppose the Bill No. 850/55 in the Brazilian Federal Legislature. But the PSD, now principally concerned with harrassing the Quadros government, can no longer be relied upon to oppose the Bill, nor can the Quadros Administration count on a reliable majority in the Legislature which could vote it down. In order to obtain legislative backing against the Bill the Centro has approached Deputy Joao MENDES, who is known to have organized a group of approximately 120 conservative Federal Deputies from a variety of political parties to oppose "leftist" legislation. Mendes has promised the Centro that he and his allies will carefully consider the pros and cons of Bill No. 850; and that if they should agree that its passage would be against Brazil's best interests, they will vote against it. The Centro de Navegação in Santos has also taken the lead in mobilizing the various shipping associations, Chambers of Commerce and similar organizations throughout Brazil against the Bill, and is coordinating the efforts of the shipping interests to lobby with their individual Deputies and Senators against adoption of the Bill. In addition, the Santos Centro is in the process of contacting high officials in the Quadros Administration, including cabinet-rank officers, to elicit their support against the Bill.

From the foregoing it is obvious that Brazilian shipping interests consider that Bill No. 850/55, long dormant but never shelved, is now approaching its crucial and perhaps final legislative test, and are sparing no effort (and, the reporting officer doubts not, no expense) to defeat it.

(2) The Santos Centro de Navegação has also been active with regard to the question of paid vacations for stevedores. Some months ago the Brazilian Merchant Marine Commission adopted a resolution which confirmed the right of Brazilian stevedores to receive vacations with pay, and authorized the stevedore unions to collect their members' vacation pay from the contractors and disburse the vacation pay to the individual stevedores. The Centro de Navegação, unwilling to have the unions thus come to handle considerable sums and gain power vis a vis the private stevedore contractors, took the position that paid vacations are presently unconstitutional, since a vacation



exists to be actually enjoyed, not commuted by a money payment; and that paid vacations in any event could only be established by special legislation, not simple resolution by a regulatory body.

At the time the Merchant Marine Commission ruled in favor of the paid vacations for stevedores, the majority of the members of the Santos Centro de Navegação sought an injunction against the resolution from a judge in Rio de Janeiro, but at the same time waived the preliminary Suspensive Act out of concern that if the injunction were sustained the Brazilian stevedores would have been likely to call a nationwide strike which would have broken out in the first days of the new Quadros Administration, before it was firmly enough established in office to back the private stevedore contractors against the stevedore unions. A copy of the Centro's legal argument and other explanatory data was gotten to President Quadros through confidential channels.

The judge from whom the injunction was sought, doubtless scenting trouble, ruled that the case fell outside his jurisdiction, and referred it to a Federal tribunal in Brasilia.

On June 22 the Centro de Navegação was taken by surprise when it learned, under condistions of the utmost secrecy, that, sooner than anticipated, the Brasilia court had handed down a decision in favor of the Centro and aginst paid vacations for stevedores. The judgement affects only those shipping lines named in the injunction, but applies to all Brazilian ports. The ruling, of course, can be appealed to the Court of Appeals and eventually could reach the Brazilian Supreme Court. At the time this despatch was written, the stevedore unions had not yet learned of the court's decision on the Centro's injunction.

The Santos Centro de Navegação and, indeed, Brazilian shipping interests in general are now extremely concerned at what the stevedores' reaction will be when they learn of their legal defeat. Given Brazil's current growing unrest, particularly from nationalistic and extremist factions of both left and right, it is conceivable that the stevedore unions, who are determined not only to collect for their members' paid vacations but also to wrest the stevedore contracting business away from the private contractors, may shortly declare a general strike and attempt to paralyze all Brazilian ports. In that event, the Centro de Navegação has reason to believe that the Quadros Government would not hesitate to regard the stevedores' strike as illegal and deal summarily with the strikers. And the Centro fears that if Quadros displays the firmness he showed recently against the University students in Recife, social unrest in Brazil might become serious indeed.

The Santos Centro de Navegação will meet again on June 26 to formulate its strategy toward stevedore unions as well as regarding the status of the draft Bill No. 850/55. The reporting officer will



endeavor to keep the Department informed of further developments in this situation.

Virgil P. Randolph, III

Virgil P. Randolph, III
American Consul

Copies sent to Amembassy Rio de Janeiro and amconsul São Paulo.



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832.062/7-761

FOREIGN SERVICE DESPATCH

FROM : Amcongen, SAO PAULO — 6 (DESP. NO.)

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

REF :

For Dept. Use Only	ACTION	DEPT.
	ARA-4	REP-1 RM/R-2 INR-7 P-3
	REC'D 7/15	INFO OTHER LAB-8 USIA-10 NSC-1

File

SUBJECT: Preparations for Inter-State Congress of Democratic Trade Unions

BEGIN UNCLASSIFIED

Non-Communist trade union leaders are continuing their preparations for an interstate congress of democratic trade unionists scheduled to be held in São Paulo over the weekend of July 22-23. Invitations have been sent to non-Communist trade unionists throughout Brazil, and some six hundred delegates are now expected to attend. Paulista non-Communists report that the Governors of the states of Parana, Guanabara, Minas Gerais and São Paulo will help defray some of the travel expenses of the delegates. In addition as previously reported by this post the democratic group is also receiving some financial assistance from Herbert Levy, national president of the UDN (Democratic National Union), the Inter-American Regional Organization of Workers (ORIT), and a promise to help defray some of the lodging expenses of the delegates from São Paulo's Governor Carvalho Pinto. (See São Paulo Summary No. 104 Week Ending June 24, 1961).

The São Paulo non-Communists have selected a provisional executive board which is planning the congress and directing the São Paulo branch of the democratic group which they now are referring to as O Movimento Sindical Democratico MSD (The Democratic Trade Union Movement). Antonio Pereira Magaldi, president of the São Paulo state Federation of Commercial Workers who is regarded as the leader of the São Paulo democrats has been chosen as president. Darcy Gatto president of the São Paulo State Federation of Clothing Workers, and Olavo Previatti president of the State Federation of Paper Workers are serving as first and second secretaries respectively. Lourival Portal da Silva, Vice-President of the National Federation of Oil Refinery and Filling Station Employees is first treasurer and Antonio Navas Martins president of the São Paulo State Federation of Public Utility Workers has the post of second treasurer. The trustees are José Rotta a full time employee of the São Paulo State Federation of Catholic Worker Circles, Sylvio Vasconcellos president of the São Paulo local union of commercial workers, and Heitor Mendes president of the São Paulo local union of paper workers.

832.062/7-761 HBS

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(Messrs. Magaldi, Gatto, Previatti, Portal da Silva, Navas Martins and Mendes have visited the U.S. as participants in the Point IV labor leader exchange program. This, however, should not be publicized). Some leaders of the Catholic Worker Circles who will send delegates and take an active part in the congress are making an attempt to extend invitations to all existing non-Communist labor fronts. However, there is a definite reluctance on the part of the São Paulo democratic group to accept delegates from such groups as O Movimento Renovador Sindical (Trade Union Renovation Movement) MRS and O Frente Nacional do Trabalho the National Labor Front. Many of the democrats strongly feel that they cannot trust MRS because it is led and has many members who are ex-Communists whom they continue to regard as totalitarian Marxists. On the other hand they have doubts about inviting O Frente as it is led by the Socialist minded Bishop of Santo Andre, Dom Jorge Marcos de Oliveira whom they consider to have been very naive in past dealings with the Communists. (See São Paulo Despatch 86 Divisions of the São Paulo Labor Movement September 1, 1960). As it now stands the MRS group has scheduled its own national meeting which is to be held in São Paulo a week later on July 29, 30.

The executive board of MSD has drafted and approved rules of order for the congress which prohibits the discussion of topics not pertaining to labor-management relations or trade union matters. Delegates who violate the approved rules of order will lose the right to speak for the duration of the congress.

The Communists who are still attempting to preserve the State Trade Union Council (CST) and unity are reported to be deeply concerned with the coming democratic congress. Luiz Tenorio de Lima president of the São Paulo State Federation and Food Workers, one of São Paulo's leading Communist trade union leaders promised the aforementioned Magaldi that they (the Communists) would not discuss Laos, Cuba, the Congo and other political issues if the democrats would return to the CST. Antonio Chamarro, secretary general of the São Paulo State Federation of Textile Workers and another leading Communist told Magaldi that the Communists would actively support the commercial workers in future campaigns for increased wages, better working conditions etc., if the Commercial workers would return to the CST. Lourival Portal da Silva reports that the Communists are now planning to hold a meeting in Campinas over the weekend of July 29, 30 in an attempt to take the limelight away from the democratic convention.

The democratic group also feels that many of the up to now uncommitted non-Communists will at the last minute decide to participate in the congress. They also feel that Luiz Menossi president of the

0096

CST and president of the State Federation of Construction Workers will pull out of the CST and join the democratic forces.

William P. Cochran, Jr.
Minister Consul General

cc: Amembassy Rio

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FOREIGN SERVICE DESPATCH

FROM : Amembassy RIO DE JANEIRO 38
DESP. NO.

TO : THE DEPARTMENT OF STATE, WASHINGTON. July 14, 1961
DATE

REF :

no action
file
ESTIB - A. W. Wilson
9-10-61

JUL 22 1961

20 For Dept. Use Only	ACTION	DEPT.	RM/R-2 REPI INR-7 P-3 ID-4 S/IA-1 S/P-1
	REC'D 7-25-61	INFO OTHER	CIA-10 LAB-8 HEW-5 USIA-10

SUBJECT: Left-wing Press Refers to U.S. Concern Over Brazilian Labor Policies

The pro-Communist Ultima Hora of July 11, 1961, contained the following statement in the Labor Column, which is prepared by José Nunes Pires, the leading labor writer for the paper:

> "Fausto Rivera Cardoso, ex-President of the National Confederation of Commercial Workers and its [sic] current Representative in the governing body of SAPS; although now separated from that function because of certain irregularities which have been found in the organization, lunched yesterday in the restaurant of the ABI [Brazilian Press Association] with Mr. John Ray Campbell, Director of the U.S. Social Security [sic] who is now in Brazil to study the Brazilian social security system and our labor movement. After the meeting, Fausto Cardoso told Ultima Hora that the American Government is much interested in knowing the details of Janio Quadros' intervention in the Social Security Institutes and other social problems, including the leftist tendencies of Minister Castro Neves."

It is true that Mr. Cardoso, together with the Assistant Labor Attaché, had lunch with Mr. Campbell on the day indicated. Mr. Cardoso has informed the Labor Attaché that he talked with Mr. José Pires for almost an hour shortly following the lunch and that he referred to having lunch with Mr. Campbell. However, he says that he in no way referred to the two points brought out in the paragraph quoted above, and adds that he called Mr. Pires and protested the account. Mr. Cardoso is a very voluble speaker and sometimes is not as careful as he should be. Whether he made any statements that might be interpreted along the above lines is therefore unknown.

The Labor Attaché considered sending a letter to the editor of Ultima Hora indicating that Mr. Cardoso had informed him that he had made no such statement to Ultima Hora and that Mr. Campbell had confirmed that no such points had been covered in the luncheon discussion. The main

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purpose of the letter would have been to remove any pretext for Government criticism of U.S. labor policies for being overly interested in Brazil's labor affairs to an extent that might be regarded as intervention in Brazil's domestic affairs.

However, it was decided not to send the letter, since the alleged author of the statements is a Brazilian, and since the letter would place its author in a position of stating that the newspaper is inaccurate on the basis of information received from others. Furthermore, any reply immediately encountered the problem of the Embassy's actual attitude and of its relation to the free labor movement, which is trying to develop strength without depending entirely upon the Government. It is, of course, true that the Embassy is concerned with some of the assistance which the Minister of Labor has given to Communists in the labor movement, and we are also interested in the Government's relationships with the social security system in terms of its utilization by the Communists, as well as our general desire to understand the outstanding political relationships in any country. However, it is likewise true that the Minister of Labor has taken some actions in favor of the anti-Communists, and overall, it is not yet possible to draw an accurate balance of the Minister's position on the Communist issue. Finally, if the letter were to indicate or imply a lack of concern with Communist labor activities, it might be regarded as a discouraging development by the anti-Communist labor forces, many of whom do regard the Minister's position as more pro-Communist than the Embassy can determine at this moment.

At the moment therefore, the Embassy is making no public response to the column's allegations. If the matter should be pursued further, additional consideration will be given to a public statement, in view of all the then available facts.

For the Ambassador,

John T. Fishburn

John T. Fishburn
Labor Attaché

APPROVED BY:

Niles W. Bond
Deputy Chief of Mission

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FOREIGN SERVICE DESPATCH

FROM : Amconsul SANTOS, Brazil — DESP. NO. 4

JUL 21 1961

TO : THE DEPARTMENT OF STATE, WASHINGTON. — DATE July 14, 1961

REF : Consulate's Despatch No. 36 of April 25, 1961

For Dept. Use Only	ACTION	DEPT.	
55	ARA-4	INFO	RMR-2 EMA-1 REP-1 TO-3
	REC'D 7/25	OTHER	CIA-10 USIA-10 LAB-8

DEPARTMENT OF STATE
SUPPLY OF
INTER-AMERICAN AFFAIRS

SUBJECT: Communists and the Santos Coffee Loaders and Sackers Union

SUMMARY

This despatch supplements the information contained in the above-referenced communication, which described communist activity in the Coffee Loaders and Sackers Union of Santos, and should be read in conjunction with it.

The Santos Coffee Loaders and Sackers Union (Sindicato dos Carregadores e Ensacadores de Café de Santos), founded July 27, 1919, now has 1,492 members who enjoy a monopoly of the work of unloading bags of coffee from trucks arriving from the interior of the country and placing them in privately-owned warehouses, loading trucks with coffee bags destined for the storage sheds of the Santos Dock Company and mending sacks which have become damaged in transit.

The union assures regular employment for its members in the following manner: first preference is given to union members who have not worked for the longest period of time - these are considered in the "câmbio" category. Second preference is accorded a group called the "dobra", which has worked more recently than the loaders in the "câmbio" category; third preference is given to members who have worked most recently, denominated the "avançado" category; and last preference is granted to individuals who are not union members but desire work. These are the so-called "avulsos", of which there are about 500 in Santos.

The Coffee Loaders and Sackers Union held its last election on January 24, 1961. Two slates disputed and #1, the anti-communist, won by the narrow vote of 402 to 382. So confident were the communists that their ticket, slate #2, would win that they were already jubilantly celebrating its victory when news came that the last ballot box to be opened had given the final triumph to the anti-communists.

Accordingly, on March 11 the following newly-elected officials

cc: Amembassy Rio de Janeiro; amconsul São Paulo.

VirgilPRandolphIII/vpr
REPORTER

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took office: President: José Silvano de ANDRADE; Vice President: Elpidio Caetano de LIMA; Secretary: Expedito Guedes RODRIGUES; Treasurer: Benedito João [not "Goes" as reported in the above-referenced Consulate's despatch] de ALMEIDA; Second Secretary: Manoel Soares da COSTA; and Second Treasurer: José Amadeu de OLIVEIRA. The most important person among this directorate is Expedito Guedes Rodrigues, previously the union's President and currently President of the Santos Forum Sindical de Debates, or City Central.

Born out of wedlock in Mogi das Cruzes, State of São Paulo, on September 20, 1920, Guedes Rodrigues is an ex-communist himself and a tough and shrewd union boss under whose control the union has prospered. He is a strong anti-communist of some years standing and effectively combats the reds in both his union and in the Santos City Central.

According to Dr. Fortunato de OLIVEIRA MARTINS, a regular and reliable anti-communist source of the Consulate, the communist candidate for President of the Coffee Loaders and Sackers Union last January was Mario da SILVA.[1] His running mate for Secretary was the communist Pascoal SPOSITO, born in Santos on June 25, 1905, and no relation to Orlando SPOSITO, communist President of the Santos Typographic Workers Union. The most dangerous communist in the Coffee Loaders Union, according to Oliveira Martins, is José Alfredo da SILVA,[1] for many years a militant red. Other communists in the union have been identified in the Consulate's above-referenced despatch.

This red nucleus of some sixteen members of the union is tireless in attempting to wrest control of the union away from Expedito Guedes Rodrigues, but thus far the latter has been successful in retaining control of his important labor group for himself and his anti-communist associates.

Virgil P. Randolph III

Virgil P. Randolph, III
American Consul

[1] For biographic particulars, see the Consulate's despatch under reference.

0101

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FOREIGN SERVICE DESPATCH

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FROM : Amconsul SANTOS, Brazil

TO : THE DEPARTMENT OF STATE, WASHINGTON.

JUL 21 1961
DATE

July 18, 1961

REF : Consulate's Despatch No. 53 of June 23, 1961

55 For Dept. Use Only	ACTION	ARA-3	INFO	DEPT	RM/R 2	REP 1	AF	ARA	EUR	FE	NEA	CU	INR 7	E	P	IO	ICA
				OTHER	AGR	COM 10	FRB	INT	LAB 8	TAR	TR	XMB					
	REC'D 7/25				AIR	ARMY	CIA 10	NAVY	OSD	OCB	USIA 10						

SUBJECT: Further Activities of the Santos Centro de Navegação Against Bill No. 850/55

The reporting officer has received the following information from Charles EDWARDS, President of the Centro de Navegação Transatlántica de Santos (the Santos association of shipping companies) concerning its activities to defeat the passage of the proposed Brazilian Bill No. 850/55 which, if adopted, would take the lucrative stevedore contracting business in Brazil out of the hands of the private contractors (mostly shipping agencies) and put it into those of the various stevedore unions. The Bill, now over 5 years old, has been reported out of the Transport Committee of the Chamber of Deputies and currently faces a vote by the Chamber. The Bill has been strenuously resisted since its inception by the Santos Centro, which has taken the lead to work against it to protect the interests of shipping companies using Brazilian ports, as the Centro regards passage of the Bill as most inimical to the business of its members and injurious to Brazilian commerce as a whole.

According to the information possessed by the Centro de Navegação here, President Jânio QUADROS has made an agreement with Vice President João GOULART in order to secure labor support against Senator Juscelino KUBITSCHEK in his battle for the Presidency in 1965. The Centro believes that, at least respecting Bill No. 850, whose adoption into law has long been earnestly sought by the politically-powerful Brazilian stevedore unions and their allies, President Quadros has "sold out" to Vice President Goulart and does not now plan to exert himself to oppose passage of the Bill 850.

Alarmed at the possibility that the executive branch of the

cc: Amembassy Rio de Janeiro; amconsul São Paulo.

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DEPARTMENT OF STATE
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AUG 2 1961

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government will not work against the Bill before it comes to a vote in the Federal Legislature or veto it if it should be passed, the Centro is presently studying ways and means directly to approach the President in order to put pressure on him to oppose the Bill. The Santos Centro is actively considering using War Minister Odilio DENYS as its contact man since "although he does not have 50,000 votes behind him, he certainly does have 50,000 guns".

The Santos Centro is also concerned that its representatives were unable to obtain an audience with the President when he was recently in São Paulo, whereas Quadros received a delegation from the big Santos Port Services Workers Union led by its communist President Manoel de ALMEIDA (see Consulate's despatches Nos. 19 and 24 of January 5 and February 21, respectively), which the Centro believes discussed the question of Bill No. 850 with President Quadros.

The reporting officer has been given the impression that the Santos Centro de Navegação has considerable faith in the War Minister as a conservative check on Quadros' free-wheeling policies.

The reporting officer will endeavor to keep the Department informed on this subject.

Virgil P. Randolph III

Virgil P. Randolph, III
American Consul

0103

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JUL 21 1961

FOREIGN SERVICE DESPATCH

FROM : AmConsul, RECIFE, BRAZIL. — NO. 33

TO : THE DEPARTMENT OF STATE, WASHINGTON. — DATE: July 20, 1961.

REF : None.

20 For Dept. Use Only	ACTION	INFO	DEPT	RM/R	REP	AF	ARA	EUR	FE	NEA	CU	INR	E	P	IO	ICA
	ARA-4			2	1							7	3	3	4	11
			OTHER	AGR 10	COM	FRB	INT	LAB 8	TAR	TR	XMB					
	REC'D 7-29-61			AIR	ARMY 4	CIA 10	NAVY 4	OSD	OCB	USIA 10	USA 4					

SUBJECT: "LIGAS CAMPONESAS": BISHOP REPORTS FERTILE GROUND FOR FUTURE ACTIVITIES BY "LIGAS CAMPONESAS".

Attached as Enclosure No. 1 is a translation of an editorial which appeared in the DIARIO DA NOITE on July 12, 1961. The editorial praises a recent report made by the Bishop of Garanhuns (Pernambuco), Dom José Adelino about reported activities by the "Ligas Camponesas" in Xexeu, Pernambuco. The Bishop found that the rumours were false, but he predicts that the future will belong to the radical groups in such villages if something is not done soon by the Church, State, and sugar interests to improve conditions in these areas.

832.062/7-2061

Encl as m.

Albert A. Rabida
American Consul

Two cc: Amembassy, Rio de Janeiro.

DEPARTMENT OF STATE
BUREAU OF
INTER-AMERICAN AFFAIRS
AUG 2 1961

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"SOCIAL MISERY AND 'LIGAS CAMPONESAS'."

"In the Catholic newspaper 'A TRIBUNA', the bishop of Garanhuns, D. José Adelino, has published a lucid and timely article entitled: 'Misery, Injustice and Ligas Camponesas.'

"Whoever has a portion of responsibility in settling the social problems, should study the statement of the bishop, who speaks from personal knowledge. In the small Village of Xexeu, situated alongside the paved road between Pernambuco and Alagoas, D. Adelino had the opportunity to observe the misery of the people, where there had been alarming news about the 'Ligas Camponesas'. What the bishop of Garanhuns found was a calmness, which, according to the rumours, he would never have suspected. But he also found poverty, abandonment, and social injustice in the faces, words, testimonies, and conversations of the men, women and children.

"That humble and good people were adamant in saying that they had had nothing to do with the 'Ligas Camponesas'; and that the recently reported sensational events [redacted] had not [redacted] taken place in Xexeu, but in 'Engenho Limão', far from the Village. Therefore, does the problem fail to have importance and seriousness there? Definitely not, because the human picture that was there, was, indeed, sufficient to show that the people had been abandoned, disregarded by everybody and at the mercy of the first persons who would come to set fire to those unprotected souls.

"D. Adelino made good reflection in his article: it involves a rotten fruit that will eventually fall. 'No natural law can prevent the fall of the ripe fruit.' And he adds that the peasant is not guilty in this respect. He writes these strong, hard, and penetrating words, with amazing courage, intrepidity, and realism. 'The guilty ones, I say, are all of us. We of the Church, we of the Government, we sugar mill owners, and we proprietors. We probe reality, we feel its sharpness, we have the mentality and the wherewithal, illumination, capacity and means to act, but, nevertheless, we cross our arms and we pay no attention. The plot of ground is abandoned to the tricky persons, to the red opportunists, and they would be silly if they refused the offering.'

"These are words that we should guard, even though we know that not everybody crosses their arms, nor not everybody pays no attention. However, the truth is that very little is cultivated on this plot of ground. So, the first persons who arrive plow the field and plant the seeds. The innocent and abandoned population accepts them because they are first to arrive. Then, tomorrow, who can pull out this tree by its roots?"

Translation: D.vonSohsten
Source: DIARIO DA NOITE, July 12, 1961.

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INCOMING TELEGRAM Department of State 832.062/8-261

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Action ARA

Info SYL E COM ~~IAB~~ RMR

Control: 1879
Rec'd: August 2, 1961 6:53 p.m.

FROM: Sao Paulo

TO: Secretary of State

NO: 59, August 2

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ACTION DEPARTMENT 59; INFORMATION RIO 20.

FOR HENRY HAMMOND, ARA.

Inquire whether program AFL-CIO delegation to ORIT economic conference Sao Paulo August 16 20 would permit acceptance invitation to lunch with American Chamber Commerce on August 17, Schnitzler to address group.

COCHRAN

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Aug 4 5 21 PM '61

SENT TO: Amcongen SAO PAULO

Page ___ of ___ Pages

Your telegram 59, August 2, 1961.

Schnitzler accepts invitation with pleasure. Delegation consists of Mr. and Mrs. William Schnitzler, Mr. Lester Zosel, Mr. Ralph Weiser, Mr. Richard Walsh, Mr. and Mrs. Claude Jodoin, Mr. Andrew McLellan, Mr. Lloyd Haskins, plus Romualdi and Rieve.

Rusk (actg)

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Airgram transmission and classification approved by: ARA:RPA:Edmundson

Clearances: EST/B - Mr. Wilson (cleared in draft)

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962.73
732.1001

FOREIGN SERVICE DESPATCH

FROM : Amconsul SANTOS, Brazil — NO. 13 — DATE: August 10, 1961

TO : THE DEPARTMENT OF STATE, WASHINGTON.

REF : Consulate's Despatches Nos. 53 and 7 of June 23 and July 18, 1961

For Dept. Use Only	ACTION	INFO	DEP	RM/R	REP	WH	USIA	EUR	NSA	CU	INR	E	P	IO	ICA
	ARA-4			2	1	3	1	5	1	1	7		3	4	
			OTHER	AGR	COM 6	FRB	INT	LAB 8	TAR	TR	XMB				
	REC'D 8-16			AIR	ARMY 4	CIA 15	NAVY 4	OSD 5	OCB	USIA 5	NSC 1	NSA 4	POL 1		

SUBJECT: Labor Dispute Between the Santos Stevedores and the Hamburg Süd Shipping Company, its Ramifications and Repercussions

SUMMARY

A minor dispute occurring August 5 between the Santos Stevedores Union and a German shipping company has ballooned into a major issue between labor and capital on one hand and the Labor and Navy Ministries on the other as a consequence of the arrest of a local communist labor leader by the Captain of the Port of Santos. Fanned by communist labor agitators, the local unions are demanding the ouster of the Captain of the Port and the reimposition of the right of the Santos Stevedore Union to collect directly from the local shipping companies stevedores' vacation pay, a long-standing local labor grievance now before the courts.

The events related in this despatch illustrate how the communists in Brazil are quick to take advantage of the emotions unleashed by labor strife and exemplify the tension in this country between labor and foreign capital which can burst into open conflict at the slightest provocation. The ramifications of this labor dispute also shed light on the cross-currents within the Brazilian Government, notably the antagonism between the conservative military and the communist-infiltrated labor sector.

About 7 a.m. on August 5 a stevedore gang refused to shift cargo on the German freighter Cap Salinas, owned by Hamburg Süd Companhia Maritima, S.A.'s insistence upon paying its stevedores on a tariff basis, i.e., by weight or volume of the cargo handled, rather than on a piecework basis. When the stevedores continued to refuse to work the ship, Hamburg Süd, in accordance

cc: Embassy Rio de Janeiro; Amconsul [illegible]

832.062/8-1061 CS

DEPARTMENT OF STATE
BUREAU OF
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AUG 21 1961
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Virgil Randolph III/vjr — CONFIDENTIAL
REPORTER

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

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with Brazilian law, deposited the disputed difference (about Cr$81.000,00) with the Santos Maritime Labor Delegacy and notified the Maritime Labor Delegate of the dispute. After the stevedores persisted in their refusal to work the Captain of the Port, Aureo Dantas TORRES, who is also the Maritime Labor Delegate, sent a platoon of his Marines about 2 p.m. to substitute for the stevedores. At this time Manoel de ALMEIDA, communist President of the Santos Port Services Workers Union (all of whom are employees of the Santos Dock Company), arrived on the scene and ordered a total cessation of work on the Santos quays. Almeida later gave his reasons for this action as (1) he feared the inexperienced Marines might endanger the ship (2) he feared his own angry union members might riot and damage both the ship and Dock Company property and (3) his union had a mutual pact with the communist-influenced Stevedores Union to come to each other's aid in the event of a labor dispute. Almeida was then arrested by the lieutenant commanding the Marine detachment for interference in the execution of his orders and taken before the Captain of the Port, where he was held virtually incommunicado.

In the meantime the news of Almeida's detention spread like wildfire along the quays and all loading and unloading operations ceased as the port and dockworkers proclaimed a general strike until Almeida should be released. A menacing crowd of portworkers and labor leaders, including Urias GOUVEIA, President of the Santos Truckdrivers Union; Expedito Guedes RODRIGUES, Secretary of the Santos Coffee Loaders and Sackers Union; Vitelbino Ferreira de SOUSA, Vice President of the Santos Metallurgical Workers Union; Antônio Vitor dos SANTOS, President of the Santos Public Transportation Workers Union; Raimundo Soares VASCONCELOS, President of the Santos Stevedores Union; Waldemar Neves GUERRA, President of the Santos Port Services Administration Employees Union; Geraldo Silvino de OLIVEIRA, President of the Cubatão Petroleum Workers Union; Antônio RODRIGUES, ex-Secretary General of the Santos Port Services Administration Employees Union; Oswaldo LOURENÇO, current Secretary General of the Santos Port Services Administration Employees Union; and José VIEIRA, a member of the latter union and a temporary member of the Santos City Council - the last five of whom are all communists - appeared at the Captaincy of the Port to demand Almeida's release. Fearful of a brawl, the Captain of the Port restrained the growing crowd with armed sailors and marines, and refused admittance to all journalists and even to Almeida's lawyers, and reluctantly permitted only union presidents to see the detained labor leader.

By 9:30 p.m. the lawyers for Almeida's union, Frederico José AFFALO and Dante LEONELLI, both known communists, appeared with a writ of habeas corpus and Almeida was released, to be triumphantly acclaimed by the milling throng of portworkers.

Immediately after Almeida's release the Santos Forum Sindical

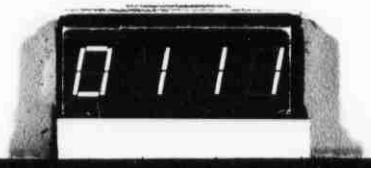


de Debates (City Central) met at the headquarters of the Port Services Workers Union, where in a long and extremely heated session attended by 1,500 persons Captain Torres' arbitrary measures were denounced and his dismissal violently demanded. A number of communist labor leaders spoke in favor of paid vacations for stevedores (see the Consulate's despatch No. 53 of June 23, 1961), draft law # 850/55 (Consulate's despatch No. 7 of July 18, 1961) and expropriation of Hamburg Süd. Also present at this meeting was CARVALHO, a functionary of the Federal Labor Ministry who had been authorized by Labor Minister Castro NEVES to act as his representative in the dispute. Carvalho declared to the assembled portworkers that no union demands could be discussed until after the dockworkers returned to work, but that the Labor Minister would receive a delegation of Santos port and dockworker union leaders in São Paulo on August 7. Amid high feeling in the wee hours of Sunday morning the dock strike was called off.

On August 6 stevedoring was resumed on all ships in Santos save for the Cap Jalinas and a second Hamburg Süd vessel in port. The reporting officer is informed by Mr. Charles EDWARDS, President of the Santos Centro de Navegação Transatlântica (an association which represents all local shipping companies), that about 10:30 a.m. the Captain of the Port telephoned Dr. Ildélio MARTINS, chief of the Labor Department in the Federal Labor Ministry (and himself until recently chief attorney for the Santos Stevedores Union) who, acting in the absence of the Labor Minister, instructed the Captain of the Port to stand aside and let the dispute be settled directly between the stevedores and Hamburg Süd without the mediation of the Maritime Labor Delegacy.

This course of action - virtual abdication by the Captain of the Port of his authority in the dispute - was strongly opposed by the President of the Centro de Navegação, who suggested instead that Hamburg Süd pay the disputed Cr$1.000,00 over to the stevedores at once but reserve to the Maritime Labor Delegacy final judgement in the case. But Captain Torres, although highly indignant at the Labor Ministry for failing to back him up, reluctantly accepted Martins' instructions after he was reminded by Martins that his promotion to Rear Admiral was shortly due for consideration. Particularly galling to Captain Torres was the fact that only a short time before he had received explicit instructions from President QUADROS himself through the Labor Ministry that local shipping companies should on no account make any agreements direct with the labor unions, but submit any and all disputes to the Maritime Labor Delegacy for arbitration.

On August 7 the stevedores continued to clamor for the removal of Captain Torres as Captain of the Port, and the reporting officer is given to understand that the latter was pondering whether or not to resign, feeling that the Labor Ministry by failing to back him up had caused him to lose face vis à vis the local labor unions.



On the morning of August 7 a group of Santos labor leaders, including Oswaldo Pacheco da SILVA, communist President of the National Federation of Stevedores; Felipe Nunes RODRIGUES, Secretary of the National Federation of Portworkers; Manoel de Almeida; Raimundo Soares Vasconcelos; Paulo Sérgio de ARAUJO, communist President of the Santos Wheat Industries Workers Union; Expedito Guedes Rodrigues; Oswaldo MARTINS, Secretary of the Santos Steamship Company Employees Union; Vitelbino Ferreira de Sousa; and Oswaldo Lourenço, the four latter persons representing the Santos Forum Sindical de Debates, met with Labor Minister Francisco Castro Neves, São Paulo Regional Labor Delegate Resende PUECH and other officials from the Labor Ministry.

According to the press the Santos labor leaders repeated their demands for the removal of the Captain of the Port, demanded holiday pay for stevedores, extra pay for "unhealthful" and "dangerous" work on the Santos quays, and other benefits which in fact had little to do with the Hamburg Sud controversy. According to Mr. Edwards of the Santos Centro de Navegação, the union leaders also accused Hamburg Süd and Martinelli, S.A., another Santos shipping agency, of having been chosen by the Centro de Navegação to create a labor dispute which could be used as a test to force the Brazilian Government to a showdown with the stevedores.[1]

According to Mr. Edwards' information, which comes from Dr. Manoel de Carvalho who was with the Labor Minister in São Paulo at the meeting, the Labor Minister, although refusing to sanction the removal of the Captain of the Port, did adopt an attitude wholly sympathetic toward Almeida and his labor colleagues.

According to the press, the Santos labor delegation expressed its satisfaction with the attitude taken by the Labor Minister.

On August 7 Captain Aureo Dantas Torres also interviewed the Labor Minister in São Paulo. According to Dr. Carvalho, who was also present at this meeting, the Labor Minister upbraided the Captain of the Port for his actions and showed himself completely at one with the Santos stevedores and their allies. Captain Torres then showed the Labor Minister his own report to the Minister of the Navy giving his side of the dispute, in which he accused Dr. Ildélio Martins, the Chief of the Labor Ministry's Labor Department, of bias and favoritism toward his former employers, the Santos Stevedores Union.[2]

[1]Mr. Edwards denies this emphatically, stating that the dispute was entirely spontaneous and took the shipping companies unawares.

[2]Mr. Edwards added that on August 6 Captain Torres had telephoned to the Office of Naval Intelligence in Rio and had read to him Martins' dossier on file there, which indicates that Martins in 1943 had been a member of the Communist Party of Brazil.

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The meeting became heated, and Mr. Edwards' source stated that he feared the two would come to blows. The upshot was that Castro Neves instructed Dr. Carvalho to inform the Santos Centro de Navegação that regarding the separate and broader question of stevedores' vacation pay,[3] the Santos Centro should continue to remit directly to the Stevedores Union the vacation pay accrued by union members, pending the result of the union's appeal. When Dr. Carvalho attempted to remonstrate with Castro Neves, pointing out that this procedure would run counter to the judgement recently rendered by the courts, nothwithstanding the stevedores' appeal, the Labor Minister, according to Dr. Carvalho, replied that the Santos shipping companies had better comply with his decision, or else the Brazilian Government would "organize its forces against foreign shipping companies in Brazil".

In the late evening of August 7 the same Santos union leaders who had conferred with the Labor Minister in São Paulo met at the Santos Stevedores Union headquarters, reinforced by José Silvano de ANDRADE, non-communist President of the Santos Coffee Loaders and Sackers Union; Alberto Pires BARBOSA, communist Second Treasurer of the Santos Port Services Administration Employees Union; Paulo Sérgio de ARAUJO, communist President of the Santos Wheat Industries Workers Union; and others. This group at length decided to send a detailed memorial of their grievances to President Jânio Quadros.

On August 7 the Santos City Council also got into the act by voting unanimously to send to President Quadros its request that he investigate the whole situation. A motion by the communist Councilman Antonio Rodrigues asking the President to remove Captain Torres was beaten down.

On August 8 Captain Torres journeyed to Rio de Janeiro to discuss the dispute personally with Navy Minister Sylvio HECK. According to Mr. Edwards, Captain Torres was outraged with Labor Minister Castro Neves and with Dr. Martins, and had received assurances of full support from Admiral Heck against the Labor Ministry. According to the Centro de Navegação's information, the Brazilian General Staff met in Rio de Janeiro on the same day to weigh, not the labor dispute in Santos, but its displeasure over Captain Torres' "desprestígio" at the hands of the Labor Ministry. Captain Torres was present at this meeting, whose results were at once communicated to the President in Brasília.

In the meantime, still according to Mr. Edwards, the Santos

[3] As reported in the Consulate's despatch No. 53 of June 23, 1961, the Centro recently won a legal decision staying the payment of vacation pay by shipping agents in Santos to stevedore unions. This decision has been appealed by the Stevedores Union to the Court of Appeals, but as yet no final decision has been handed down.

0113

Centro de Navegação, in view of the Labor Minister's attitude in the matter of holiday pay for stevedores, was willing to deposit such monies with any organism of the Labor Ministry, but not with the Stevedores Union itself, pending legal resolution of the steyedores' appeal of the vacation pay dispute. In fact, the Centro on July 31 had so informed Oswaldo Pacheco da Silva of the National Stevedores Federation, who had flatly refused. On August 8 Dr. Carvalho, acting as go-between from the Labor Ministry and the disputants in Santos, informed the Centro and the Stevedores Union that President Quadros now wished to receive suggestions from both sides as to how the vacation pay controversy (still pending in the courts) might be settled. Pacheco da Silva first insisted upon the stevedores union receiving its members' vacation pay directly from the shipping lines, while the Centro reiterated its proposal of July 31. When this proposal of the Centro was again communicated to Pacheco da Silva in the early afternoon of August 8 he accepted it, subject to approval by the other members of the directorate of the National Stevedore Federation. Pacheco's acceptance was at once communicated to the Labor Minister, who declared himself satisfied with this agreement in principle between the stevedores and the shipping companies and, oddly enough, particularly pleased with the attitude taken by the Santos Centro de Navegação.

It should be noted that Pacheco's and Castro Neves' new positions in the vacation pay matter represented a considerable change from their previous intransigeant attitude.

Just at this moment the President of Brazil, from his Olympus in Brasília, hurled a Jovian thunderbolt into the growing controversy by issuing the following memorandum to his Labor Minister:

"(1) Once more, without having sought the proper authorities, i.e., your Ministry or the Presidency itself, the Santos portworkers have refused to unload ships, momentarily paralyzing that port. I find this strange. I considered these workers my friends and by training incapable of causing harm to the country at this difficult juncture. (2) Please warn them: the Government will not tolerate any movements of this nature, which are illegal and contrary to national development, and you are not to enter into any understanding with the strikers under the circumstances. (3) This should be very clear."

This directive brought immediate reaction from the communist Waldemar Neves Guerra of the Port Services Administration Employees Union, who announced that he considered the President's instruction "injurious to the interests of the workers" and "stirring up the problem all over again". He also hinted darkly that the Captain of the Port must have been acting under orders to arrest Almeida in the first place.

0114

The Centro de Navegação in Santos believes the abrupt shift in attitude of the Minister of Labor was caused by the receipt of the President's biletinho, and the President's unequivocal attitude was nothing less than the result of strong pressure on him from the Brazilian General Staff after its morning meeting in Rio de Janeiro. According to information received by the Centro de Navegação, the Brazilian military is displeased at Quadros' decision to resume diplomatic relations with the Soviet Union and is currently in a mood to strike back at what it considers communist pressures on the Brazilian Government.

On August 9 Mr. Edwards of the Santos Centro de Navegação Transatlântica and Sr. Sylio POPPE, President of the Santos Associação Profissional das Entidades Estivadoras were invited to meet with the Labor Minister in Rio de Janeiro on August 10 to discuss the original dispute, the vacation pay controversy and indeed the whole field of stevedore-shipping companies labor relations. As a result of President Quadros' instructions to the Labor Minister the local shipping companies were much more confident of obtaining an impartial hearing of both sides of the dispute.

Also on August 9 the Forum Sindical de Debates met to reconsider, in light of President Quadros' instructions to his Labor Minister, the Santos unions' memorial to the President. Attending the session were most of the union leaders who have previously been mentioned, and after long discussions the wording of a memorandum, moderate and respectful in tone, was agreed upon. The unions did not demand the removal of the Captain of the Port, although they accused him of having taken "a series of measures detrimental to the workers, especially the stevedores," ever since his appointment to Santos. Two of Captain Torres' subordinates were harshly criticized for anti-union bias, and Dr. Carvalho's conduct was lauded. The memorial concluded with a request that the President "examine the case with the justice he is accustomed to accord the interests of labor and the port of Santos" and "take the necessary steps to satisfy the anxieties of the port's workers."

At this meeting of the Forum Raimundo Soares Vasconcelos, President of the Santos Stevedores Union (who is himself an ex-communist), admitted that the President's biletinho to the Labor Minister had "given increased strength to the shipping agencies, who

[4] The Centro de Navegação, strictly speaking, represents only foreign shipping companies, while the Associação Profissional represents only the Brazilian shipping companies using this port. In fact the two entities are one and the same, and the reporting officer is aware that Sr. Poppe is little more than a puppet of the Centro. Charles Edwards is a naturalized Brazilian born in Uruguay of English antecedents.

0115

now feel at liberty to ignore the rights of the port workers."

On the morning of August 10, as the Centro de Navegação's representatives were meeting in Rio de Janeiro with the Labor Minister, a group of Santos union leaders went to São Paulo to deliver their memorial personally to Jânio Quadros, who was visiting that city to open a museum of baroque art.

COMMENT:

The reporting officer believes that the local shipping companies realized that their dispute with the stevedores over vacation pay would sooner or later come to a showdown, but had hoped to fight the issue quietly through the courts and keep emotion at a minimum. But the communists were quick to sieze upon a trivial and unrelated labor dispute to force the controversy into the open, exacerbate local labor relations and discredit the Santos Maritime Labor Delegacy by forcing the resignation of the Captain of the Port. In their efforts the communists were undoubtedly assisted by Captain Torres' want of finesse in handling Almeida's arrest and the local and not unnatural prejudice against foreign capital in favor of Brazilian labor.

The real issue at stake seems to have passed beyond the sphere of labor into the realm of high politics, with the Brazilian military up in arms over the "soft" attitude evinced by the Labor Minister toward communist-infiltrated labor groups. At the moment it would appear as if the military has succeeded in communicating its alarm over communism among the Santos unions to President Quadros, which must leave the Labor Minister in an awkward spot with the local unions which only a few days ago had been led to believe that they enjoyed the full backing of the Brazilian Government.

Although at this time of writing the shipping companies' hand against the stevedores would seem to have been greatly strengthened by the President's intervention in the dispute, the fact remains that the communists have succeeded in their aim of posing as the champions of labor against a naval officer who has unwittingly given the impression of defending foreign capitalists against his own countrymen. Thus it would also appear that Captain Torres' usefulness here is at an end.

Finally, it is not inconceivable that if the stevedores fail to obtain satisfaction from the Government, they may call a local or even nationwide general strike which, against the background of passion excited by Almeida's arrest and fanned by communist agitation, could prove explosive.

Virgil P. Randolph III
Virgil P. Randolph, III
American Consul

0116

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FOREIGN SERVICE DESPATCH

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832.062/8-1761
XR 932.73

FROM : Amconsul SANTOS, Brazil — 14 NO.

TO : THE DEPARTMENT OF STATE, WASHINGTON. — AUG 18 1961 — August 17, 1961 DATE

REF : Consulate's Despatch No. 13 of August 10, 1961

For Dept. Use Only	ACTION	INFO	DEP	RM/R	REP	AF	ARA	EUR	FE	NEA	INR	E	P	IO	ICA
20	ARA-3			2	1						1		3	4	11
			OTHER	AGR	COM 6	FRB	INT	LAB 8	TAR	TR	XMB				
	REC'D 8-31-61			AIR	ARMY 4	CIA 10	NAVY 4	OSD 5	OCB	USIA 10	NSA 4	NSC	FBI		

DEPARTMENT OF STATE
BUREAU OF
INTER-AMERICAN AFFAIRS
SEP 5 1961

SUBJECT: Further Developments in the Santos Stevedore - Shipping Companies Labor Dispute

SUMMARY

This despatch summarizes the events occurring August 13-16 in the rancorous labor controversy between the Santos Stevedores Union and the local shipping companies which, commencing August 5 with a minor and separate dispute, has forced into the open the long-standing conflict over whether the Stevedores Union or the individual stevedores themselves should receive disbursements of vacation pay owed the stevedores by the shipping companies. The controversy has now become a major issue between labor and capital on one hand and the Labor and Military Ministries on the other, with the communists skillfully attempting to fan and exploit the passions aroused by the affair.

This despatch should be read in conjunction with the Consulate's despatch No. 13 of August 10, which relates in detail the dispute's origins and ramifications.

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On August 10 a delegation of Santos labor leaders representing the Santos Forum Sindical de Debates (City Central) travelled to São Paulo to deliver personally to President Janio QUADROS a memorial giving labor's side of the dispute between the Santos shipping companies and the Santos Stevedores Union, which caused an uproar with the arrest on August 5 by the Captain of the Port of Rafael de ALMEIDA, communist President of the Santos Port Services Workers Union. The union representatives expected to meet with the President immediately after his opening [illegible]

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cc: Amembassy Rio de Janeiro; Aconsul São Paulo.

Virgil Randolph III/vjr — 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

0117

of Baroque Art.

But the President sent word that under no circumstances would he see the union leaders in São Paulo but would meet with them in Brasília on August 17. The labor leaders had to return to Santos empty-handed.

On August 11 the labor chiefs met at the headquarters of the Stevedores Union in Santos to consider the Presidential rebuff. In attendance were Raimundo Soares VASCONCELOS, ex-communist President of the Stevedores Union; Waldemar Neves GUERRA, communist President of the Santos Port Services Administration Employees Union; Oswaldo LOURENÇO, communist Secretary General of the same union; Sérgio MARTINS, communist First Treasurer of the same union; Alberto Pires BARBOSA, communist Second Treasurer of the same union; Antônio RODRIGUES, communist ex-Secretary General of the same union and current member of the Santos City Council; Orlando SPOSITO, communist President of the Santos Typographic Workers Union; José Silvano de ANDRADE, anti-communist President of the Santos Coffee Loaders and Sackers Union; Manoel de Almeida, communist President of the Santos Port Services Workers Union mentioned above; Urias GOUVEIA, anti-communist President of the Santos Truckdrivers Union; Vitelbino Ferreira de SOUZA, anti-communist President of the Santos Metallurgical Workers Union; and half-a-dozen lesser figures. Vasconcelos spoke of his disappointment at the President's attitude but stated that the local shipping agencies were preparing to pay directly to the Stevedores Union the vacation pay of its members, which would represent a victory for the union in its long-standing grievance against the local shipping companies.[1]

But Vasconcelos could not deny that President Quadros had also refused to confer with the Santos union leaders even while he would be vacationing August 10-15 at Bertioga, quite near the city of Santos. Manoel de Almeida informed the assemblage that Dr. Manoel de CARVALHO, a functionary of the Labor Ministry who had been acting as intermediary between the Minister and the Santos unions, had promised to place a Brazilian Air Force plane at the disposal of the Santos labor leaders for their trip to Brasília.

The meeting chose the following representatives to discuss the stevedore dispute with the President on August 17: Raimundo Soares Vasconcelos, Manoel de Almeida, Orlando Sposito, José Silvano de Andrade, Vitelbino Ferreira de Souza, Oswaldo Lourenço, Expedito Cuedes RODRIGUES (anti-communist President of the Forum Sindical de Debates) and José Ferreira CAMPOS, a member of the National Seamen's Union hitherto unknown to the Consulate. The gathering also decided to send a telegram to Labor Minister Francisco CASTRO NEVES as follows: "The Forum Sindical de Debates, representing 54 entities,

[1] As described below, this statement was erroneous.



lends Your Excellency unrestricted solidarity for your courageous, honest and democratic attitude in defense of the workers with reference to the disturbance August 5 in the port of Santos". This telegram was signed by Guedes Rodrigues as the Forum's president.

On August 11 ex-Labor Minister João BATISTA RAMOS, here for a speaking engagement, declared that he supported the "courageous and honest attitude" of Castro Neves, that he thought the "Captain of the Port acted precipitantly" in arresting Manoel de Almeida August 5 and that he considered President Quadros to have "exceeded his authority".

In the meantime, on August 10 Charles EDWARDS, President of the Santos Centro de Navegação Transatlántica (the powerful association of foreign shipping companies using this port) and Sylvio POPPE, President of the Santos Associação Profissional das Entidades Estivadoras (a counterpart organization of Belgian shipping companies) met in Rio de Janeiro with the Labor Minister at the latter's invitation to discuss the question of stevedores' holiday pay.

According to Mr. Edwards this meeting lasted about two hours and Castro Neves did most of the talking. The Minister said that he had campaigned vigorously for Quadros in 1960, had made a careful study of social conditions in Brazil for him and had delivered a long report to Quadros on labor and related problems. He stated that it is now the Brazilian Government's policy to combat labor unrest from the bottom up (i.e., through the workers and not their leaders); that of late communist influence over Brazil's larger labor unions had decreased; but that the Government requires more time to deal with the communist problem. He averred that the Santos stevedore dispute had taken the Government by surprise and appealed to the Centro de Navegação not to yield to the unions' demands under pressure.[2]

Castro Neves then went out of his way to praise the efficiency of the chief of the Labor Ministry's Department of Labor, Dr. Ildélio MARTINS, whom he described as a long-time and devoted public servant. (Mr. Edwards believes this was an effort to defend to the Centro Martins, whom the Minister realizes is distrusted by the shipping companies as well as the Captain of the Port of Santos on account of the revelation that Martins was in fact a member of the Communist Party of Brazil in 1945, as related in the Consulate's despatch under reference.) Castro Neves also mentioned that Vasconcelos, President of the Santos Stevedores Union, owed his position to the influence of Saulo RAMOS, a well-known Santos journalist and coffee expert now a member of President Quadros' secretariat in Brasília.

[2]This statement is at utter variance with the Minister's declaration and actions on August 7, as described in the Consulate's above-referenced despatch.

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(This reference to Vasconcelos would appear highly unlikely, for Vasconcelos' narrow victory in a 3-way contest was made possible only by a split among the stevedores' union's communists, as described in the Consulate's despatch No. 44 of May 26, 1961. Vasconcelos is considered by the Santos police as "recuperado de comunismo".)

Messrs. Edwards and Poppe considered the Minister's remarks interesting, but wide of the point of the meeting and queried Castro Neves as to the Brazilian Government's views on the question of holiday pay for stevedores; however not before flatly telling the Minister that the Santos shipping companies were fighting "ditadura sindical". The Minister replied briefly that the Centro's proposal[3] of August 8 (that the Centro was willing to deposit stevedores' holiday pay with the Bank of Brazil or any other Government agency acceptable to the Labor Ministry but not with the Stevedores Union itself, pending a decision by the Tribunal Federal de Recursos of the union's appeal of a lower court's decision that vacation pay should not be collected by the union directly but by its individual members, or unless Federal legislation was enacted on the matter) was a good one; and that President Quadros was preparing to call Centro representatives to Brasilia to discuss the whole matter. Castro Neves ended the discussion by affirming that the "whole thing was settled".

Mr. Edwards expressed his opinion to the reporting officer that the Labor Minister wished to avoid the issue of stevedores' vacation pay and was stalling for time.

Mr. Edwards has also informed the reporter that tension between the Brazilian General Staff and the Labor Ministry is still acute, and that the military thinks that the Labor Ministry is trying to make Captain of the Port Aureo Santas TORRES the scapegoat for the whole dispute. Edwards added that at the request of a member of Quadros' military household Captain Torres on August 12-13 prepared his own private report on the controversy to be delivered to the President either August 14 or 15, so as to allow the President to study the matter before meeting with the Santos union leaders on August 17.

With the focus of the dispute shifting to Brasília where the President must render a final decision, a lull overtook the quarrel August 13-16, and no public statements were made by either side on these days.

COMMENT:

The original dispute - the trivial question of whether Hamburg

[3] First made to the National Stevedore Federation on July 31.



SUd should pay its stevedores an additional Cr$81.000,00 for shifting cargo on the M/V Cap Salinas - has long since been resolved in favor of the stevedores. At issue now is the violent opposition of the shipping companies to the idea of turning over direct to the Stevedores Union sizeable sums representing its members vacation and holiday pay which the shipping lines fear would be used by the union as a war chest against themselves. (The whys and wherefores of this conflict are treated more fully in the Consulate's despatch No. 53 dated June 23, 1961.) Now after weeks of low-lever skirmishing the issue is being joined at the highest level of the Brazilian Government.

The reporting officer is led to believe that the Centro de Navegação hopes that the twin pressures of its own firm stand in the controversy and the displeasure of the Brazilian armed forces over the Labor Ministry's equivocal attitude toward the dispute will impel the President in this instance to rule against labor and in favor of capital, which would represent a conspicuous reversal of the Brazilian Government's labor policies. The unions for their part are counting on the Government's continuing need for their important political support. Holding the threat of strike as a trump card, labor is not likely to accede gracefully to a defeat in the stevedore controversy. The determination shown by both sides will make Janio Quadros' task in resolving the issue quite difficult.

Virgil P. Randolph
Virgil P. Randolph, III
American Consul

0121

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FOREIGN SERVICE DESPATCH

FROM : Amconsul SANTOS, Brazil

15
NO.

AUG 18 1961
August 18, 1961
DATE

TO : THE DEPARTMENT OF STATE, WASHINGTON.

REF : -----

File: Logan, William - Luce
12-87/13
9-18-61

	ACTION	INFO	DEPT	RM/R	REP	AF	ARA	EUR	FE	NEA	CU	INR	E	P	IO	ICA
20 For Dept. Use Only	ARA-3			2	1							7	3		4	11
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	REC'D 8-31-61			AIR	ARMY 4	CIA 10	NAVY 4	OSD	OCB	USIA 10	NSA 4	INTER-AMERICAN AFFAIRS				

SEP 6 1961

SUBJECT: Elections and Communist Activity in the Cubatão Chemical Industries Workers Union

The Sindicato dos Trabalhadores nas Indústrias Químicas e Farmacêuticas de Cubatão is composed of the employees of four chemical plants located near Santos in the Cubatão industrial complex near the Presidente Bernardes oil refinery. The four plants are Alba, S.A. (makers of plastics, methanol, formaldehyd etc.), Union Carbide do Brasil, S.A. (producers of polyethylene plastics), Copebras (carbon black) and the Companhia Brasileira de Estireno (clear plastics). All these companies are controlled to a greater or lesser degree by U.S. capital.

The Chemical Industries Workers Union, which claims 1,200 members, on August 14-15 held elections for its new officers. With only one slate of candidates entered, the following persons were duly elected:

Directorate Members	Alternate Directorate Members
Claudio José RIBEIRO*	Feliciano José PEIXOTO
Virgílio Pedro da SILVA	Luiz Cruz MARQUES
Luiz Antônio de Carvalho BURLE	Joaquim de JESUS
Clovis Benedito de ALMEIDA	Antônio Rodrigues do VALLE
Assis MENDES	José Pereira de SOUZA
Antônio CAPELLO*	Antônio Nelson do AMARAL
João Marques de SIQUEIRA	Alberto Francisco MARQUES

Finance Committee Members	Alternates
Antônio Batista de LIMA	João Coelho da LUZ
Everaldo LIRA	Moises Barros dos SANTOS
Alfredo BLANK	Teophilo Imperia MAGALHAES

832.062/8-1861

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

0122

National Federation Delegates	Alternate Delegates
Claudio José Ribeiro*	Natanael de SOUZA
Nivaldo Florentino CORDEIRO	Sebastião Vitor da SILVA
Julio KRINAS	Expedito Carlos de MOURA

The new union directorate is substantially identical with the one preceeding, and Claudio José Ribeiro was re-elected President.

The reporting officer has been informed by Mr. W. B. CLENDENEN, an American citizen and plant manager of Alba, S.A. that Claudio José Ribeiro and Antônio Capello, whose names above are followed by an asterisk, have been identified to him by the Delegacia de Ordem Política e Social (DOPS) branch of the Cubatão police as members of the Communist Party of Brazil, and that this identification is borne out by their activities. Both are employees of the Companhia Brasileira de Estireno.

According to Mr. Clendenen the Chemical Industries Workers Union has no more than 750 members, of whom roughly 350 are active in the union. Mr. Clendenen stated that the four Cubatão chemical plants pay their workers good wages by Brazilian standards but less than PETROBRAS at its Presidente Bernardes refinery with its bonus and profit-sharing plans. Mr. Clendenen indicated that labor relations between the union and the four plants have improved somewhat in the last year or so and do not pose any special problems at the present time although minor frictions persist.

Mr. Clendenen explained the tactics of Ribeiro and Capello as simply to agitate for discord between labor and management and, in the guise of helping the workers, seek to disrupt the industrial complex through strikes. Mr. Clendenen gave as his opinion that as the bulk of the workers are reasonably well satisfied at their treatment by the companies the union is not especially receptive to communist propaganda.

Mr. Clendenen said that of the two communist union leaders, Capello was the more intelligent and the better speaker.

COMMENT:

The reporting officer agrees with Mr. Clendenen that the labor scene is quiet in Cubatão just now, but the reporting officer regards the re-election of Ribeiro and Capello as an ill omen for continued tranquillity, for Ribeiro as both union president and its representative to the National Federation is in an excellent position to influence the chemical workers as a group. The absence of a competing slate of candidates lethargy among the anti- or non-communists in the Chemical Workers Union, and Mr. Clendenen admits that the



communist element in the union, although small, is well-organized, while its opponents are not.

The reporting officer is certain that Ribeiro, Capello & Co. will be quick to exploit any labor discord arising in the Cubatão area and will sieze upon every opportunity to make anti-American propaganda in the process.

Virgil P. Randolph, III
Virgil P. Randolph, III
American Consul

cc: Amembassy Rio de Janeiro; amconsul São Paulo.



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HANDLING INDICATOR

FOREIGN SERVICE DESPATCH

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832.062/8-2461

FROM : Amconsul SANTOS, Brazil — NO. 16

AUG 25 1961

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

REF : Consulate's Despatches Nos. 13 and 14 of August 10 and 17, 1961

ACTION	INFO	DEP	RM/R	REP	AF	ARA	EUR	FE	NEA	S/S	INR	E	P	IO	ICA
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REC'D 8-31-61			AIR	ARMY 4	CIA 10	NAVY 4	OSD 5	OCB	USIA 10	NSC					

SEP 6 1961

SUBJECT: President Quadros' Action in the Santos Stevedore - Shipping Companies Labor Dispute

SUMMARY

President QUADROS' refusal to intervene in the due legal determination of the rancorous labor controversy between the Santos Stevedores Union and the shipping companies of this port has resulted in a tactical defeat for the Santos unions, which initially had been led to believe the Brazilian Government would support their demands that the Santos shipping companies pay into the Stevedores Union the vacation pay of its members and that the Captain of the Port of Santos be removed for arresting a labor union president for ordering a dock strike.

This controversy has grown into a major issue between labor and capital on one hand and the Military and Labor Ministries on the other, with the communists attempting to exploit the affair for their own purposes.

This despatch continues the Consulate's detailed reporting of the dispute, and should be read in conjunction with the Consulate's despatches Nos. 13 and 14 of August 10 and 17, respectively.

* * *

(BEGIN OFFICIAL USE ONLY)

On August 19 the Santos labor leaders returned from their visit to Brasília to discuss with President Jânio Quadros the

cc: Amembassy Rio de Janeiro; amconsul São Paulo.

VirgilPRandolphIII/vpr
REPORTER

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dispute over whether stevedores' holiday pay should be paid by the Santos shipping companies directly to the Stevedores Union or to the individual stevedores. According to the published accounts of this visit, a number of requests were made by the Santos union leaders of President Quadros on behalf of their unions. The President agreed with Manoel de ALMEIDA, President of the Santos Port Services Administration Workers Union (whose arrest August 5 by the Captain of the Port had touched off the dispute) to provide the union with a dental clinic; promised President José Silvano de ANDRADE of the Santos Coffee Loaders and Sackers Union to make an official visit to the union to sponsor the union's school; and, in front of President Raimundo Soares VASCONCELOS of the Santos Stevedores Union, authorized the Federal Caixa Economica in São Paulo to construct 80 apartments for members of his union. The President, in conferring these boons, made it clear that he expected port operations in Santos not to be interfered with by wildcat strikes in the future. Said the President, "Before proclaiming any work stoppage the workers must apply to the supreme authority. In this case (i.e., the stevedores-shipping company dispute) I was not consulted. You are my friends, and whenever you have problems like this /one/, which has proved injurious to the stevedores, telephone the office of the President of the Republic or come and see me personally. I am at everyone's disposal". Quadros added that he would give careful consideration to the union leaders' memorial and stood ready to punish the guilty parties "in the event there were sufficient evidence to do so".

With respect to resolution of the holiday pay dispute, the real object of the Santos union leaders' visit, President Quadros ordered the Attorney General to speed up and keep him informed of the deliberations of the Tribunal Federal de Recursos and of its ultimate decision.

The Santos labor delegation thanked the President for both its reception and for the courtesy of Saulo RAMOS of the presidential staff, and asked also that its gratitude be extended to Major CERQUEIRA of the Military Household of the Sao Paulo State Government for having arranged for the group's free transportation to Brasília.

(BEGIN CONFIDENTIAL)

The reporting officer is informed by Charles EDWARDS, President of the Santos Centro de Navegação Transatlántica (the association of foreign shipping companies using this port) that on the day before the Santos union leaders were to meet with President Quadros the Centro sent one of its own officials to Brasília to lay the Centro's case before the Chief Executive. This representative, Ary GONÇALVES (a former Captain of the Port of Pôrto Alegre and a retired Rear Admiral in the Brazilian Navy), spoke for over two hours with one Pedro Geraldo (lnu), a presidential private secretary, who in turn

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explained all to the President before the union leaders arrived from Santos. According to Admiral Gonçalves, President Quadros told the Santos labor delegation to go back to work and let the courts decide in the normal fashion the rights and wrongs of the stevedores' holiday pay question. This order of the President was at once transmitted to the Santos Stevedores Union from Brasília by the labor group.

Admiral Gonçalves has told Mr. Edwards that he overheard the Santos union leaders after their interview with the President glumly discussing the failure of their mission to obtain concessions from Quadros in the stevedore holiday pay dispute, and that he noted there were "no smiles to be seen" on the faces of the Santos union chiefs. Admiral Gonçalves also informed Mr. Edwards that he had learned from another presidential secretary, a brother of José Vicente de FARIA LIMA, that President Quadros has no intention of relieving the Captain of the Port of Santos on account of his conduct in arresting Manoel de Almeida on August 5, despite the clamor for his ouster raised by the Santos unions. /This information has been confirmed to the Captain of the Port from independent sources in the Brazilian Navy./

In view of the above, the Centro de Navegação in Santos is confident that the President does not intend to interfere with the deliberations of the Tribunal Federal de Recursos, which currently has under advisement an appeal of a lower court's decision by the stevedores that their vacation pay should not be collected directly from the shipping companies by the Stevedores Union but by its individual members.

Mr. Edwards has told the reporting officer that the Centro's tactics will now be the following: action by the Tribunal Federal de Recursos will be deferred until the appeal from the lower court can be referred to a member-rapporteur believed by the Centro to be sympathetic to the shipping companies' interests. This member of the court will then study the briefs and make his report to the full court, which will proceed to render judgement. All this will take time, but Mr. Edwards disclaimed any possibility that the Centro plans to resort to bribery. In the expected absence of government pressure to the contrary, the Centro is optimistic that the Tribunal Federal de Recursos eventually will uphold the lower courts decision favoring the shipping interests.

COMMENT:

In this dispute Jânio Quadros has cleverly managed to navigate a course between the Scylla and Charybdis of loss of goodwill from labor and capital. Using his familiar carrot-and-stick, divide-and-



rule techniques, the President has succeeded in mollifying the Santos unions by distributing a few benefits to three of the most important local unions while at the same time reassuring the powerful shipping interests by declining to interfere in their court case. According to the President of the Centro de Navegação, Quadros continues to be displeased at the conduct of Labor Minister Francisco CASTRO NEVES and especially at that of the Chief of the Labor Ministry's Department of Labor Ildélio MARTINS, who in the course of the dispute was revealed to be at least an ex-communist.

The possibility of a strike by the Santos stevedores to enforce their demands seems to have passed, and both parties to the controversy are now committed to await the results of the Federal Court's pronouncement in the case. On balance, the Santos stevedore - shipping companies dispute seems to indicate: (1) that labor disputes sub judice should remain so until the judiciary can render its decision (2) that Brazilian labor cannot at the present moment count on Government support for strikes called without prior consultation with the President and (3) that Jânio Quadros, at least at this juncture, is amenable to conservative pressures from an alliance of capital and the military.

Virgil P. Randolph, III
American Consul

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FOREIGN SERVICE DESPATCH

D-14

NO.

FROM : American Consulate, Curitiba

TO : THE DEPARTMENT OF STATE, WASHINGTON.

August 30 1961.

DATE

REF :

Tily Revelton, E&T/B:RHCrandall 9-25-61

SEP 11, 1961

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				AIR	ARMY	CIA 10	NAVY	OSD	OCB	USIA 10						

SUBJECT: RURAL WORKERS IN PARANA

I. Introduction:

From August 12 to August 15, 1961 the "Congresso dos Trabalhadores Rurais" (CTR) held a meeting in the city of Maringá, northern Paraná. Simultaneously, and in the same city, the "Frente Agraria Paranaense" (FAP) met, and dramatized its meeting with open-air rallies and parades. This despatch is submitted to provide information about the nature and objectives of these two organizations and the social and economic conditions in northern Paraná that have brought them into existence. (UNCL)

II. The Northern Parana Rural Worker:

Most of the workers are employed by the many coffee plantations running across the northern part of the state. The worker signs a contract with the plantation owner which has a validity period of nine months. During these nine months the worker receives his "home", frequently nothing more than a hut, and an average of about 6000 cruzeiros for every 1000 coffee bushes (pés) cared for. With the aid of his family the laborer can care for a maximum of about 4000 pés, giving him an annual payment of about 24,000 cruzeiros. During the harvest season he receives 150 cruzeiros for every bag of coffee. The maximum number of bags one person can bring in is four a day. Some plantation owners permit the worker to cultivate beans, rice and potatoes and occasionally to keep a few dairy cattle on hand. Other owners do not permit any use of the land. (UNCL)

Sanitary facilities are frequently poor. Medical care is often available only at a great dist

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DEPARTMENT OF STATE
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fazendas. There is a chronic unavailability of teachers in the interior of the state because of low salaries and isolation. The result is that many of the children do not go to school. (UNCL)

In other respects conditions could be worse. The worker usually has enough to eat, even though, at times, he has no idea of the nutritional value of foods. Furthermore, the drought problem which continually plagues the northeast is nonexistent in northern Paraná. Also, the climate is more temperate. (UNCL).

Medical and social assistance, education and higher wages are now the rural worker's most pressing needs.(UNCL).

In addition, in the "new north" of Paraná(Londrina to the Paraguay border) where thousands of acres of forest have been cut down to plant coffee, enterprising individuals from the farm labor class have had a chance to become quite wealthy by working on the virgin lands. Since work is undertaken on a contract which gives the laborer the entire profit from the first two coffee crops (normally fourth and fifth years) prosperous farm laborers are not unheard of. However, the best new lands are almost gone, and this outlet for pressure from below is almost exhausted. (UNCL)

III: CONGRESSO DOS TRABALHADORES RURAIS:

The political orientation of this organization can be surmised when it is reported that Francisco Julião was the star attraction at its meetings. Julião gave several speeches, which were described by some who listened to them as "invitations to violence". He said that since it was clear the rural worker could not obtain justice by peaceful means the resort to other means was justifiable. He condemned the agrarian reform bill introduced into the Brazilian Parliament and demanded better wages, improved health and sanitary conditions and a broad program of social assistance to lift the rural worker out of his misery. (O.U. O.)

Julião was given vocal support by federal deputy Josué DE CASTRO, vereador Bonifacio MARTINS (PST) and Senator Nelson MACULAN (PTB), who was a nearly successful candidate for governor of Paraná in 1960. Maculan is reported to have been somewhat more hesitant in his support of Julião than either Martins or de Castro but the fact that he attended all the meetings of the CTR is regarded by more conservative elements as proof positive of ultra-leftist leanings. Such leanings are nothing new in Maculan but his open association with Julião is, and it would appear that this association has lost Maculan a significant amount of support in northern Paraná. (O.U.O.)

To date no "Ligas" (Peasant Leagues) have been formed. In fact,



it is unlikely the CTR is planning to form units similar to the "Ligas Camponenses" in the northeast of Brazil. The immediate objective appears to be the formation of something similar to a labor union, perhaps to tie the workers to already formed city unions. (see footnote 1). "Latifundios"(large landed estates) do not exist in this area to the extent that they exist in the northeast. In the municipio of Maringá, for example, there are few coffee farms with an area larger than 200 alqueires . Absentee ownership is fairly common but there is very little uncultivated land, and, consequently, very little opportunity to point to "land going to waste while the farm worker starves". (O.U.O.)

It would appear that the leaders of the CTR have met with very little success in stirring up the workers. Their meetings were attended by between 200 to 300, many of whom can be considered curiosity seekers. With the well-known Julião giving rabble-rousing speeches, this is a dismal figure indeed. Furthermore, in speaking to a number of people in Maringá intimately connected with coffee cultivation and sympathetic to the laborers problems the reporting officer was informed that leftist agitators have made almost no headway at all in winning the workers to their side. In part, this may be due to the fact that the leftists have, until now, done little agitating. The strength of the Catholic Church in this area, the fact that the worker has had, at least, the necessities of life, and a certain disposition towards political indifference have all held back Communist inroads. Also, aside from juridical assistance, the CTR has not done anything to merit the rural worker's thanks. (O.U.O.)

The nominal leader of the CTR is José Rodrigues dos SANTOS of Maringá. He is also one of the leaders of the outlawed Communist Party in Maringá. He is considered "nominal" leader of the CTR because he is utterly devoid of the qualities of leadership. He is almost illiterate, has frequently been in trouble with the law, and is thoroughly despised by all but the Communists and their friends. He is described as the "organizer" of the Maringá meetings but there is a suspicion that Julião himself made an "incognito" visit to Maringá sometime prior to the meetings and got things organized. Doctor Dirceu GALLI , a medical doctor and Dr. Jorge HADDAD, a lawyer, both residents of Maringá, and both regarded as Communists are also intimately associated with the CTR. Another ardent supporter is a county judge in Londrina named Aldo FERNANDES: Fernandes' car was put at the disposal of Julião while the latter was in Londrina. (L.O.U.)

1. The main Maringá city union , the União Geral dos Trabalhadores de Maringá is believed to be Communist dominated. So is the Maringá "Sindicato dos empregados Rurais".

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Local political support for the CTR has been confined largely to the names mentioned above and the mayor of the small northern Paraná town, Nova Esperança. Neither the government of the state of Paraná nor the mayors of the principal cities of the coffee zone- Londrina, Maringá, Jacarézinho- have supported the CTR. On the contrary, most of them have made known their opposition to the organization and have called for a "Christian" solution to the rural workers problems, with the Frente Agraria Paranaense as the vehicle for the solution. This is especially significant considering that the mayors of Londrina and Maringa both belong to the Labor Party (PTB) which is Nelson Maculan's party. (O.U.O.)

IV. FRENTE AGRARIA PARANAENSE:

When it became evident that the Congress of Rural Workers would, in fact, be held, (it had originally been scheduled for April 1961 but was postponed) the Catholic bishops of four of the largest cities in northern Paraná (Londrina, Maringá, Campo Mourão, Jacarèzinho) decided to create a rural organization of their own, and to bring the organization into existence at the same time and in the same place that the Congresso dos Trabalhadores Rurais was being held. Here again the idea was to create an association that would promote the interests of the rural worker in the same manner that a labor union would do so. As an enclosure to this despatch one copy of the "ante-projeto de estatutos" of the FAP is submitted. (UNCL.)

In the city of Londrina the activities of the FAP are being strongly promoted by the bishop, Dom Geraldo FERNANDES and by one of his vicars, Padre MONTEZUMA. In Maringá the bishop, Dom Jaime COELHO has taken a personal hand in the direction of the FAP but most of the organizational work has been entrusted to a Jesuit, Padre Oswaldo RAMBO, and to a widely known and highly respected diocesan priest, Padre Andre TORRES.(See Curitiba D-15, 8/31/61) (UNCL.)

The FAP is trying to convince the coffee farm owners that they should pay the coffee worker 15,000 cruzeiros for every 1000 pés of coffee under the workers care and that the payment per bag of coffee harvested should be increased from its present 150 cruzeiros to a somewhat higher figure(at least 200). Better homes, the right to use a part of the fazenda's land for raising vegetables and dairy cattle, construction of schools and health stations, improved sanitary conditions and other forms of social and juridical assistance are the objectives the FAP has in mind. (UNCL)

The work would be carried out by the priests, members of Catholic Action groups (the "Maristas") and trained social workers. It is hoped that the state of Paraná Secretariat of Agriculture will provide 15,000,000 cruzeiros out of its rural assistance budget. The reporting officer was informed that the bishops of Londrina and Maringá have succeeded in getting the state government to "promise" to give the

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FAP this amount, but the appropriation must be enacted by the state legislature. (UNCL)

Both Father Rambo and Father Torres are quiet, intelligent and socially conscious. They are fully aware of the injustices the Paraná rural worker faces and are determined to do something about them. They realize that it will be difficult for many coffee farmers to improve working conditions on their farms because of the IBC's new policies, which have caused a drop in Paraná coffee prices. (O.U.O.)

Father Rambo said that he has already spoken with a number of coffee farmers, suggesting that they pay 15,000 cruzeiros for every 1000 pés of coffee under the care of the farm laborer instead of the present average of about 4000. His suggestions have been received with varying degrees of sympathy. Some have said they will make every effort to raise their payments; others have expressed the somewhat unenlightened opinion that "priests shouls stay in their churches". The Church is attempting to make the owners conscious of their responsibilities to their workers, a task which is important in its significance and, at times, in its difficulties. (UNCL)

The organization of the Maringá meeting was in the hands of Father Torres and Bishop Coelho. A parade of rural workers, students and churchmen was held(about 4000 in the parade) and speeches about the FAP and the needs of the rural worker were delivered. A small group of students marched to the hotel where they assumed Julião was staying (he was actually in another hotel) and broke a few windows, but no arrests were made. Those in attendance at the Congresso dos Trabalhadores Rurais were quick to accuse the Church in general, and Father Torres in particular of instigating the students to attack the hotel. Father Torres denied he did anything of the kind and after a conversation with him, the reporting officer is convinced he had nothing to do with the riots. On the contrary, another source in Maringá stated that Torres tried to calm down the students. In any case, the incident was played upon by the leftists as an indication of the"intolerance" of the FAP. Julião himself is reported to have said that the commotion had good results because it publicized his Congresso. (L.O.U.)

The FAP meeting was attended by members of the state government,by the mayors of Maringá and Londrina and by other lesser officials. A message from Governor Ney Braga was read, endorsing the organization's objectives. (UNCL)

The Federal Government, apparently unaware of the political balance which favored the FAP over the CTR, sent a representative to the Julião meeting. When the representative discovered the facts he quickly ran over to the FAP meeting and asked permission to deliver his message there (the message was described by Father Rambo as being "perfectly Christian" in content). Bishop Coelho thought it best to say no, giving as his reason the fact that the FAP was in the formative

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stages and had not invited the federal government to participate in its meetings. (L.O.U.)

Both meetings (FAP and CTR) came to an end on August 15, the FAP meetings very successful and exceptionally well attended, the CTR mostly a failure. (L.O.U.)

V. CONCLUSIONS:

The Catholic Church is a potent force in northern Paraná. It appears to command the respect of the lower classes and has a socially enlightened hierarchy and clergy. The FAP, given adequate financial support should do much to ameliorate conditions for the rural workers in the area and counter the influence of communism. (L.O.U.)

The Congresso dos Trabalhadores Rurais does not appear to have been particularly well organized and it clearly did not attract the public support it had hoped for. It does not seem to have resulted in anything concrete in the way of organization nor did it make any firm promises to assist the worker in any substantial way. (O.U.O.)

Both meetings, howver, had one important result. They made the rural worker conscious of himself-of the fact that he is the victim of injustice, and of the fact that there are people who say they are interested in aiding him and seeing that he is treated justly. Given his new importance he is likely to assert himself and very likely he will do so in the direction of those who do the most for him. (O.U.O.)

Edward M. Rowell
American Consul

Enclosures:
Ante-Projeto de Estatutos of the Frente Agrária Paranaense

SOURCES: (Limited Official Use)
Newton Carneiro, President of Paraná UDN
Italo Conti, Paraná State Police Chief.
Leonard Sauble, American resident of Maringa.
Father André Torres, Maringá leader of FAP.
Father Oswaldo Rambo, chief organizer of FAP in Maringá.
Dom Jaime Coelho, Bishop of Maringá
Durval Riva Pereira, Editor-in-chief, "O Jornal" of Maringá.

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FRENTE AGRÁRIA PARANAENSE

(ANTE-PROJETO DE ESTATUTOS)

★

LONDRINA
ESTADO DO PARANÁ
1961

0135

Frente Agrária Paranaense

(Ante-Projeto de Estatutos)

TITULO I

Da Sociedade e seus fins

CAPITULO I

Art. 1.º — A FRENTE AGRARIA PARANAENSE (F.A.P.), com sede central na cidade de Londrina, é uma Sociedade civil com personalidade jurídica, constituída por número ilimitado de sócios e destinada a congregar todos os trabalhadores rurais do Estado do Paraná, com o objetivo de promover a união da classe para reivindicação e defesa dos seus direitos e de prestar-lhe assistência social, educacional e técnica.

Parágrafo único — A FAP preencherá os indispensáveis requisitos legais, terá personalidade distinta da dos sócios que a compõem, sua duração será por tempo indeterminado e reger-se-á pelas leis brasileiras, pelas disposições dos presentes Estatutos e, subsidiàriamente, pelo Direito Canônico.

CAPITULO II

Das finalidades

Art. 2.º — É finalidade da FAB congregar os trabalhadores da lavoura, localizados no Estado do Paraná (pequenos sitiantes, colonos, porcenteiros, peões,

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etc.), com o objetivo de proporcionar-lhes condições mais humanas de vida, por todos os meios a seu alcance, promovendo de modo especial:

a) a realização de estudos, campanhas e movimentos que visem a apresentação objetiva da nossa verdade agrária;

b) a criação de escolas distritais e escolas radiofônicas para educação de base dos seus associados e respectivos dependentes;

c) a prestação, aos associados e suas famílias, de assistência à saúde, à maternidade e à infância, na medida de suas possibilidades;

d) a criação de serviços de assistência jurídica aos seus associados, visando à proteção e defesa dos seus direitos junto aos empregadores, bem como o atendimento de reivindicações salariais e de outras reivindicações justas junto aos poderes públicos ou entidades particulares;

e) a prestação de assistência religiosa;

f) a fundação e difusão de serviços e assistência técnica, com o fim de levar os seus associados a conseguirem melhor produção em condições mais modernas e mais humanas de trabalho;

g) a fundação de cooperativas de crédito e de consumo;

h) a correta educação dos seus associados, visando a prepará-los convenientemente para adequada utilização, exploração e administração de suas futuras propriedades rurais;

i) a realização de entendimentos entre trabalhadores e proprietários, com o objetivo de conseguir para aquêles moradias mais humanas e de promover entre todos um clima de harmonia e amizade, baseado na compreensão e respeito recíprocos;

j) a colaboração com os poderes públicos ou com outras associações de classe, em campanhas, movimentos e serviços que visem a melhorar as condições de vida dos trabalhadores paranaenses da lavoura.

TÍTULO II

Da estrutura e administração da Sociedade

CAPÍTULO I

Disposições preliminares

Art. 3.º — A FAP será orientada e governada por uma administração central com sede na cidade de Londrina, e, a critério dos respectivos Bispos, terá um Centro Regional em cada Diocese localizada no território do Estado do Paraná e um Núcleo Distrital em cada uma de suas Paróquias.

Art. 4.º — A Administração central será formada pelos seguintes órgãos:

a) Conselho Central.
b) Secretaria Geral.

CAPÍTULO II

Do Conselho Central

Art. 5.º — O Conselho Central, órgão supremo da entidade, será formado pelos Bispos das Diversas Dioceses Paranaenses que participarem da FAP.

Art. 6.º — Compete ao Conselho Central, além de outras atribuições previstas nestes Estatutos:

a) supervisionar e orientar as atividades gerais da entidade, no sentido de imprimir-lhe perfeita unidade de ação;

b) aprovar o seu regimento interno;

c) traçar a orientação geral da Sociedade e velar pelo cumprimento dessa orientação;

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d) aprovar ou desaprovar os planos de ação, os orçamentos, as prestações de contas e os relatórios da Secretaria Geral;

e) decidir sôbre todos os casos do interêsse da FAP que lhe forem encaminhados;

f) modificar os Estatutos da Sociedade;

g) aprovar os regulamentos padrões dos Centros Regionais e dos Núcleos Distritais, assim como as instruções para as diversas eleições previstas nestes Estatutos;

h) aprovar e divulgar moções, manifestos ou declarações, sempre que julgados oportunos;

i) adotar medidas gerais, tendentes a levar a FAP a cumprir suas finalidades;

j) expedir recomendações e instruções aos Centros Regionais;

k) fixar, periòdicamente, o quadro de servidores da Secretaria Geral, determinando as respectivas remunerações;

l) administrar o patrimônio da Sociedade, de acôrdo com o art. 41 dêstes Estatutos;

m) decidir sôbre os casos omissos nesses Estatutos e nos regulamentos dos Centros Regionais.

CAPÍTULO III

Do Presidente do Conselho Central

Art. 7.º — O Conselho Central elegerá, entre os membros que o compõem, o seu Presidente, o qual tomará posse após a eleição e terá o mandato de dois anos, podendo ser reconduzido.

Parágrafo único — O Presidente será substituído, nos casos de vaga, falta ou impedimento, pelo membro mais idoso do Conselho Central.

Art. 8.º — Compete ao Presidente do Conselho Central:

a) representar a entidade ativa e passivamente, judicial ou extrajudicialmente, em todo o território nacional;

b) presidir tôdas as reuniões e assembléias da FAB em que estiver presente;

c) autorizar, "ad referendum" do Conselho Central, a realização de despesas extraorçamentárias;

d) orientar, supervisionar e fiscalizar todos os trabalhos da Secretaria Geral da FAP;

e) admitir, demitir, comissionar, requisitar, transferir, licenciar e promover os empregados necessários ao funcionamento da Secretaria Geral da entidade, tudo de acôrdo com o quadro de pessoal periòdicamente aprovado pelo Conselho Central;

f) conceder férias aos servidores lotados na Secretaria Geral, arbitrar-lhes diárias e ajuda de custo e praticar todos os demais atos relativos a pessoal;

g) despachar o expediente do Conselho Central e da Secretaria Geral e visar tôda a correspondência de cada um dêsses órgãos;

h) requerer e receber, pessoalmente ou por intermédio de representante seu, subvenções e auxílios dos poderes públicos, destinados à FAP;

i) praticar, "ad referendum" do Conselho Central, todos os atos que julgar necessários ou úteis ao bom funcionamento da Sociedade.

CAPÍTULO IV

Da Secretaria Geral da FAP

Art. 9.º — A Secretaria Geral da FAP é um órgão de natureza técnica, destinado a auxiliar o Conselho Central, ao qual é diretamente subordinado.

Art. 10.º — Compete à Secretaria Geral:

a) elaborar o próprio regimento interno, os regulamentos dos Centros Regionais, dos Departamentos



e dos Núcleos Distritais, assim como as instruções anuais sôbre as eleições previstas nestes Estatutos, submetendo tudo à aprovação do Conselho Central;

b) assessorar o Conselho Central, opinando e propondo soluções em todos os casos que lhe forem encaminhados;

c) realizar levantamentos, estudos, inquéritos e pesquisas dentro e fora do Estado, divulgando os respectivos resultados entre os Centros Regionais;

d) tomar tôdas as providências no sentido de impor à FAP uma perfeita unidade de ação;

e) promover permanente intercâmbio entre os Centros Regionais, de maneira a manter cada um dêles informado das realizações dos outros;

f) organizar, anualmente, o seu orçamento e o seu quadro de pessoal, submetendo-os à aprovação do Conselho Central;

g) organizar e manter sempre atualizada a Secretaria do Conselho Central;

h) organizar e manter o serviço de informações, documentação e estatísticas, para auxílio aos Centros Regionais;

i) organizar planos para a criação e funcionamento de serviços, campanhas, cursos e movimentos, enviando-os aos Conselhos Regionais;

j) organizar os programas radiofônicos de responsabilidade da FAP;

k) fazer circular periòdicamente um jornal ou revista como órgão oficial da FAP;

l) promover intercâmbio entre a FAP e outras entidades congêneres no País ou fora dêle;

m) prestar aos Centros Regionais, dentro dos limites de suas atribuições e possibilidades, tôda a ajuda que lhe fôr solicitada.

Art. 11.º — A Secretaria Geral da FAP será chefiada por um Diretor nomeado pelo Presidente do Conselho Central, com prévia audiência dos demais membros do Conselho.

CAPÍTULO V

Dos Centros Regionais

Art. 12.º — Os Centros Regionais da FAP, de âmbito diocesano, gozarão de autonomia administrativa, dentro das normas estabelecidas por êstes Estatutos, e serão formados pelos seguintes órgãos:

a) Conselho Regional
b) Diretoria Regional
c) Departamentos Regionais.

CAPÍTULO VI

Do Conselho Regional

Art. 13.º — O Conselho Regional será composto de 13 (treze) membros, de livre nomeação do Bispo Diocesano que será o seu Presidente nato.

Parágrafo único — A critério do seu Presidente, o número de membros do Conselho Regional, fixado neste artigo, poderá ser aumentado ou reduzido.

Art. 14.º — Compete ao Conselho Regional, além de outras atribuições previstas nestes Estatutos:

a) orientar e fiscalizar tôdas as atividades da FAB no âmbito de ação do Centro Regional;

b) organizar a sua Secretaria, proporcionando-lhe meios de atender às suas finalidades, previstas nestes Estatutos;

c) decidir sôbre todos os casos que lhe forem encaminhados pelos associados ou pelos demais órgãos regionais ou distritais;

d) aprovar ou desaprovar, após ouvir a Diretoria Regional, os orçamentos, as prestações de contas e os relatórios organizados pela sua Secretaria, pelos Departamentos ou pelos Núcleos Distritais;



e) destituir, substituir membros da Diretoria Regional, ouvida a mesma Diretoria, assim como dirigentes dos Departamentos ou membros das Diretorias dos Núcleos Distritais, que não estiverem cumprindo a contento suas obrigações;

f) conceder ou negar o registro de candidaturas aos cargos da Diretoria Regional;

g) vetar, quando julgar conveniente, decisões da Diretoria Regional, dos Departamentos ou das Diretorias dos Núcleos Distritais;

h) criar e extinguir empregos quando necessário, fixar remunerações, arbitrar gratificações e ajudas de custo, respeitadas a leis em vigor;

i) autorizar a realização de despesas extraorçamentárias.

Parágrafo único — As decisões do Conselho Regional sòmente serão válidas quando aprovadas pelo seu Presidente.

Art. 15.º — Cada Conselho Regional organizará sua Secretaria, a qual terá as funções de:

a) assessorar o Conselho Regional, opinando e propondo soluções em todos os casos que lhe forem encaminhados;

b) tomar tôdas as providências no sentido de que sejam cumpridos êstes Estatutos assim como as determinações do Conselho Central e do Conselho Regional;

c) elaborar, anualmente, os planos de ação e os orçamentos do Conselho Regional, encaminhando-os à Diretoria Regional, para os fins previstos nestes Estatutos;

d) manter sempre atualizada tôda a Correspondência do Conselho Regional;

e) fazer levantamentos, inquéritos e pesquisas no âmbito de ação do respectivo Centro Regional, encaminhando os seus resultados à Secretaria Geral da FAP;

f) manter permanente contato com os Núcleos Distritais;

g) propor ao Conselho Central Regional a adoção de medidas sôbre quaisquer assuntos do interêsse da FAP;

h) coordenar a ação dos departamentos;

i) expedir instruções e recomendações aos Núcleos Distritais;

j) encaminhar mensalmente à Secretaria Geral um relatório sucinto das atividades do Centro Regional;

k) planejar, coordenar e orientar o trabalho dos monitores, visitadores, supervisores e coordenadores que, a critério do Conselho Regional, recebem o encargo de orientar e fiscalizar os Núcleos Distritais;

Art. 16.º — A Secretaria do Conselho Regional será dirigida por um chefe, de livre nomeação do seu Presidente.

§ 1.º — O Chefe da Secretaria será membro nato do Conselho Regional;

§ 2.º — Tôda a correspondência da Secretaria deverá ser visada pelo Presidente do Conselho Regional.

CAPÍTULO VII

Da Diretoria Regional

Art. 17 — Cada Centro Regional da FAP terá uma Diretoria Regional, cujas atribuições serão as seguintes:

a) agir no sentido de levar a FAP a cumprir as suas finalidades;

b) reunir-se ordinàriamente uma vez por mês e extraordinàriamente quando convocada pelo seu Presidente pela maioria dos seus membros ou pelo Conselho Regional;

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c) encaminhar ao Conselho Regional sugestões, apêlos e reclamações recebidas dos associados;

d) tomar conhecimento, mensalmente, do movimento estatístico e do movimento financeiro do Centro Regional, emitindo parecer;

e) manter intercâmbio com as outras Diretorias Regionais da FAP;

f) auxiliar e coordenar as atividades dos Núcleos Distritais, verificando-lhes as necessidades;

g) funcionar como órgão consultivo do Conselho Regional, opinando sôbre todos os casos que lhe forem encaminhados;

h) manifestar-se anualmente sôbre os planos de ação e o orçamento do Centro Regional, como órgão consultivo, encaminhando seu parecer devidamente justificado ao Conselho Regional;

i) comunicar-se com os Departamentos Regionais, encaminhando-lhes sugestões, apelos e críticas, quando necessário.

Parágrafo único — Enquanto não fôr eleita e empossada a primeira Diretoria de cada Centro, as suas atribuições serão exercidas pela Secretaria do Conselho Regional.

Art. 18 — A Diretoria Regional será composta de 7 (sete) membros distribuídos pelos seguintes cargos:

a) Presidente
b) Primeiro Vice-Presidente
c) Segundo Vice-Presidente
d) Primeiro Secretário
e) Segundo Secretário
f) Tesoureiro
g) Bibliotecário.

Art. 19 — As atribuições dos membros da Diretoria Regional serão fixadas no Regulamento dos Centros Regionais, baixado pelo Conselho Regional.

Art. 20 — A Diretoria Regional será eleita por votação indireta, mediante sufrágio dos membros das Diretorias dos Núcleos Distritais da Sede Regional.

Art. 21 — O registro de chapas para as eleições da Diretoria Regional, a votação e a fiscalização do pleito, a apuração dos votos, a proclamação e a posse dos eleitos obedecerão a instruções anualmente baixadas pelo Conselho Central com a necessária antecedência.

CAPITULO VIII

Dos Departamentos Regionais

Art. 22 — Os serviços assistenciais da FAP se realizarão através dos Departamentos, de âmbito regional (diocesano) e diretamente subordinados ao Conselho Regional.

Art. 23 — São os seguintes os Departamentos Regionais, a serem criados progressivamente, na medida das possibilidades e recursos de cada Centro Regional:

a) Departamento de Assistência Médica
b) Departamento de Assistência Jurídica
c) Departamento de Assistência Técnica ao Trabalhador
d) Departamento de Assistência Religiosa e Social
e) Departamento de Assistência Educacional.

Parágrafo único — A Critério do Conselho Regional poderão ser criados outros Departamentos, além dos especificados neste artigo.

Art. 24 — Os regimentos internos dos Diversos Departamentos serão aprovados pelo Conselho Central e obedecerão às normas gerais contidas nestes Estatutos, podendo cada Conselho Regional introduzir nêles as modificações necessárias, com o objetivo de adaptá-los às condições peculiares do respectivo Centro Regional.

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CAPITULO IX

Dos Núcleos Distritais

Art. 25 — Diretamente subordinado ao Conselho Regional, haverá um Núcleo Distrital em cada Município que participar da PAP.

Art. 26 — Os Núcleos Distritais se regerão por um regulamento comum, baixado pelo Conselho Central, respeitadas as normas gerais contidas nestes Estatutos.

CAPITULO X

Das Diretorias dos Núcleos Distritais

Art. 27 — Cada Núcleo Distrital terá uma Diretoria, eleita em Assembléia Geral, com o mandato de 1 (um) ano.

Art. 28 — As Diretorias dos Núcleos Distritais serão compostas de 7 membros assim distribuídos:

a) Presidente
b) Vice-Presidente
c) Primeiro Secretário
d) Segundo Secretário
e) Primeiro Tesoureiro
f) Segundo Tesoureiro
g) Bibliotecário.

Parágrafo único — As atribuições dos diversos Membros das Diretorias dos Núcleos Distritais serão fixadas pelo Regulamento a que se refere o art. 26 dêstes Estatutos.

Art. 29 — Compete à Diretoria do Núcleo Distrital:

a) administrar o Núcleo Distrital sob sua Direção, cumprindo e fazendo cumprir êstes Estatutos e as instruções superiores;

b) elaborar anualmente, até trinta dias após a sua posse, o plano de atividades e o orçamento do Núcleo Distrital, encaminhando-os ao respectivo assistente para os devidos fins;

c) decidir sôbre os casos de admissão ou readmissão no quadro social;

d) organizar e fazer funcionar serviços, escolas, campanhas e movimentos, tudo de acôrdo com as instruções superiores;

e) administrar o patrimônio do Núcleo Distrital;

f) enviar ao Conselho um resumo mensal das atividades do Núcleo;

g) apresentar relatório anual de suas atividades à consideração do Conselho Regional.

CAPITULO XI

Do Assistente do Núcleo Distrital

Art. 30 — Cada Núcleo Distrital será assistido pelo respectivo Pároco com as funções de assistente e com as atribuições seguintes:

a) acompanhar e orientar as atividades do Núcleo Distrital;

b) submeter ao Conselho Regional, com o seu parecer, o plano de atividades, o orçamento anual, as prestações de contas e os relatórios da Diretoria;

c) substituir qualquer membro da Diretoria que não estiver cumprindo a contento suas obrigações, após prévia consulta ao Conselho Regional;

d) aplicar penalidades, ouvida a Diretoria;

e) assistir as reuniões ordinárias e extraordinárias da Diretoria, podendo vetar decisões desta nos casos julgados absolutamente necessários;

f) comunicar ao Conselho Regional qualquer irregularidade verificada no Núcleo Distrital.

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TÍTULO III

Do Quadro Social

CAPÍTULO I

Das categorias de sócios

Art. 31 — Haverá duas categorias de sócios da FAP:

a) Sócios efetivos
b) Sócios benfeitores.

Paraná, desde que aceitos pela Diretoria do Núcleo

Art. 32 — Serão considerados sócios efetivos os trabalhadores da lavoura, localizados no Estado do Distrital do respectivo Distrito na forma dêstes Estatutos.

Art. 33 — Serão considerados sócios benfeitores aquêles que prestarem assinalados serviços à FAP, a critério do Conselho Central, a quem cabe conferir este Título.

CAPÍTULO II

Dos Direitos dos Sócios

Art. 34 — São os seguintes os direitos dos sócios:

a) tomar parte nas assembléias gerais do Núcleo Distrital a que estiver vinculado;

b) votar e ser votado na forma prevista por êstes Estatutos e pelas instruções do Conselho Central;

c) Freqüentar as escolas e cursos fundados pela FAP, podendo fazê-los freqüentar também por suas famílias;

d) utilizar e fazer suas famílias utilizarem os serviços de assistência médica, jurídica, religiosa e social, dentária, técnica e educacional, mantidos pela sociedade;

e) participar de campanhas e movimentos promovidos pela FAP;

f) utilizar e fazer suas famílias utilizarem as cooperativas de consumo e as de crédito, fundadas por iniciativa da entidade;

g) assistir as reuniões da Diretoria Regional e da Diretoria do Núcleo Distrital do seu Município, tendo direito à palavra;

h) recorrer à FAP para solução de problemas seus e de sua família, de sua cidade, de sua Paróquia, etc.

CAPÍTULO III

Dos deveres dos sócios

Art. 35 — São deveres dos sócios efetivos:

a) cumprir êstes Estatutos e os regulamentos em vigor, e acatar as determinações dos órgãos administrativos competentes;

b) pagar em dia a mensalidade arbitrada pelo Conselho Regional;

c) colaborar com a FAP para que a mesma realize as suas finalidades;

d) abster-se de discussões de caráter político-partidário nas reuniões da FAP;

e) comunicar aos órgãos competentes quaisquer fatos desabonadores da conduta de qualquer membro da FAP, que possa desvirtuar o sentido cristão ou social da entidade.



CAPITULO IV

Das penalidades

Art. 36 — Tendo em vista a gravidade da falta cometida poderão ser aplicadas aos associados as seguintes penalidades:

a) suspensão temporária dos direitos sociais;
b) eliminação do quadro social.

Art. 37 — São autoridades para aplicação de penalidades:

a) O Presidente do Conselho Central
b) O Presidente do Conselho Regional
c) O Assistente do Núcleo Distrital.

Art. 38 — O associado que, sem justa causa, a critério do Assistente, deixar de pagar mais de três mensalidades seguidas, será suspenso do gôzo dos seus direitos sociais.

Art. 39 — O associado que, sem justa causa, a critério do Assistente, deixar de pagar doze (12) mensalidades consecutivas, ficará automàticamente eliminado do quadro social.

Parágrafo único — Será também eliminado do quadro social o associado que, por má conduta, espírito de discórdia, ou falta cometida contra o patrimônio moral ou material da Sociedade, se constituir em elemento nocivo à mesma.

TITULO IV

Do patrimônio da FAP

Art. 40 — O patrimônio da FAP será constituído:

a) pelas contribuições dos associados;
b) pelas doações e legados recebidos;

c) pelos bens e valores adquiridos e pelas rendas que os mesmos produzirem.

Art. 41 — A administração do Patrimônio da Sociedade compete:

a) ao Conselho Central, por intermédio do seu Presidente, quando se tratar de bens ou valores adquiridos ou recebidos através dos órgãos administrativos centrais;

b) ao Conselho Regional, por intermédio do seu Presidente, quando se tratar de bens ou valores adquiridos ou recebidos através dos órgãos administrativos regionais;

c) à Diretoria do Núcleo Distrital nos casos de bens ou valores adquiridos ou recebidos através dos órgãos administrativos distritais.

Art. 42 — No caso de dissolução da entidade o seu Patrimônio terá o destino que lhe fôr determinado pelo Conselho Central.

TITULO V

Da vigência e reforma dos Estatutos

Art. 43 — Os presentes Estatutos entrarão em vigor na data de sua aprovação pelo Conselho Central, devendo a Secretaria Geral da FAP providenciar a sua publicação e o seu registro no cartório competente.

Art. 44 — Os presentes Estatutos só poderão ser modificados pelo Conselho Central.

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Control: 23042
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6:15 a.m.

FROM: Rio de Janeiro

TO: Secretary of State

NO: 578, August 30, 9 p.m.

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E8T/B: JWilson - lms
9-25-61

Rio de Janeiro - 578
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ACTION DEPARTMENT 578, INFORMATION BUENOS AIRES 42, SAO PAULO UNNUMBERED.

Considering situation labor picture Rio still generally quiet, though ULTIMA HORA attempting indicate considerable difficulty. Early August 30 Labor Minister called for workers continue tasks, not risk losing jobs by participating illegal strikes and promising protect those who wish work. Some isolated strikes though difficult determine how many. Some strikes reported ULTIMA HORA or rumored not in force, at least yet. In general clearly non-Communist led unions are remaining quiet with leadership appealing for calm. Communist led unions are causing anxiety with some their leaders arrested and few unions apparently intervened; impossible determine how many.

Director National Department Labor informed Labor Attache last night labor picture improving with strike stopped Santos and only Leopoldina still out. He may be deliberately optimistic.

Non-Communist labor leaders showing unprecedented courage and many may lose positions if forces in control lose out. ULTIMA HORA already naming one democratic labor leader as informer for later reprisal.

Labor crisis will come when general political crisis reaches peak with leadership expected stand as shown above. Rank and file will depend many factors including who likely win, general public attitude, etc.

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CSF/IB: Jurisdiction - Lims.
9-24-61

FROM: ATTACHES/ A E B BRAZIL

TO: Secretary of State

NO: J32, 310042Z AUGUST (NAVY MESSAGE)

NIACT

ACTION CNO, HQUSAF, DEPTAR; INFORMATION 1127 FAG, CINCLANT, CINCLANTFLTRRCO FIFTEEN, COMTEN, COMSOLANT, CHNAVMIS BRAZIL, CINCARIB, CGUSARCARIB, CAIRC, DIRNSA, JACE ATCC FT. RITCHIE, DEPT STATE, CIA, JCS

USAF FOR AFCIN.

DEPTAR FOR ACSI.

THIS IS A JOINT ARMY NAVY AND AIR ATTACHE MESSAGE.

POSSIBILITY POWER AND LIGHT STRIKE RIO THIS DATE. EMBASSY HAS GENERATOR SYSTEM FOR LIMITED POWER. POSSIBILITY COMMUNICATIONS WITHIN AND OUTSIDE BRAZIL WILL BECOME INCREASINGLY MORE DIFFICULT.

SCP-3.

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FOREIGN SERVICE DESPATCH

FROM : Amconsul SANTOS, Brazil

TO : THE DEPARTMENT OF STATE, WASHINGTON.

19 NO. SEP 8 1961

September 5, 1961 DATE

REF : Consulate's Despatch No. 40 dated May 9, 1961

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SUBJECT: Communist Take-Over of the Santos City Central

SUMMARY

Probably the most unfortunate local by-product of the political crisis provoked by Quadros' resignation as President has been the take-over of the Santos City Central by the communists. For years the reds have been battling to capture this "summit" organization of Santos labor, whose resolutions are theoretically binding upon the 54 member labor unions in the Santos area, believed to be the most heavily unionized in all Brazil. Up until last week the City Central's leadership had been determinedly anti-communist, but a series of mischances have allowed the organization to fall to the communists, who can be relied upon to fight to keep their grip on it and exploit their control to the utmost.

* * *

President Jânio QUADROS' abrupt resignation August 25 triggered several days of intense union activity in Santos. By 8:30 that same day the Forum Sindical de Debates (City Central) was vehemently debating the political situation, under the temporary chairmanship of Raimundo Soares VASCONCELOS, non-communist President of the Stevedores Union. Although representatives from far less than a majority of the Central's member unions were present, the following resolution was adopted: "The undersigned labor leaders affiliated with the Santos City Central, having gathered to examine the latest developments which culminated in the resignation of President Jânio da Silva Quadros, publicly demand the maintenance of democratic legality with

cc: Amembassy Rio de Janeiro; amconsul São Paulo

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

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respect to the Constitution and union liberties, as well as the honoring of the obligations undertaken before the people by the ex-President and the continuation of a foreign policy of relations with all people and for the self-determination of peoples. Moreover, they categorically condemn any movement tending to carry the country towards a new régime which would pluck these victories from the people. Thus, all workers are called upon to remain in permanent assemblies in their respective unions so they may follow the situation and take a stand appropriate to the moment in order to safeguard the above-mentioned principles, which must be defended to the end by the Brazilian people as a whole".

This resolution was signed by Raimundo Soares Vasconcelos of the Stevedores Union, by President Vitelbino Ferreira de SOUZA of the Metallurgists Union (anti-communist), by President Camilla de ALMEIDA of the Nurses Union (anti-communist); and also by President Waldemar Neves GUERRA of the Port Administration Services Employees Union (communist), Secretary General Oswaldo LOURENÇO of the same union (communist), First Treasurer Sérgio MARTINS of the same union (communist), President Orlando SPOSITO of the Typographic Workers Union (communist), President Manoel de ALMEIDA of the Port Services Workers Union (communist), Secretary Antônio RODRIGUES of the same union (communist), President Benedito dos SANTOS of the Drycleaners Union (communist), First Treasurer David Geremello da SILVA of the Cubatão Refinery Workers Union (communist) and by several other lesser union figures, including communists.

The reporting officer is reliably informed that this meeting of the Santos City Central also violently debated whether or not to call a general strike in Santos, and that thanks to passionate arguments against this idea by Serafim MENDES, anti-communist President of the Tallyclerks Union (see Consulate's despatch No. 49 of June 12, 1961), and by João de Morais CHAVES, anti-communist President of the Utility Workers Union, a strike motion was defeated at that time.

On August 26 and 27 discussions as to what local labor's position should be continued within the larger Santos unions, with the communists working hard to whip up sentiment for a general strike.

On August 28 at 10 a.m. a full meeting of the City Central was held in the headquarters of the Coffee Loaders and Sackers Union, presided over by Expedito Guedes RODRIGUES, that union's Secretary and President of the Santos City Central who for years had fought the communists tooth and nail to keep the communists from controlling the City Central. Manoel de Almeida of the Port Services Workers Union acted as the Central's Secretary. A long parade of orators had their say, including Reginaldo F. LIMA, President of the Santos Students Union; Júlio RICARDO, a law student (both of whose politics are unknown to the Consulate); Antônio Vitor dos SANTOS, anti-com-

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munist President of the Public Transportation Workers Union; Geraldo Silvino de OLIVEIRA, communist President of the Cubatão Refinery Workers Union; José Silvano de ANDRADE, anti-communist President of the Coffee Loaders and Sackers Union; and Orlando Sposito and Manoel de Almeida. After the bitterest kind of debate a motion was narrowly passed, or rather forced through by the communists in attendance, ordering a general strike for Santos to commence at midnight the night of August 28, out of protest against "golpistas" who were threatening to destroy the Brazilian Constitution.

City Central President Expedito Guedes Rodrigues, anxious to head off a strike which could only play into the communists' hands, called a second meeting of the City Central for 6 p.m. for the purpose of reversing the decision to strike. This time Oswaldo Rodrigues MARTINS, anti-communist President of the Steamship Company Employees Union (and the Central's regular Second Secretary) served as Secretary. Only bona fide union officers were permitted entrance, but shortly after the meeting began a crowd of communist dockworkers and their allies rushed into the hall. Long and violent debate ensued. The two port workers' unions, the Seamen's Union, the Typographic Workers Union and the Cubatão Refinery Workers Union, all communist-controlled, went on record in favor of a strike, as did the non-communist Public Transportation Workers Union. Speaking against a general strike were Expedito Guedes Rodrigues, Raimundo Soares Vasconcelos and Oswaldo Rodrigues Martins. Amidst shouts of "scab" and "traitor" hurled at these anti-red union leaders and with all the workers present voting, a general strike was again voted. At that moment Rodrigues and Martins left the assembly, vowing they would resign their offices in the City Central rather than be parties to such a disastrous course of action.

As the workers were finally leaving the hall when the meeting was over agents from the Delegacia de Ordem Política e Social (DOPS) branch of the Santos Police arrived at the door, alerted by Expedito Guedes Rodrigues. No arrests were made.

The Port Services Workers Union then met to ratify enthusiastically the strike decision. But the President of the Public Transportation Workers Union, Antônio Vitor dos Santos, at the last moment decided against joining in the strike after being so urged by Expedito Rodrigues. In addition, the following unions likewise resolved not to strike:

The Stevedores Union
The Coffee Business Helpers Union
The Coffee Loaders and Sackers Union
The Retail Fresh Meat Business Union
The Truckdrivers Union
The Tallyclerks Union

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The Accountants Union
The Commerce Employees Union
The Communication Workers Union
The Shipping Company Employees Union
The Nurses Union
The Newspapermen's Union
The Metallurgists Union
The Bakers Union
The Utility Company Workers Union
The Schoolteachers Union
The Entertainment Workers Union
The Telephone Workers Union.

This left the following local unions committed to a general strike:

The Port Services Administration Employees Union
The Port Services Workers Union
The Warehousemen's Union
The Barbers Union
The Cubatão Refinery Workers Union
The Cubatão Chemical Workers Union
The Coopers Union
The Santos Regional Delegacy of the National Mates' and Seamen's Union
The Santos Delegacy of the National Merchant Marine Firemen's Union
The Santos Delegacy of the National Merchant Marine Officers and Machinists Union
The Santos Delegacy of the National Maritime Stewards Union
The Hotel Employees Union
The Bank Employees Union
The Small Craft Engineers Union
The Construction Workers Union
The Typographic Workers Union
The Wheat Industries Workers Union
The Port Watchmen's Union.

This detailed breakdown is given since it almost exactly lists which Santos unions are, and are not, communist-controlled.

With a strike by 18 of the city's 50-odd unions thus scheduled for 12:01 a.m. on August 29, shortly before midnight units of the Brazilian Army and Marines moved in strength onto the Santos quays to occupy the property of the Santos Dock Company. On direct orders of the senior military commander in Santos, Oswaldo Lourenço, Sérgio Martins, Antônio Rodrigues, Sebastião Assis BEZERRA and Raphael BABONOVICH (the latter two also communists), all of the Port Administration Services Employees Union, were arrested, as was René

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SILVA, a communist stevedore. Also arrested were Homero Pereira SOARES and Oswaldo NASTELINE, dockworkers, the former being identified as a communist to the reporting officer by Dr. Fortunato de OLIVEIRA MARTINS, a regular and trusted source of this Consulate and a volunteer DOPS agent; arrested also were Emidio Pinheiro do NASCIMENTO, a State highway employee, and Manoel PORFIRIO, the latter described to the reporting officer by Dr. Oliveira Martins as an "agitator" but not a member of the Communist Party. The reporting officer is reliably informed that the Army also attempted to arrest the communists Manoel de Almeida and Waldemar Neves Guerra, who escaped.

Moreover, early in the morning of August 29 a number of members of the Cubatao Chemical Workers Union, including two communists, were arrested, as described in the Consulate's despatch No. 17 of September 2, 1961. The Petrobras refinery at Cubatão, threatened by the union leaders at the last moment with only a "partial strike", was partially shut down on August 29. /Petrobras was the only business to be affected by the strike threat, to the contrary as reported in the Consulate's despatch No. 17./

With these arrests the "general strike" collapsed, and the workers who had been confined in a military prison were all released by 8:30 p.m. the night of August 29. Mayor José GOMES of Santos personally intervened to speed their release (the communist Antonio Rodrigues is also a member of the Santos City Council). All work in Santos continued normally on August 29.

On August 30 and 31 the communists, frustrated in their design to paralyze the port and city of Santos, turned their attention to seizing control of the City Central, whose President Expedito Guedes Rodrigues had resigned. A campaign of villification and slander was mounted against him and against the Central's Treasurer, Vitelbino Ferreira de Souza of the Metallurgists. The communists declared that the entire Central directorate (in addition to the above, Ynel Alves de CAMARGO, anti-communist President of the Accountants Union, was Vice President; João de Morais Chaves of the Utility Company Workers Union was First Secretary; and Oswaldo Rodrigues Martins was Second Secretary: all staunch anti-communists) must be considered to have resigned, and that a new directorate must be chosen at once.

On August 30 the above-named ex-directors of the City Central issued a long public statement reading in part: "A general strike could only serve as a point of departure for fratricidal strife.... A general strike in Santos, in view of its never-denied socialist (i.e., communist) discipline and orientation, would be the signal for a national strike, whose foreseeable consequences are alarming. With these convictions, the above-mentioned union leaders determined to veto the precipitous outbreak of any strike which only disorder, chaos and uncertainty could attend.... Faced with the intransigeance of a small

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group, and convinced of the unity of purpose which has always characterized the City Central, we left the hall and preserved our principles. The others opted for a strike, prepared for it and gave orders for it to be carried out. But their intentions came to nought before the bounds of good sense. There was no strike.... Let it be the Santos working people who must judge us, in whose hands we place ourselves."

At night on August 31 a large number of union leaders, mostly communists, met at the headquarters of the Port Administration Services Employees Union to choose the new City Central leaders. This gathering was utterly dominated by the communists and eventually determined (1) to name an interim governing body composed of seven members, namely, Waldemar Neves Guerra, Geraldo Silvino de Oliveira, Orlando Sposito, José BARRETO (communist Secretary of the Public Transportation Employees Union), Antônio Madureira de CARVALHO (communist President of the Hotel Employees Union), Raimundo Caetano CONCEIÇAO (fellow-travelling President of the Warehousemen's Union) and Alfredo EGREJAS (Secretary of the Construction Workers Union), the latter identified to the reporting officer by Dr. Fortunato de Oliveira Martins as a member of the Communist Party (2) to convoke representatives from all the Santos, São Vicente, Cubatão and Guarujá unions as soon as Brazil's political situation returns to normal in order to choose a new governing body for the City Central (3) to empower this interim governing committee to act for the City Central until a new President of Brazil is legally installed, when a permanent directorate can be chosen and (4) to form in each union "committees for the defense of legality", i.e. communist watch-dog groups.

On September 4 the reconstituted City Central held its first meeting under communist domination, Geraldo Silvino de Oliveira of the Petrobras petroleum refinery workers union presiding.

COMMENT:

In this manner the communists have won a considerable victory in capturing the organization which speaks for Santos labor as a whole. No doubt Expedito Guedes Rodrigues committed a tactical error of the first magnitude by abdicating his leadership of the City Central without standing and fighting, although it was largely through his efforts that the local unions split over the general strike issue and thus destroyed the united front which the communists fought so hard to create. But the fact remains that the anti-communists, who up to this time have been able to out-maneuver, out-vote and out-talk the communists in the City Central, now no longer control it, and will face an uphill battle to regain control of this key labor organization.

Virgil P. Randolph III
Virgil P. Randolph, III
American Consul

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FROM: Rio De Janeiro

TO: Secretary of State

NO: 618, September 7 p.m.

ACTION: EUR

INFO:

RM/R FILES

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IE 87/13: JW Wilson. ins
9-55-61

ACTION DEPARTMENT 618, INFORMATION BUENOS AIRES UNNUMBERED.

Port of Rio 98 percent closed; unloading passengers and baggage SS ARGENTINA about only activity. Warehousemen in democratic camp working but refusing perform tasks longshoremen and stevedores which, with Communist leadership, on strike. If authorities provide emergency longshoremen or stevedores, warehousemen say will cooperate with them.

BOND

SGC

Rio de Janeiro - 618 832.062/9-761

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0155

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FOREIGN SERVICE DESPATCH

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832.062/9-1161
XR 732.001

FROM : Amconsul SANTOS, Brazil

NO. 22

TO : THE DEPARTMENT OF STATE, WASHINGTON. DATE September 11, 1961

REF : Consulate's Despatch No. 19 dated September 5, 1961

19 For Dept. Use Only	ACTION	AKA-4	INFO	DEPT	RM/R	REP	AF	ARA	EUR	FE	NEA	CO	INR	E	P	IO	ICA
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(10)

SUBJECT: Communist-Controlled Santos City Central Stages Demonstration

SUMMARY

This despatch describes the first demonstration to be organized by the Santos City Central since this pivotal labor organization fell to the communists at the end of August; and the events herein recounted may be taken as a sequel to the Consulate's despatch under reference.

This demonstration indicates that their new control over the Santos City Central has given the communists an effective weapon in advancing their cause among labor in this important Brazilian city, for rallies which hitherto would have been discounted as mere communist manifestations henceforth will be invested with the prestige enjoyed by the City Central.

* * *

(BEGIN OFFICIAL USE ONLY)

On September 4 the new communist directorate of the Santos Forum Sindical de Debates (City Central) met for the first time with Geraldo Silvino de OLIVEIRA, communist President of the Cubatao Petroleum Refinery Workers Union, presiding. The Forum decided to hold a demonstration September 6 "in defense of the re-establishment of democratic freedoms and union liberties", i. e., in favor of João GOULART. The Forum called for all business in Santos to close at 5 p.m. on that day to allow workers to attend in large numbers.

At 5:30 p.m. on September 6 about 60 hard-core communists showed up in the central city square before the City Hall in a

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chill rain carrying banners and posters reading "Parliamentary Government is now Golpe", "Long Live Leonel Brizzola and Marshal Lott", "Sailors Demand Compliance with the Constitution Without Amendments", "Respect the Constitution" and "Petroleum Workers Demand Democratic Liberty". These banners were expressly prepared by order of the City Central. At 6 p.m. the communists were joined by about 130 more persons, perhaps some 30 of them red sympathizers, plus a number of press and radio representatives and curiosity-seekers. Many dockworkers were in attendance, as the Santos Dock Company was the only business enterprise to dismiss its employees early as requested by the Forum Sindical. Present partly out of curiosity but mostly as a political gesture was anti-communist Mayor José GOMES. The Mayor spoke very briefly, lamenting that St. Peter could not have cooperated (in holding off the rain) to allow "the greatest popular concentration ever seen", and thanking the crowd for its support in the struggle for constitutional government.[1]

The first in a long procession of red-star witnesses for the communist line was the communist City Councillor Antônio RODRIGUES, whose denunciation of parliamentary-type government went unheard, since loudspeakers had not been properly installed for the rally. He was followed by the communist First Treasurer of the Port Services Administration Employees Union, Sérgio MARTINS, who exhorted the workers to press their battle for the preservation of the Constitution. The next speaker was Oscar Antônio da SILVA, non-communist member of the directorate of the National Federation of Stevedores, who attacked President Raimundo Soares VASCONCELOS of the Stevedores Union and Expedito Guedes RODRIGUES, ex-President of the Santos City Central, for not having supported the abortive general strike instigated by the communists for August 29 (see Consulate's despatch No. 19 of September 5). After him spoke Benedito TERESO, a communist member of the Public Transportation Workers Union, and Geraldo Silvino de Oliveira.

Other speakers were: Dante LEONELLI, communist lawyer for the Port Services Administration Employees Union ("the people are ripe for nationalism"); José BARRETO, communist Secretary of the Public Transportation Workers Union ("we of the governing body of the Forum Sindical de Debates understand that the parliamentary form of government was voted in by coercion"); Oswaldo LOURENÇO, communist Secretary General of the Port Services Administration Employees Union (who accused the persons who had failed properly to instal the public-address system of "sabotage" against the workers of Santos and of being "in the employ of international trusts". He also attacked (1) parliamentarism as foisted on Brazil by a group of golpistas and (2) the "extraordinary profits sent abroad, which make imperialist nations stronger at the expense of our sweat". Lourenço finished by urging that "the union leaders who betrayed the workers be banished

[1]Mayor Gomes was equating support for Goulart to assume office as President with his own struggle to succeed as Mayor of Santos from Vice Mayor - see the Consulate's despatch No. 43 of May 25, 1961.

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from the class which they shame".); Júlio Ricardo PRESIA, a non-communist law student[2] ("we students are battling against disgracing the Magna Carta /of Brazil/". He also spoke in favor of closing down radio stations); Alberto Alves de AMORIM Filho, communist President of the Santos Union (i.e., Association) of Improvement Societies, who spoke to great applause ("the traitors to the working class should be banished from it.... Brizzola is the Fidel Castro of Brazil.... Our association is exempt from taxes and labor unions should be, too...."); Manoel de ALMEIDA, communist President of the Port Services Workers Union ("the Forum will now fight for the workers because it is really in the hands of their true leaders and not of traitors"); Orlando SPOSITO, communist President of the Typographic Workers Union (who denounced the "half-dozen leaders who called themselves union chiefs" and deplored the fact that the "true leaders of the workers were put in a military prison". Sposito lashed out against the "infamous, fascist and sanguinary dictatorship which covered Brazil with blood /sic/ for ten days" and exhorted the workers to fight for salary increases, against remittances abroad of "extraordinary" profits, for strikes and in favor of the right of free assembly and speech); and finally Flávio Conceição PAIVA, non-communist Municipal Secretary of Government (i,e., Administration), a confidant of Mayor Gomes. (Paiva recalled the brave words of the late Getúlio VARGAS and took as his theme the "economic emancipation" of Brazil. He characterized the present /red/ leadership of the two Port Workers Unions and of the Santos City Central as "true leaders" and announced that "their struggle must continue, as God is going to prove that he is a Brazilian....").

Other and lesser speakers were President Waldemar Neves GUERRA of the Port Services Administration Employees Union, a communist; President Antônio GUARNIERI of the Bank Employees Union, another communist; Second Treasurer Alberto Pires BARBOSA of the Port Services Administration Employees Union, still another communist; Raphael BABONOVICH, a communist member of the same union; Sebastião Assis BEZERRA, another communist member of that union; Dr. Frederico José AFLALO, a local communist lawyer; Luiz Rodrigues CORVO, a well-known communist student leader; Domingos Soares da CRUZ, a retired City Hall functionary and prominent local communist; João CABRAL, a communist City Hall employee; and Artur Demétrio BARROSO, Jurandyr de ABREU and Manoel Silvestre da SILVA, personages up to this time unknown to the Consulate.

This orgy of communist propaganda was broadcast over two local radio stations the following night, although the tape recording was of poor quality and background interference drowned out most of the vitriol being spewed forth by the communist orators.

[2]This person is identical with the "Júlio Ricardo" erroneously identified as a communist in the Consulate's despatch No. 21 dated September 7, 1961.

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COMMENT: (BEGIN CONFIDENTIAL)

The reporting officer has had identified to him as members of the Communist Party of Brazil, by Dr. Fortunato de OLIVEIRA MARTINS, an indefatigable and reliable source, Artur Demétrio Barroso, Jurandyr de Abreu and Manoel Silvestre da Silva, the three speakers last mentioned above. According to Dr. Oliveira Martins, Barroso is an employee of the Santos City Hall, Jurandyr de Abreu is a member of the communist-infiltrated Santos Construction Workers Union, while Manoel Silvestre da Silva is President of the Open-Air Market Vendors Association of Santos.

Although the effectiveness of the rally was badly marred by rain, a delayed and finally poor loudspeaker system and poor attendance, it was notable for attracting the presence of the Mayor of Santos and one of his chief lieutenants, Plávio Conceição Paiva. The communists siezed on a controversial issue: subversion of the Constitution by the adoption of parliamentary government, and were successful in whipping up a measure of enthusiasm for Jango Goulart (who has never been generally popular here) and against unnamed golpistas. This rally, conceived and executed by the Forum Sindical de Debates, hitherto a key local labor instrument not at the disposal of the reds, bodes ill for the future, which can be expected to bring an increase in communist-line labor agitation under the City Central's aegis, of which the well-organized communists can be expected to make an all-out battle to keep control.

(END CONFIDENTIAL)

Virgil P. Randolph III

Virgil P. Randolph, III
American Consul

cc: Amembassy Rio de Janeiro; amconsul São Paulo.

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FOREIGN SERVICE DESPATCH

187
DESP. NO.

FROM : Amembassy RIO DE JANEIRO

TO : THE DEPARTMENT OF STATE, WASHINGTON.

September 11, 1961
DATE

REF : for action: 7 cc. EST/B: J Wilson - Lms - 9-22-61

SEP 14 1961

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SUBJECT: Labor in Recent Crisis

SUMMARY

Aggressive, able action by the interim Minister of Labor and Director of the National Department of Labor at the crucial moment prevented organized Brazilian labor from declaring a general strike during the recent constitutional crisis. If a general strike had been called, the history of the crisis could have been entirely different from what it was. As a result, democratic-led labor was the only organized, important sector of the community which generally supported the military forces during the crisis; to what extent this will lead to Government reprisals in the future is unclear.

.....

On Friday, August 25, Janio Quadros was resigning from the presidency of Brazil just as the V Continental Congress of ORIT (Inter-American Regional Organization of Workers) was holding its final sessions. Fortunately for everyone concerned, the news of the resignation was not available to the congress delegates until between one and two hours after the final meeting. Delegates and observers were able to leave Brazil on Saturday and Sunday, August 26-27, without hinderance.

At first the significance of the resignation was somewhat unclear in the minds of many persons. It was not clear whether the resignation could or would be withdrawn, or not. Furthermore, since Goulart was out of the country, Mazzilli assumed the presidency in full accord with constitutional procedures. Finally, the fact that the crisis developed over the week-end made communications difficult, especially in the labor field. As a consequence of the uncertainty, organized labor took no particular action on Saturday, though in Rio de Janeiro a previously planned strike for back wages on the Leopoldina Railway occurred, with the Communist leaders of the union stating that the purpose of the strike was to support Goulart. By Sunday it became clear that a number of unions would or might go on strike in support of constitutional procedures, or

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BUREAU OF
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Mr. Goulart, or both. Even the leaders of the Democratic Resistance Movement in São Paulo came out in favor of a general strike to support the Constitution, though they were aware of the Communist implications and not eager for a strike.

One of the first anti-Communist officials to become aware of the strike trend and of its potential significance, was Mr. Hélio Walcacer, Labor Advisor to Governor Carlos Lacerda. He spoke to the Governor about the matter on Sunday afternoon, August 27, whereupon the Governor immediately called President Mazzilli to discuss the matter. The President asked for suggestions for Minister of Labor; after consultation with Mr. Walcacer, Governor Lacerda proposed two ex-Ministers of Labor, José Segadas Viana and Alencastro Guimaraes, in that order, with Mr. Walcacer himself as the third name. Mr. Walcacer then visited Mr. Segadas Viana at his home to inform him that the suggestion had been made and to discuss possible measures. As the visit was ending, Mr. Segadas Viana received a telephone call informing him of his nomination. Mr. Segadas accepted the nomination after Governor Lacerda approved the acceptance by Mr. Walcacer of the position of Director of the National Department of Labor. At 1:00 a.m., on the morning of Monday, August 28, the two men went to the Labor Ministry, took over their positions, and began to take action. They immediately gave orders to freeze all union bank accounts and disconect all union telephones, including the non-Communist as well as the Communist unions, so that no discrimination might be charged. At the same time, they called a number of the leading non-Communist union leaders to the Ministry of Labor to discuss general measures and particular unions regarding which specific measures might need to be taken.

At 7:00 in the morning, Mr. Walcacer went to his home to shave and change clothes. When he returned at 11:00, he found that Mr. Segadas had left, because during his absence a decree had come from Brasilia naming as Minister of Labor, Mr. Newton Lima, long-time official of the Ministry of Labor and previously Director of the National Department of Labor. Mr. Walcacer believes that this nomination was made by the President in the confusion of the moment, without realizing what he had done. In any event, Governor Lacerda, who could not reach President Mazzilli by phone, had a message sent to him that he could not accept this change and that Mr. Lima would be arrested as he stepped from the plane if he arrived in Rio. Governor Lacerda's firm position caused President Mazzilli to reverse himself again and to appoint Mr. Segadas Viana as Minister of Labor (this confusing sequence of events explains why O Estado de São Paulo on Monday carried the story that Mr. Lima had been appointed as Minister of Labor, whereas most other newspapers stated that Mr. Segadas Viana occupied the post).

By 4:00 p.m., Monday August 28, the matter was straightened out and Mr. Segadas Viana and Mr. Walcacer returned to the Ministry to eat, sleep and work there for the next seven days.

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One of the first results of the early activity of these two officials were public statements which appeared in the newspapers on Monday and Tuesday, August 28-29, by leaders of the Democratic Workers Resistance Movement in Rio de Janeiro and by the Presidents of the Confederations of workers of Industry, Commerce, Land transport, and Maritime, River and Air transport, that the workers should remain calm and at their posts, and obey legally constituted authority. (The bank workers' Confederation did not support the "continue work" appeal.) Somewhat later, the maritime leaders made the statement that their followers should not engage in political strikes, which was then echoed by the other organizations. As a result of these declarations, the only unions to take specific strike actions were those led by Communists, though by no means all communist-led unions engaged in strikes or attempted to do so. Among the unions which created difficulties were the stevedores, which went on strike early, the Leopoldina Railway workers, the metallurgical workers in a few companies, and the ferry workers between Rio and Niteroi. In the metallurgical workers, the union headquarters was closed, as were also headquarters of the stevedores and the port workers. A few union leaders were arrested, though the stories on the number varied and no objective, agreed upon figure is available.

In the case of the Port of Rio de Janeiro, the stevedores declared a strike, whereupon the Director closed the port entirely. The Director was a Quadros supporter and was dismissed from his position for this action. The closing of the port made it impossible for the warehousemen, who did not go on strike, to work and facilitated the leaders of the maritime workers in making their strike effective.

In the case of the ferry service between Rio and Niteroi, all normal service stopped. As a substitute, the Navy provided special ferries for pedestrians. No ferry service for buses, cars, etc. was available during the period.

One of the most difficult and key unions in Rio is the Union of bus and lotação drivers. Before the crisis began, this union had already begun to engage in wage negotiations, and it seemed probable that the union leaders, who are strongly Communist, would utilize a period of inaction to declare a strike. The leaders of the union and their employers were called to the Ministry of Labor and told that the normal services for obtaining information necessary to determine the wage settlement would not be available during the crisis. The leaders of the union were promised that if they did not call a strike during the crisis, the Government would attempt to help the union as soon as the crisis was over and handle the wage problem before anything else (could the Minister commit his successor?). For whatever reasons, the Communist leaders of the union accepted this; we are not sure why. This clearly facilitated the maintenance of order in Rio de Janeiro, especially since special buses and trucks had to be mobilized to transport many of the poorer members of the working class from their homes to work, to replace the Leopoldina Railway transport system.

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In São Paulo, the Ministry officials managed to get the leaders of the Democratic Workers Resistance Movement to reverse their original approval of a general strike and to come out in favor of continued work, maintenance of order and non-participation in a political strike. Neither in Rio nor in São Paulo did strikes become sufficiently widespread to seriously embarrass the authorities. Adequate reports are not available regarding the other principal cities of Brazil, although it does not appear that any of them were seriously tied up by strikes. (In the case of Bahia, a general strike was attempted just as the crisis ended. In Porto Alegre, any critics of Jango kept silent as Governor Brizzola's emotional reaction swept the town and state.)

It is a crystal clear fact that the only unions that went on strike were those dominated by Communists, even though not all Communist-controlled unions struck. This could [illegible] subsequent Ministry of Labor action in favor of the Communists, if the pro-Communist activities of the Ministry should be resumed. Ultima Hora carried the names of some of the anti-Communist union leaders who cooperated with Mr. Segadas Viana and clearly marked them for later retaliation--should the opportunity develop. While local union leaders may be helped by the Governors of São Paulo and Guanabara and elsewhere, and may, in fact, not be important enough to warrant special adverse action by the Minister of Labor, this is by no means true of the leaders of the Confederations. The President of the National Confederation of Commercial Workers is up for re-election in late September 1961, and of the National Confederation of Industrial Workers in December of this year. To what degree the new Minister will attempt to influence these elections is not yet clear, since he was only sworn in on September 11. However, preliminary statements by the new Labor Minister, Mr. André Franco Montoro, are not promising and some of the democratic labor leaders are justifiably concerned.

One of the significant and interesting aspects of the recent crisis was the fact that only in the labor movement was an important segment of the leadership sufficiently aware of the Communist objectives and interest and of Goulart's intimate collaboration with them, to openly and clearly support the public authorities. While these non-Communist labor leaders were concerned with the "constitutional" aspects, they considered the Communist danger of control of the labor movement even more important. As they put it, they did not favor "Constitutionalism" if that simply meant giving the Government to the Communists and others bent on destroying the Brazilian Constitution and democracy. Their stand was strengthened by the fact, clear to anyone who cared to be objective, that the military authorities were interested only in keeping Goulart from taking power because they feared his Communist connections, and were not interested in assuming control themselves. This was not true in the case of the leading intellectual organizations or newspapers (or the New York Times), a number of which went on intellectual binges in favor of constitutional procedures, completely overlooking the pragmatic political aspects of the crisis.

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For the Chargé d'Affaires a.i.:

John T. Fishburn

John T. Fishburn
Labor Attaché

APPROVED BY:

Niles W. Bond
Chargé d'Affaires a.i.

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FOREIGN SERVICE DESPATCH

FROM : Amconsul SANTOS, Brazil

NO. 24

TO : THE DEPARTMENT OF STATE, WASHINGTON.

DATE: September 18, 1961

REF : Consulate's Despatches Nos. 19 and 22 of September 5 and 11, 1961

			DEPT	RM/R	REP					CU	INR	E	P	IO	ICA
19 For Dept. Use Only	ACTION	AMA-4		2	1	7	1	1	1		7	3		4	
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				6	4	15	4	5		5	4	1	1		

SUBJECT: Communists Fail to Unite Santos City Central Under Their Control

DEPARTMENT OF STATE
INTER-AMERICAN AFFAIRS

SUMMARY

As related in the despatches under reference, at the end of August the communists took control of the Santos Forum Sindical de Debates (City Central) after the Forum's anti-communist directorate resigned, and since that time the reds have been attempting to foster the impression that the Forum continues to speak for all Santos labor and to exploit the Forum as a front organization to give prestige to communist agitation and demonstrations. But the refusal of the anti-communist unions to participate in the red-dominated City Central now raises serious doubts as to the utility of the Forum to the reds and suggests that the communists may have scored but a hollow victory in seizing control of the Forum.

* * *

The City Central's self-appointed communist interim governing body of 7 members called a meeting for September 14, at which it was demanded that the Forum's resigned directors turn over their records and accounts. But on that date only 22 communist union leaders and their sympathizers appeared, making it plain that the city's non-communist unions were boycotting the red-run Forum, thus robbing it of any claims it might make as a "popular front" for Santos labor.

Infuriated, the communists present vigorously denounced the Central's anti-communist members as "traitors and cowards". With the communist labor leaders Waldemar Neves GUERRA (President of

cc: Amembassy Rio de Janeiro; amconsul São Paulo.

832.062/9-1661 BW

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FORM 6-61 FS-439 GPO 912596

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

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the Port Services Administration Employees Union), Orlando SPOSITO (President of the Typographic Workers Union), Alfredo EGREJAS (Secretary of the Construction Workers Union), Antônio Madureira de CARVALHO (President of the Hotel Employees Union), José BARRETO (Secretary of the Public Transportation Workers Union), Raimundo Caetano CONCEIÇAO (fellow-travelling President of the Warehousemen's Union) and the communist lawyer for the portworkers Dante LEONELLI presiding at the meeting, Sérgio MARTINS (communist First Treasurer of the Port Services Administration Employees Union) declared, "It is no wonder that the /anti-communist/ ex-President of the Forum did not come here to make his accounting, since he refuses to do the same for the class he claims to lead". Antônio GUARNIERI (Communist President of the Bank Employees Union) also denounced the anti-communist union leaders associated with the Forum, accusing them of a long history of failure to rally the workers to strike for their rights, and declaring that, "if necessary, we will dissolve the Forum Sindical".

The communists then named a committee composed of Amaury Teixeira LEITE (member of the Port Services Administration Employees Union), Oswaldo LOURENÇO (Secretary General of the same union) and Orlando Sposito, all communists, to "promote understandings toward the holding of new elections", (i.e., line up the communist votes). The Forum's communists leaders also decided to press for (1) a general wage increase owing to cost of living increases (2) immediate revision of the minimum wage (3) 30-day paid vacations yearly for all union members and (4) a Christmas bonus of one month's pay for all workers.

Meantime, the City Central's non-communist members were not idle. Led by Expedito Guedes RODRIGUES (Secretary - and boss - of the Coffee Loaders and Sackers Union) and Vitelbino Ferreira de SOUZA (President of the Metallurgists Union), the Forum's communist opponents held their own meeting, also on September 14, at which they proclaimed the alternate members of the Forum's former anti-communist directorate the new officers of the City Central, mamely: Antônio Vitor dos SANTOS (President of the Public Transportation Workers Union), Júlio Gonçalves PINHEIRO (President of the Mineral Products Workers Union), Antônio MOREIRA (President of the Bakers Union),[1] Camila de ALMEIDA (President of the Nurses Union) and Antônio CAVALCANTI de Souza (President of the Coopers Union). Antônio Vitor dos Santos was named the new President of the Forum Sindical de Debates.

This rival meeting issued a communiqué to the effect that the anti-communist Forum would fight for (1) immediate revision of the minimum wage (2) immediate approval of the right to strike (3) 30 days of paid vacations per worker per year (4) retirement pay never

[1] Moreira has been identified as a communist (Consulate's despatch No. 24 dated February 21, 1961.

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to be less than the minimum wage (5) immediate settlement of pensions fallen into arrears (6) approval of the "Sergio Magalhães law" regulating the remittance of profits abroad (7) approval of the agrarian reform law (8) Christmas bonus of one month's pay to all workers and (9) Saturday afternoons to be considered a holiday with pay. In addition, the anti-communists congratulated "the workers and the people of Santos for their demonstration of moderation with respect to democratic institutions by not becoming involved in movements which could have disturbed even more the agitated days which the Nation has experienced", that is to say, for refraining from a general strike.

COMMENT:

Thus there are now two rival Forum directorates, one communist and the other anti-communist, both claiming legitimacy. The anti-communists' determined opposition to the red take-over is encouraging in that it has shattered the façade of unity which the communists have sought to maintain while they claim control of the organization, and in that it has served notice that the enemies of communism in Santos labor do not propose to stand idly by and let the reds run away with this key labor entity. Unfortunately, the local anti-communists are somewhat vulnerable to criticism that by failing to join in a general strike they showed themselves timid in defending the Constitution and safeguarding the workers' rights. Sensing this, the anti-communists have been careful to announce a much more comprehensive program of benefits which their Forum will seek for the workers than the reds have held out to them.

As for the communists, they have without doubt captured a nominal control of the Forum but are faced with a dilemma over how to put this control to use. While the anti-communists were in charge of the organization the reds had room to maneuver within it (see the Consulate's despatch No. 40 of May 9, 1961); but now the communists' designs are out in the open. It would seem that the reds must either (1) accept some sort of accommodation with their opponents to patch up a new directorate acceptable to all (which would in itself represent a tactical defeat) or (2) try to go it alone without the non-communist unions (which would be a farce so far as any semblance of a popular front is concerned) or else (3) dissolve the Santos City Central altogether, as Antonio Guarnieri hinted on September 14. If the last course is the most likely, it could easily result that the communist capture of the Santos City Central will have proved not only brief, but abortive as well.

Virgil P. Randolph, III
American Consul

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FOREIGN SERVICE DESPATCH

FROM : Amconsul SANTOS, Brazil

NO. 26

SEP 29 1961

TO : THE DEPARTMENT OF STATE, WASHINGTON.

September 29, 1961
DATE

REF : Consulate's Despatch No. 21 dated January 31, 1961

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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SUBJECT: LIST OF LABOR UNIONS IN SANTOS AND VICINITY, TOGETHER WITH THEIR ADDRESSES AND NAMES OF THEIR PRINCIPAL OFFICIALS

As of possible interest to the Department, there is contained in Enclosure No. 1 a listing of the 63 labor unions (sindicatos) presently functioning in Santos and vicinity, arranged alphabetically, together with their addresses and telephone numbers, memberships and names of their principal officials as of September 30, 1961.

This compilation brings current the previous similar listing furnished the Department by the Consulate in its despatch under reference.

As is shown by the enclosed listing, the 46 labor unions which are members of the Forum Sindical de Debates (Santos City Central), which excludes from affiliation the 17 sindicatos patronais (employers' associations) in Santos, have a total claimed membership of over 47,700 persons and an actual active membership of at least 37,700. These figures indicate that a considerable portion of the labor force of the city of Santos, estimated at roughly 90,000, are union members. Thus for Brazil, Santos may be considered a highly unionized city.

The political attitudes of the leading unions listed in Enclosure No. 1 have been discussed in a number of the Consulate's recent despatches, particularly its No. 19 dated September 5, 1961.

DEPARTMENT OF STATE
BUREAU OF
INTER-AMERICAN AFFAIRS
OCT 16 1961

Virgil P. Randolph, III
American Consul

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

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LIST OF LABOR UNIONS IN SANTOS, BRAZIL, AS OF SEPTEMBER 30, 1961

SINDICATO DOS AJUDANTES DE DESPACHANTES ADUANEIROS DE SANTOS
(Santos Customs Brokers Assistants Union)
Address: Rua Martim Afonso 33, 2nd floor; Telephone: 2-9435
Membership: about 330
President: José Maia de SOUZA; Secretary: Geraldo Nunes GONÇALVES;
Treasurer: Reynaldo FONSECA.

SINDICATO DOS ARRUMADORES DE SANTOS
(Santos Warehousemen's Union) (Recognized March 13, 1959)
Address: Rua João Pessôa 541; Telephone: 2-2360
Membership: Claims 1,200; Actually has about 575
President: Raimundo Caetano CONCEIÇÃO; Secretary: Pedro SILVA;
Treasurer: Sebastião Martins LIRA.

SINDICATO DOS AUXILIARES NA ADMINISTRAÇÃO DO COMERCIO DE CAFE EM GERAL DE SANTOS
(Santos Union of Office Helpers in the General Coffee Business)
(Founded July 30, 1938)
Address: Rua de São Francisco 188; Telephone: 2-7279
Membership: 1,100
President: Ernesto MARTINS; Vice President: Floreal FERNANDES;
First Secretary: Antônio PERES; First Treasurer: Manoel SILVA.

SINDICATO DOS CARREGADORES E ENSACADORES DE CAFE DE SANTOS
(Santos Coffee Loaders and Sackers Union) (Founded July 27, 1919)
Address: Rua João Pessôa 537-541; Telephone: 2-2360
Membership 1,492
President: José Silvano de ANDRADE; Vice President: Elpídio Caetano de LIMA; Secretary: Expedito Guedes RODRIGUES; 2nd Secretary: Manoel Soares da COSTA; Treasurer: Benedito João de ALMEIDA;
Second Treasurer: José Amadeu de OLIVEIRA.

SINDICATO DOS CARREGADORES E TRANSPORTADORES DE BAGAGENS DO PORTO DE SANTOS*
(Baggage Loaders and Carriers of the Port of Santos)
Address: Avenida Conselheiro Nébias 157; Telephone: 2-5747
Membership: 60
President: Heitor RIBEIRO; Secretary: Pedro Olavo AMORIM; Treasurer: Alberto MONTEIRO.

SINDICATO DO COMÉRCIO ATACADISTA DE FRUTAS DO RIO DE JANEIRO*
(Wholesale Fruit Business Union of Rio de Janeiro)
Address: Estrada de Ferro Santos-Jundiaí, Santos; Telephone: 2-6166
Membership: About 200
Santos Regional Delegate: Armando de SOLIA.

*Denotes a sindicato patronal (employers' association) and not a member of the Forum Sindical de Debates (Santos City Central).

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SINDICATO DO COMÉRCIO ATACADISTA DE GENEROS ALIMENTICIOS DE SANTOS*
(Wholesale Foodstuffs Business Union of Santos)
Address: Rua Braz Cubas 3, 3rd floor, room 2; Telephone: 2-3408
Membership: 20
President: Otávio Fernandes VALEJO; Secretary: Norton Gabriel dos SANTOS; Treasurer: Mario PIERRI.

SINDICATO DO COMÉRCIO ATACADISTA DE SACARIAS EM GERAL DE SANTOS*
(Wholesale General Bag Business Union of Santos)
Address: Rua do Comércio 131; Telephone: 2-7800
Membership: 65
President: Attila CAZAL; Secretary: Mariano RAMIREZ; Treasurer: Rubens Junqueira de RESENDE.

SINDICATO DO COMÉRCIO VAREJISTA DE CARNES FRESCAS DE SANTOS*
(Retail Fresh Meat Business Union of Santos)
Address: Avenida Nossa Senhora de Fátima 359; Telephone: 2-4877
Membership: 486
President: Arthur Alves de AMORIM, Jr.; Secretary: Robinson Tilly dos SANTOS; Treasurer: Júlio Rodrigues CASTANHEIRA.

SINDICATO DO COMÉRCIO VAREJISTA DE SANTOS*
(Santos Retail Business Union) (Founded January 22, 1931)
Address: Rua de São Francisco 61, 7th floor, suite 70-71; Telephones: 2-8711 and 2-6131
Membership: 750
President: Bruno Henrique FÜRBRINGER; Vice President: Rui AMADO; First Secretary: Evando SOARES; First Treasurer: Nelson AUGUSTO.

SINDICATO DOS CONDUTORES AUTÔNOMOS DE VEÍCULOS RODOVIÁRIOS DE SANTOS*
(Self-Employed Vehicle Operators Union of Santos) (Recognized May 6,1954)
Address: Rua Senador Feijó 250, 2nd floor, room 5; Telephone: 2-8609
Membership: Claims 1,400; has at least 800.
President: Daniel CORREA; Secretary: Manoel RODRIGUES; Treasurer: Américo LUIZ.

SINDICATO DOS CONDUTORES DE VEÍCULOS RODOVIÁRIOS DE SANTOS
(Vehicle Operators Union of Santos)
Address: Rua Braz Cubas 344; Telephone: 2-6085
Membership: Claims 1,850; has at least 710
President: Urias GOUVEIA; Secretary General: Horácio LOPES; Treasurer: Anselmo VALADARES.

*Denotes a sindicato patronal (employers' association) and not a member of the Fórum Sindical de Debates (Santos City Central).

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SINDICATO DOS CONFERENTES DE CARGA E DESCARGA DO PORTO DE SANTOS
(Port of Santos Tallyclerks Union) (Founded December 18, 1932)
Address: Praça Azevedo Júnior 12; Telephone: 2-2638
Membership: 486
President: Serafim MENDES; Secretary General: Orlando Villa SAMPAIO; First Secretary: Severino MORETTI; Second Secretary: Celestino GONZALEZ Campos; First Treasurer: Elysio PESTANA; Second Treasurer: Edgard de OLIVEIRA.

SINDICATO DOS CONSERTADORES DE CARGA E DESCARGA DO PORTO DE SANTOS
(Port of Santos Coopers Union)
Address: Rua Visconde do Rio Branco 61; Telephone: 2-4425
Membership: 186
President: Anthony Cavalcanti de SOUZA; Vice President: Vitor Porta NOVA Filho; Secretary: Tertuliano José de FARO; Treasurer: Josué Bacellar CARREIRO.

SINDICATO DOS CONTABILISTAS DE SANTOS
(Santos Accountants Union) (Founded October 19, 1929)
Address: Rua do Comércio 15, 1st floor; Telephone: 2-7614
Membership: 550
President: Ynel Alves de CAMARGO; Vice President: Almir COSTA; Secretary: Alberto Mendes CORREA.

SINDICATO DOS CORRETORES DE CAFÉ DE SANTOS*
(Santos Coffee Brokers Union)
Address: Rua 15 de Novembro 183, 1st floor, room 3; Telephone: 2-7441
Membership: 348
President: Carlos Leite CÉSAR; Vice President: Aguinaldo DIAS; Secretary: José Eduardo Cándido GOMES.

SINDICATO DOS CORRETORES DE NAVIOS DE SANTOS*
(Santos Ship Brokers Union)
Address: Rua Braz Cubas 50, room 14; Telephone: None
Membership: 30 (limited by law)
President: Oswaldo da Silva MONFORTE; Secretary: Everaldo Guilherme dos REIS; Treasurer: Florentino Diegues GONÇALVES.

SINDICATO DOS DESCARTADORES DE FRUTAS DO LITORAL DO ESTADO DE SÃO PAULO E DO PORTO DE SANTOS.
(Fruit Cullers Union of the Coast of the State of São Paulo and of the Port of Santos)
Address: Rua da Constituição 222; Telephone: 2-8842
Membership: 62
President: Alberto Sampaio de MOURA; Secretary: Waldir de Souza VAZ; Treasurer: José Gonçalves COSTA.

*Denotes a sindicato patronal (employers' association) and not a member of the Forum Sindical de Debates (Santos City Central).

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SINDICATO DOS DESPACHANTES ADUANEIROS DE SANTOS*
(Santos Customs Brokers Union)
Address: Rua Braz Cubas 3, 1st floor, room 7; Telephone: 2-3607
Membership: Claims 200; has 154
President: Sylvio Barros VASCONCELOS; First Secretary: Waldemar de Melo VIEIRA; First Treasurer: Manoel RODRIGUES.

SINDICATO DOS EMPREGADOS NA ADMINISTRAÇÃO DOS SERVIÇOS PORTUARIOS DE SANTOS
(Santos Port Services Administration Employees Union) (Founded May 14, 1933)
Address: Rua Júlio Conceição 91; Telephone: 2-8731
Membership: 2,301
President: Waldemar Neves GUERRA; Vice President: Vitório SESSA; Secretary General: Oswaldo LOURENÇO; First Secretary: Osmar Alves Campos GOLEGÃ; Second Secretary: Osny Neri dos SANTOS; First Treasurer: Sérgio MARTINS; Second Treasurer: Alberto Pires BARBOSA.

SINDICATO DOS EMPREGADOS EM CASAS DE DIVERSÕES DE SANTOS
(Santos Union of Employees in Entertainment Establishments) (Founded September 23, 1942)
Address: Rua Amador Bueno 128; Telephone: 2-9787
Membership: Claims 600; Actually has about 100
President: Gentil Martins de ASSIS; Secretary General: José Bonifácio de Souza CURADO; Assistant Secretary: Luiz PANDINI; First Treasurer: Odilo FARIA.

SINDICATO DOS EMPREGADOS NO COMÉRCIO DE SANTOS
(Santos Commerce Employees Union) (Recognized May 15, 1941)
Address: Rua Itororó 77-79; Telephone: 2-5891
Membership: Claims 1,600; has about 1,125
President: Alberto de CARVALHO; Secretary: Orlando ALVES; Treasurer: Arthur Monteiro GONÇALVES.

SINDICATO DOS EMPREGADOS NO COMÉRCIO HOTELEIRO E SIMILARES DE SANTOS
(Santos Union of Employees in the Hotel and Allied Business)
Address: Rua 15 de Novembro 10, 2nd floor, room 214; Telephone: 2-8376
Membership: Claims 1,110, has about 475
President: Antônio Madureira de CARVALHO; Secretary: Delfino MIRANDA; Treasurer: Lázaro Dias da SILVA.

SINDICATO DOS EMPREGADOS DE EDIFICIOS DE SANTOS*
(Santos Building Employees Union) (Recognized September 1960)
Address: Rua D. Pedro II 77, room 2; Telephone: 2-9787
Membership: 122
President: Gentil Oswaldo DUBERGER; Secretary: Antônio Alonso DELGADO.

*Denotes a sindicato patronal (employers' association) and not a member of the Forum Sindical de Debates (Santos City Central).

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SINDICATO DOS EMPREGADOS EM ESCRITÓRIOS DAS EMPRESAS DE NAVEGAÇÃO DE SANTOS
(Santos Steamship Company Offices Employees Union)
Address: Rua Martim Afonso 5, 5th floor, room 57; Telephone: 2-8307
Membership: About 300
President: Irênio Jácomo de ARAÚJO; Secretary: Oswaldo Rodrigues MARTINS; Treasurer: Holben FORTES.

SINDICATO DOS EMPREGADOS EM ESTABELECIMENTOS BANCARIOS DE SANTOS
(Santos Bank Employees Union)
Address: Rua 15 de Novembro 118; Telephone: 2-6611
Membership: Claims 876; has about 630
President: Antônio GUARNIERI; Vice President: Almir Nunes Furtado de OLIVEIRA; Secretary General: Augusto VERNDL; First Secretary: Adelino Simões JORGE; Second Secretary: Acyr CÓ; First Treasurer: Augusto DIESNER; Second Treasurer: Ubaldo Clovis LUCCI.

SINDICATO DAS EMPRESAS DE VEÍCULOS DE CARGA DE SANTOS*
(Cargo Vehicles Companies Union of Santos)
Address: Rua D. Pedro II 89; Telephone: 2-3314
Membership: 32
President: Dr. Alberto Pereira de NÓBREGA; Secretary: Albino Vivian EIROZ; Treasurer: Nicolau MORAN.

SINDICATO DOS ENFERMEIROS E EMPREGADOS EM HOSPITAIS, CASAS DE SAÚDE, DUCHISTAS E MASSAGISTAS DE SANTOS
(Nurses, Hospital and Clinic Employees, Bathhouse and Masseurs Union of Santos)
Address: Rua Senador Feijó 354, room 6; Telephone: 28698
Membership: Claims 1,200; has about 900
President: Camila de ALMEIDA; Vice President: César BARBOSA; Secretary: Claudionor Cosmo da SILVA; Treasurer: Aureliano Marques RIBEIRO.

SINDICATO DOS ESTIVADORES DE SANTOS
(Santos Stevedores Union) (Founded December 1, 1930)
Address: Rua Eduardo Ferreira 79; Telephones: 2-2855 and 2-7484
Membership: 2,946
President: Raymundo Soares VASCONCELOS; Vice President: Florival Alves da SILVA; Secretary General: Walter Costa CORREA; Treasurer: Armindo ALVES DE MOURA.

SINDICATO DOS HOTEIS E SIMILARES DE SANTOS, SÃO VICENTE E GUARUJÁ*
(Hotel and Allied Industries [owners] Union of Santos, São Vicente and Guarujá)
Address: Praça da República 87, 11th floor, suite 14; Telephones: 2-7949 and 2-8344
Membership: 400
President: Eugênio RIGATTO Netto; Secretary: Arlindo QUARESMA; Treasurer: Lino Alonso ALONSO.

*Denotes a sindicato patronal (employers' association) and not a member of the Fórum Sindical de Debates (Santos City Central).

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SINDICATO DA INDÚSTRIA DA CONSTRUÇÃO CIVIL DE PEQUENAS ESTRUTURAS DE SANTOS*
(Santos Small Buildings Construction Industry Union) (Founded January 27, 1955)
Address: Rua do Comércio 9, 2nd floor, room 3; Telephone: None
Membership: about 200
President: Waldemar S. GUIMARÃES; Secretary: Mário dos Santos CARVALHO; Treasurer: Manoel Antônio da ROCHA.

SINDICATO DA INDÚSTRIA DA PANIFICAÇÃO E CONFEITARIA DE SANTOS*
(Santos Baking and Pastry Industry Union)
Address: Rua Amador Bueno 155, 2nd floor; Telephone: 2-4266
Membership: 110
President: Agostinho Antunes PROENÇA; Secretary: José FERNANDES; Treasurer: Miguel Vallejo VASQUEZ.

SINDICATO DOS JORNALISTAS PROFISSIONAIS DO ESTADO DE SÃO PAULO
(Professional Journalists Union of the State of São Paulo)
Address: Avenida Almirante Cochrane 9; Telephone 4-7151
Membership: 87
President of the Santos Delegacy: Carlos Henrique KLEIN; Secretary General: Nivaldo Vieira de LIMA.

SINDICATO DOS MÉDICOS DE SANTOS*
(Santos Doctors Union) (Recognized July 20, 1959)
Address: Avenida Ana Costa 388 or P.O. Box 388; Telephone: 2-5156
Membership: 120
President: Dr. Mauricio FANG; Secretary General: Dr. Áureo Souza RODRIGUES; Treasurer: Dr. Eduardo Luiz Azevedo QUADROS.

SINDICATO DOS MOTORISTAS E CONDUTORES DA MARINHA MERCANTE DE SANTOS
(Santos Union of Small Craft Engineers of the Merchant Marine)
Address: Rua 7 de Setembro 99; Telephone: 2-8600
Membership: about 600
President: Odair Ribeiro LEAL; Secretary: Genézio Alcebíades PEREIRA; Treasurer: Benedito QUINTEIRO.

SINDICATO NACIONAL DE CONTRA-MESTRES, MARINHEIROS, MOÇOS E REMADORES EM TRANSPORTES MARITIMOS
(National Union of Mates, Seamen, Apprentices and Oarsmen in Maritime Transport)
Address: Praça da República 70; Telephone: 2-8743
Membership: claims 1,500 in Santos; 8,000 in all Brazil
Santos Regional Delegate: José Ferreira CAMPOS.

*Denotes a sindicato patronal (employers' association) and not a member of the Forum Sindical de Debates (Santos City Central).

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SINDICATO NACIONAL DOS FOGUISTAS DA MARINHA MERCANTE
(National Union of Merchant Marine Firemen)
Address: Praça da República 70; Telephone: 2-6578
Membership: 380
Santos Regional Delegate: Valdomiro Manete da SILVA.

SINDICATO NACIONAL DOS OFICIAIS E MAQUINISTAS DA MARINHA MERCANTE
(National Union of Merchant Marine Officers and Machinists)
Address: Rua Braz Cubas 3, 10th floor, room 2; Telephone: 2-8796
Membership: 200
Santos Delegate: Adalberto SILVEIRA.

SINDICATO NACIONAL DE TAIFEIROS, CULINARIOS E PANIFICADORES MARÍTIMOS
(National Union of Maritime Stewards, Cooks and Bakers)
Address: Praça da República 70; Telephone: 2-8520
Membership: claims 1,000
Santos Regional Delegate: Ernani Leite RIBEIRO.

SINDICATO DOS OFICIAIS BARBEIROS, CABELEREIROS E SIMILARES DE SANTOS
(Santos Union of Master Barbers, Hairdressers and Allied Occupations)
Address: Rua Braz Cubas 68; room 4; Telephone: 4-9227
Membership: 150
President: Orivaldo Laudelino dos SANTOS; Secretary: Hélio Pinto CAETANO; Treasurer: Joaquim José Ventura de SA.

SINDICATO DOS OPERARIOS E CARPINTEIROS NAVAIS DE SANTOS
(Santos Union of Naval Workers and Joiners)
Address: Rua da Constituição 222; Telephone: 2-8842
Membership: claims 160; has about 120
President: Agrício SA; Secretary: Estevam Leopoldo de MENDONÇA; Treasurer: Onofre Ferreira de LIMA.

SINDICATO DOS OPERARIOS NOS SERVIÇOS PORTUÁRIOS DE SANTOS
(Santos Port Services Workers Union) /Santos Dock Company Workers/
Address: Rua General Câmara 258; Telephone: 2-6518
Membership: about 6,800
President: Manoel de ALMEIDA; Secretary General: Henrique Martins dos SANTOS; Secretary: Antônio RODRIGUES; Treasurer: Elmo Poderoso GIANGIULIO; Welfare Director: Amaury Teixeira LEITE; Fiscal: Sebastião Assis BEZERRA.

SINDICATO DOS PESCADORES DE SANTOS
(Santos Fishermen Union)
Address: Entrepôsto de Pesca Federal, Ponta da Praia; Telephone: 4-9894
Membership: claims 275
President: Anacleto Furtado de OLIVEIRA; Secretary: Agenor Nicolau DIAS; Treasurer: Antônio POMBO.

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SINDICATO DOS PROFESSORES DE ENSINO SECUNDÁRIO E PRIMARIO DE SANTOS
(Santos Union of Secondary and Primary Education Teachers Union)
Address: Rua do Comércio 15, 1st floor; Telephone: 2-9059
Membership: claims 180
President: Leo José Ladeira de MATTOS; First Secretary: Diniz MARTINS; Second Secretary: Cely de Moura NEGRINI; First Treasurer: Antônio Coelho de OLIVEIRA; Second Treasurer: Ynel Alves de CAMARGO.

SINDICATO DOS SALÕES DE BARBEIROS, CABELEREIROS, INSTITUTOS DE BELEZA E SIMILARES DE SANTOS*
(Santos Union of Barbershops, Hairdressers, Beauty Salons and Allied Business)
Address: Praça José Bonifácio 48, 1st floor; Telephone: 2-8926
Membership: 250
President: Antônio CATALDO; Secretary: Manoel CORDEIRO; Treasurer: Pedro SILVA.

SINDICATO DOS TRABALHADORES NAS EMPRESAS DE CARRIS URBANOS, TROLEIBUS E CABOS AÉREOS DE SANTOS
(Santos Union of Workers in Urban Transportation Companies (Founded March 26, 1938)
Address: Praça José Bonifácio 25; Telephone: 2-5807
Membership: claims 2,500; has about 1,215
President: Antônio Vítor dos SANTOS; Secretary: José BARRETO; Treasurer: Arnaldo de Souza DIAS.

SINDICATO DOS TRABALHADORES EM EMPRESAS COMERCIAIS DE MINÉRIOS E COMBUSTÍVEIS MINERAIS DE SANTOS
(Santos Union of Workers in Mineral Products and Mineral Fuels Commercial Enterprises)
Address: Rua Itororó 79, 7th floor; Telephone: none
Membership: claims 250; has about 175
President: Júlio Gonçalves PINHEIRO; Secretary: Antônio RODRIGUES; Treasurer: Miguel JORGE.

SINDICATO DOS TRABALHADORES EM EMPRESAS DE COMUNICAÇÕES DE SANTOS
(Santos Communication Company Workers Union)
Address: Praça José Bonifácio 59, 2nd floor, room E; Telephone: None
Membership: 83
President: Umberto Rodrigues FEIO; Vice President: Jessé Araken Vaz de OLIVEIRA; First Secretary: Pompílio Oliveira VIEIRA; Second Secretary: Antônio Luiz da SILVA; First Treasurer: Paschoal BARTOLOTTO Júnior; Second Treasurer: Cyro de Souza.

*Denotes a sindicato patronal (employers' association) and not a member of the Forum Sindical de Debates (Santos City Central).

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SINDICATO DOS TRABALHADORES EM EMPRESAS FERROVIARIAS DO ESTADO DE SÃO PAULO
(Railroad Workers Union of the State of São Paulo)
Address: Rua do Comércio 139; Telephone: 2-7068
Membership: about 1,500
Santos Delegates: Dirceu PUPPO; Rogério de Souza RUFFO; Sebastião BARBOSA.

SINDICATO DOS TRABALHADORES NAS INDÚSTRIAS DE CERVEJA E BEBIDAS EM GERAL, DO FRIO E DE CARNES E DERIVADOS DE SANTOS
(Beer and General Beverages, Refrigeration and Meat and Similar Products Workers Union of Santos)
Address: Rua de São Francisco 96, room 1; Telephone: 2-7360
Membership: about 200
President: Benedito Lourenço da COSTA; Secretary: Francisco Pedro da SILVA; Treasurer: Manoel CORREIA.

SINDICATO DOS TRABALHADORES NAS INDÚSTRIAS DA CONSTRUÇÃO E DO MOBILIARIO DE SANTOS, CUBATÃO, SÃO VICENTE, GUARUJÁ E CONCEIÇÃO DE ITANHEM
(Construction and Building Industries Workers Union of Santos, Cubatão, São Vicente, Guarujá and Conceição de Itanhaem) (Recognized July 5, 1939)
Address: Rua Senador Feijó 250, 2nd floor, room 8; Telephone: 2-6110
Membership: claims 3,300; has about 1,150
President: Henrique MATHIAS; First Secretary: Sibrônio AGUIAR;
Treasurer: Alfredo EGREJAS.

SINDICATO DOS TRABALHADORES NAS INDÚSTRIAS DA DESTILAÇÃO E REFINAÇÃO DE PETRÓLEO DE CUBATÃO
(Destilling and Refining of Petroleum Industry Workers Union of Cubatão)
Address: Rua General Câmara 150; Telephone: None
Membership: claims 2,000; has at least 1,682
President: Geraldo Silvino de OLIVEIRA; Vice President: Adiston Soares DIAS; Secretary: Gelásio Ayres FERNANDES; Second Secretary: Jair Braga MARCATTI; First Treasurer: David Gerenello da SILVA; Second Treasurer: Nelson Azevedo COUTINHO.

SINDICATO DOS TRABALHADORES NAS INDÚSTRIAS DE EXTRAÇÃO DE MÁRMORES, CALCÁREOS E PEDREIRAS DE SANTOS, SÃO VICENTE, GUARUJÁ E CUBATÃO
(Marble, Lime and Rock Industries Quarry Workers Union of Santos, São Vicente, Guarujá and Cubatão)
Address: Rua da Constituição 222; Telephone: 2-8842
Membership: claims 280; has 140
President: Fausto de SOUZA; Secretary: José Carvalho GOMES;
Treasurer: Leonel Alba MORENO.

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SINDICATO DOS TRABALHADORES NAS INDUSTRIAS GRAFICAS DE SANTOS
(Santos Typographic Industries Workers Union (Founded July 12, 1931)
Address: Rua Braz Cubas 68, room 1; Telephone: 2-8729
Membership: 292 qualified to vote in last election
President: Orlando SPOSITO; Secretary: Luiz VICENTE; Treasurer: Anibal NASCIMENTO.

SINDICATO DOS TRABALHADORES NAS INDÚSTRIAS DE LATICINIOS E PRODUTOS DERIVADOS DO AÇUCAR E DE TORREFAÇÃO E MOAGEM DE CAFE DE SANTOS, SÃO VICENTE E GUARUJÁ
(Workers in the Dairy, Products Derived from Sugar, and Coffee Roasting and Grinding Industries Union of Santos, São Vicente and Guarujá)
Address: Rua da Constituição 222; Telephone: 2-8842
Membership: claims 200; has 106
President: Luiz Antônio dos SANTOS; Vice President: José Augusto MEIRA; Secretary General: Juarez Vasconcelos LIMA; First Secretary: Durvalino RIBAS; Second Secretary: Raymundo Ferreira de MELLO; First Treasurer: Pedro Antonino de JESUS; Second Treasurer: Antônio Manoel TETE.

SINDICATO DOS TRABALHADORES NAS INDÚSTRIAS METALURGICAS, MECANICAS E DE MATERIAL ELÉTRICO DE SANTOS E CUBATÃO
(Workers in the Metallurgical, Mechanical and Electric Material Industries Union of Santos and Cubatão)
Address: Rua da Constituição 222; Telephone: 2-8842
Membership: claims 1,100; has about 600
President: Vitelbino Ferreira de SOUZA; Secretary General: Sebastião Belizário de ARAUJO; First Secretary: José Jorge de SOUZA; First Treasurer: Oswaldo PEREIRA.

SINDICATO DOS TRABALHADORES NA INDUSTRIA DE PANIFICAÇÃO E CONFEITARIA, PRODUTOS DE CACAU E BALAS, DOCES E CONSERVAS ALIMENTÍCIAS, MASSAS ALIMENTICIAS E BISCOITOS DE SANTOS, SÃO VICENTE, GUARUJÁ E CUBATÃO
(Workers in the Bakery and Pastry, Cocoa Products, Cookies, Cakes and Preserves, Dough and Crackers Industries Union of Santos, São Vicente, Guarujá and Cubatão) (Founded September 18, 1938)
Address: Rua de São Francisco 96, room 4; Telephone: 2-7360
Membership: 280
President: Antônio MOREIRA; Secretary: Wilson RODRIGUES; Treasurer: Alberto DIAS.

SINDICATO DOS TRABALHADORES NAS INDUSTRIAS QUÍMICAS E FARMACEUTICAS DE CUBATÃO
(Cubatão Chemical and Pharmaceutical Industries Workers Union)
Address: Rua Manoel Jorge 161, Cubatão, S.P.; Telephone: None
Membership: claims 1,200; 326 voted in most recent elections
President: Cláudio José RIBEIRO; Vice President: Virgílio Pedro da SILVA; Secretary General: Luiz Antônio de Carvalho BURLE; First Secretary: Clóvis Benedito de ALMEIDA; Second Secretary: Assis MENDES; First Treasurer: Antônio CAPELLO; Second Treasurer: João Marques de SIQUEIRA.

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SINDICATO DOS TRABALHADORES DA INDÚSTRIA DE TINTURARIAS E LAVANDERIAS DO VESTUÁRIO DE SANTOS
(Santos Union of Dry-Cleaning and Laundry Industry Workers)
Address: Rua Braz Cubas 68; Telephone: 2-8729
Membership: at least 100
President: Benedito dos SANTOS; Secretary: João Marques de DEUS;
Treasurer: Anatalino Cajoeiro dos PASSOS.

SINDICATO DOS TRABALHADORES NA INDÚSTRIA DE TRIGO, MILHO E MANDIOCA DE SANTOS
(Santos Union of Wheat, Corn and Manioc Flour Industry Workers)
Address: Rua Visconde do Rio Branco 34; Telephone: 2-5245
Membership: about 550
President: Paulo Sérgio de ARAUJO; Secretary: Vicente SORRENTINO;
Treasurer: José Inácio BELCHIOR.

SINDICATO DOS TRABALHADORES NAS INDÚSTRIAS URBANAS DE SANTOS, SÃO VICENTE, GUARUJÁ E CUBATÃO
(Urban Industries Workers Union of Santos, São Vicente, Guarujá and Cubatão) (Recognized as a Union in 1947)
Address: Praça José Bonifácio 25; Telephone: 2-9257
Membership: 726
President: João de Morais CHAVES; Vice President: Eurico Rodrigues ANICETO; First Secretary: Nelson CARDOSO; Second Secretary: Antônio Simões CARVALHO, Jr.; Treasurer: Domingos Gomes EUZÉBIO Filho.

SINDICATO DOS TRABALHADORES NAS INDÚSTRIAS DE VIDROS, CRISTAIS E ESPELHOS DE SÃO VICENTE E SANTOS
(Glass, Cristal and Mirror Industries Workers Union of São Vicente and Santos)
Address: Praça Barão do Rio Branco 160, 2nd floor, room 25 in São Vicente, S.P.; Telephone: None
Membership: unavailable, but believed to be fairly small
President: Gilberto Pereira da COSTA.

SINDICATO DOS VIGIAS PORTUÁRIOS DE SANTOS
(Santos Port Watchmen's Union)
Address: Praça dos Andradas 4; Telephone: 2-7921
Membership: 170
President: Antônio Paulo Gonçalves da SILVA; Secretary General: Álvaro Ferreira LISBOA; First Secretary: João Francisco da HORA;
Treasurer: Manoel PIMENTEL.

0180

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

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FOREIGN SERVICE DESPATCH

FROM : Amconsul SANTOS, Brazil — NO. 33

TO : THE DEPARTMENT OF STATE, WASHINGTON. — DATE: October 18, 1961

REF : Consulate's Despatches Nos. 24, 22 and 19 dated respectively September 16, 11 and 5, 1961

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	REC'D 10-27		AIR	ARMY	CIA	NAVY	OSD	OCB	USIA	NSA	NSC			
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SUBJECT: Communists Win Santos City Central Election

DEPARTMENT OF STATE
BUREAU OF
INTER-AMERICAN AFFAIRS
OCT 31 1961

SUMMARY

In an important test of their strength among Santos labor, the communists in a fair election have won control of the full and undivided Santos City Central, for the first time in its history. As this organization speaks for organized labor in this part of Brazil, the communists now have at their behest a powerful forum from which they can work much mischief in this key Brazilian port city.

* * *

Realizing that their previous attempt to run the Santos Forum Sindical de Debates (City Central) without anti-communist participation was hopeless, and frustrated by the success of the anti-communist labor unions in maintaining their own "legitimate" City Central (see the Consulate's despatches under reference), at the beginning of October the local reds came to terms with their opponents on ways of means of rebuilding the nearly-wrecked organization, which represents 53 Santos, São Vicente and Cubatão labor unions. After some wrangling a five-man bipartisan committee was chosen to supervise elections called for October 16 for the purpose of selecting a new City Central directorate to be voted for by all the member unions, anti-communist as well as communist. This five-man group was composed of President Antônio GUARNIERI of the Bank Employees Union, Secretary General Oswaldo LOURENÇO of the Port Services Administration Employees Union (both militant members of the Communist Party of Brazil - PCB), President Júlio Gonçalves PINHEIRO of the Quarryworkers Union (a neutralist non-communist), President Vitelbino Ferreira de SOUZA

cc: Amembassy Rio de Janeiro; amconsul São Paulo.

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REPORTER

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0182

of the Metallurgists Union and President Irênio Jácomo de ARAUJO of the Shipping Companies Employees Union (the latter two being staunch anti-communists).

The reporting officer understands that the original communist tactic was to seek to force through one "popular front" slate with both reds and anti-reds, the trick being that the communists would agree to allow only second-string anti-communists to run on this "unity" slate, while the reds would reserve the right to put up skilled PCB union leaders. The communists sought to justify this transparent maneuver by denouncing such well-known and capable Santos anti-communist labor figures as Vitelbino Ferreira de Souza, President João de Morais CHAVES of the Light & Power Company workers Union and City Central ex-President and Coffee Loaders and Sackers Union boss Expedito Guedes RODRIGUES, branding them as "traitors" for not having supported the abortive communist-inspired general strike called here for August 29 at the height of the political crisis. In fact, during the seven weeks preceeding the Central elections the communists conducted a campaign of systematic villification of their most important opponents. For example, they blasted President José Silvano de ANDRADE of the Coffee Loaders and Sackers Union for allegedly failing to allow an investigation of the union's accounts; similarly, they viciously attacked President Raymundo Soares VASCONCELOS of the Stevedores Union (see Consulate's despatch No. 28 of October 4) for not joining in the national stevedore strike in September.

At length on October 11 two separate tickets were announced. The reds for members of the Central's directorate put up Antonio Guarnieri, Oswaldo Lourenço, President Geraldo Silvino de OLIVEIRA of the Petrobras Refinery Workers Union, Treasurer Alfredo EGREJAS of the Construction Workers Union and Vice President Vitor Porta NOVA Filho of the Coopers Union, all reds or their strong sympathizers, plus a number of other communists, sympathizers of dupes for alternate directorships and subsidiary offices. The anti-communists ran Vitelbino Ferreira de Souza, João de Morais Chaves, President Ernesto MARTINS of the Coffee Business Helpers Union, President Alberto Alves de CARVALHO of the Commerce Employees Union and President Antônio Vitor dos SANTOS of the Streetcar Employees Union for the City Central directorate. Both were strong slates.

It was agreed that voting was to be by secret ballot, with one duly authorized union representative casting his vote for his entire union. Each of these union representatives was to bear credentials approved by the five-man supervisory committee.

The communists pulled out all the stops to win. They intimidated, threatened and bribed anti and non-communists not to vote, rallied their own unions and politicked desperately. The reporting officer

0183

is reliably informed that the Delegacia de Ordem Política e Social (DOPS) branch of the Santos police was active in providing protection and moral support for threatened union leaders, while such key communist enemies as Expedito Guedes Rodrigues, Vitelbino Ferreira de Souza and João de Morais Chaves spent worked hard canvassing support from their allies and encouraging the waverers and uncommitted. While all this was going on the anti-communist local labor weekly O Expresso editorially commented that it was a great mistake for the anti-communists to have ever agreed to cooperate with the reds in holding the City Central elections, since this was only playing into the communists' hands.

On October 16 the elections took place as scheduled and without incident. All 53 unions participated, and at 6 p.m. when the ballots were counted the communists had 28 votes to the anti-communists' 24, with one blank ballot being recorded. The red slate was at once declared the winner, and the City Central's new directorate will now be composed as follows: President - Geraldo Silvino de Oliveira; Vice President - Antônio Guarnieri; First Secretary - Oswaldo Lourenço; Second Secretary - Alfredo Egrejas; and Treasurer - Vitor Porta Nova Filho. Alternate members of the directorate are President Orlando SPOSITO of the Typographic Workers Union (a militant communist), Secretary José BARRETO of the Streetcar Employees Union (another militant communist), President Antônio Paulo Gonçalves da SILVA of the Port Watchmens Union (not identified as a PCB member but regarded as a fellow traveller), President Raimundo Caetano CONCEIÇAO of the Warehousemen's Union (a communist collaborator) and President Antônio Madureira de CARVALHO of the Hotel Employees Union (a PCB member). The City Central's Finance Committee will be made up of Secretary Antônio RODRIGUES of the Port Services Workers Union (a well-known red and PTB Santos alderman), President Paulo Sérgio ARAUJO of the Wheat Industries Workers Union (a PCB member) and President Odair Ribeiro LEAL of the Small Craft Merchant Marine Engineers Union (an ex-PCB member who is currently working closely with the reds). Alternate members of this Finance Committee are Júlio Gonçalves Pinheiro of the Quarryworkers Union (see above), President Gilberto Pereira da COSTA of the Glass Workers Union in São Vicente (apparently a communist dupe) and President Claudio José RIBEIRO of the Cubatão Chemical Workers Union (a militant PCB member and agitator).

The anti-communists took their defeat in good part, and Vitelbino Ferreira de Souza congratulated his rival Geraldo Silvino de Oliveira on his victory. The latter promised to "unify the workers in the struggle for defense of their demands" and never to "betray the workers in any circumstance".

COMMENT:

In the final showdown the communists simply had the votes, i.e.,

GPO 802667

0184

the communist-influenced labor unions in Santos now outnumber the free ones. For the first time in its history the influential Santos City Central, which speaks for organized labor in one of Brazil's most heavily unionized cities (see Consulate's despatch No. 26 dated September 29, 1961) will be controlled by the communists. This time it will be no schismatic organization which the reds will rule, as had been the case since the City Central fell apart last August, but a united group with a red directorate legitimately elected to represent 53 unions, some of which are quite powerful. And the reds can be expected to boss a tightly-disciplined show.

Perhaps some small comfort can be extracted from the fact that the City Central election did focus local labor's attention on the power struggle between the reds and their opponents and caused all the local unions to stand up and be counted. It is now widely appreciated here that the communists henceforth will be firmly in the City Central's saddle and that the Central must surely become a vehicle for communist propaganda and agitation. In this way it may well be that the communists will find themselves running a City Central which everyone recognizes is hardly more than a front organization, which would greatly reduce its potential value to the reds.

Virgil P. Randolph, III
American Consul

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FOREIGN SERVICE DESPATCH

FROM : Amembassy RIO DE JANEIRO

364
DESP. NO.

TO : THE DEPARTMENT OF STATE, WASHINGTON.

October 31, 1961
DATE

REF :

File. No action
ESt/13: JW Wilson -
Euro 11-22-61

NOV 4 1961

DEPARTMENT OF STATE
BUREAU ARA-11
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	REC'D	OTHER				
	11-7-61		CIA-11	USIA-10	LAB-8	

SUBJECT: Third National Labor Encounter

The Third National Labor Encounter was held in Rio de Janeiro from October 20 through 22, 1961.

The Encounter was entirely a Communist planned and dominated meeting from the beginning. The principal leader was Mr. Benedito Cerqueira leader of the metalworkers' union of Rio de Janeiro and a member of the WFTU General Council. The second leader in importance was Mr. Clodsmidt Riani, Vice President of the C.N.T.I. (National Confederation of Industrial Workers), who is leading the Communist slate in opposition to anti-Communist President Deocleciano Cavalcanti, who is running for reelection to the presidency of the C.N.T.I. in the election scheduled in December. (Mr. Riani is an ex-Point IV labor grantee whose attitude toward the U.S. seems to have been considerably improved by his trip, but who has not abandoned his connections with the Communist camp.) The Encounter was openly and publicly denounced as a Communist maneuver by Mr. Cavalcanti and by the democratic labor leaders of São Paulo. The leaders of the C.N.T.C. (National Confederation of Commercial Workers) did not publicly denounce the meeting, probably because they were engaged in their own election fight for survival--which they barely won. Although no important anti-Communist or non-Communist labor leader of national or regional reputation attended, it is only natural that among the claimed 912 delegates there were a number from outlying areas who were non-Communists.

The main purpose of the meeting was to demonstrate the fact that the President is still supporting the organizers. This was evident from the appearance of the President and his friendly speech to the meeting. In his speech, President Goulart referred favorably to the leaders of the Encounter, he promised to continue his pro-labor policies, he called for the usual Communist-desired "unity" in the labor movement, and he thanked them for their fight to maintain a democratic government during the recent crisis in Brazil. (It was, as far as known, only the Communist led labor groups who tried to maintain what he would regard as the "democratic

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0186

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regime.") It might also be remarked that the President eulogized the leaders of the bank workers who are both Communist dominated and who were then engaged in a wide-spread strike.

It is notable that the Minister of Labor was not present at the meeting, nor did he send it a representative or greetings. These omissions are notable in view of a number of instances in which the Minister of Labor is showing a different attitude toward the Communist problem from that evidenced by President Goulart. This development is being more extensively discussed in a separate despatch.

It is also notable that a tear gas bomb exploded outside the theatre at the opening session of the congress. The session, however, was only momentarily perturbed. The Embassy does not possess information indicating who exploded the bomb.

For the Ambassador,

John T. Fishburn

John T. Fishburn
Labor Attaché

APPROVED BY:

Philip Raine

Philip Raine
Counselor of Embassy
for Political Affairs

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FROM: Amembassy RIO DE JANEIRO

TO: Secretary of State

NO: A-214

October 25

Parmegiani ~~xxxxxxxx~~ reelected President CNTC (National Confederation Commercial Workers) for third two year period 10 votes for 8 against.

GORDON

JFishburn:jw
10-26-61

PRaine

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FOREIGN SERVICE DESPATCH

FROM : Amembassy RIO DE JANEIRO

383
DESP. NO.

TO : THE DEPARTMENT OF STATE, WASHINGTON.

November 7, 1961
DATE

REF : File, No action - E&T/13 J. Wilkinson - Lms

NOV 9 1961

For Dept. Use Only	ACTION	DEPT.
	ara-4	INFO RWR-2 REP-1 S/IC-1 IO-4 INR-7 E-7
	REC'D 11-14	OTHER Lab-8 Cia-15 usia-5 NSC-1 Treasury-1 Comm-1

SUBJECT: Commercial Workers' Confederation Reelects its Democratic Leaders

DEPARTMENT OF STATE
BUREAU OF INTER-AMERICAN AFFAIRS
NOV 16 1961

SUMMARY

Despite strong Presidential and Communist opposition, the democratic elements within the CNTC reelected their slate for a further two year period. This victory would appear to considerably strengthen the independent and democratic trends and leadership of the thus far largely Government-dominated Brazilian labor movement.

The National Confederation of Commercial Workers (CNTC) held its regular biennial election of officers on September 26, 1961. The incumbent slate of officers, headed by the President, Angelo Parmigiani, included most of the genuinely pro-democratic elements within the Confederation, the Confederation itself being the heart of the democratic and anti-Communist labor strength of the Brazilian labor movement. The opposing slate was led by fellow-traveling Mr. Jaime Correa da Silva, (President of the Union of Commercial Workers of Rio de Janeiro), who managed to attach to his slate those elements which were closely allied with and follow the decisions of President Goulart, the fellow-travelers or alleged Communists among the Confederation's leaders, one or two discontented elements, and one or two whose votes were purchased.

In the maneuvering for the election, Mr. Parmigiani repeatedly informed the author that he expected a victory with several votes to spare. This attitude continued down to the day before the election. At the same time, the opposing slate publicly and privately claimed the majority of the votes. Knowing the ability of the Government to put pressure upon union leaders and fearing its ability to conceal its control over key votes until the decisive moment, the author was not at all certain of the outcome. When the votes were actually cast, the result was a 9-9 tie, Parmigiani unexpectedly losing the vote of his own National Federation of Salesmen. This is explained by the strange fact that under

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LABOR:JTFishburn:ss
REPORTER

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Brazilian labor law, the vote of a member labor organization is cast only by a "delegate" elected from the subsidiary labor body to the larger one, rather than by the president of the subsidiary organization (although the latter may also be a "delegate"). As a consequence, even though Parmigiani was the President of the salesmen's Federation, the "delegate" from his Federation to the Confederation, who controlled the vote, decided to vote against him. While there had been some disagreement between the two men, the pressure of the Government was also evident here.

The Confederation informed the Minister of Labor of the tie vote and requested the right to hold a runoff election within 30 days. The Ministry approved and a second vote was held on October 25.

During the interval between September 26 and October 25, the campaigning was furious and both sides were deeply involved. The tactics and efforts were largely directed toward winning or maintaining the votes of the member federations which might be influenced to change. Parmigiani's own Federation of Salesmen held its regular biennial reelection of officers on September 27 and elected a slate headed by Parmigiani with an unanimous vote. This completely cut the ground out from under the dissident "delegate" and one vote more was assured for Parmigiani's side. In addition, Parmigiani managed to swing to his side the vote of two additional member Federations. However, he lost the vote of the National Federation of Warehousemen, which also held an election during the intervening period and replaced its delegate who had been friendly to Parmigiani with one who had followed the other camp. Still a second Federation changed its support from Parmigiani to Correa, but there the vote held. As a consequence, Parmigiani emerged from the runoff election as a victor by a vote of 10-8.

One vote did not change but was nevertheless subject to the pressures and activity of interest and importance. This was the vote of the National Federation of Petroleum Distribution Workers, headed by President Alberto Bettamio, a close friend of President Goulart and a rather weak person in his own right. The First Vice President of this Federation is Mr. Lourival Portal da Silva, one of the most courageous and democratic labor leaders in Brazil. Mr. Portal is also the chief "delegate" of the Federation to the Confederation. Another "delegate" of the Federation (lower in rank than Mr. Portal) is Mr. Fausto Cardoso, former President of the CNTC itself, who Mr. Parmigiani defeated for reelection four years ago. Mr. Cardoso has represented the CNTC in many ICFTU, ORIT and ILO functions; in the past he has been selected by the AFL-CIO to represent Brazilian labor with the National Planning Organization and with other international labor activities held in the U.S., in large measure because he speaks good English and was regarded as definitely pro-Western. The personal friendship of Mr. Bettamio for President Goulart was probably the main reason he supported Mr. Correa. The fact that Mr. Bettamio is a Vice President of the Western-oriented International Federation of Petroleum Workers, that he knows well both the International's President, Mr. Jack Knight, and Secretary-General, Mr. Loyd Haskins, and that his

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Federation is a member of the International had little if any influence on his position on this domestic, "communist," voting issue. Mr. Cardoso's personal animosity in this case probably largely determined his position. Both Bettamio and Cardoso tried to influence Portal to vote for Mr. Correa. However, the latter refused and in both elections voted for Mr. Parmigiani. Between the two elections, Bettamio and Cardoso attempted to replace Portal as the voting "delegate" of the Federation, by Mr. Cardoso. Bettamio resigned the Presidency for 90 days and tried to appoint Mr. Cardoso to that position for the same period. (Mr. Bettamio is not a "delegate" and thus could not vote in the Confederation election.) By thus elevating Mr. Cardoso to the Presidency, he would become the first of the "delegates" from the Federation to the Confederation and would outrank Mr. Portal. However, when this maneuver was attempted, Mr. Parmigiani's lawyer went to the Ministry of Labor with a formal request to have the Ministry recognize Mr. Portal as the President in the absence of Mr. Bettamio. Their claim was based on the natural fact that as first Vice-President Mr. Portal had the right to succeed to the Presidency in the latter's absence. Although the Ministry of Labor usually takes weeks to process an action, this one was acted upon within one 8-hour day, in favor of Mr. Portal. While it was the Director of the National Department of Labor who signed the Ministry's document, the Minister of Labor himself could not have been ignorant of the decision nor opposed to it. This quick action of the Ministry has been publicly protested and criticized by the opponents of Mr. Parmigiani as indicating Ministry favoritism. This is true enough. The action also indicates the continuing decisive nature of Government influence in the labor field when it wishes to exercise it. In this case, for example, a contrary decision of the Minister would have led to another tie vote of 9-9.

The attitude of the Brazilian Government toward the leadership of trade union organizations ranging from Confederations down to unions has generally been tolerant--so long as the leaders were not in open opposition to the policies or leadership of the Government. However, when it was evident that the leadership of a labor organization was in open opposition and the issue or organization was sufficiently important, then the Government would often intervene directly to change the leadership, as it could easily do under existing law, with no pretext or public explanation. If it did not wish to intervene, it simply waited for the next election, at which time it managed to have elected leaders of its own choosing.

In the case of the election in the Commercial Workers' Confederation, its leadership has long been known as anti-Communist. Furthermore, during the recent crisis they supported the military authorities rather than the Brizzola-Goulart faction. It was therefore expected that President Goulart would attempt reprisals. Through his special Labor Advisor, Gilberto Chrockatt da Sa, the President placed a great deal of pressure upon the voting "delegates" of the component federations to vote against Parmigiani. Among other things, Chrockatt sent telegrams to all of them

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in which he openly expressed the support of President Goulart for the opposition and asked for the collaboration of the voters. Normally this pressure would have been sufficient and, considering the claims for victory by the Corrêa slate which were made publicly up until the day of the runoff election, they apparently considered the pressure sufficient in this case also. The Minister of Labor could have gone even further on behalf of the President by intervening in the federations in order to control their vote, but this he did not do, or apparently wish to do. As a consequence, the democratic slate headed by Parmigiani won the election.

In order to prevent legal actions which would prevent his reinstallation as President, Parmigiani arranged to be sworn in again on October 26, the day following the election, without any fanfare or public celebration such as is usually the case. While this technique stopped an immediate challenge to his reassumption of the office, it may not stop subsequent challenges to have him unseated on various allegations, and in fact, such threats have been made.

While there was no formal celebration of Mr. Parmigiani's reinstallation as President of the CNTC, there was a formal celebration of his reinstallation as President of the National Federation of Salesmen, on October 28, 1961. However, in effect, it became the celebration of his victory in the CNTC. Practically all persons who spoke were open and clear about the fact that his victory in the CNTC was a victory for independent union activity, for the democratic elements of the Brazilian labor movement and a setback for both the "Government" and the Communists. It might have been wiser for the celebrants to have been more quiet, since such claims might further arouse the President's antipathy and further stimulate his desire to intervene. However, such restraint was, understandably, too much and was not the order of the day. The representative of ORIT was present and expressed the same sentiments. The author contented himself with attending, regarding his presence as sufficient and did not speak.

This is the first time in Brazilian labor history that such strong and determined labor independence of the President's position has been shown, especially at such a high level. While the future attitude of the Government is not thoroughly clear, it does not seem probable that the Government will attempt to intervene now, since that would be such an obvious effort to offset its unsuccessful electoral efforts, and would arouse considerable independent labor opposition to such open Government interference. In addition, the Minister of Labor apparently would not favor such action, as indicated by his action in the case of the Petroleum Workers' Federation, discussed above.

The victory of the democratic slate of the CNTC must be related to the current leadership of the other Brazilian labor Confederations. Mr. Mario Lopes de Oliveira was elected President of the National Confederation of Land Transport Workers on July 23, on the democratic slate shortly before President Quadros resigned. Although President Quadros favored

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Oliveira's opponent, the President went no further than making his preference known and did not further attempt to influence the election. In the case of the National Confederation of Industrial Workers, the largest and most important of Brazil's labor confederations, the biennial election will be held in December 1961. In this case, the President is supporting Mr. Clodsmidt Riani, Vice President of the CNTI and long-time collaborator with the Communists, against the incumbent President, Mr. Deocleciano Cavalcanti, who is running for reelection on the democratic slate. While Mr. Cavalcanti's supporters confidently predict his reelection, this victory is by no means certain in the mind of the author. In the National Confederation of Workers in Maritime, River and Air Transport, Mr. Alfredo Pereira Nunes will remain in office until his two-year term expires in April 1963--unless the Government intervenes. The Communists, of course, control the bank workers' Confederation.

The differences between the President and the Minister of Labor on the issue of Communist influence within the Brazilian labor movement has been indicated on several recent occasions. However, this election provides the clearest indication of the strength of their divergencies. This issue is being discussed in a separate despatch.

The general or labor significance of Mr. Parmigiani's victory is not yet clear. It certainly demonstrates greater independence, democratic strength, determination and courage in the Brazilian labor movement than was expected by many or has been demonstrated heretofore. It is a great psychological victory and may be of considerable help to Mr. Cavalcanti in his effort to keep control of the CNTI. On the other hand, the powers and resources of the President are tremendous and may be brought into fuller play than was recently done. Also, general political trends and events will greatly influence and limit the results of this action.

For the Ambassador:

John T. Fishburn
Labor Attaché

APPROVED BY:

Philip Raine
Counselor of Embassy
for Political Affairs

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INCOMING TELEGRAM *Department of State*

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Action
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Reply tel drafted by EST/B:RHCrane 11/22/61.

Control: 10990
Rec'd: November 17, 1961
8 p.m.

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FROM: Rio de Janeiro

TO: Secretary of State

NO: 1220 November 17, 4 p.m.

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 at last resort would consider mediation if negotiations at crucial point.

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Note: Mr. Godfrey (ARA) notified 11-17-61

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RIO 1220

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CORRECTION ISSUED
11/21/61, 6 a.m., LM

Control: 7673
Rec'd: November 14, 1961
3:45 a.m.

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FROM: Recife - CORRECTED PAGE 1

TO: Secretary of State

NO: 148, November 11, 3 p.m.

ACTION:
INFO:
RM/R FILES file

No action ARA/ES/B/JWW 7/14/62

PRIORITY

ACTION DEPARTMENT 148, RIO DE JANEIRO 143

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 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.

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 difficulty 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 propitious solution probably GOB loan enabling Portela

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NUMBERED
Control: 1910
Rec'd: Dec. 5, 1961
12:47 AM

FROM: Recife

TO: Secretary of State

NO: 167, December 4, 9 a.m.

ACTION DEPARTMENT 167, INFORMATION RIO DE JANEIRO 158

Senate Emasculation Sudene Master Plan provoking local reaction widespread protest.

In support Purtado and plan and in protest against Senate action, Recife Mayor Miguel Araes has called for city wide work stoppage and public demonstration December 8. Recife city council agreed send delegation Brasilia express opposition to Argemiro De Figueiredo Amendment and has requested all other city chambers northeast protest amendment.

Senate action also criticized severely in state legislature and by student and trade union leaders.

RABIDA

MLB/1

Recife

Cable drafted 12/1/61 a RA/ESTB gw 12-5-61

732.062/12-461

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ACTION: Embassy RIO DE JANEIRO 1580

Recife 167, repeated Rio de Janeiro 158.

Report
[redacted] content nature and effect Brazilian

Senate action re Sudene Master Plan.

RUSK

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832.062/12-461

Reference is made

[redacted] drafted by: ARA:BRZ/Re[illegible]rom/ab 12-5-61 [redacted] transmitted and authenticated by: ARA:[redacted] A. M. [redacted]

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Form DS-322

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HANDLING INDICATOR

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832.062/12-561
DEC 6 1961

FOREIGN SERVICE DESPATCH

FROM : AMCONGEN, RECIFE

118 XR+ 832.20
NO. 832-16

TO : THE DEPARTMENT OF STATE, WASHINGTON.

December 5, 1961
DATE

REF :

AID-11

			DEPT	RM/R	REP	AF	ARA	EUR	FE	NEA	CU	INR	E	P	IO	ICA
55 For Dept. Use Only	ACTION	ARA-4	INFO	2	1							7		3	4	
			OTHER	AGR 10	COM 10	FRB	INT 7	LAB 8	TAR	TR	XMB					
	REC'D 12/12			AIR	ARMY 4	CIA 11	NAVY 4	OSD	OCB	USIA 10	NSA 4					

SUBJECT: The Ligas Camponesas in Paraiba

File No Action
12/1/61

On November 19, 1961, a Consulate officer visited the city of Sapé, Paraiba. Sapé, a city of about 10,000 is in the tablelands of the state. An hour's jeep ride from the coast, it is an area of many large farms that produce cotton, sugar, sisal, pineapples, and general foodstuffs such as manioc and beans. A heavily populated rural area, its soils -- although weak -- are comparatively good. The area has undoubtedly been a fertile one for the Ligas Camponesas, radical agrarian reform movement.

Local leaders estimate that there are 6,000 rural workers in the counties near Sapé who are present adherents of the Ligas. The Ligas have become a political issue and instrument in Paraiba. In Sapé, the city administration (Mayor João Alves Matins, Vice Mayor Genival Torres, and a working majority of the City Council) is UDN. The PSD opposition has allied itself with the Ligas to fight the UDN control.

Until removed in early 1961, the local Catholic priest also strongly backed the Ligas. The present priest, Mons. Adelon Pedroso, a quiet scholarly person, is genuinely alarmed by the Ligas activities and is working quietly against them. The Vice Mayor, Genival Torres, a veteran of the Italian Campaign in World War II, bitterly fights both the Ligas and the PSD with all available means -- despite several threats and attempts upon his life.

Paraiba Governor Pedro Gondim has to date taken no strong stand regarding the Ligas, although on occasion he has apparently endorsed their expressions of the need for reform. The Secretary of Interior, Sylvio Porto, who is encharged with maintaining public security, is supposedly pro-Ligas.

The Brazilian Army is the only organization that has attempted to control the Ligas -- when called upon by the state to stem violences earlier this year. Several caches of Brazilian Army weapons were discovered in the possession of Ligas members.

Ed Walters
REPORTER

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BUREAU OF INTER-AMERICAN AFFAIRS 1961

FORM 6-61 FS-439 GPO 912596

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Paraiba leaders in the Ligas Camponesas movement are reported to be Assis Lemos, an agronomist residing in João Pessoa; Jose Gomes da Silva, a João Pessoa lawyer; and, in Sapé, Pedro Fazendeiro and João Pedro, both seemingly unemployed but obviously salaried provocateurs.

Comments:

Ligas activities in Paraiba are now the most threatening of immediate violence in the Northeast. Because of the favorable variety of circumstances, the Ligas have risen from nowhere (as of June 1960 when Francisco Julião made his first visit to Sapé) to the point now where they are close to dominating the area.

Albert A. Rabida
American Consul

EW/js
cc: AmEmb Rio de Janeiro (2)

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NUMBERED

Control: 3498
Rec'd: December 7, 1961
10:48 a.m.

File
no actions
ARA/EST/KD
J. Cary Wilson
12-11-61

FROM: Recife

TO: Secretary of State

NO: 175, December 5, 5 p.m.

Recife 175

ACTION DEPARTMENT 175, RIO DE JANEIRO 163.

Hour long general strike called Recife for protest Senate emasculation Sudene. Mass rallies to be held downtown Recife same time under aegis leftist Mayor Miguel Arraes and others including vice Governor and leaders both State Legislature and Municipal Council. Students, labor union, civic organizations and press throughout northeast all bitterly protesting "treachery corrupt politicians in Senate". Everyone prominent conservative businessmen joining in protest.

Governor Cid Sampaio sent telegram December 4 Federal Deputies asking them vote against Senate amendments and for original Sudene master plan. Governor has been severe critic Sudene in past. His action now prompted by knowledge that to be identified with Senate amendments would be political suicide for any public figure in Northeast. Also probably result his concern over serious political consequences likely result defeat Sudene.

Inflation and agitation placing increasing strain on social fabric northeast. Situation held together to date primarily by hope improvement situation. During past few days Sudene has become overwhelmingly symbol that hope with public opinion behind it. Leftists already pointing to Senate action as indication that last hope will soon be gone and that there no possibility improvement plight of masses within present political framework. If Sudene rendered ineffective or destroyed, repercussions this area could be serious.

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Control: 4241

Rec'd: December 7, 1961
11 p.m.

FROM: Rio De Janeiro

TO: Secretary of State

INFO:

NO: 1353, December 6, 5 p.m. (SECTION ONE OF TWO)

RIO 1353

file no action
ES+/B
JW Wilson
11/1/62

Re my telegram 1332, I also raised with President Goulart subject of forthcoming election in National Confederation Industrial Workers (CNTI). I indicated AFL-CIO greatly interested in forthcoming election December 8-9 and mentioned President Kennedy had expressed interest labor matters during my recent trip to US. President Goulart did not seem object in least to having subject opened. On contrary he discussed it with apparent candor and interest. He stated he had recently been visited by leaders of pro-Communist and anti-Communist slates within CNTI and had given them 48 hours get together on common slate. Result was agreed slate which he believed was best possible in circumstances. He said contained some extreme elements but no Communists and all members of slate known personally to him. He also expressed feeling this only slate that could defeat Communists.

Composition of proposed unity slate just learned from Deocleciano Cavalcanti, current CNTI President. There is still maneuvering among three top officer re their order. With this reservation, proposed slate is:

Heracy Fagundes Wagner, currently Second Secretary CNTI; Vice-President, Clodsmidt Riani would repeat; First Secretary, Dante Pelacani, President National Federation Printing Trades Workers; Second Secretary, Francisco Placido Das Chagas, now Second Treasurer; First Treasurer, Daniel Soares would repeat; Treasurer, Mario Dopazo, President Interstate Federation of Workers Leather Goods; Librarian, Edinil Ferrao, President Federation Construction Workers of Santa Catarina; first alternate to Directorate Jose Chediak, President Federation

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-2- 1353, December 6, 5 p.m. (SECTION ONE OF TWO), from: Rio De Janeiro

Workers in Glass of Sao Paulo; second alternate, Wilson Barros De Leal, President Federation Workers Spinning and Weaving of north and northeast; President Supervising Council, Galdino Vargas Camara, President Federation Metal Workers of Rio Grande Do Sul. Other two proposed members of Supervising Council Jose Ignacio Bandeiro and Zacaria Fernando Da Silva, presently otherwise unidentified, except that Deocleciano says not Communists.

Many respects proposed slate, on surface, not much different from existing one. Four of seven members of Directorate would be carry-overs, two occupying same position. Dante Pelacani probably as reliable as existing First Secretary, Ary Campista. Mario Dopazo always identified with anti-Communist camp. Ferrao reported expelled PCB 1961. Ferrao included Deoclecianos own proposed slate prior establishment unified slate promoted by President Goulart. Dante Pelacani left PCB earlier. Key to new slate is Heracy Wagner. In past, Deocleciano dominated organization. Wagner seems weaker person. At least three of proposed executive directory--Riani, Pelacani, and Ferrao were closely associated with Communists many years with present relationships unclear. Re relations between CNTI and ICFTU and ORIT, no indication yet whether this slate would favor continuance; present belief is it would.

Deocleciano apparently decided cannot win and has abandoned his proposed slate including Wagner for President, Soares and Ferrao and with himself as Vice-President. He now attempting, through Soares, be designated international representative CNTI. Move indicates both weakness and flexibility to adapt to new and far less important position. Whether can obtain position unclear.

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CORRECTION ISSUED: 12/8/61 9:30 am DT

Control: 4243
Rec'd: December 8, 1961
10:08 a.m.

FROM: Rio de Janeiro - CORRECTED PAGE ONE

TO: Secretary of State

NO: 1353, December 6, 5 p.m. (SECTION TWO OF TWO)

President Goulart also suggested to me that members of slate be invited visit US. Embassy believes desirable, assuming no unforseen development such as disaffiliation ICFTU/ORIT. Riani has already visited US and none of other members would appear present greater difficulties. Wagner, Pelacani, Soares already been invited. Visa exemptions necessary for Pelacani (renewed), Glerrao, Chediak, possibly Leal, but no insurmountable difficulties foreseen. Since President himself suggested idea, and since most Brazilian labor leaders are pleased visit US, anticipate their ready acceptance special 30-day grants, once election over.

Main weakness slate from positive viewpoint is absence any representative newly developing constructive democratic labor group, strongest in Sao Paulo.

Please pass above information immediately Serafino Romualdi. If additional important information develops prior election, will be reported by telegram, as will results election.

Selection of Wagner as President may be part or largely result of assumption by Carlos Lacerda of leadership of democratic labor forces Rio. Lacerda planning announce this leadership and denounce intervention President Goulart in CNTI If Riani had headed slate, Lacerda's allegations re Communist influence in organization would have been more credible; until recently Riani favorite choice of President and PTB according all available information. Selection Wagner as President of slate greatly reduces credibility such allegations.

Validity

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0203

Validity above facts and analysis endangered by unconfirmed late reports that Wagner withdrawing from slate to accept offer government position. Will be clarified and reported soonest.

GORDON

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Control: 4243 NUMBERED

Rec'd: December 8, 1961
4:00 a.m.

FROM: Rio de Janeiro

TO: Secretary of State

NO: 1353, December 6, 5 PM (SECTION TWO OF TWO)

President Goulart also suggested to me that members of slate be invited visit United States. Embassy believes desirable, assuming no unforseen development such as disaffiliation ICFTU/ORIT. Riani has already visited US and none of other members would appear present greater difficulties. Wagner, Pelacani, Soares already been invited. Visa exemptions necessary for Pelacani (renewed), Glerrao, Chediak, possibly Leal, but no insurmountable difficulties foreseen. Since President himself suggested idea, and since most Brazilian labor leaders are pleased visit US, anticipate their ready acceptance special 30-day grants, once election over.

Main weakness slate from positive viewpoint is absence any representative new developing constructive democratic labor group, sojowgvufjtwdrqnw*Paulo.

Please pass above information immediately Serafino Romualdi. If additional important information develops prior election, will be reported by telegram, as will results election.

Selection of Wagner as President may be part or largely result of assumption by Carlos Lacerda of leadership of democratic labor forces Rio de Janeiro. Lacerda planning announce this leadership and denounce intervention President Goulart in CNTI. If Riani had headed slate, Lacerdas allegations re communist influence in organization would have been more credible; until recently Riani favorite choice of President and PDB according all available information. Selection Wagner as President of slate greatly reduces credibility such allegations.

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0205

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-2- 1353, December 6, 5 PM (SECTION TWO OF TWO) From Rio de Janeiro

Validity above facts and analysis endangered by unconfirmed late reports that Wagner withdrawing from slate to accept offer government position. Will be clarified and reported soonest.

GORDON

GDW

* As received. Correction to follow.

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CORRECTION ISSUED: 12/13/61, 11:55 a.m. FH

Control: 4446

Rec'd: Dec 8, 1961 2:03 pm

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FROM: Rio de Janeiro - CORRECTED COPY

TO: Secretary of State

NO: 1370, December 7, 6 p.m.

EMBTEL 1333

CNPT election picture still confused. Wagner, Riani and Pelacani all still in race, all seeking Presidency. Deocleciano promoting slate headed by Wagner and composed of representatives of 20 federations. Wagner key, practically all factions seeking his support. President Goulart probably critical factor and due Rio eighth; election ninth.

GORDON

MDF

Rio de Janeiro 1370 83 2.00632/12-761

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Control: 4446

Rec'd: Dec 8, 1961 2:03 pm

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FROM: Rio de Janeiro

TO: Secretary of State

NO: 1370, December 7, 6 p.m.

1353

EMBTEL 1333

(#) Election picture still confused. Wagner, Riani and Pelacani all still in race, all seeking Presidency. Deocleciano promoting slate headed by Wagner and composed of representatives of 20 federations. Wagner key, practically all factions seeking his support. President Goulart probably critical factor and due Rio eighth; election ninth.

GORDON

MDF

(#) Omission. Correction to follow.

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Control: 5433
Rec'd: December 9, 1:[illegible]
9:53 am

FROM: Recife

TO: Secretary of State

NO: 181, December 7, 3 p.m.

ACTION RIO DE JANEIRO PRIORITY 10, DEPARTMENT 18.

About 10,000 present rally last night defense Sudene. Principal speakers were Mayor, Vice Mayor, Governors Alagoas and Pernambuco. Several Federal deputies, labor and student leaders also spoke. Governor Ceara and numerous officials various Northeast state Governments on stand.

General tenor one of support for Sudene and indignation Senate action. Extreme left made effort lend meeting anti-American tone with placards demanding nationalization foreign banks and declaring "we don't want beans and powdered milk, we want the imperialist companies to get out". These efforts largely unsuccessful, receiving little response from crowd. All speakers but one stuck to main point defending Sudene. Mayor Arraes, who received most applause, declared all people Northeast should stand shoulder to shoulder regardless religious or political beliefs. Only Pernambuco Vice Governor Silveira got off track with statement blaming problems Northeast on "foreign trust". His statement received no applause. Some handbills lauding Brizzola and announcing his imminent arrival Recife passed out, but counterbalanced by others declaring "Pernambuco Sim, Prazz Il Nao".

Most significant event occurred when Governor Cid Sampaio attempted speak. Obviously prearranged demonstration against him started by leftist agitators and taken up by crowd which [illegible] packed with Arraes supporters. Governor tried speak some 30 minutes in spite growing disapproval from crowd and then own objects. Unable speak effectively he cut short attempt. Melee for all broke out between handful his supporters and hecklers. Placards proclaiming "Cid Com Sudene" seized and torn. Several shots fired.

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Control: 5437
Rec'd: DEC. 9, 1961

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FROM: Rio de Janeiro

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TO: Secretary of State

NO: 1387, December 8, 7 p.m.

PRIORITY

732.00/

Embassy telegram 1370

Unity slate established under influence President Goulart now fallen apart. Have divided into pro-communist and pro-democratic slates, both sides informed Embassy. Pelacani for President and Riani for Vice head pro-commie slate. Wagner heads more democratic slate, which supporters claim has 30 votes. President might force reconciliation again. If not, his aid likely for Pelacani slate. Outcome yet unsure.

GORDON

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Rio de Janeiro - 1387

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OUTGOING AIRGRAM

Department of State

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NO. A-99

Dec 22 1 46 PM '61

SENT TO: AmEmbassy, RIO DE JANEIRO

832.062/12-861

Page ___ of ___ Pages

Re - Embassy's 1387

In the opinion of the Department, the results of the elections of December 9, 1961 in the Industrial Workers Confederation (CNTI) create a situation toward which we should take a definite position. As it appears at this time, the CNTI has fallen under the control of elements unfriendly to the United States and to the free world labor movement. Furthermore, it appears that control by these elements was achieved, in substantial part at least, through intervention on their behalf by officials of the Brazilian Government acting for and with the knowledge of President Goulart.

In view of these circumstances, the following courses of action suggest themselves for consideration in determing our future relations with the CNTI:

(a) Pending a clear indication of just where it is heading, maintain a coolly friendly and "correct" attitude with the CNTI while cooperating closely with the CNTG and with those CNTI affiliates which voted against the present leaders.

(b) Divert various assistance efforts, leader grants, motion picture resources, training courses, scholarships, etc., away from the CNTI and toward the CNTG and the CNTI dissidents.

(c) Any direct assistance under the Alliance for Progress should be diverted from the CNTI.

(d) Urge any of the International Trade Secretariats which have affiliates among the 29 Federations which voted for the new officers to indicate their displeasure, curtail services, etc., while at the same time increasing cooperation and support for affiliates which opposed the slate.

These

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ARA:RPA:HSHammond:mrk 12/21 — Airgram translation and classification approved by: RPA - Edward E. Marsden

Cleared: EST - Mr. Meeks (In draft) EST - Mr. Wilson (In draft)

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832.062/12-861

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These suggestions are presented for the consideration of the Embassy and its views are requested as to the wisdom of applying them. Similarly, suggestions by the Embassy of other courses of action which might be followed in addition to or in lieu of these proposals are requested.

BALL, ACTING

Ball (acting)
(Eqf)

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Rec'd: Dec 9 1961
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ACT
INFO
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FROM: Rio de Janeiro

TO: Secretary of State

NO: 1392, December 9, 5 p.m.

NIACT

FOR HAMMOND, PASS ROMAULDI SOONEST

Reference telegram 1387.

CNTI election won by slate Pelacani President, Riani Vice President, Benedito Cerqueira First Secretary with 29 votes to 23 opposed. Up to end vote counting, rival slate headed by Wagner still thought would squeak through.

"Unity" slate forged under Goulart request split because mutual suspicions and both sides wished clearer victory. Slate is voted as unit and though prior agreement may determine election president et cetera entire directorate must elect president after their election. Wagner desired leave unity slate in part because feared Pelacani controlled 4 of 7 directorate votes and would betray prior agreement, by electing self instead of Wagner as president.

Pelacani slate contains both pro-communist and non-communist elements but is dominated by three strong individuals, Pelacani Riani and Cerqueira. Pelacani left PCB some years ago but has frequently indicated agreement with it since departure. Riani only labor delegate at last regional ILO conference who supported communist-Castro line. Cerqueira member WFTU General Council, regularly with local communists, despite occasional blasts of independence. Three election auditors appointed by Pelacani for his slate included Florian

/Dexem,

Rio de Janeiro - 1392

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-2- 1392, December 9, 5 p.m., from Rio de Janeiro

Dexem, Hercules Correa Dos Reis and Luis Tenorio de Lima, three of most open and important communist labor leaders of Brazil. Final Wagner slate almost free communist influence with progressive, democratic Paulista camp well represented by late entries.

Election results most discouraging, with responsibility on Chrockatt of President Goulart's office for long, heavy and open intervention favor Pelacani slate. While temporary "unity"slate outwardly difficult criticize, it presented hidden dangers.

Estado de Sao Paulo states member Pelacani slate says CNTI will continue ICFTU-ORIT membership. Neither this nor significance such membership, if continued, clear.

New directorate scheduled take office January 10.

GORDON

AAL

Note:Mr Hammond (ARA) notified 12/9 CWO JSW

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832.062/12-1361
DEC 13 1961

FOREIGN SERVICE DESPATCH

FROM : AmConGen, RECIFE. — 124 NO.

TO : THE DEPARTMENT OF STATE, WASHINGTON. — December 13, 1961. DATE

REF : AmConGen Despatch No. 110, dated November 27, 1961.

ACTION: ARA 4 — INFO — REC'D 12-20

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DEPARTMENT OF STATE
BUREAU OF
INTER-AMERICAN AFFAIRS
DEC 28 1961

SUBJECT: LABOR UNREST: CONTINUING INFLATIONARY SPIRAL.

The worsening inflationary spiral continues to contribute to labor unrest and generally unsettled economic conditions in the Northeast. A strike threatened by State Government employees in Pernambuco was avoided only after much agitation and lengthy negotiations resulting in a compromise solution. State authorities have now agreed to award employees a bonus of between Cr$5,500 and Cr$7,000 to be paid during the month of December. In addition, effective as of January 1, 1962, State employees will receive a pay raise ranging up to 41.37%. The average raise will come to approximately 30%. An official source has indicated that the bonus will cost the State about 178 million cruzeiros; and the wage increase, an additional 210 million cruzeiros per month.

In defending the present State Government against charges of ignoring the plight of its employees, Secretary of Government Manoel Brotherhood pointed out that since the present administration was inaugurated in January of 1959, it had raised the wage scale of State employees already by 253%. During the same time period, he asserted, cost of living had risen only 157%, and thus the workers were better off than they had been when the present administration took office. Though the Secretary's estimate of the percentage by which the cost of living has risen is conservative, the point is nonetheless well taken that State Government workers have received more rapid and effective wage hikes and have thus come out better than most other sectors in the price-wage race.

State Government workers in Paraiba have also received a bonus and an increase; the increase reportedly averaging about 35%. State Government employees in Rio Grande do Norte reportedly received approximately the same benefits.

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REPORTER

FORM 6-61 FS-439 GPO 912596

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A strike organized by bakery and mill workers in the Recife area resulted in minor violence during the first week in December when strikers tried to prevent the unloading of wheat shipments. There were few injured, however, and none seriously. The strike was resolved after the bakery and mill workers were granted a wage increase of approximately 20%.

Telephone workers went on strike for some 16 hours on December 12. Police searched some picketing strikers, but there was very little disorder and the strikers went back to work after negotiations began to show promise of satisfactory results. The workers are demanding a 40% increase and it is likely that the increase finally agreed upon will approximate that figure. Stevedores and dock workers, who received an increase less than three weeks ago, are again threatening to walk off the job if further wage demands are not met.

Meanwhile, dismay occasioned several days ago by the Federal Chamber of Deputies' approval of the Remission of Profits Law gave rising prices an added boost. The cruzeiro also reflected the effects of the chamber's action. The day after the chamber's approval of the profit remission measure, the cruzeiro, which had been fluctuating around Cr$300 to Cr$305 to the dollar at Recife banks, dropped to Cr$325 to Cr$330. On December 12 the rate jumped Cr$45 to Cr$55 in one day. At the beginning of the day's business banks were buying dollars at between Cr$325 and Cr$335 (though some official quotations indicated Cr$300). By the close of business on the 12th they were buying at Cr$380 to the dollar and selling at Cr$400. Open market (grey) rates reportedly were fluctuating at approximately Cr$435.

Albert A. Rabida
American Consul

cc (2) Amembassy, Rio de Janeiro.

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Control 9057
Rec'd: December 14, 1961
8:45 pm

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RM/R FILES

FROM: Sao Paulo

TO: Secretary of State

NO: 339, December 14, 10 a.m.

PRIORITY

ACTION DEPARTMENT 339, INFORMATION RIO DE JANEIRO 86, BRASILIA 1.

General strike scheduled for Sao Paulo this morning apparently not successful in most labor sectors although too early receive complete news. Communist dominated unions had created issue by demanding national legislation requiring Christmas bonus as extra month pay. Democratic leaders had reservations but felt obliged back this popular cause, withdrawing when government declared strike not legal. Ability Communist influenced unions cause serious trouble doubtful in view elaborate security precautions and energetic police action to break strike. Strike chances reported poor also in most interior Sao Paulo cities. Other states not involved. Public and press reaction including Leftist press not favorable strikers. General situation calm.

LYON

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FOREIGN SERVICE DESPATCH

FROM : Amembassy RIO DE JANEIRO

526
DESP. NO.

TO : THE DEPARTMENT OF STATE, WASHINGTON.

December 15, 1961
DATE

REF :

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	ACTION	DEPT.
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REC'D 1/4		OTHER CIA-11 LAB-7 USIA-5 NSC-2

SUBJECT: Biennial Election of National Confederation of Industrial Workers

DEPARTMENT OF STATE
OFFICE OF INTER-AMERICAN AFFAIRS
JAN - 9 1962

SUMMARY

On December 9, 1961, the Communists, with the help of the President of the Republic and his office, managed to win control over the National Confederation of Industrial Workers (CNTI) for the next two years. This is the most important Communist victory in Brazilian labor since President Dutra took office in 1945.[1]

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Est'd. 1/26/62

BACKGROUND

For many years, the Communists have been attempting to extend their influence within the CNTI and to get control over it. Part of their tactics have been attempts to discredit the existing leadership of Deocleciano Cavalcanti, who has been the President of the CNTI since its formation in 1948, on the grounds that he has abused his position in a financial way and that he has made no substantive contribution to the Brazilian labor movement. Their financial allegations were based on the fact that Mr. Cavalcanti, some years back, did engage in financial transactions which were not carefully supervised and which, although of no apparent financial benefit to him personally, have never been thoroughly cleared up. They have been frequently criticized, to his detriment. It is also true that he has provided little positive substantive leadership for the Brazilian labor movement. However, apart from irresponsible propaganda, this has been true of most of the Brazilian labor leaders to date--especially at the top confederation level. This is an unavoidable result of the fascistic nature of the Brazilian labor code, which gives the entire labor movement little real responsibility and which gives to the confederations no substantive purposes at all. Nevertheless, an increasingly experienced and somewhat more mature labor environment has led to considerable discontent with the passive role of the labor organizations to date, and those associated with its leadership have been unable to avoid the criticism connected with this limitation of the movement itself.

1. See Embassy despatch No. 525 of December 27, 1961, for an evaluation of President Goulart's part in aiding Communist elements in labor unions.

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In their attempts to extend their influence, the Communists have been actively aided by President Goulart over the many years during which he has filled the positions of Minister of Labor, Vice-President and now President, serving simultaneously during all these years as President of the Brazilian Labor Party (PTB). President Goulart's intimate connections with the Communists in the labor movement are probably the result of his dependence upon them for electoral support, rather than sympathy with their objectives--although, judging by his public prouncements and the nature of the man, one might reasonably believe that he has come to accept a number of their main domestic, socialist objectives.

When the preparations for the existing election began, President Cavalcanti found himself weakened by attacks of the sort mentioned above. On this occasion the problems were compounded by the fact that some of his former supporters left him. The current Second Secretary, Heracy Fagundes Wagner, became ambitious and sought the Presidency. In doing so he repeated all the old chestnuts about Cavalcanti, and formed a temporary alliance with Mr. Clodsmidt Riani. Mr. Riani is the current Vice-President of the CNTI, who has been intimately associated with the Communists for many years and who was placed on the slate two years ago by Mr. Cavalcanti in an effort to head-off Communist opposition.

Mr. Riani himself had been campaigning for the CNTI Presidency for some time on an informal plane. Many rumors attested to the fact that he was the chosen instrument of the PTB and the President/to succeed Mr. Cavalcanti, whom the President wished to remove--at any cost. Goulart

Another CNTI leader who was ambitious to gain the Presidency was Mr. Dante Pelacani, President of the National Federation of Printing Trade Workers. His star seemed to wane, however, when President Quadros left the Presidency, since Mr. Pelacani was Quadros' chosen representative in the labor field. During many recent months, he cooperated with Mr. Cavalcanti and the latter expressed confidence of his continued support--even though the reporting officer feared Mr. Pelacani's desertion and cooperation with the Communists at a late date. Mr. Pelacani himself is an admitted ex-Communist. He has frequently collaborated with the Communists since departing from the Party and many people are suspicious that he is, in fact, still a Communist at heart and subject to their discipline. On the other hand, his recent actions also include positions independent of the Party, including on some recent strike issues in Brazil.

The current election cannot be adequately understood without reference to the Brazilian crisis of August 1961. At that time, the democratic-led sectors of the Brazilian labor movement, including the CNTI, were the only organized institutions in Brazil which came openly and effectively to the assistance of the military leaders who sought to keep Mr. Goulart from assuming the Presidency, because they feared his Communist connections. The attitude of the CNTI and other Confederations prevented a

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general strike from developing, which the Communists were strongly promoting. This attitude of the CNTI, under the leadership of Mr. Cavalcanti, would have been the last straw necessary for the President to wish his removal--even though the President's close labor advisors had been criticizing Mr. Cavalcanti for years.

THE ELECTION CAMPAIGN

As the campaign developed, President Cavalcanti seemed to control approximately 20-22 votes out of the total of 52. (Each Federation which is a member of the CNTI has one vote.) The Communists had an equal or slightly smaller number. Mr. Wagner, it appeared, controlled most of the seven votes from the state of Rio Grande do Sul, as well as one or two from each of the southern states of Paraná and Santa Catarina, and he seemed to be the key to the victory. Mr. Cavalcanti expressed to the reporting officer relatively early, his willingness to back Mr. Wagner for the Presidency and to take a lesser office himself, if by so doing he could keep the Communists from taking control of the organization. Despite Wagner's early flirtations with Riani, this, in fact, turned out to be the lineup during the weeks preceding the election, Mr. Wagner and Mr. Cavalcanti against the Communists and their friends. Mr. Wagner himself is by no means a Communist and he apparently found it preferable to work with Mr. Cavalcanti than with Mr. Riani, despite his earlier criticisms of the former.

During November 1961, Mr. Serafino Romualdi, Inter-American Representative of the AFL-CIO, visited Rio for several days. While here he expressed his concern regarding the outcome of the forthcoming election in the CNTI to the Embassy as well as elsewhere. He informed the Embassy that, were the Communists to win with the assistance of President Goulart, as he feared, the AFL-CIO would probably have to criticize President Goulart and in all liklihood would not receive him on his projected visit to the U.S. during January 1962. As the campaign developed and it became clear that the President's office, particularly his special labor advisor, Gilberto Chrockatt da Sa, was helping Mr. Riani, Ambassador Gordon decided to diplomatically inform President Goulart of the AFL-CIO concern and of their probable refusal to see him during his visit to the States, should the Communists win with his assistance. The Ambassador opened the subject with President Goulart, indicating the interest of the AFL-CIO in the election and stating also that President Kennedy is himself interested in the labor field. At this point, before the Ambassador could indicate his specific concern, President Goulart took the initiative and informed the Ambassador that he had requested both the anti-Communist (Wagner--not Cavalcanti) and the Communist groups to get together on a common slate within 48 hours. As a result, a "unity" slate was prepared, headed presumably by Mr. Wagner, with the Vice-President position held by Mr. Riani, and the third position of First Secretary by Mr. Dante Pelacani. The word "presumably" is used because the technique of voting in the CNTI is to vote upon a slate of seven members for the Board of Directors. While the names of the seven men are listed in order of presumed rank within the Board, President being first, there is no assurance that this order will be followed. Once the Board is elected as an unit, it in turn must

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elect the officers of the organization. As a consequence, a slate which appears to be headed by an individual may, in fact, elect someone else to be President. In this particular election, this is a particularly important factor. The creation of the "unity" slate is, of course, a classic Communist technique, and in this case, as well as many others, was full of dangers. The composition of the slate as proposed was difficult to criticize, since four of the seven members were carry-overs from the previous regime and since the balance of forces seemed to be about the same as before. The crucial difference was the substitution of Wagner for Cavalcanti as President. Wagner is regarded as a far weaker man and one who would be far more subject to the votes of the Board rather than one who could dominate the Board, as Mr. Cavalcanti had done. However, Wagner's metal was yet unproved and he was a known member of the anti-Communist camp. Both sides were dissatisfied with the slate, since both wanted a clear victory and both thought they could obtain it. As a consequence, there was pressure from all sides to breakup the "unity" slate.

Mr. Wagner himself was dubious about the desirability of staying with the "unity" slate for a number of reasons: (1) he lacked or came to lack certainty that the "unity" slate would select him as President after its election, since Mr. Riani seemed to control four of the seven votes; (2) he is not a strong, dominant leader and even if elected President might, with the "unity" slate, be subject to control from the Board of Directors, with which he would not be in basic agreement; (3) he was subject to pressures from the Cavalcanti camp to withdraw or to have some of his basic inconsistencies exposed. The objective of the Cavalcanti camp in attempting to force Wagner to leave the "unity" slate was clear. They believed that by combining the votes Cavalcanti and Wagner controlled they could win the election. The Communists, on the other hand, wished to see him go because they believed that with their votes and help and pressure from President Goulart they could win. As late as the morning of the election and almost until the end of the counting, both sides thought they would win.

Mr. Wagner finally, for the reasons indicated above, left the "unity" slate and headed one in which Communist influence was practically negligible. The only person in his slate who is clearly identified as having had clear connections with the Communists was expelled from the Party two years ago and has been attacked by it since then.

In the slate opposing Wagner, on the other hand, there was a great deal of Communist influence. The head of this slate was Mr. Dante Pelacani, who has already been described. The second place was held by Mr. Clodsmidt Riani, also described above. The third position was held by Mr. Benedito Cerqueira, President of the Federation of Metal and Electrical Workers of the state of Guanabara, member of the Executive Council of the WFTU and long-time collaborator with the Communists--despite occasional blasts of independence. The other four members included two alleged members of the Party and two who are clearly not Communists. Among the members of

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the Supervising Council and the alternates, there is also a division among people who are not Communists and those who have been associated with the Communists. As usual, in order to attract enough votes, a number of candidates on their slate are clearly not Communists.

ELECTION EVE

After the breakup of the "unity" slate, President Goulart tried once again to recreate it. He called in Mr. Wagner and told him that should he not re-enter the slate, the career of his son in the Army would be adversely affected. He also informed Wagner, and a number of others, that should Wagner win, he would never take office because the CNTI would be intervened by the Government. Despite this pressure, Mr. Wagner maintained his independence. During the night preceding the election, the President and his office attempted to swing a half dozen crucial votes that were subject to influence. It was reported, probably accurately, though no proof is available, that key voters were offered up to 300,000 cruzeiros and government jobs. As a result, an estimated six votes were lost by the Wagner slate and the Communist slate won by 29-23 votes.

RESULTS

The victorious slate was composed, in order, of:

Board of Directors	Supervising Council
Dante Pelacani	Pedro Ribeiro dos Santos
Clodsmidt Riani	João Mariani
Benedito Cerqueira	José Engrácio Bandeira de Castro
Julio Marques da Silva	
Francisco Plácido das Chagas	
Julio Jardim da Silva	
Zacarias Fernandes da Silva	

Alternates in Board of Directors	Alternates in Supervising Council
José Chediak	José Francisco de Freitas
Wilson Barros Leal	Antonio Fernandes de Andrade
Antonio Alves da Souza	Manuel Messias dos Santos
Rivaldo Cipriano da Costa	
Claudionor de Araujo	
Evilasio dos Santos Barros	
Altino Naseaseno dos Santos	

However, in the newspapers on the day following the election, it became clear that Mr. Pelacani may be betrayed by Mr. Riani as Mr. Wagner feared that he himself would be. A number of papers quoted Mr. Riani as saying that he would be elected President and this seems entirely possible, although the formal voting of the Board of Directors has not occurred. It is, of course, possible that Pelacani and Riani agreed beforehand on this maneuver.

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The results of the election are significant from a number of points of view; the political composition and views of the victors, the strength of the democratic and independent forces in the Confederation, the regional characteristics of the voting, the relationship of the President to the contest, and the relation of the CNTI to international labor bodies, such as the ICFTU (International Conference of Free Trade Unions) or the WFTU (World Federation of Trade Unions).

The new Board of Directors will be dominated by the three men heading the list, Mr. Pelacani, Mr. Riani and Mr. Cerqueira--all of whom are strong individuals in their own right. The remainder of the Board will be important in backing up these three and in providing votes if the three leaders should split among themselves. It does not seem likely that any one person will dominate the Board and the CNTI, as has Mr. Cavalcanti to date.

In considering the three principal members of the new Board, a certain amount of information was given on them above. In addition, however, it would be desirable to recognize that Mr. Pelacani is a man whose inclinations are difficult to forecast. His natural inclinations on domestic issues appear to follow pretty closely the general communist-socialist line of thinking, and he seems to have no real interest in a private enterprise solution to social or economic issues. As far as his international inclinations are concerned, it is believed that he would be influenced considerably by domestic, political considerations, including his own personal future and his relationship with such men as ex-President Quadros and President Goulart.

While Mr. Riani has largely followed the Communist line on both domestic and international issues, it should not be overlooked that Point IV accepted a calculated risk and sent him to the U.S. as one of its labor grantees. During his visit to the States and shortly after his return, he published a number of articles and gave some public speeches, all of which were favorable to the U.S. While his trip seems to have modified his antagonism and criticism of our country, it does not, nevertheless, seem to have affected his general associations and inclinations in the domestic political scene. Possibly the only source that would have much influence on Riani to modify his pro-Communist, pro-Castro philosophy would be President Goulart. The degree of Goulart's influence is not yet clear.

On various occasions, Mr. Cerqueira has denied to the reporting officer that he is or has been a Communist. Nevertheless, reliable and well placed high officials in the Ministry of Labor verify that he has been and probably is still a member of the Communist Party. While he utters occasional blasts of angry independence, these usually follow a disappointment, such as failure to win an election--in large measure because the Communists did not furnish him enough votes to win.

In considering the three men together, it seems likely that Mr. Riani and Cerqueira are apt to vote together on critical issues of international

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alignment. Mr. Pelacani's attitude on these is not so certain. If he agrees, then there is no doubt that the Board of Directors will follow their agreement. If he should disagree, then the decision will depend upon the relative voting strength of the two groups within the Board. If this should happen, it appears that Mr. Riani and Cerqueira could dominate the Board through the votes of Francisco Plácido das Chagas, who well placed labor officials state has recently joined the Party, and Zacarias Fernandes da Silva, who a high CNTI official has stated is an active, militant, Party member. Julio Marques da Silva and Julio Jardim da Silva are not Communists, but even with Pelacani would not be able to dominate the Board. In the event a member of the Board of Directors were absent and alternates were called upon, the first two listed are José Chediak and Wilson Barros Leal. Mr. Chediak has had very close connections with the Communist Party over many years. Barros has also had many connections and might be expected to follow the Party line under such circumstances.

It seems quite certain, therefore, that unless President Goulart takes a direct personal interest in the CNTI and its policies, that the organization may be expected to generally follow a pro-Communist, pro-Castro line. The President is not noted for paying much attention to such details in the past. With his new and much greater responsibilities as President, it seems even less likely that he will do so in the future--unless he assigns someone reliable to give specific attention to the problem.

Despite the fact that the Brazilian labor movement is based on a legal code which is thoroughly facist and totalitarian in character, and the fact that the Government has exercised a paternal role in the development of the labor movement from 1937 to date, this election of the CNTI indicates an encouraging and healthful growth of independent and democratic trade union strength in Brazil. The fact that the democratic slate could gather 23 of a total of 52 votes, despite the most intense, open pressures and desires of the Presidency, is, in itself, a considerable victory for the democratic cause--if the democratic leaders appreciate the fact and do not permit themselves to become too discouraged. The democrats won against similar pressure in the National Confederation of Commercial Workers (CNTC) in the month of October (see despatch No. 383 of November 7, 1961), but the CNTC, with its much more educated membership, has also been a stronger and more democratically based Confederation than the CNTI. The two elections put together are quite encouraging from a long-run viewpoint, even though the CNTI results are most discouraging in terms of the immediate future.

A regional analysis of the 52 votes in the CNTI election also helps somewhat in offsetting the general discouragement produced by the election. The southern part of Brazil is far more highly educated and developed industrially, economically, culturally, and every other way than the North. If the votes from the state of Guanabara to the south are taken alone, the Wagner slate had 20 votes against 17 for the Riani

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slate. It was in the northern part of the country, where trade unions as well as every other aspect of the culture is less developed, where the government has a far stronger influence, and where the true "pelego" (hireling) characteristics of labor leadership are strongest, that the Communists managed to swing the victory. In this section the Wagner slate managed to gather only 3 votes, as opposed to 12 for the Riani slate. In terms of possible future loss of existing strength, this analysis is also helpful, since it is in the South where the trade union movement, with its more enlightened and competent leadership, would be far more able to resist the influence of a Communist-dominated CNTI than in the North.

In attempting to analyze the causes for the democratic defeat, there are a number of minor causes and one overriding major factor. The minor causes include Mr. Wagner's early vascillation, criticism of Cavalcanti, and cooperation with Riani, which weakened his apparent anti-Communist sincerity and claim. Mr Cavalcanti may himself have misjudged the strength of Mr. Wagner's control over the alleged "key" votes and he might have been in a stronger position had he run himself. This feeling is held by some, and is supported by the fact that Mr. Wagner lost a number of key votes from the North, which Mr. Cavalcanti had always heretofore controlled for himself. However, the above and other factors are probably of minor importance beside the fact that President Goulart was determined "at whatever cost" to destroy the existing leadership of the CNTI and to utilize whatever techniques and pressures were necessary to achieve this end. While the President's pressures were not effective in swinging the votes of the stronger and more independent and democratic leaders of southern Brazil, they certainly did affect the votes from the North, many of which were expected to be cast for Mr. Wagner. One person who would normally be expected to vote for Wagner informed the Embassy that he did not vote for Wagner simply because there was no point in it. The President had said, he stated, that the CNTI would be intervened if Wagner won. These weaker leaders from the North were, understandably, influenced by such pressures, in a country where the Government has always dominated the labor field, as well as by the more tangible offers of cash and positions to them for voting the "right" way.

If one attempts to decide why President Goulart was so insistent upon ousting the existing leadership and in thereby helping the Communists, the explanation is probably not difficult to encounter. Apart from the fact that the President has, during his entire political career, maintained close cooperation with the Communists in the labor field, he probably cannot afford to desert them now, since they are the only firm political base which the President possesses within Brazil. Specifically, it is known that the President is aprehensive regarding the weakness of his regime and of possible attempts to overthrow it. If such an attempt were to be made, the only base on which he might depend would be the workers and their support through a general strike. However, a general strike would not be possible unless he controls the CNTI, as was indicated during the August crisis. In other words, if he is to have

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any firm political base which he can use to defend his regime, he probably feels that he must control the CNTI, which is not now true. As a result of his previous connections and present feelings, this meant that from his viewpoint, he had to cooperate with and help the Communists, who provided the only feasible alternative to the existing CNTI leaders. This conclusion would be reinforced by Governor Carlos Lacerda's friendly connections with the Rio members of the Democratic slate, Governor Lacerda being the leading and most vociferous critic of the Communists and all their friends now operating in Brazil.

The CNTI is one of the Brazilian members of the ICFTU and ORIT (Inter-American Regional Organization). The Wagner-Cavalcanti camp stated that should the Riani slate win, the CNTI would probably leave those organizations. This, however, was denied publicly by an unknown member of the Riani camp. It seems likely that the CNTI membership in the ICFTU-ORIT will be maintained--at least during a short period of time--if only to camouflage the true situation. Later developments will probably depend on the Communist Party's decision and orders from Moscow as to whether they regard it more desirable to create a new hemispheric labor federation with Cuban membership, or whether they prefer to have the CNTI stay in the ICFTU and ORIT to harrass from within.

The interpretation of the election by the press has followed the general orientation of the individual papers, in large measure. The clearly anti-Communist O Globo of Rio and Estado de São Paulo have labeled the results a clear, dangerous, Communist victory and have openly criticized the President for his role. The pro-Communist Ultima Hora was delighted with the results, of course. The ambivalent O Correio da Manha and Jornal do Brasil split. The former labeled the results good ridance of the "pelegos," while the news items of the latter carried Governor Lacerda's criticism of the result and of the President's intervention.

A word may be noted regarding the relative desirability of the present situation as against the situation which would have prevailed had the "unity" slate won. While the "unity" slate offered a certain superficial appeal, as against the existing victorious slate, the situation might have been more dangerous. Under the "unity" slate, the non-Communist elements were effectively compromised and prevented from any effective, independent action. The Communist problem was disguised, in accord with classic Communist techniques. While the existing situation is unfortunate, it at least permits the democratic elements to begin attempts to develop and strengthen themselves, with a clear recognition of the problem. This is particularly important in the case of the democratic labor elements in São Paulo, Santa Catarina, Paraná, and Rio Grande do Sul, who are discontented with the basic Brazilian labor pattern and who are trying to develop an effective, democratic labor movement in Brazil, independent of the Government's control.

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For the Ambassador:

John T. Fishburn
Labor Attaché

APPROVED BY:

Philip Raine
Counselor of Embassy
for Political Affairs

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Rec'd Dec 15 1961
11:00 pm

FROM: Sao Paulo

TO: Secretary of State

NO: 343, December 15, 1 p.m.

PRIORITY

ACTION DEPARTMENT 343; INFORMATION RIO 87, BRASILIA 2.

Re CONGENTEL 339 information Rio 86 Brasilia 1.

General strike call issued by Communist-influenced unions December 14 heeded by under 10 percent Sao Paulo workers. Several plants closed but vast majority functioned normally. Strike also failed interior Sao Paulo State. Failure attributed forceful government action detention most strike leaders plus hundreds of pickets, and withdrawal support by democratic union leaders. Despatch follows.

LYON

MRJ

Sao Paulo 343

732.062/12-1561

(1)

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AIR POUCH
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FOREIGN SERVICE DESPATCH

FROM : Amembassy RIO DE JANEIRO

495
DESP. NO.

TO : THE DEPARTMENT OF STATE, WASHINGTON.

December 19, 1961
DATE

REF :

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	REC'D 12-26-61	INFO OTHER CIA-11 USIA-5 COM-6 LAB-3

SUBJECT: FIRST NATIONAL CONGRESS OF FARMERS AND AGRICULTURAL WORKERS, BELO HORIZONTE, NOVEMBER 15 - 18, 1961.

(2)

The First National Congress of Farmers and Agricultural Workers met in Belo Horizonte November 15 - 18, 1961 (Weeka 17). It was attended by about 5,000 persons. Both President Goulart and Prime Minister Neves, among other dignitaries, appeared, indicating the Government's awareness of the potentially explosive nature of the agrarian reform issue. President Goulart's speech was moderate ("There is not, nor can there be, a miracle cure, a formula for salvation."), contrasting with the general tenor of the meeting. Motions censuring Carlos Lacerda, pledging solidarity with Cuba, offering a moment of silence in memory of Patrice Lumumba, were vigorously applauded. The resolutions adopted at the close of the Congress called for expropriation by the Federal Government of holdings over 500 hectares not in use and amendment of the Constitutional provision that expropriated land be indemnified in cash. A translation of the Resolutions is attached.

Francisco Julião played a prominent role at the Congress, but he had competition from Lindolfo Silva, president of the Communist-controlled União dos Lavradores e Trabalhadores do Brasil (ULTAB). The Special Supplement to Novos Rumos (the Communist Party organ) for December 8, 1961 (3 copies attached) devotes as much space to ULTAB as to Julião. Julião may be siding with the anti-Prestes, "left" wing of the Communist Party, led by Pedro Pomar (reportedly recently expelled from the Party) which would like to capture the politically profitable agrarian reform movement for itself. Julião's recently professed adhesion to Communism (but without mention of the Communist Party) may have been a step toward this coalition.

The next Congress of the Farmers and Agricultural Workers is set for May 1, 1962 in Goias (the state which surrounds the new capital Brasilia). Goias' Governor, Mauro Borges Teixeira, is a leading

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opportunist of the Left. Doubtless the stage will be set for a maximum of fireworks.

For the Ambassador:

Harry Weiner
Second Secretary of Embassy

APPROVED:

Philip Raine
Counselor of Embassy
for Political Affairs

Enclosures: Attn.

1. Resolutions Adopted by the Congress
2. Clippings from Novos Rumos re Congress (12-8,14-61)

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

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RESOLUTIONS ADOPTED BY THE
FIRST NATIONAL CONGRESS OF FARMERS AND
AGRICULTURAL WORKERS, BELO HORIZONTE, NOVEMBER 15-18, 1961

Steps must be taken to achieve the following:

1. Radical transformation of the nation's agrarian structure, liquidation of the land monopoly held by big landlords (latifundiarios) specifically by expropriation by the Federal Government, replacing the monopoly either by individual or group holdings and state property.

2. Maximum access to the possession and use of the land by those who wish to work it, either through sale, usufruct or rent, at moderate prices for expropriated lands or gratis for unused land.

---

1. Respect for the full and democratic right of independent organization of rural workers into class groups.

2. Effective application of existing labor laws which extend to rural workers as well as immediate steps to ensure that the laws are not violated.

3. Full guarantee to free, independent union organization of the wage and semi-wage rural workers and the immediate recognition of rural unions.

4. Effective and immediate help of all kinds to the rural worker.

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1. Immediate modification by the National Congress of Article 14 of the Federal Constitution and paragraph 16. This section must be eliminated and reformulated, determining that indemnification in the social interest is repayable over a long period and at low interest.

2. Rapid and complete cadastral and utilization surveys of all areas larger than 500 hectares.

3. Expropriation by the Federal Government of unused land on properties larger than 500 hectares, beginning with the most populated

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regions near large urban centers, principal highways and water reservoirs.

4. Adoption of a plan to regulate indemnification from the public debt at low interest over long periods, based on the registered tax value.

5. Cadastral surveys of all unoccupied land.

6. Verification of all land titles. Nullification of illegal or doubtful titles and reversion to public property.

7. Rural land taxes will be progressive through tax legislation which establishes:

a. sharp increases for large properties
b. exemptions for small holders

8. Regulation of sale and leasing of expropriated land, with the stipulation that in no case may land be leased in units larger than 500 hectares or smaller than the minimum required to meet the needs of a small holder.

9. Unused lands, becoming the property of the Federal Government, the state or the municipality must be granted free of charge to those who want to work it effectively, except in cases of the national interest.

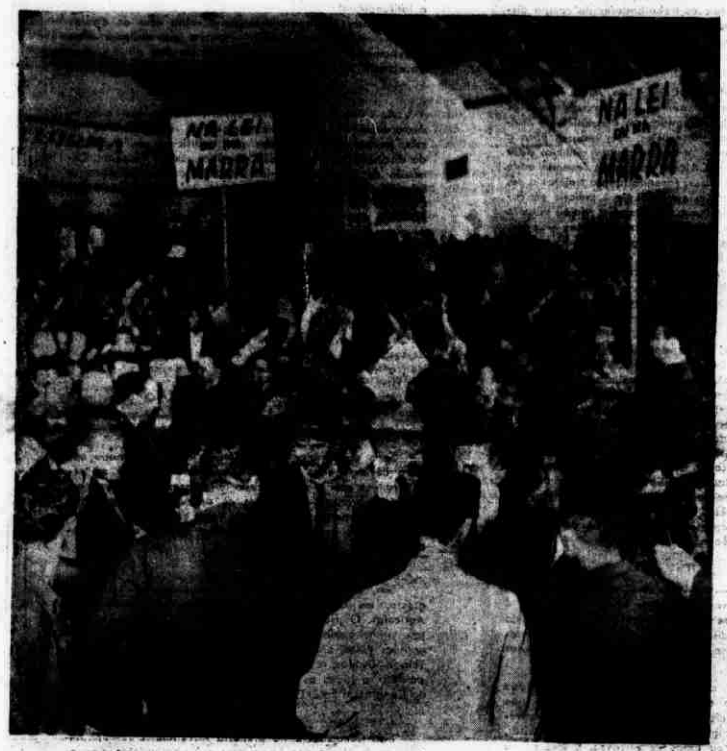
10. Prohibition of the transfer of public lands by those who occupy them for speculative purposes.

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Endereço 2
Deputado 495
Rio de Janeiro

Ana

Reforma Agrária Radical Na Lei ou na Marra



SUPLEMENTO ESPECIAL

NOVOS RUMOS

ANO II Rio de Janeiro, semana de 3 a 16 de dezembro de 1961 N.º 148

0233

Congresso da Reforma Agrária

NOVOS RUMOS dedica êste suplemento ao I Congresso Nacional dos Lavradores e Trabalhadores Agrícolas, realizado em Belo Horizonte, de 15 a 17 de novembro, o Congresso representou o coroamento de uma série de conferências regionais em que os trabalhadores do campo discutiram amplamente seus problemas, suas reivindicações imediatas, seus direitos, e levantaram a questão que mais inquieta hoje a grande massa dos pobres do campo: a reforma agrária.

O Congresso reuniu na Capital de Minas cêrca de 1.600 delegados dos trabalhadores do campo de todos os Estados. Foram eleitos os delegados em assembléias e conferências locais. A maior parte dêles, sem recursos para a viagem até Belo Horizonte, teve que coletar dinheiro para as despesas de transporte. Alguns saíram da fazenda onde trabalhavam, ou de sua posse, fazendo longos trajetos a pé, a cavalo, para depois viajar em ônibus e a maioria em caminhão. A delegação do Pará, por exemplo, viajou durante seis dias num caminhão até Belo Horizonte. Pelas estradas, a alimentação era escassa, como em geral é a alimentação do pobre do campo no Brasil: farinha, rapadura, carne sêca, banana. Muitos dos representantes camponeses calçavam um par de sapatos pela primeira vez — comprado também mediante coleta de dinheiro entre seus companheiros.

Em Belo Horizonte, havia alojamentos suficientes, embora não muito confortáveis, para os 1.600 delegados. Que sabiam êles de confôrto? Não estranhavam portanto a cama dura ou mesmo a esteira da sala imensa onde ficavam dezenas, lado a lado. Estavam contentes, não estranhavam coisa alguma. Para êles — muitos nunca tinham visto uma grande cidade, uma cidade moderna como Belo Horizonte — tudo era novidade, movimento, luzes e — confôrto! Se no campo moram em casas de palha e barro, paredes de pau-a-pique, sem qualquer mobília... Nas horas das refeições, a mesa enorme oferecia alimento relativamente abundante. Algumas vêzes faltava luz no estabelecimento — e então havia alguma confusão na localização da cama ou simplesmente do colchão e sua cama.

De manhã cêdo — às 9 horas — (muito antes mesmo, pois às 9 já estavam acordados havia pelo menos 4 horas), concentravam-se na salão imenso da Secretaria de Saúde para ouvir os discursos. E os oradores — êles mesmos — se revezavam na tribuna durante mais de 12 horas por dia.

A tribuna. Que grande oportunidade para dizerem tudo o que sentiam, o que estava represado há anos, o que nunca tinham podido dizer no seio da fazendeiro! Represado há anos?... Há gerações!... Seus avós, de muitos, haviam sido escravos, ou filhos de escravos. E êles o que eram, senão semi-escravos ainda?...

Então, por que calar? Estavam ali para dizer o que sentiam, o que pensavam. E não sabiam antes que a palavra livre vinha tão fácil, tão fluente e tão fogosa. Os primeiros discursos foram tímidos: que já haviam lutado pela terra. Muitos não sabiam que seus companheiros tinham defendido a terra dos assaltos dos grileiros — e de armas nas mãos. No Paraná, em Goiás, no Estado do Rio. Não perdiam uma palavra daqueles companheiros que lhes ponham testemunhos. Nas ali tribunas, na tribuna, homens como êles, que deram o seu testemunho de lutas. Então, por que não haveriam todos também pela terra?

E com que ardor subiam à tribuna para dizerem que êles também lá do interior de Pernambuco, do Ceará, do Maranhão, também estavam dispostos a pegar em armas para defender a posse de suas terras contra o grileiro e o latifundiário!

Cartazes se espalhavam pelo salão com os dizeres que muitos "leem mal e mal — porém que compreendiam perfeitamente quando lhes repetiam em voz alta: «reforma agrária já! reforma agrária ou fiz ou no morro»

As Comissões. Os mais experientes, os que mais se destacaram nas lutas, nas campanhas reivindicatórias locais, haviam sido escolhidos por participar das comissões de discussão dos problemas que lhes diziam respeito. Comissão da Reforma Agrária. Comissão do Arrendamento e Parceria. Comissão de Pequenos e Médios Proprietários. Comissão do Direito... Liam-se teses, travavam-se debates — e êles iam aprendendo coisas que não sabiam, que nem sequer imaginavam, diziam que não — haviam...

Quando uma delegação prematura ao Congresso dirigiu-se ao governador Magalhães Pinto solicitando-lhe uma sede para a realização do Congresso, acomodações para os delegados, falaram-lhe de cêrca de 1.200 delegados. Ele sorriu cético. De todo o Brasil trouxeram 1.200 delegados do campo? E as enormes distâncias até Belo Horizonte?... Sugeriu, finalmente, que seriam no máximo uns 500.

Ali estavam reunidos 1.600 quase. O governador ficou espantado.

Se o governador surpreendeu-se com tão grande número de delegados de nossos camponeses, outros surpreenderam-se com o vigor da sua linguagem da tribuna, com a reação pronta — protestos ou aplausos — a palavras de oradores, palmas calorosas ou vaias estrepitosas ao aparecimento de pessoas que lhes eram gratas ou desagradáveis.

Sim, pessoas importantes ali estavam no seu Congresso, no Congresso dos Lavradores e Trabalhadores Agrícolas. O presidente da República, dr. Goulart, o próprio primeiro-ministro Tancredo Neves, o governador Magalhães Pinto, seus secretários, o ministro do Interior, San Tiago Dantas, o quorum, deputados... Um deputado presidia, e todos os horas do dia e da noite, os trabalhos do Congresso: Ernani Maia.

Nas Comissões e na plenária discutiam-se teses e iniciativas da União dos Lavradores e Trabalhadores Agrícolas, A ULTAB, a cuja iniciativa se devia a realização do Congresso, deve-lhe também a mais valiosa contribuição teórica e sugestões de medidas práticas em benefício dos 40 milhões de habitantes do campo — em particular dos pobres do campo, os sem terra, os que jamais possuíram uma nesga de terra própria, os que foram expulsos da terra, os que lutam pela posse da terra...

Finalmente, o grande festa que foi a sessão de encerramento. E a Declaração por êles todos votada: exigir do govêrno uma reforma agrária radical, o fim do regime latifundiário, o fim do domínio do grande fazendeiro es-

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Reforma Agrária Radical Com Destruição do Latifúndio

Na sessão de encerramento dos trabalhos do I Congresso Nacional de Lavradores e Trabalhadores Agrícolas, em Belo Horizonte, com a presença de 1600 delegados de todo o país, grande massa popular, representantes da classe operária, da intelectualidade, dos estudantes, autoridades governamentais, inclusive o presidente da República e o primeiro-ministro, foi unânimemente aprovada a seguinte DECLARAÇÃO:

«As massas camponesas oprimidas e exploradas de nosso país, reunidas em seu I Congresso Nacional, vêm, por meio desta Declaração, manifestar a sua decisão inabalável de lutar por uma reforma agrária radical. Uma tal reforma nada tem a ver com as medidas paliativas propostas pelas fôrças retrógradas da Nação, cujo objetivo é adiar por mais algum tempo a liquidação da propriedade latifundiária. A bandeira da reforma agrária radical é a única bandeira capaz de unir e organizar as fôrças nacionais que desejam o bem-estar e a felicidade das massas trabalhadoras rurais e o progresso do Brasil.

O I Congresso Nacional de Lavradores e Trabalhadores Agrícolas, após os debates travados durante todo o período de sua realização, definiu os elementos básicos que caracterizam a situação atual das massas camponesas e fixou os princípios gerais a que se deve subordinar uma reforma agrária.

A característica principal da situação agrária brasileira é a forte predomínio da propriedade latifundiária. Com uma população rural de cêrca de 38 milhões de habitantes, existem no Brasil apenas 2 065 000 propriedades agrícolas. Neste número incluem-se 70 000 propriedades latifundiárias, que representam 3,39% do total dos etabelecimentos agrícolas existentes, mas que possuem 62,33% da área total ocupada do país.

É o monopólio da terra, vinculado ao capital colonizador estrangeiro, notadamente o norte-americano, que nêle se apóia, para dominar a vida política brasileira e melhor explorar a riqueza do Brasil. É o monopólio da terra o responsável pela baixa produtividade de nossa agricultura, pelo alto custo de vida e por tôdas as formas atrasadas, retrógradas e extremamente penosas de exploração semifeudal que, escravizam e brutalizam milhões de camponeses sem terra. Essa estrutura agrária caduca, atrasada, bárbara e desumana constitui um entrave decisivo ao desenvolvimento nacional e é uma das formas mais evidentes do processo espoliativo interno.

A fim de superar a atual situação de subdesenvolvimento crônica, de profunda instabilidade econômica, política e social e, sobretudo, para deter a miséria e a fome crescentes e elevar o baixo nível de vida do povo em geral e melhorar as insuportáveis condições de vida e de trabalho a que estão submetidas as massas camponesas, torna-se cada vez mais urgente e imperiosa a necessidade da realização de uma reforma agrária que modifique radicalmente a atual estrutura de nossa economia agrária e as relações sociais imperantes no campo.

A reforma agrária não poderá ter êxito se não partir da rutura imediata e da mais completa liquidação do monopólio da terra exercido pelas fôrças retrógradas do latifúndio e o conseqüente estabelecimento do livre e fácil acesso à terra dos que a queiram trabalhar.

É necessário, igualmente, que a reforma agrária satisfaça as necessidades mais sentidas e as reivindicações imediatas dos homens do campo. Que responda, portanto, aos anseios e interêsses vitais dos que trabalham a terra e que, aqui, se encontram reunidos, através de seus representantes e delegados de todo o país ao I CONGRESSO NACIONAL DOS LAVRADORES E TRABALHADORES AGRÍCOLAS DO BRASIL.

Para os homens que trabalham a terra, a reforma agrária, isto é, a completa e justa solução da questão agrária no país é a única maneira de resolver efetivamente os graves problemas em que se debatem as massas camponesas e, portanto, elas, mais do que qualquer outra parcela da população brasileira, estão interessadas em sua realização. As massas camponesas têm a consciência de que a solução final dessa questão depende delas.

A execução de uma reforma agrária, efetivamente democrática e progressista, só poderá ser alcançada à base da mais ampla e vigorosa ação, organizada e decidida, das massas trabalhadoras do campo, fraternalmente ajudadas em sua luta pelo proletariado das cidades, os estudantes, a intelectualidade e demais fôrças nacionalistas e democráticas do povo brasileiro.

As medidas aqui propostas, capazes de realmente conduzirem à solução do magno problema da reforma agrária em nossa pátria, evidentemente se chocam e se contrapõem aos interêsses e soluções preconizados pelas fôrças sociais que se beneficiam e prosperam à base da manutenção da arcaica e nociva estrutura agrária atual. Sôbre essa estrutura repousa a instável economia, dependente e subdesenvolvida, de nossa pátria, e que, a todo custo, essas fôrças procuram impedir que se modifique.

A reforma agrária que defendemos e propomos diverge e se opõe frontalmente, portanto, aos inúmeros projetos, indicações e proposições sôbre as pretensas «reformas», revisões agrárias e outras manobras elaboradas e tantas daquelas fôrças cujos interêsse e objetivos consultam sobretudo ao desejo de manter no essencial e indefinidamente o atual estado de coisas.

A reforma agrária pela qual lutamos tem como objetivo fundamental a completa liquidação do monopólio da terra exercido pelo latifúndio, sustentáculo das relações antieconômicas e anti-sociais que predominam no campo e que são o principal entrave ao livre e próspero desenvolvimento agrário do país.

Com a finalidade de realizar a reforma agrária que efetivamente interessa ao povo e às massas trabalhadoras do campo, julgamos indispensável e urgente dar solução às seguintes questões:

a) — Radical transformação da atual estrutura agrária do país, com a liquidação do monopólio da propriedade da terra exercido pelos latifundiários, principalmente com a desapropriação, pelo govêrno federal, dos latifúndios, substituindo-se a propriedade monopolista da terra pela propriedade camponesa, em forma individual ou associada, e a propriedade estatal.

b) — Máximo acesso à posse e ao uso da terra pelos que nela desejam trabalhar, à base da venda, usufruto ou aluguel a preços módicos das terras desapropriadas aos latifundiários e da distribuição gratuita das terras devolutas.

Além dessas medidas que visam a modificar radicalmente as atuais bases da questão agrária no que respeita ao problema da terra são necessárias soluções que possam melhorar as atuais condições de vida e de trabalho das massas camponesas, como sejam:

a) — Respeito ao amplo,

(Conclui na 4ª pág.)



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REFORMA AGRÁRIA RADICAL COM DESTRUIÇÃO DO LATIFÚNDIO

(Conclusão da 3ª página)

livre e democrático direito de organização independente dos camponeses em suas associações de classe.

b) — Aplicação efetiva da parte da legislação trabalhista já existente e que se estende aos trabalhadores agrícolas, bem como imediatas providências governamentais no sentido de impedir sua violação. Elaboração de Estatuto que vise a uma legislação trabalhista adequada aos trabalhadores rurais.

c) — Plena garantia à sindicalização livre e autônoma dos assalariados e semi-assalariados do campo. Reconhecimento imediato dos sindicatos rurais.

d) — Ajuda efetiva e imediata à economia camponesa, sob tôdas as suas formas.

As massas camponesas sentem agravar-se, a cada dia que passa, o pêso insuportável da situação a que estão submetidas. Por isso mesmo, se mobilizam e se organizam para lutar, decididamente, pela obtenção dos seus objetivos, expressos em uma efetiva, democrática e patriótica reforma agrária. Essa luta já se processa e evoluirá até que sejam atingidos e realizados seus objetivos, pelos quais as massas do campo não pouparão esforços nem medirão sacrifícios...

Nas atuais condições, tudo deve ser feito para conseguir que as fôrças que dirigem os destinos da nação brasileira se lancem à realização de uma eficaz e inadiável política agrária capaz de, através da execução de medidas parciais, ir dando solução às questões indispensáveis à plena realização da reforma agrária que necessitam os lavradores e trabalhadores agrícolas, assim como todo o povo brasileiro. Tais medidas, entre outras, são as seguintes:

a) — Imediata modificação pelo Congresso Nacional do Artigo 147 da Constituição Federal, em seu parágrafo 16, que estabelece a exigência de «indenização prévia, justa e em dinheiro» para os casos de desapropriação de terras por interêsse social. Esse dispositivo deverá ser eliminado e reformulado, determinando que as indenizações por interêsse social sejam feitas mediante títulos do poder público, resgatáveis a prazo longo e a juros baixos.

b) — Urgente e completo levantamento cadastral de tôdas as propriedades de área superior a 500 hectares e de seu aproveitamento.

c) — Desapropriação, pelo govêrno federal, das terras não aproveitadas das propriedades com área superior a 500 hectares, a partir das regiões mais populosas, das proximidades dos grandes centros urbanos, das principais vias de comunicação e reservas de água.

d) — Adoção de um plano para regulamentar a indenização em títulos federais da dívida pública, a longo prazo, e a juros baixos, das terras desapropriadas, avaliadas à base do preço da terra registrado para fins fiscais.

e) — Levantamento cadastral completo, pelos governos federal, estadual e municipal, de tôdas as terras devolutas.

f) — Retombamento e atualização de todos os títulos de posse da terra. Anulação dos títulos ilegais ou precários de posse, cujas terras devem reverter à propriedade pública.

g) — O impôsto territorial rural deverá ser progressivo, através de uma legislação tributária que estabeleça: 1º) — forte aumento de sua incidência sôbre a grande propriedade agrícola; 2º — isenção fiscal para a pequena propriedade agrícola.

h) — Regulamentação da venda, concessão em usufruto ou arrendamento das terras desapropriadas aos latifundiários, levando em conta que em nenhum caso poderão ser feitas concessões cuja área seja superior a 500 hectares, nem inferior ao mínimo vital às necessidades da pequena economia camponesa.

i) — As terras devolutas, quer sejam de propriedade da União, dos Estados ou Municípios, devem ser concedidas gratuitamente, salvo exceções de interêsse nacional, ao que nelas queiram efetivamente trabalhar.

j) — Proibição da entrega de terras públicas àqueles que as possam utilizar para fins especulativos.

l) — Outorga de títulos de propriedade aos atuais posseiros que efetivamente trabalham a terra, bem como defesa intransigente de seus direitos contra a grilagem.

m) — Que seja planificado, facilitado e estimulado a formação de núcleos da economia camponesa, através da produção cooperativa.

Com vistas a um rápido aumento da produção, principalmente de gêneros alimentícios, que possa atenuar e corrigir a asfixiante carestia de vida em que se debate a população do país, sobretudo as massas trabalhadoras da cidade e do campo, o Estado deverá elaborar um plano de fomento da agricultura que assegure preços mínimos compensadores nas fontes de produção; transporte eficiente e barato; favoreça a compra de instrumentos agrícolas e outros meios de produção; garanta o fornecimento de sementes, adubos, inseticidas, etc., aos pequenos agricultores; conceda crédito acessível aos pequenos cultivadores proprietários ou não e combata o favoritismo dos grandes fazendeiros.

O I CONGRESSO NACIONAL DOS LAVRADORES E TRABALHADORES AGRÍCOLAS conclama o povo brasileiro a tomar em suas mãos esta bandeira e torná-la vitoriosa.

Belo Horizonte, 17 de novembro de 1961.»

DISCURSO DE ENCERRAMENTO DO PRESIDENTE DA ULTAB

NA SESSÃO DE ENCERRAMENTO DO I CONGRESSO NACIONAL DOS LAVRADORES E TRABALHADORES AGRICOLAS, O PRESIDENTE DA ULTAB, LINDOLFO SILVA, PRONUNCIOU O SEGUINTE DISCURSO:

Senhores Congressistas. Meus senhores e minhas senhoras.

Atinge ao término de seus trabalhos, com pleno êxito e alentadores resultados, o I Congresso Nacional dos Lavradores e Trabalhadores Agrícolas do Brasil.

É com imenso júbilo e incontida satisfação que vemos chegar ao seu coroamento a realização dêste expléndido Congresso dos camponeses de nossa pátria, no qual se fizeram representar ou participaram efetivas e vibrantes delegações dessa imensa massa trabalhadora que aqui compareceu superando os mais difíceis obstáculos, contornando as mais tenazes dificuldades, sem medir sacrifícios e guiados pela fé inabalável da conquista de seus objetivos.

As autoridades federais, estaduais e municipais, entidades e organizações autorizadas e pessoas, a todos em fim que contribuiram para a realização dêste Congresso desejamos apresentar os nossos mais profundos e sinceros agradecimentos pela fraternal ajuda e estimulante apoio a êste Congresso da mais enaltecida e sacrificada camada dos trabalhadores brasileiros.

Este Congresso constituiu, sem dúvida alguma, um considerável avanço e sólida demonstração do grau de consciência já adquirida pelo homem do campo, sôbre seus direitos e justas reivindicações, de seu papel decisivo na sociedade, como também, do nível de organização e de métodos de luta pelas conquistas necessárias à superação da situação do campo através de uma reforma agrária que efetivamente elimine o monopólio da terra pelo latifúndio e as relações de produção do tipo pré-capitalistas ainda imperantes em nosso país.

A reforma agrária pela qual lutamos neste Congresso, e prosseguiremos lutando nas regiões onde vivemos e trabalhamos, tem por objetivos essenciais a completa erradicação do monopólio da propriedade e do uso da terra exercido pelo latifúndio e o acesso mais fácil e imediato possível pelos que verdadeiramente desejam e necessitam trabalhá-la, tornando-a altamente produtiva e rendosa.

Consideramos esta reforma agrária uma necessidade inadiável e vital, capaz de dar saída e conduzir à completa solução ao agudo estado de subdesenvolvimento crônico do tipo pré-capitalista e da crescente e ameaçadora instabilidade econômica, política e social em que nos encontramos presentemente.

Não concordamos portanto, com tôdas as manobras e pretensas soluções que vêm proliferando nos últimos tempos sôbre essa questão, como as chamadas "revisões", "planos pilotos", e outras que nada mais constituem que paliativos ou saídas que objetivam assegurar ainda mais o monopólio da terra em mãos de uma minoria privilegiada e insaciável.

Estamos certos que qualquer tentativa de reforma agrária que não elimine o monopólio da terra e que não possibilite a propriedade e o uso da terra aos lavradores sem terra ou que possuem pouca terra não cumprirá seus objetivos nem corresponderá, de forma alguma, aos interêsses e necessidades dos camponeses, como também não poderá modificar sensivelmente em suas bases a atual estrutura econômica do país. Por isso mesmo, nos colocamos frontalmente contra os demagogos e os que buscam nos atrair para soluções e saídas que não consultam aos verdadeiros interêsses das massas camponesas e da nação brasileira.

Por outro lado, não ignoramos que para conseguirmos a verdadeira reforma agrária que modificara radicalmente a atual estrutura de nossa economia e traga novas condições de vida e prosperidade para os homens do campo e o povo em geral, teremos que travar uma luta árdua e mais ou menos prolongada e cujo êxito vai depender fundamentalmente de nossa disposição de luta e de nosso esclarecimento, de nossa própria organisação e de nossa unidade de ação e de pensamento.

Por isso mesmo julgamos necessário lutar sem desfalecimentos pela conquista de tôdas as medidas parciais, por menores que sejam, no sentido não só de através delas irmos abrindo caminho para a conquista da reforma agrária completa e radical que almejamos como também para ir melhorando cada vez mais as terríveis condições de vida e de trabalho a que estão submetidas presentemente as grandes massas trabalhadoras do campo no Brasil.

Companheiros Congressistas. Ao terminar êste magnífico Congresso ficamos ainda mais convencidos da justeza de nossos objetivos e reivindicações. Sabemos também que nos aguardam tarefas cada vez mais difíceis e lutas sempre mais árduas. Mas estamos igualmente certos de que do resultado dessa luta e dêsses esforços dependem o bem-estar e a felicidade de todo o povo brasileiro, o progresso, a total independência e soberania de nossa gloriosa pátria.

Simultâneamente aos esforços e sacrifícios que nos serão exigidos para podermos avançar na mobilização, esclarecimento e organização das amplas massas camponesas para a conquista dos elevados e inadiáveis objetivos aqui apresentados e aceitos, propomos:

Que seja aprovada como decisão final e culminante dêste Congresso a realização, por tôda a massa camponesa e demais fôrças patrióticas e democráticas do povo brasileiro o mais vigoroso e amplo Movimento Nacional pela Reforma Agrária, cuja bandeira deve ser erguida com ardor e decisão até a conquista do completo êxito da reforma agrária, reivindicação máxima dos lavradores e trabalhadores agrícolas e da maioria absoluta da população de nossa gloriosa pátria.

Salve o I Congresso Nacional de Lavradores e Trabalhadores Agrícolas do Brasil! Salve o Movimento Nacional pela conquista da reforma agrária efetiva e radical exigida pelos camponeses do Brasil!

Belo Horizonte, 17 de novembro de 1961.



MINISTRO GABRIEL PASSOS:

QUE A TERRA SEJA MÃE E NÃO MADRASTA

Reproduzimos aqui os principais trechos (taquigrafados) do discurso pronunciado na sessão solene de encerramento do I Congresso Nacional dos Lavradores e Trabalhadores Agrícolas pelo Ministro de Minas e Energia, sr. Gabriel Passos:

Srs. Congressistas. É para cada um de nós um espetáculo maravilhoso ver e sentir, como que nascendo da terra, com a fôrça da terra, com o sentimento da terra, esta reunião de brasileiros de todos os quadrantes demonstrando o desejo de que a terra lhes pertença para que nela possam trabalhar. Pois homens que aqui estão trabalham em terra alheia, criam uma riqueza que nunca será sua e fazem, com o suor do rosto e o sacrifício de suas vidas, a grandeza de uns poucos com a miséria de muitos.

Homens do interior, bem conheço as tristezas, as angústias e o conformismo daqueles que desde o amanhecer até ao anoitecer mourejam nas labutas do campo sem poder usufruir um pouco sequer daquilo que produziram. Não têm escolas, não têm assistência, não têm alegrias nem diversões, não têm calendos para seus filhos, não têm assistência médica, mas têm apenas o trabalho árduo de cada dia, uma lida sem esperança e sem futuro. A assistência social ainda não lhes alegrou ao solar modesto. Êste é um quadro que cada um de nós conhece mas nem todos sentem. Êsse quadro sensibiliza algumas figuras e não se pode deixar de assinalar que uma dessas figuras é êsse intrépido Julião. Êle teve sensibilidade para deixar repercutir dentro de si mesmo os sofrimentos de seus concidadãos e procurou outros homens, ricos de seiva moral e cheios de vigor, para incorporá-los na luta pelos direitos imprescritíveis dos lavradores sem terra.

O quadro a que ora assistimos nos envergonha. Somos uma nação de 70 milhões e, segundo os índices de crescimento de nossa gente, dentro de 25 anos seremos 150 milhões. E não queremos que sejam 150 milhões de maltrapilhos, de famintos, de analfabetos, de desajustados, de analfabetos, de rebotalhos humanos esmagados pela miséria. Queremos, ao contrário, ver êste país de pé. Para isso é preciso unir a inteligência e a sensibilidade de homens capazes de conduzir o povo a uma situação de bem-estar onde haja trabalho amparado, assistido, bem remunerado e onde todos tenham um padrão de vida digno. Êste movimento de trabalhadores do campo é — eu me permito dizê-lo — maior do que vós mesmos pensais. Êle representa as fôrças telúricas da Nação. Êste movimento nasce da própria terra e tem a fôrça da própria vida e, por isso, é invencível.

Êste magnífico espetáculo significa, sem dúvida, uma afirmação da vontade do componês brasileiro que deseja ver reconhecidos seus legítimos direitos e que espera uma reforma agrária que não seja uma mistificação e sim, uma oportunidade para que a população rural alcance melhores condições de vida. Essa gente capaz de afirmar com tanta determinação e com tanto vigor sua vontade de ver reconhecidos seus direitos fundamentais é também capaz de pôr sua fôrça e seu espírito de luta na defesa de nossa pátria, na defesa de nossas riquezas. Vemos aqui uma tomada de consciência. Nós que desejamos ser senhores de nosso destino, não podemos deixar embair por palavras generosas. Grande parte das dificuldades, da miséria, do sofrimento, da falta de recursos de nosso país devese ao fato de o Brasil ser quase que uma colônia de vorazes imperialistas. Precisamos nos libertar economicamente porque só assim libertaremos o nosso povo da miséria e do sofrimento. A vossa luta e a luta dos nacionalistas brasileiros é a mesma. Queremos uma terra feliz, fecunda, uma terra que seja mãe de seus filhos e não madrasta. E a fim que ao acontecer isto que digo. Se torne realidade é preciso que se multiplicam encontros como êste onde o povo trabalhador manifeste a sua vontade de alcançar melhores condições de vida. Melhorando a vida dos trabalhadores do campo e dos trabalhadores da cidade, melhorará a vida do Brasil.

A ULTAB Propõe Medidas Sôbre o Aproveitamento Das Terras Públicas

A União dos Lavradores e Trabalhadores Agrícolas do Brasil levou ao Congresso de Belo Horizonte algumas das teses melhor fundamentadas e que correspondem aos interêsses da massa camponesa. Chamamos a atenção para esta oportuna tese sôbre o aproveitamento das terras públicas, aprovada na Comissão de Reforma Agrária e no plenário do Congresso:

Impera no Brasil, e se agrava cada vez mais, profunda e indiscriminada irregularidade no que respeita a concessão, apropriação e aproveitamento das terras públicas.

A concessão pelo Estado de imensas glebas, a apropriação indébita e tôdas as formas de "grilagem" constituem um dos mais sérios apoios à manutenção e desenvolvimento do latifúndio e conseqüente monopólio latifundiário exercido sôbre a propriedade da terra e seu aproveitamento.

Êsse estado de coisas parte, não só da avidez insaciável e sem escrúpulos dos arçambarcadores de terras e da incúria das autoridades e nomens do govêrno, como também da ausência absoluta de um atualizado e satisfatório levantamento cadastral e classificação das terras consideradas devolutas ou pertencentes ao poder público e uma adequada distribuição e aproveitamento das mesmas.

Constituem as terras públicas parte considerável do fundo agrário brasileiro, cuja acertada distribuição e aproveitamento não mais pode ser protelado, sob pena de se ver cada vez mais agravado o grave quadro da situação econômica e social do país.

Para que seja regularizada e bem definida a situação e o aproveitamento terras públicas, é necessário que sejam tomadas, entre outras, as seguintes medidas:

a) Deve ser considerada como terra de propriedade pública, isto é, do Estado (União, Estados ou Municípios) tôda extensão de terra do território nacional que não esteja subordinada a um título de posse particularmente legalizado e registrado.

b) Os governos da União, Estados e Municípios devem proceder ao imediato levantamento e classificação de tôdas as terras devolutas, que devem ser registradas como pertencentes ao poder público.

c) Igualmente deve ser processado o levantamento e classificação das terras de propriedade particular, cujos títulos de posse não se encontrem devidamente legalizados, devendo passar imediatamente ao poder do Estado (União, Estados e Municípios).

d) As terras classificadas como devolutas, quer sejam da propriedade da União dos Estados ou Municípios, devem ser concedidas gratuitamente — salvo exceções de interêsse nacional — aos que nela queiram efetivamente trabalhar.

e) Deve ser estabelecida a absoluta proibição de entrega de concessões de terras públicas, sob qualquer forma, a quem as queira utilizar como meio de especulação.

f) Devem ser outorgados títulos de propriedade imediata aos atuais posseiros que efetivamente trabalham a terra ou nela já residam, bem como levada a efeito a mais intransigente defesa de seus direitos contra qualquer espécie de grilagem.

g) A formação de núcleos de economia camponesa e a exploração da terra, realizada através da produção cooperativa, deve ser objeto de imediata planificação com o máximo de estímulo e garantias aos que dêles queiram participar.

Belo Horizonte, 15 de novembro de 1961.

União dos Lavradores e Trabalhadores Agrícolas do Brasil (ULTAB)

MOÇÃO DE LOUVOR AO PRESIDENTE DO CONGRESSO

Proposta pela delegação do Estado da Guanabara, foi aprovada no plenário do Congresso de Belo Horizonte a seguinte moção:

«A Delegação do Estado da Guanabara

Propõe um voto de louvor à Mesa Diretora do Congresso na pessoa do seu ilustre presidente, deputado Ernâni Maia, pela correta, democrática e precisa direção dos trabalhos em todo o decorrer do Congresso. Estende a Moção a todos quanto colaboraram para o êxito do conclave. Propõe que a referida Moção seja inserida na ata final do Congresso.

a) — Pedro Coutinho Filho»

MOÇÃO DE SOLIDARIEDADE A CUBA DE FIDEL CASTRO

O I Congresso Nacional de Lavradores e Trabalhadores Agrícolas aprovou a seguinte moção a ser enviada ao Primeiro Ministro de Cuba, Fidel Castro:

Os participantes do I.º Congresso Nacional de Lavradores e Trabalhadores Agrícolas do Brasil, que ora se reúnem, em Belo Horizonte, para o debate dos problemas do homem do campo, dirigem-se ao bravo povo cubano e a seu grande líder, FIDEL CASTRO, para expressar, de forma enérgica e vibrante:

1º — que saberão defender, de tôdas as formas, a autodeterminação e a soberania de Cuba, ameaçadas pelo imperialismo norte-americano;

2º — que consideram a orientação do govêrno cubano como um exemplo para os povos da América Latina em sua luta emancipadora.

Manifestam, ainda, seu entusiasmo pela Reforma Agrária cubana, alicerce do progresso e da independência do país irmão.

a) Francisco Julião, Nestor Vera, Acyr Medeiros, Lindolpho Silva, Napoleão Bezerra e Henrique Miranda.

CARTA DE EMANCIPAÇÃO

Na instalação em Belo Horizonte do 1 Congresso Nacional dos Lavradores e Trabalhadores Agrícolas, Francisco Julião leu a sua CARTA DE EMANCIPAÇÃO, que aqui reproduzimos na íntegra. Não podemos resumi-la num título, nem mesmo numa frase.

O povo brasileiro se encontra diante de dois problemas fundamentais: o problema de seu desenvolvimento econômico independente e o problema de preservação e ampliação de sua liberdade.

O desenvolvimento econômico independente pressupõe duas providências: 1) — o controle da indústria nacional pelo capital nacional, pública e privada; 2) — a reforma agrária.

A preservação e ampliação das liberdades públicas são consequências também dêsse desenvolvimento. Não se pode conceber um povo livre estrangeiro, nas cidades, à sombra do imperialismo e, nos campos, à dominação vil do latifúndio.

Nossa luta patriótica, neste momento, deve ter, portanto, como consignas fundamentais a Nacionalização Econômica e a Reforma Agrária.

Dessas verdades, já se convenceu, desde muito cedo, o nosso povo. Por êsses objetivos vem êle lutando, há muito tempo. É possível afirmar que muitas vitórias foram alcançadas, nos diversos batalhas travadas contra os inimigos internos e externos da nossa emancipação de nosso país. Uma dessas vitórias mais expressivas é a realização dêste Congresso, primeiro grande plenário dos camponeses do Brasil.

Mas, é verdade incontestável que continuamos com nosso parque industrial dominado pelos grupos internacionais do capitalismo; e é verdade também que o latifundio prossegue sugando as energias da nação brasileira.

Cabe a todos nós, então, fazer uma análise de nossa trabalho, até ao dia de hoje. Por que defendendo pontos de vista acertados, por que lutando com o entusiasmo e a dedicação de povo, não conseguimos ainda emancipar, de fato, nossa terra e liberar, de verdade nossa gente? Essas perguntas merecem resposta. Exigem resposta, porque as massas nacionais estamos a perder a paciência, começam a descrer das palavras e até dos seus líderes. Não há dúvida de que tudo se resume à definição exata do que seja Nacionalismo Econômico, e de que seja Reforma Agrária. Por Nacionalismo Econômico se tem sido vendida ao povo muito contrabando ideológico. Como Reforma Agrária tem o povo vista muita mentira em favor de uns latifundiários, contra camponeses em geral.

Numa situação como esta, em que a verdade pretende enganar os seus vítimas com palavras ôcas, nossa luta fundamental deve ser acima de tudo de restabelecimento da verdade. O Nacionalismo Econômico ou consiste no controle de nossa indústria pelos brasileiros, pelo seu governo, pelas suas indústrias e pelos seus operários ou não é nacionalismo, nem uma mentira à face do povo.

A Reforma Agrária ou é feita em favor do camponês, com o controle do camponês ou nada significa, venda mentira, engano ou traição.

A situação do nosso País é aquela de país invadido pelo estrangeiro. Enquanto os governantes dizem belas palavras a respeito de nossa independência, denacionaliza-se a indústria e o comércio. O setor mais forte do nosso parque industrial, o automobilismo, pertence aos trustes e cartéis que dominam o mundo; nossos combustíveis, produzidos pelo govêrno, são distribuídos pelos trustes; até nosso café, produzido pelos nacionais, é vendido por firmas imperialistas.

Os governos — todos êles — se afirmam nacionalistas, mas continua em vigor a inominável 113 e outras semelhantes providências, que criam, dentro de nossa própria país, condições melhores para o imperialismo que para os empresários nacionais.

Êstes últimos, por sua vez, se apoiam para os seus compromissos, nos horas difíceis para os seus negócios, por outros lados e voltam contra os trabalhadores, todas as vêzes que êsses reclamam melhor participação no progresso econômico do Brasil.

Nas horas difíceis das massas explorados, êsses empresários preferem aliar-se aos seus dominadores estrangeiros, para, junto com êles, esmagarem as seus irmãos extenuados.

Somente o povo, trabalhador tem sabido resistir em todas as horas. Mas, tem sido enganado, traído, ridiculizado. Este é o balanço de trinta anos de luta.

Os camponeses brasileiros, êstes vivem num regime de campo de concentração. Estamos cercados pela miséria faminta. Há uma multidão imensa de homens, no campo, que morrem à míngua, a falta de terra onde trabalhar. Há um verdadeiro continente de terras, clamando pela enxada, pelo trator, pelo machado, para começar a produzir. Mas no meio, entre o camponês e o gleba farta, há o cerca.

O latifundiário, mandado na terra bruta, mandando na prefeitura, mandando no govêrno, mandando nas Assembléias e no Congresso Nacional, dirige a política do país. Em 1930, a pena fêz uma revolução para acabar com êsse domínio, mas êle venceu, logo depois, sustentado pela imprensa falsificou, que deseja continuar o Brasil um mero exportador de produtos tropicais.

Ao se grandes fazendas do Oeste já estão sendo pelo govêrno aos grileiros. Quando a cabocla faça da civilização a ponta de rifle, a bala a fuzil ao serviço para isso, onde êle chegar, lá encontrará o latifundiário fabricado pela lei injusta, um empecilho a ser vencido e quase sempre o mais forte e mais violento.

O resultado disso é que as cidades estão famintas, enquanto apenas 8,3% da área dos estabelecimentos agrícolas são utilizados na lavoura e cêrca de 9 milhões dos 11 milhões de camponeses brasileiros não possuem terra própria.

Invadido pelo estrangeiro econômico, cercado pela arma do latifundiário, o povo se resistence às custas da miséria e que vem sendo relegado. Esclarece-se e se está organizando. Ai estão os sindicatos, cada vez mais fortes e independentes do patrão e do govêrno. Ai estão as ligas Camponesas, reclamando em todos os cantos do nosso país o evangelho da terra livre. Sinal a hora da emancipação. Passou a hora do esperar. Se a verdade salvará o país.

A verdade é que a imperialismo tem de ser impedido de além de nossas fronteiras. As empresas sejas locais sejam acima de seus investimentos já pertencem ao Brasil. Devem ser nacionalizadas idéias. A indústria básica deve ser controlada e dirigida pelo Poder Público. O comércio exterior deve ser monopólio do govêrno. Todos os trustes devem ser expulsos do país. A verdade é que a democracia deve ser aprofundada. O analfabetismo deve ser vencido. Ele é a maioria em nosso país. Deve votar também o soldado, a praça de pré. A liberdade sindical, rural, e urbana, deve ser ampliada. Ampliada deve ser o direito de greve. O privilégio das classes possuidoras deve ser substituído pelo privilégio da povo trabalhador. A lei deve ser reconhecido o direito insofismável à resistência civil, em caso de golpe, em caso de assalto ao sistema de liberdades inscrito na Carta de Direitos do Povo. Esta é a programa da emancipação. Esta é a nossa carta de luta. Nada de alianças fora dessa verdade que está a vista de todos. A independência, a liberdade, e todos os interesses. Todos, portanto, são chamados para a batalha.

Mas, a aliança, não pode subsistir à base do mentira, da falsificação.

Em séculos de história, o povo, no Brasil, tem dado o seu sangue pela grande causa da terra comum. Ela tem enriquecido, graças a esta luta. Mas, os frutos têm sempre caído na propriedade de minorias. Ai vestes comandos do povo, estas sempre estão ausentes. O que produzimos está muito abaixo do que deveríamos produzir. O que temos é muito menos do que deveríamos ter.

A independência política não deixa nacionalmente dependentes, a abolição dos interesses. Todos, portanto, são chamados para a batalha.

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Então, nossas reformas são sempre feitas pela metade — naquela metade que interessa aos poderosos. Temos independentes quando Portugal resolveu nos entregar à exploração do imperialismo inglês. Libertamos os escravos quando o senhor preferiu pagar salário de fome à sustentar de cama e mesa a escravo africano.

Mas, isto não é emancipação. Emancipação é o governo do povo. E' a satisfação de suas necessidades. E' o controle da produção pelos que produzem.

Nada de meias medidas, nada de contenção, nada de conciliações criminosas, com os inimigos do país e do povo. Usemos dos direitos que a Constituição nos dá, em defesa dos nossos interesses: Ajamos com mão de ferro contra todos aqueles que pretendam reviver, se contra as liberdades que conquistemos.

COMPANHEIROS CONGRESSISTAS:

De todos os recantos do Brasil, do Extremo Norte ao Rio Grande do Sul, vocês vieram, vencendo grandes distâncias e duras obstáculos, para cumprir uma alta missão. Vocês vêm de todos os quadrantes do país, de todas as latitudes e longitudes, de todas as altitudes. Vocês vêm de todos os climas, de todas as paisagens, de todas as culturas, de todas as formações sociais. Vocês vêm de todas as profissões, de todas as artes, de todas as ciências, de todas as religiões, de todas as filosofias, de todas as ideologias. Vocês vêm de todas as raças, de todas as cores, de todas as origens, de todas as tradições, de todas as lendas, de todas as crenças, de todas as ideias.

Se outros motivos não houvessem para a escolha de Minas Gerais e Belo Horizonte para sede deste Congresso, bastaria a glória que lhe cabe de ter sido a terra que foi arrepiado pelo sangue de seu filho Mártir, Tiradentes. Imolados na sua exemplo, vocês haverão de vencer também, não para se deixar escravizar, pois os campos do Brasil estão juncados de cadáveres dos Mártires de Fome, para exportar o latifúndio, escondendo-lhe a memória e a nome.

Do Nordeste onde senzalas, **agarrados** e invencíveis, lembrem vivem as Ligas Camponesas, representando centenas de milhares de assalariados agrícolas, de parceiros, de meeiros, de pequenos e pequenos proprietários, para falar bem alto, a fim de que o Brasil, a América Latina e o Mundo inteiro, ouçam e vem que já não é de desilusão, mas de coragem, de resignação, mas de luta, de desespêro, mas de revolta.

Elas nascem do próprio coração do latifúndio, como uma flor que se abre sôbre o lôdo. Estão montadas no tambo da história. Ninguém poderá dizer-lhes não como não se deixou o tempo. E' tarde barrar o sol nascente porque este lêm nas mãos o futuro. São como escravos semeados que um pássaro — a liberdade — carrega no bico e espalha pelo **Brasil.** Por isso é que do Pernambuco ganharam asilos temores e, hoje, milhões de camponeses da nossa pátria e além das nossas fronteiras esperam por êles como a nascer do sol. O latifúndio **se golpeia.** O govêrno os teme. A igreja se espanta. Mas êles não trouxeram ao **mo e chama que o vento** apaga. De onde vem essa chama? Esse chama resulta de choke institucional entre o senhor e o escravo, entre o opressor e o oprimido, entre o sistema capitalista que morre e o sistema socialista que nasce como a madrugada. Esse chama foi a mesma que iluminou Sierra Maestra. Que fêz os FIDEL CASTRO uma tocha acesa. Que fez de CUBA uma fogueira para iluminar tôda a América Latina. Essa chama tem um nome que fez tremer a face da tirano e encheu de esperança a resistência do exercito. Essa chama tem o nome de Liberdade. E' em nome dela que aqui estamos. E' por causa dela que o homem morre. E é por causa dela que o homem vive.

Essa chama é que iluminou, hoje, êste Congresso. Porque aqui estão os camponeses. Porque aqui virem ter os oprimidos. E os explorados. E o povo. Essa chama é que ilumina todos, nós.

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OU MORRER PELO BRASIL.

FRANCISCO JULIÃO

Lesbia Alves, a um Joaquim Nabuco, a um Luiz Gama, ajuntando cada um dêles seu quê a sua vez em favor da emancipação dos escravos negros. Ela tem levado milhares de irmãos nossos à luta e aos sacrifícios.

A inconfidência Mineira, de que Tiradentes nos esquartejado mas cabeça de glória, como o Mártir da Liberdade, os Quilombos, de que o pênt Zumbi foi o símbolo da resistência, do heroísmo e do sacrifício, a Balaiada, a Sabinada. A Revolução Praieira, Canudos e tantos e tantos episódios ficados à rebeldia dos escravos e camponeses de tôdas as côres, são os sintomas de que a luta pela terra não é de ontem. Essa luta, dizemos bem claro, não é obra de um homem, de um partido político, de uma certa religiosa, mas do próprio povo oprimido, na sua ânsia de liberdade e de justiça.

Essa luta é de vocês patrícios sem terra ou de pouca terra, neste país de terra terra. O que Nu Tiradentes, o que Nr. Vieira, o que Nu Bonifácio, o que Nu Nabuco, o que Nu Cruz Alves, o que Nu Luiz Gama, o que Nu Zumbi, o que fizeram todos os patriotas, no seu tempo e depois dêles, e que estamos fazendo hoje, aqui neste Congresso nós que nos engajamos como soldados rasos à ainda pouco, diante do sacrifício anônimo dos milhões e milhões de irmãos nossos que, tombaram e ainda tombam pela inemoção do pátria sob o jugo cruel do latifúndio de cuja ventre nascem os monstros multíplos e invisíveis. Essas mentiras têm o nome de Fome, Caverna, Cemitério, Analfabetismo, Mo e a mãe, Favela, Miséria, Mortalidade infantil, Juventude Mutilada, Velhice sem Amparo, Discriminação Social, nome pejorativo, NORTE, Morte do Campo, Morte do Espírito, Morte do Liberdade, Morte da Justiça, Morte da Esperança, Morte do Povo, Morte da Pátria. Que viemos fazer aqui, então? Nós vimos aqui camponeses, não apenas estudar teses, aprovar moções, bater palmas, unir mãos, confraternizar. Nós viemos também para reinvestir o Campo, o Espírito, a Liberdade, a Justiça, a Esperança, o Povo, a Pátria.

Viemos do Norte, do Nordeste, do Centro, do Sul, do Leste, do Oeste, de tôda êste Continente que é o Brasil, para dizer às elites oligarcias de terra se estão com o cadáver dos camponeses, dos governos corruptos e comprometidos com a reação, a morte e a latifundia, aos secretários que abandonaram o Crista, aos galpões e assembleias da ilegalidade, todos os que se acomodam, que se alugam, que se vendem, que se evitam, vimos, sim, para dizer a todos êles, que êste Congresso que, aqui, hoje se instala, é a última denúncia à Nação para que ela cave de vergonha a cara do opróbrio, e a última prova aos revogantes que tentam em arrancar nos portas da ilegalidade elegíveis de escritores de tôdas as côres, de todas as crenças, de tôdas as idades.

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GOULART SUGERE:

REFORMA DA CONSTITUIÇÃO PARA A REFORMA AGRÁRIA

Na solenidade de encerramento do I Congresso Nacional dos Lavradores e Trabalhadores Agrícolas, o Presidente da República, Sr. João Goulart, pronunciou um discurso em que reconheceu expressamente que a Constituição impossibilita na prática a reforma agrária e que, por isso, deve ser reformada a fim de torná-la possível. Damos a seguir os principais trechos do discurso do Presidente, assinalando as passagens em que seguiu o texto escrito e as em que improvisou.

(Lendo) Senhores Congressistas. Compareço à sessão de encerramento do Congresso Nacional dos Lavradores e Trabalhadores Agrícolas do Brasil para expressar o meu apoio ao debate, franco e corajoso, dos temas que dizem respeito aos problemas da melhoria das condições de vida do homem brasileiro que trabalha a terra e dos que tratam da implantação de métodos modernos de exploração dos recursos naturais do nosso grande país.

As reivindicações dos trabalhadores agrícolas não se opõem às reivindicações dos trabalhadores da cidade. Ao contrário, o entendimento, ao plano dos altos interêsses nacionais, entre o homem do campo e o trabalhador da indústria é condição indispensável ao progresso do país e à elevação dos níveis de existência de todo o povo brasileiro.

Na verdade, o crescimento econômico do Brasil não deve ser dificultado por uma agricultura atrasada, que ainda emprega em larga escala cultivos de produção que remontam a épocas já ultrapassadas. Mas nem tôda a estrutura agrícola brasileira é atrasada. Há setores importantes que já apresentam índices elevados de produtividade e que constituem exemplos de boa aplicação técnica na exploração de nossas terras.

Devemos, contudo, reconhecer e proclamar que a ausência de uma reestruturação agrária está embaraçando a marcha do progresso de nossa Pátria: sem uma agricultura progressista jamais teremos uma economia nacional equilibrada. O processo agrícola brasileiro não atende mais às necessidades do crescimento da economia geral do nosso país.

Devemos ter sempre presente que a maioria do povo brasileiro está vinculada às atividades da terra: sessenta e três por cento da população brasileira dependem da agricultura para viver. E as estatísticas ainda incompletas que possuimos nos mostram que, dos 12 milhões de agricultores brasileiros, mais de 10 milhões cultivam terra que não lhes pertence.

A luta, portanto, em favor do acesso à terra dos que nela trabalham de sol a sol, é, assim, uma das reivindicações mais sentidas e mais legítimas dos camponeses brasileiros. O seu atendimento constitui elemento de fundamental importância na consolidação dos direitos democráticos.

Sem escolas, sem assistência médica e sem perspectivas de melhoria de vida, os trabalhadores rurais das regiões mais atrasadas do país abandonam os campos e se dirigem aos centros urbanos, em busca de uma atividade compensadora.

O crescimento industrial do país criou novas oportunidades de trabalho, provocando imenso deslocamento da população rural para as cidades. A atração dos grandes centros permanecerá irresistível enquanto as condições de vida do campo forem precárias, como são atualmente e, em muitos casos, piores do que nas favelas urbanas. Tais contradições entre a agricultura e a indústria tendem mesmo ao agravamento, se não forem desde logo aplicados remédios adequados para corrigi-las.

A inflação, que destrói os valores do trabalho, realiza uma transferência da renda agrícola para outras áreas econômicas, num desestímulo permanente às inversões no campo. A questão da terra no Brasil deve ser resolvida.

Não vejo razões para deixar de afirmar que a reforma agrária é uma das reformas que o país reclama para dar plena expansão às suas fôrças produtivas adormecidas.

Há pessoas, há grupos conhecidos dos camponeses, que se assustam com palavras. O surpreendente, no entanto, é que êsses que se assustam com palavras não perdem o sono diante do panorama social de nossa pátria onde um povo sobre luta para viver em im território potencialmente rico e poderoso. Os brasileiros reclamam uma reforma agrária que possibilite uma revisão total das relações jurídicas e econômicas entre os que trabalham a terra e os que detêm a propriedade rural em nosso país para que se possa libertar a produção agrícola de seus seculares entraves e proporcione maior produtividade ao agricultor, assegurando-lhe justa participação das riquezas, para dotar o país de uma agricultura moderna, de alto rendimento produtivo.

A nossa Constituição de 1946, se reconhece por um lado a função social da propriedade, ao admitir a desapropriação por interêsse social, por outro impossibilita a aplicação prática dêsse princípio, ao estabelecer que tôda e qualquer desapropriação se faça pela prévia e justa indenização em dinheiro.

(Trecho taquigrafado) Para uma reforma agrária que atenda realmente aos interêsses nacionais, que atenda aos camponeses brasileiros, temos de considerar sèriamente, como disse há pouco o deputado Francisco Julião, a reforma da nossa Constituição, a insatituição de princípios constitucionais que permitam que essa reforma agrária se faça em têrmos de realidade, especialmente em têrmos que atendam aos agricultores brasileiros.

(Lendo) Os setores mais esclarecidos do país vêm clamando por medidas de base também na agricultura. Mais de 200 projetos de lei transitam pelo Congresso Nacional, todos êles pretendendo modificar, parcial ou totalmente, a estrutura agrária do país. Infelizmente, até hoje, nenhum dêles conseguiu vencer a barreira de resistência levantada pelos que ainda se afferram a um arcaísmo agrícola superado e de baixo rendimento social.

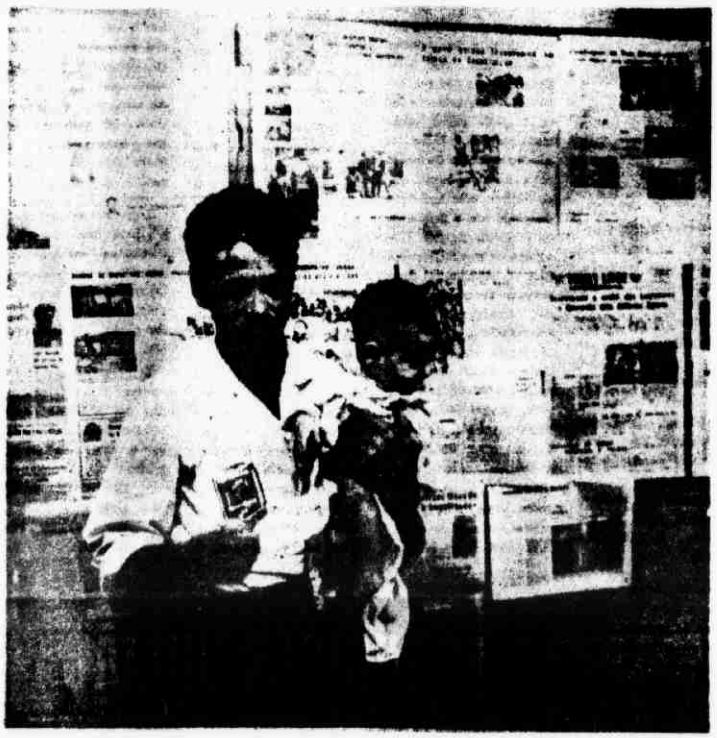
Creio ser dever do govêrno estimular tôdas aquelas iniciativas que se preocupem com a questão agrária nacional, procurando solucionar seus problemas, pois o aumento da produção e a elevação do padrão de vida do trabalhador rural constituem meta fundamental para os destinos do Brasil.

Na verdade, ainda há falta de garantias e de oportunidades para os que se dedicam ao trabalho da terra. A organização crescente dos trabalhadores agrícolas em entidades próprias é uma decorrência natural da evolução da nossa sociedade e a elas não se pode opor e eu jamais oporei quaisquer obstáculos administrativos ou oficiais, mas o que devemos fazer é compreendê-las e justificá-las porque refletem sempre o estado de espírito e a situação de grandes coletividades marginalizadas e que desejam fazer ouvir suas aspirações.

A organização dos trabalhadores do campo e das cidades é pedra angular do regime democrático. Nossa geração está sendo chamada pela História para conquistar a independência econômica do Brasil e nosso elementar dever de cidadão é estar à altura de missão tão digna e elevada.

Peço, Senhores Congressistas, que levem a seus companheiros do interior, junto com minha calorosa saudação e a mensagem de minha confiança nos altos destinos do país, a certeza de que tudo farei para que os trabalhadores rurais brasileiros possam em breve ver transformadas em realidade as suas justas reivindicações.

(Nova fase) Finalizando, reafirmo mais uma vez os meus agradecimentos pela homenagem que recebi dêste Congresso dos camponeses brasileiros, representada pelo documento que me foi entregue por um legítimo delegado dos camponeses de nossa pátria e convido os congressistas, principalmente a Mesa Diretora do Congresso a irem, diretamente, à Câmara da República a fim de me entregar, em audiência especial que terei o prazer de conceder, os resultados dêste memorável conclave realizado pelos trabalhadores do campo.



Tese Sôbre a Organização Dos Lavradores e Trabalhadores Agrícolas

FOI APROVADA NO I CONGRESSO NACIONAL DOS LAVRADORES E TRABALHADORES AGRICOLAS, EM BELO HORIZONTE, A SEGUINTE TESE ELABORADA PELA ULTAB:

A organização independente dos lavradores e trabalhadores agrícolas é nos dias atuais, cada vez mais uma necessidade premente. A dispersão e desorganização das grandes massas trabalhadoras do campo em nosso país têm sido um dos principais entraves para que essas massas lutem com maiores possibilidades de êxito e conquistem vitórias expressivas.

Qual o quadro da organização rural em nosso país? Existem no Brasil mais de 2000 associações rurais. Estas associações filiam-se às Federações das Associações Rurais estaduais, e estas à Confederação Rural Brasileira. A estas entidades acham-se também ligados vários outros de diferentes tipos. Essas organizações, a partir da Confederação Rural Brasileira, encontram-se em geral sob a direção ou influência de latifundiários e fazendeiros e, apesar de todo o estímulo, ajuda e facilidades que lhes são proporcionados pelos podêres públicos, demonstram ainda bastante atraso e fraqueza ao terreno associativo.

Além disso, encontram-se no país numerosas cooperativas agrícolas, compreendendo cooperativas de produtores, de consumidores ou mistas, distribuídas por todos os Estados e Territórios do país.

A Sociedade Rural Brasileira abriga os grandes cafeicultores, e os usineiros de açúcar encontram-se organizados em cooperativas e sindicatos próprios, bem como os grandes pecuaristas.

Quanto à organização independente dos lavradores e trabalhadores agrícolas, o quadro é aproximadamente o seguinte: A ULTAB (União dos Lavradores e Trabalhadores Agrícolas do Brasil), entidade nacional, incorpora organizações em 16 Estados, sendo várias Federações e numerosas associações municipais.

Em várias zonas do país, constituem-se organizações autônomas de lavradores e trabalhadores agrícolas, ainda não filiados a nenhuma entidade.

Especialmente no Norte e Nordeste, desenvolve-se a organização de Ligas Camponesas, com características e formas também próprias e diversas.

Nestes últimos anos, há o crescimento numérico de sindicatos rurais, dos quais muitos em processo de formação. Apenas alguns conseguiram seu reconhecimento legal.

Ao lado dêstes, nas grandes zonas canavieiras, existem também em crescimento sindicatos de trabalhadores na indústria do açúcar e do álcool, bem como de alimentação, aos quais se filiam, em vários lugares, trabalhadores rurais.

Estas organizações independentes prestaram e vêm prestando bons serviços à causa dos lavradores e trabalhadores agrícolas, apesar das difíceis condições financeiras que enfrentam, da falta de quadros dirigentes experimentados e das perseguições e pressões exercidas pelos latifundiários e pela ação repressiva de setores do poder público.

Não existe ainda no país um centro único dirigente da organização independente das massas trabalhadoras do campo.

Dêste rápido balanço pode-se concluir como ainda é baixo e atrasado o nível de organização do meio rural, que conta com uma população econômicamente ativa de aproximadamente 11 milhões de pessoas, ao contrário do que se dá nas cidades e especialmente nos grandes centros do país, onde os trabalhadores contam com poderosos sindicatos.

I. CAUSAS QUE DIFICULTAM A ORGANIZAÇÃO NO CAMPO

O trabalho de organização das massas trabalhadoras no campo se choca com uma série de dificuldades particulares. Para se obter êxito é preciso levar em conta êsses obstáculos e aprender a vencê-los com a maior paciência e firmeza. Nem sequer as possibilidades de ajuda e de vantagens que são facultados por diversas leis, como nos casos de subvenções e auxílios, são devidamente aproveitadas. Como dificuldades mais importantes caracterizam-se as seguintes:

1 — Dispersão dos lavradores e trabalhadores agrícolas. Espalhados pelos latifúndios e fazendas, muitas vêzes em regiões distantes e de difícil acesso, onde em geral existem poucos meios de comunicação e de condução, encontram-se muito mais isolados e sujeitos à influência e pressão dos patrões e proprietários da terra do que, por exemplo, nos países da Europa, onde moram geralmente nas aldeias. Esta dispersão exige a adoção de formas particulares de comunicação e de organização.

2 — Os lavradores e trabalhadores agrícolas são comumente submetidos a formas de exploração, de negação de direitos, de perseguição e de opressão, por parte dos latifundiários e dos agentes dos podêres públicos, muito mais duras e desumadas do que os trabalhadores das cidades. São exemplos disso os contratos extorsivos de arrendamento e parceria, em geral verbais, o crédito usurário, o confisco de produtos e bens, os despejos, os impostos elevados, a ação do fisco, etc. Mesmo entre os trabalhadores rurais que vivem como assalariados, conhece-se bem a negação na prática de todos os direitos da legislação trabalhista a que fazem jus, como a aplicação do salário mínimo, direito de férias remuneradas, regime de 8 horas de trabalho, descanso semanal remunerado, etc., inclusive o de sindicalização rural. Em vez disso, vigoram em geral contratos ilegais de trabalho, com descontos, multas e outras muitas violações e arbitrariedades.

3 — As migrações constantes, em vários sentidos, do norte para o sul, nas várias zonas de um mesmo Estado, de fazendas para fazendas, e o êxodo rural para as cidades e os grandes centros urbanos, como conseqüência do empobrecimento e das dificuldades crescentes das massas trabalhadoras do campo, resultantes de um processo injusto de desenvolvimento que se dá no país. Êsse fenômeno dispersa grandes massas, e entre elas encontram-se muitos membros e mesmo dirigentes de organizações que se formaram, e que os torna instável até certo ponto.

4 — A própria natureza do lavrador. Disperso, isolado, em geral oprimido e explorado, torna-se arredio e desconfiado, freqüentemente um revoltado.

5 — Ao lado de tudo isso, há a falta de tradição de organização no campo em nosso país, o que resulta em uma grande falta de experiência, sabido como é que todos os esforços para a organização independente das massas trabalhadoras do campo sempre encontraram uma forte resistência por parte dos que estão interessados em manter o atual estado de coisas.

Mas tudo isso não pode significar que sejam essas dificuldades empecilhos que não permitam a organização independente das massas de milhões de lavradores e trabalhadores agrícolas no Brasil. Elas constituem, ao contrário, um forte fator de estímulo, pois faz crescer a compreensão de quanto é necessário a organização, como instrumento de lutas e de vitórias.

II DIVERSIDADE DAS FORMAS DE ORGANIZAÇÃO

Os habitantes do meio rural não formam um todo homogêneo. Êles constituem um conjunto composto de pessoas em diferentes situações, quer quanto às formas de trabalhar e produzir, quer com relação a propriedade, etc. Diferentemente das relações que existem entre os operários e em geral entre as massas trabalhadoras das cidades, as relações entre os lavradores são muito variáveis. Uns trabalham em suas próprias terras, como proprietários; outros, são posseiros; outros, são produtores ocupando terras, como arrendatários e parceiros e ainda há os que trabalham a base de salários, seja por dia, por mês, por tarefa ou por empreitada, e mesmo por ano, como no caso dos colonos de café que, para completar seus salários, plantam nas lavouras que tratam, ou por fora.

Assim, as formas de organização entre os lavradores têm que levar isso em conta, não podem ser as mesmas dos operários das cidades, que não têm choques de interêsses de classe entre si. Não se pode recomendar nem aplicar nunca, no que diz respeito à organização, formas rígidas e imutáveis, para todos os tipos e casos.

Os lavradores, em geral, conforme a experiência tem demonstrado, vêm encontrando sua melhor forma de organização na criação de associações de lavradores, das quais êles próprios são administradores e dirigentes. Compreendem cada vez melhor que é indispensável que suas organizações tenham direção própria, isto é, que vivam e atuem sob a sua própria direção e não sob a direção e influência de latifundiários e fazendeiros.

Na medida em que, levando-se em conta a composição social de suas organizações independentes, tenham em sua direção os elementos das camadas mais conseqüentes, os lavradores pobres e médios encontram em geral as possibilidades de que essas organizações se transformem em entidades representativas de seus interêsses.

A inclusão, em muitas associações criadas, de trabalhadores agrícolas assalariados juntamente com lavradores que empregam trabalhadores a seu serviço, tem demonstrado que isso deve ser evitado, pois leva para dentro das organizações os conflitos de interêsses que comumente se dão entre operários e patrões. Portanto, a prática demonstra que, sempre que possível, devem-se formar organizações de modo que lavradores e trabalhadores assalariados, embora organizados separadamente, lutem efetivamente unidos pelos interêsses, direitos e reivindicações que lhes são comuns.

As cooperativas, também, quando sob a direção e influência direta de seus associados lavradores, são uma forma de organização que pode prestar bons serviços. Conhecem-se no país grandes cooperativas que se tornaram enormes potências financeiras e se transformaram em verdadeiros monopólios de muitos produtos agrícolas. Essas cooperativas, verdadeiras fontes de grandes e condenáveis lucros para os seus dirigentes são hoje fatôres de carestia e de exploração do povo, desvirtuando, assim, as finalidades verdadeiras que devem ter as cooperativas agrícolas. Mas, quer sejam de consumo, de produção, mistas, etc., as cooperativas agrícolas verdadeiramente a serviço dos lavradores podem e devem ser utilizadas como uma boa forma de organização e defesa.

Em suma, não importam decisivamente, nem a forma nem os nomes que possam ter as diversas organizações de lavradores, mas sim o seu conteúdo e os fins que se propõem defender. Torna-se, no entanto, como a experiência mostra, indispensável observar certos regras que não se podem dispensar, sem o que as organizações deixam de atender os fins para que foram criadas, de defesa dos lavradores. Além disso, é da maior importância a posição de solidariedade e de união dessas organizações, com relação às lutas dos trabalhadores e das massas populares das cidades, que não podem ser contrárias nem desligadas das que travam os próprios lavradores. Entre essas massas, não existe nenhum conflito de interêsses que não possa ser vencido em benefício de seus interêsses comuns. Pelo contrário, é através da união na luta que as massas

(Conclui na 10.ª Página)

TESE SÔBRE A ORGANIZAÇÃO DOS LAVRADORES E TRABALHADORES AGRÍCOLAS

(Conclusão da 9ª Página)

trabalhadores da cidade e do campo encontram suas mais importantes vitórias.

III. As FORMAS DE ORGANIZAÇÃO DOS TRABALHADORES RURAIS ASSALARIADOS

Os sindicatos rurais formam-se obedecendo a uma legislação e a uma forma específica de organização, de acôrdo com o Decreto Lei 7038, devidamente regulamentado pela portaria nº 14, incluídos na parte complementar da Consolidação das Leis do Trabalho. Os sindicatos rurais, segundo a lei, podem constituir Federações Estaduais (com um mínimo de 5 sindicatos) e uma Confederação Nacional (com um mínimo de 3 Federações Estaduais). Têm, portanto, sua própria forma e estrutura, sua legislação particular.

São imensas as dificuldades que os sindicatos rurais vêm encontrando para se formar, e principalmente para se registrarem no Ministério do Trabalho. São sem conta as barreiras opostas pelos órgãos governamentais em todos os escalões, com o objetivo de impedir ou dificultar ao máximo o seu reconhecimento legal. Não facilitam nada, pelo contrário, só criam embaraços. É evidente que, uma vez reconhecidos, êsses sindicatos rurais podem ser verdadeiros órgãos de defesa dos trabalhadores agricolas, gozando dos direitos e prerrogativas que a lei lhes faculta. É preciso, assim, obter, cada vez mais, novas vitórias e conquistas na organização sindical dos trabalhadores agrícolas, vencer a imensa barreira burocrática criada artificialmente para dificultar o seu reconhecimento, lutar para simplificá-la e avançar mais e mais. A criação e o reconhecimento dos grandes sindicatos rurais de Itabuna-Ilhéus, na Bahia, de Campos, no Estado do Rio de Janeiro, de Tubarão, em Santa Catarina etc., são pequenas demonstrações da possibilidade de criar em nosso país poderosos sindicatos rurais, aos quais se filiem milhões de trabalhadore agrícolas.

Nas grandes regiões açucareiras cresce o número de sindicatos de trabalhadores na indústria do açúcar e do álcool, bem como na indústria de alimentação. Em várias lugares, numerosos trabalhadores agrícolas permanentes, que trabalham nas usinas, ingressam nesses sindicatos, de acôrdo com o que faculta a lei. No entanto, permanece o problema da quantidade enorme de trabalhadores rurais volantes que, não sendo empregados fixos, não têm direito a ingressar nesses sindicatos. Surge então a necessidade de se organizarem de outra maneira, seja em sindicatos de trabalhadores rurais, seja em associações de caráter civil.

A organização dos trabalhadores agrícolas em associações de caráter civil também pode ser feita e essa forma de organização pode ser de muita utilidade. Nos lugares onde não houver condições imediatas para a formação de sindicatos rurais, devem os trabalhadores agrícolas se organizar dessa maneira. Isso possibilitará duas vantagens imediatas, a saber: 1º) — permitirá que êsses trabalhadores ingressem imediatamente no caminho da organização e da defesa de seus direitos e reivindicações, sem que haja necessidade de enfrentar, de início, tôdas as grandes dificuldades burocráticas de reconhecimento da organização, como se dá com os sindicatos rurais e 2º) — Defender seus direitos de forma organizada, reforçar e consolidar sua organização, formar seus próprios quadros dirigentes para que possam, no devido tempo, mais fàcilmente, se transformar em sindicatos de trabalhadores rurais.

Merece uma referência especial a ajuda que tem dado o movimento sindical operário na organização dos lavradores e trabalhadores agrícolas. São numerosos os exemplos de organizações criadas com a ajuda inestimável das organizações sindicais operárias, e casos há em que, sem essa ajuda, a formação tanto de associações de lavradores como de sindicatos rurais, teria sido impossível. Os trabalhadores do campo devem sempre e cada vez mais recorrer à ajuda, sempre fraternal, que nunca lhes recusam, os sindicatos operários, não só das grandes capitais como do interior. Essa ajuda contribuirá para o reforço mútuo das lutas reivindicatórias que travam todos os trabalhadores, sejam da cidade, sejam do campo.

IV. NECESSIDADE DE ORGANIZAÇÕES PERMANENTES E PODEROSAS

Estas, as questões essenciais que a UNIÃO DOS LAVRADORES E TRABALHADORES AGRÍCOLAS DO BRASIL (ULTAB) traz para a discussão neste I CONGRESSO NACIONAL DOS LAVRADORES E TRABALHADORES AGRÍCOLAS, uma vez que já contamos com um rico patrimônio de experiências acumuladas, as quais muito nos podem valer. A contribuição que trazemos não vai além do modesto propósito de facilitar que todos se manifestem trazendo suas opiniões e suas experiências vividas na própria luta. O que desejamos é tirar desta discussão o máximo de proveitos e ensinamentos para que, de uma maneira unitária, possamos firmar uma orientação melhor e assim, unindo mais nossas fôrças, dar maior impulso ao trabalho que se vai fazer daqui para a frente.

Os acontecimentos que se desenrolam em nosso país demonstram a necessidade cada vez maior de se criarem organizações de lavradores e trabalhadores agrícolas de caráter permanente e independente, que sejam poderosas pelo apoio que recebam de seus associados e das massas, e que cada vez expressem melhor seus desejos, como verdadeiros órgãos de defesa dos seus interêsses econômicos e sociais.

Estamos convencidos de que o desenvolvimento independente e progressista de que nosso país necessita e pelo qual lutamos, em benefício de todo o nosso povo e não apenas de alguns com o sacrifício da maioria da nação, não pode se realizar sem a participação de milhões de brasileiros que, na agricultura, trabalham e lutam por uma vida melhor e por uma pátria livre e feliz.

Todos unidos, empenhemos todos os nossos esforços para transformar em grandiosa realidade a organização dos lavradores e trabalhadores agrícolas do Brasil.

Sala das Sessões, 15 de novembro de 1961.

UNIÃO DOS LAVRADORES E TRABALHADORES AGRÍCOLAS DO BRASIL (ULTAB)



Julião no Congresso: Legalidade é Terra Para os Camponeses Que Trabalham

Na sessão final do I Congresso Nacional dos Lavradores e Trabalhadores Agrícolas, o deputado Francisco Julião proferiu o seguinte discurso, que publicamos à base de notas do serviço de taquigrafia do Congresso:

As minhas primeiras palavras são uma homenagem póstuma a todos os bravos camponeses do Brasil que tombaram nas imensas terras da pátria, vítimas da fome e da crueldade do latifúndio.

Sr. presidente da República, sr. primeiro-ministro Tancredo Neves, sr. governador do Estado de Minas Gerais, sr. vice-governador do Estado, srs. deputados federais, sr. prefeito de Belo Horizonte, srs. deputados estaduais, demais autoridades presentes, sra. Maria Prestes, Maia, srs. delegados do I Congresso Nacional dos Lavradores e Trabalhadores Agrícolas, estudantes, operários, povo desta gloriosa cidade. Meus amigos, meus companheiros de jornada das Ligas Camponesas do Nordeste do Brasil. Diante de um espetáculo como êste em que o povo mais humilde e mais espoliado da pátria, o camponês sem terra, se defronta com os mais altos podêres da República, no instante em que se encerra o I Congresso Nacional dos Lavradores e Trabalhadores Agrícolas, diante dêsse espetáculo, nós podemos afirmar sem mêdo — e a história o confirmará — que teremos já e já uma reforma agrária radical para os camponeses do Brasil.

Diante dêsse estuário imenso que hoje defronta-mos, diante dessa multidão incalculável que aqui se comprime e que aqui veio para estreitar suas mãos e dizer aos camponeses do Brasil inteiro que o homem da cidade, o operário, os trabalhadores das fábricas, os estudantes, a classe média que se proletariza rápidamente em nosso país, que todos que têm ainda uma parcela de patriotismo e que trazem na sua consciência um compromisso de salvar a pátria, diante dêsse espetáculo, quem pode pôr em dúvida que já existe no Brasil a unidade indestrutível dos seus trabalhadores que lutam por reformas de base, que não fiquem no papel, que não durmam nas gavetas, mas que se transformem em realidade para que o povo não tenha de fazer com as suas próprias mãos a reforma agrária?

De conferência em conferência, de congresso em congresso, através do Brasil, desde o Pará até o Rio Grande do Sul, os camponeses se congregaram, se uniram, e hoje vieram dizer, em Belo Horizonte, que todos êles têm um compromisso de vida ou morte com a nossa pátria. Esse compromisso é o de salvá-la da ignomínia do aviltamento em que ela se encontra, espoliada pelos inimigos de fora que nos esbulham pelo interior e pelos latifundiários que aqui dentro nos esbulham pelas costas.

Aqui estamos realizando pacificamente, em ambiente democrático, dentro das garantias constitucionais, uma luta pela verdadeira legalidade. E legalidade e terra para os camponeses trabalhadores. Legalidade e reforma do ensino para que os estudantes brasileiros possam estudar. Legalidade é o contrôle dos lucros das emprêsas estrangeiras. Legalidade é a defesa intransigente dos nossos minérios para que possamos construir o futuro de nossa pátria. Legalidade é a ampliação do direito de greve. E' essa a legalidade que desejamos, já e já, porque, sem isso, 75% das terras brasileiras continuarão nas mãos de 8% de brasileiros, o que é uma calamidade. Sem isso, 30 milhões de camponeses continuarão sem calçados porque não há fábricas de calçados e não há fábricas de calçados porque não há reforma agrária. Sem isso, de cada 100 crianças que nascem no Nordeste brasileiro, ali onde foram plantadas as raízes da nacionalidade, morrem 70 crianças de zero a um ano, mostrando que isso não é mais mortalidade mas mortandade, é assassinato em massa de crianças em nossa pátria.

Sem isso nós não temos direito de levantar as nossas vistas para o pavilhão nacional.

Sem isso nós temos constrangimento de cantar o Hino Nacional.

Sem isso não podemos redimir o sangue de Tiradentes esquartejado em Minas Gerais.

É por causa disso que o Brasil de hoje se levanta e não se limita apenas a pensar, mas a dizer que, ou nós faremos as reformas indispensáveis à emancipação econômica da pátria, ou a omissão dos que nos governam, a omissão das elites, pode levar o país à revolução.

Nós que estamos empenhados nessa luta gloriosa consideramos esta causa maior que a abolição dos escravos, maior que a luta pela solução estatal do petróleo. Se nós não tivessemos a intenção e o firme desejo de obter amanhã, se possível — nunca, nunca, depois de amanhã — essa reforma agrária, nós não estaríamos pacificamente, democràticamente, realizando êste Congresso, que não é apenas uma demonstração da unidade e da fôrça dos camponeses brasileiros mas também é uma advertência, talvez a última advertência!

Reconhecemos a corajosa atitude demonstrada pelo presidente da República, dr. João Goulart, e pelo governador Magalhães Pinto, que vieram a êste Congresso para o qual foram convidados e aqui estão sendo recebidos pelos camponeses do Brasil, sob palmas. Essa corajosa atitude, vencendo resistências, sobrepondo-se aos obstáculos, é um sinal de que êles estão sentindo também que esta não é a hora dos exploradores mas a hora dos explorados.



O século passado foi o século da afirmação da classe operária. Êste século é o da afirmação da massa camponesa.

Tôda a América Latina está inquieta porque 2/3 de sua população vivem em regime semifeudal, tratados não como sêres humanos mas como párias, como bichos. Esses 2/3 carregam nos seus ombros o pêso de suas pátrias. Se não fôra a brutal espoliação do povo de Cuba, não existiria um Fidel Castro. Não queremos para a nossa pátria os fuzilamentos de Cuba mas queremos para o Brasil as reformas de Fidel Castro. Quero aproveitar êste instante para pedir o beneplácito dêste Congresso no sentido da aprovação de um documento que vou ler:

"Neste Congresso manifestaram-se as vozes mais autorizadas em favor da aliança operária, camponesa e estudantil. Na verdade, a ação unitária das classes que são as verdadeiras fôrças produtoras do Brasil, representa uma necessidade imposta por um momento histórico da nossa pátria. Sòmente as massas trabalhadoras que empunham a enxada, o martelo e o livro estão em condições de resolver os graves problemas da nação brasileira. Portanto, para que a aliança operário-camponesa-estudantil passe imediatamente da fase agitativa para a organização, proponho que êste Congresso Nacional de Camponeses vote uma resolução convocando para Goiânia, em data a ser fixada, o I Congresso Nacional de Operários, Camponeses e Estudantes. Sugiro a capital de Goiás para sede do Congresso como uma homenagem aos bravos lutadores do Brasil central e na certeza de que o governador Mauro Borges dará todo o apoio a essa iniciativa das classes trabalhadoras de nosso país. Proponho ainda que se constitua aqui a comissão organizadora do Congresso com a participação de líderes operários camponeses e estudantes. Finalmente, para que aprendamos a confiar em nossas próprias fôrças, proponho ao plenário que aprove um veementе apêlo aos operários, camponeses e estudantes de todo o Brasil no sentido de que façam a doação de um dia de salário para atender às despesas do Congresso."

Sr. presidente da República, nós todos temos a consciência de que o Brasil atravessa a hora mais grave de tôda a sua história. Mas temos também a certeza de que despertaram aquelas fôrças que se encontravam adormecidas. E, porque despertaram, é inútil que se pense que não confiam nas instituições vigentes, porque se alguém tentar cercear as liberdades públicas, ferir a Constituição e levar o país a um regime de exceção, o povo poderá levar o Brasil à guerra civil. Já que o Congresso Nacional pôde realizar o milagre de em 24 horas inaugurar um regime, esperamos que êste mesmo Congresso Nacional realize mais um milagre dentro [illegible] da reforma agrária!

I Encontro de Operários, Estudantes e Camponeses

Foi aprovada no I Congresso Nacional dos Lavradores e Trabalhadores Agrícolas a seguinte moção apresentada pelo União Nacional de Estudantes e pela União Brasileira de Estudantes Secundários:

1) — Tendo em vista a necessidade urgente de uma Reforma Agrária radical, já que o atual estrutura do campo do Brasil é o principal responsável pela miséria, ignorância e fome que assolam o nosso país,

2) — Tendo em vista que o efetivação de uma Reforma Agrária que venha de fato beneficiar os trabalhadores, só é possível mediante uma ação de massas que congregue os trabalhadores do cidade e do campo e outras fôrças populares, como os estudantes.

PROPOMOS:

A realização do I Encontro de Operários, Camponeses e Estudantes com encerramento no dia 1º de Maio em Brasília, para constituição real dessa aliança, considerando-se que a libertação do camponês está ligada intimamente à libertação dos seus companheiros operários.

PADRE LAJE:

«SERÁ VOSSA ESTA TERRA CONQUISTADA COM VOSSO SANGUE»

Publicamos a seguir as principais passagens do discurso pronunciado pelo Padre Francisco Pessoa Laje, de Belo Horizonte, na sessão final do Congresso de Lavradores e Trabalhadores Agrícolas:



Sr. presidente, autoridades presentes, meus irmãos. Foi com alguma hesitação — e vós bem sabeis porque — que eu resolvi vos falar a estas horas tão tardias. Desejo dizer-vos aqui que se Jesus Cristo nascesse outra vez e andasse pelos caminhos da América Latina e do Brasil, estaria ao lado dos trabalhadores camponeses nesta luta que travam pela justiça e pelo amor.

Caros camponeses de todo o Brasil, começou, oficialmente, nestes dias em que aqui estiveram reunidos homens e mulhere. de todos os recantos da nossa pátria, a vossa libertação. A vossa libertação não depende dos latifundiários porque os latifundiários estão interessados na vossa escravidão. Os latifundiários querem ficar cada vez mais ricos e cada vez mais latifundiários e pouco se importam com a vossa pobreza. A vossa escravidão é mais grave que a escravidão negra que encheu de vergonha as páginas da história brasileira. A escravidão continua até os dias de hoje e representa o mais grave problema da história do nosso tempo: a redenção do homem que trabalha na terra e não a possui. Todos nós pensávamos ser necessária esta união que aqui presenciamos, irmanados com a vossa luta nesta bela capital mineira que já podemos chamar de capital da redenção nacional. No dia de hoje podemos afirmar que Belo Horizonte se tornou a grande capital da redenção nacional dos trabalhadores sem terra. É muito significativa a vossa presença aqui, vindos quase todos de muito longe, do norte, do sul, principalmente do nordeste heróico, trazendo a voz do sofrimento e o sentimento de luta. Admiramos extraordinàriamente essa figura que merece a vossa estima e amizade — o grande deputado Francisco Julião. Assistimos aqui ao encontro da nacionalidade, da verdadeira nacionalidade, das fôrças vivas do país, daquelas fôrças que tomarão o poder num futuro próximo, se Deus quiser. É necessário que o povo se levante e saia da sua escravidão para a liberdade verdadeira. Esta é uma imposição dos filhos de Deus. A liberdade, tantas vêzes pregada, ainda não foi alcançada pelos camponeses. Por ela milhares de camponeses sucumbiram e continuam sucumbindo. Muitos já desistiram de esperar por soluções do Congresso Nacional que está cheio de latifundiários e ladrões. As soluções virão daqui, dêstes dias de encontro de fraternidade e amor. A verdadeira liberdade é a liberdade econômica. O resto são palavras. A verdadeira liberdade é aquela desejada pelos trabalhadores camponeses.

A terra vos foi roubada por uns poucos. A terra foi totalmente dada a todos os homens por Deus e não a alguns latifundiários. Todos os homens têm dignidade, todos são filhos de Deus. Os homens devem ajudar-se uns aos outros e nunca ser escravos uns dos outros. Não é justo que uns tenham tudo e outros não tenham nada.

Gostaria de dizer que tive a alegria de abraçar camponeses vindos de tôda a parte, desde o Amazonas até o Rio Grande. Gostaria também de fazer uma referência a todos aquêles que estiveram aqui conosco, sobretudo os bravos estudantes de nossa terra, que ajudaram a escrever mais esta gloriosa página de nossa história.

Esta página não será apenas uma página escrita pelos trabalhadores que lutam heròicamente, mas por todos aquêles que lutam por um Brasil maior, por um Brasil feliz onde não hajam milhões de homens que trabalham na terra e que não a possuem.

Vejo os vossos cartazes com a inscrição: reforma agrária na lei ou na marra. Concordo. É necessário que a reforma agrária se faça na lei ou na marra. Disse a mim o arcebispo de Olinda e Recife que se os deputados federais não fizerem a reforma agrária, pior para êles. Só assim haverá ordem, a verdadeira ordem, aquela que está na consciência nacional, a ordem da justiça. O resto é "conversa mole". Outro cartaz diz: terra ou morte. Isso significa que estais dispostos a dar a própria vida pela posse da terra, estais dispostos a alcançar a vitória mesmo à custa de vosso sangue para que vossos filhos sejam os proprietários da grandiosa terra brasileira. Estão aqui muitos meninos franzinos, magrinhos, tão diferentes dos meninos do asfalto. É para êles especialmente que servem as palavras santas: será vossa esta terra conquistada com o vosso sangue, o vosso suor e as vossas lágrimas. A nossa terra é boa e será dos camponeses depois que se vençam todos os entraves e se acabem tôdas as tiranias, sobretudo das companhias estrangeiras que sugam a economia nacional. Será uma libertação não só para o Brasil como para tôda a América Latina. Esperamos a redenção agrária no Brasil, como já ocorreu em Cuba. Depois de conquistada no Brasil, irá para todos os outros países que estão sob a escravização econômica norte-americana.

Com estas palavras, eu vos dou os parabéns pela realização dêste Congresso. Convosco estão dezenas de milhares de sacerdotes. Aos outros que não estão ao vosso lado, é preciso dar a vossa ajuda e a vossa capacidade para mudar-lhes a mentalidade a fim de que aprendam a lutar convosco pela verdadeira justiça, e junto convosco alcancem a grande vitória da classe trabalhadora para a grandeza do país. Que Deus vos guie para a vitória, a grande vitória que almejais.

NOVOS RUMOS

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FROM : Amembassy Buenos Aires — 825 DESP. NO.

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

REF : CERP D-16

JAN 5 1962

DEPARTMENT OF STATE
INTER AMERICAN AFFAIRS
JAN 12 1962

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SUBJECT: Railways: Minister of Public Works and Services Resumes Functions

Begin UNCLASSIFIED

The Minister of Public Works and Services, Engineer Acevedo, resumed his functions on January 2, thus ending current speculations to the effect that his resignation is imminent. The Minister had been absent from the country during the period December 6-18 for the purpose of negotiating railway rehabilitation loans in the United States and Canada and upon his return he failed to appear at his office on the grounds that he was occupied at home in drawing up a report for the President concerning the results of his trip. His protracted non-appearance plus his refusal to comment on the railway strike settlement, negotiated during his absence, gave rise to rumors that the peace terms were unacceptable to him and that he was merely waiting for President Frondisi to return from his goodwill mission abroad in order to resign as Minister of Public Works and Services, which post also includes responsibility for national railway affairs.

According to the evening paper, La Razon, Engineer Acevedo will explain his position on the strike settlement in a press conference scheduled for January 5. In the meantime, press reports indicate that Minister Acevedo, although dissatisfied with several aspects of the strike settlement, has been appeased in two ways. In the first place the Subsecretary for Transport, Dr. Zavala, whose relations with the Minister are stated to have deteriorated in recent months, has resigned from this position and will again devote himself fulltime to his duties as the chief of the President's technical secretariat. The second concession, still to be affirmed by official action, is stated to consist in the appointment of Minister Acevedo, or a person of his choice, as President of the new Railway Administration Board. End UNCLASSIFIED

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COMMENT: Both Dr. Zavala in his note of resignation and President Frondisi in his address delivered to the nation on the evening of January 2 expressed confidence that the recent strike settlement consitutes a satisfactory solution for all parties concerned - labor, railway administration, and the nation as a whole - and that the previously prevailing negative attitudes

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could now give way to a constructive approach to the railway reform program. While it is to be hoped that these evaluations will materialise, it is doubted that Minister Acevedo shares the viewpoints expressed by his former lieutenant and by the President.

The railways face a severe test in the next few months. Owing to the reduction of personnel through the more than 30,000 voluntary resignations stimulated by the indemnification plan and given the fact that the settlement decree holds in abeyance the application of revised workrules with their implications for increased labor productivity, there is now an actual shortage of train personnel. Consequently, the train service has emerged from the strike on a new and somewhat lower level. There is also a serious problem of meeting the many heavy demands for personnel payments, including commitments for the indemnification of resigning workers and for the granting of personal loans equal to 80 percent of the wages lost during the strike, the increased pressure on pension funds, the arrearages in salaries for the month of December, the annual bonus, and also the advent of a 20-percent wage increase and concessions made in basic salary scales. This situation poses the problem of how mounting labor costs can be reconciled with the fixed railway subsidy of 15 billion pesos established by Congress for the budget year running from November 1, 1961 to October 31, 1962.

For the Chargé d'Affaires ad interim:

Howard W. Potter

Howard W. Potter
Second Secretary of Embassy

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DESP. NO.

TO: THE DEPARTMENT OF STATE, WASHINGTON.

January 19, 1962
DATE

REF:

SY-1 JAN 25 1962 S/IH-1

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		OTHER: CIA-11 USIA-8 army-3 navy-3 NSA-3 LAB-6 FBI-1

SUBJECT: New CNTI Officers Installed

file no. on item from ARA ES/B attached

The new officers of the CNTI (National/federation of Industrial Workers) were installed on January 13, 1962, at the headquarters of the Rio de Janeiro metalworkers' union. Mr. Clodsmidt Riani was selected as President, Mr. Dante Pelacani as Vice-President and Mr. Benedito Cerqueira as First Secretary, by the new Board of Directors, which elects Confederation officers from its own ranks.

President Goulart appeared at the installation and his address was the highlight of the meeting. He called for national labor unity with the CNTI taking the lead and, in connection with this, he pledged the solidarity of his administration to the new CNTI leadership; he repeatedly called for support by the working class for his administration. He also utilized and stressed the slogans of "autodetermination," "economic emancipation," control over profit remittances and the need to protect Petrobras, all of which are being so emphasized by the Communists at this time.

832.062/1-1962

British ?

In addition to the President, the meeting was attended by Prime Minister Tancredo Neves, who remained as short a time as possible, leaving even before the President spoke, and Minister of Mines and Energy, Gabriel Passos. Apart from the Brazilian and American Labor Attaches, the ORIT representative in Brazil and some of the minor democratic Brazilian labor leaders, the meeting was attended largely by the Communists and left wing elements of Brazil's labor and political life. Present and speaking were Deputy Francisco Julião and Governor Brizola's former labor advisor, Mr. Clay Hardman de Araujo. Special busses brought labor leaders from the south of Brazil, all of this being arranged by the left wing. By and large, the anti-Communist labor leaders were neither invited nor attended.

FILE

Comments: The meeting was the occasion for rejoicing by the Communist-left wing elements in the Brazilian labor movement, whose control over the CNTI was formalized at this ceremony. Even the meeting site,

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the headquarters of the Communist-dominated metalworkers' union of Rio de Janeiro was in color. The President's comments stressed again the administration's dependence upon labor for support and, as expected, the President called for labor unity behind the CNTI, with the administration's full support for that objective. The President apparently continues to feel that in the event his administration is seriously attacked, he must have as strong as possible a labor backing. Toward that end it seems almost certain that the CNTI will now take the lead in establishing some type of national labor central. The President must still count upon the Communists and their allies in the labor movement to organize the labor movement for him and he returned to the slogans of that group when he spoke of the need for autodetermination, economic emancipation, the need to protect Brazil from the groups which have so often betrayed it, etc.

Although the electoral slate for the Board of Directors of the CNTI was headed by Dante Pelacani, the Board actually elected Clodsmidt Riani as President, a not unexpected move. Although Mr. Pelacani opposed this development, in the actual election by the Board he received only his own vote. He was defeated by President Goulart's strong preference for Mr. Riani. He felt so badly at this betrayal that he first resigned from the Board; however, he was prevailed upon to withdraw his resignation. The election of Riani gives considerable weight to Mr. Heracy Wagner's feeling that he would have been similarly betrayed by Mr. Riani had he accepted the joint slate worked out under President Goulart's guidance, under which he would have headed the slate with Mr. Riani as number 2.

The absence of all of the outstanding Brazilian democratic or anti-Communist labor leaders was most notable. The ORIT, British and U.S. representatives were there in an attempt to salvage whatever possible from the defeat which was clearly suffered by the democratic forces in the election of the successful CNTI Board of Directors. President Riani and Secretary Benedito Cerqueira were cooly correct and friendly to the visiting U.S. and British labor Attaches, who were likewise formally correct and friendly in extending their congratulations. Mr. Pelacani was late in arriving and he seemed more friendly in his attitude.

The Minister of Labor's absence was notable. He was represented by his Chief of Cabinet, who played a quiet and inconspicuous role.

Approved By:

Niles Bond
Deputy Chief of Mission

For the Ambassador:

John T. Fishburn
Labor Attaché

DISTRIBUTION: All Consulates, Econ, Pol II, Mr. Liebof, Pol I, CF (30)

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FROM : Amconsul, São Paulo, Brazil — 186 (NO.)

TO : THE DEPARTMENT OF STATE, WASHINGTON. — January 23, 1962 (DATE)

REF :

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SUBJECT: National Convention of Regional Labor Delegates

BEGIN UNCLASSIFIED

A National Convention of Regional Labor Delegates took place in São Paulo on January 8-11, 1962. The Convention was originally scheduled to begin December 18, 1961 but was postponed because of the attempted general strike on December 14. Regional Labor Delegates representing the Ministry of Labor in nineteen states attended the plenary sessions held at the Commercial Workers Social Security Institute.

Labor Minister André Franco MONTORO opened the Convention at 4:00 P.M. on January 8 and in his speech welcoming the Delegates announced that the principal topics for discussion were inspection and enforcement of labor laws, worker safety and hygiene, union organization, worker identification documents, and internal administration of the Ministry and the Regional Labor Offices. Dr. Montoro remarked that the Convention "represented a contribution to the strengthening of authentic unionism which devotes itself to its own mission and never serves the interests of special groups or persons".

Dr. Nelson Marcondes do AMARAL, Director-General of the Labor Ministry's National Department of Labor, presided over the plenary sessions. At the first of these, on January 8, the Delegates were divided into Committees to study the papers on the foregoing topics presented to the Convention and report back to the plenary. These papers were submitted by officials of the Labor Ministry and other Federal and State Government agencies in the labor field, the Regional Labor Delegates themselves, labor lawyers and union leaders. One significant paper

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was read at each of the three plenary sessions. These three papers were: 1) "Contribution to the Structural and Functional Reform of the Brazilian Labor Ministry", by Dr. A. F. CESARINO Jr., Professor of Labor Law at the University of São Paulo; 2) "Labor Inspection", by Federal Deputy Euzebio ROCHA; and 3) "Work Safety and Hygiene", by Sr. J. A. Cunha LIMA, President of the Brazilian Safety Institute and former Secretary of Labor for São Paulo State. At the final plenary session on January 10 the committees reported their recommendations concerning the various papers. After a general discussion and debate the Convention voted on the recommendations, which in most cases were approved, sometimes with modifications.

The Convention also included visits by the Delegates to various places of labor interest in the area such as the São Paulo Centro de Abastecimento now under construction, a new center in São Paulo of the Social Service for Industrial Workers, the São Paulo City Local Union of Construction Workers, the Cubatão Oil Refinery, and several industrial plants.

During his closing speech the Labor Minister mentioned his plans for construction of workers housing and the expected help from the Alliance for Progress, which he praised. He promised to take every possible step to implement the recommendations of the Convention by issuing decrees or by seeking legislative action as required. At the end of the proceedings Dr. Amaral deplored the general lack of participation in the Convention by union leaders, only three of whom presented papers for its consideration. END UNCLASSIFIED.

Comment (OFFICIAL USE ONLY)

Just before the Convention opened, leftist "Última Hora" attacked it as one more meeting with plenty of speeches, papers presented, verbiage and paper-shuffling but no concrete benefits for the exploited workers. However, from the point of view of the Labor Ministry and the democratic union forces, the Convention seemed at least a qualified success.

The Consulate General Labor Officer attended all the plenary sessions by invitation, and the Labor Attache from the American Embassy in Rio de Janeiro was present at the final session. Despite a certain lack of organization, the plenary discussions were chaired by Dr. Amaral firmly yet democratically. Several Regional Labor Delegates took advantage of the free debates to criticize the excessive centralization of the government labor function in the Labor Ministry in Rio.

The only three labor leaders participating, Antonio Pereira MAGALDI, Olavo PREVIATTI, and Lourival Portal da SILVA



(Presidents respectively of the São Paulo State Federations of Commercial Workers and Paper Workers and the São Paulo Union of Oil Refinery and Filling Station Employees), are all prominent in the MSD (Movimento Sindical Democratico). While Communist labor leaders were in the audience at the plenary sessions, they did not present papers or take part in the proceedings.

During informal chats with the Labor Officer, many of the Regional Labor Delegates and various high officials of the Labor Ministry and the São Paulo Regional Labor Office showed their awareness of the Communist infiltration in the labor movement. Although the vast majority of the Convention discussions were apolitical, while on the topic of union organization of rural workers, several Delegates sharply criticized the pro-Communist agitation of the Ligas Camponesas and the Communist-controlled Congress of Agricultural Workers in Belo Horizonte in November 1961, to the general applause of the other Delegates. After Communist labor leaders harangued the Delegates during the latters' visit to the Communist-controlled São Paulo City Local Union of Construction Workers, Dr. Amaral and several Delegates described the Communists' behavior as discourteous and insulting.

The ultimate success of the Convention in the eyes of the workers will depend on the implementation by the Labor Ministry of the reforms and recommendations proposed.

Dr. Amaral offered to furnish the Consulate General with a copy of the official Convention proceedings. This will be transmitted to the Department when received.

Eugene Delgado-Arias
Consul
Acting Principal Officer

cc: Embassy, Rio de Janeiro

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FOREIGN SERVICE DESPATCH

FROM : Amcongen SÃO PAULO — 191 NO.

TO : THE DEPARTMENT OF STATE, WASHINGTON. — February 2, 1962 DATE

REF : São Paulo Despatch 172 of December 20, 1961 ara — FEB 7 · 1962

	ACTION	INFO	DEPT	RM/R	REP	AF	ARA	EUR	FE	NEA	CU	INR	E	P	IO	
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	REC'D 2-9-62			AIR	ARMY 3	CIA 10	NAVY 3	OSD	OCB	USIA 8	NSA 3					

SUBJECT: São Paulo General Strike Called December 14, 1961, Fails

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1. Summary (LIMITED OFFICIAL USE)

Following agitation designed to pressure Congress into approving Christmas bonus legislation, a number of the largest São Paulo labor unions tried to carry out a general strike on December 14, 1961. Although the Communists did not initiate the bonus issue, they were active in the agitation and the main force behind the attempted illegal strike. After earlier supporting what was an issue with considerable worker appeal, the democratic unions withdrew at the last minute. The strike itself failed badly, making no significant impact on the industrial or commercial rhythm of São Paulo or the interior cities. Principal causes of this failure were the State Government's effective security measures, the general lack of confidence of workers in their union leaders, the absence of public support for the strike, and the withdrawal of the [illegible]

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

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unions. Whereas no one group of labor leaders emerged unscathed, the Communists probably lost the most prestige. They also reaped increased public hostility. On the political scene, both the State and National Governments were strengthened, the National Government at a crucial moment. (LIMITED OFFICIAL USE)

2. Strike Chronology (BEGIN UNCLASSIFIED)

a. Background (Up to December 13, 1961)

The Christmas bonus of one month's pay for all workers was not a new issue. Many unions in various states of Brazil have been asking for this bonus during the last several years. A bill making it mandatory was introduced in the National Congress in 1959. The Inter-Union Department of Statistics and Socio-Economic Studies in São Paulo estimates that sixty percent of São Paulo industrial workers already receive some Christmas bonus, although in most cases it is less than a month's salary. The issue had considerable appeal for São Paulo workers.

São Paulo labor agitation for a full month Christmas bonus increased steadily in late November and early December 1961. Prominent Communist and non-Communist union leaders publicly advocated a general strike for it. In the democratic labor sector, the MSD (Movimento Sindical Democrático) as a whole withheld formal support of the strike at this early stage, while the MRS (Movimento Renovador Sindical) actively agitated for the strike. At a meeting attended by several thousand São Paulo workers of varying political orientation on December 3, a general strike was proposed for 12:01 a.m. on December 14 if Congress did not pass a bill requiring payment of the bonus.

Pressure on the National Congress increased as Almino AFFONSO, PTB leader in the Chamber of Deputies, on December 7 led a group of left-wing São Paulo union leaders to call on Ranieri MAZZILLI, President of the Chamber. The group threatened a general strike in São Paulo, later to be extended to the entire country, unless the Chamber approved the Christmas bonus legislation immediately. Meanwhile, agitation on the São Paulo labor scene continued apace. On December 12 all parties except the PTB in the Chamber of Deputies voted to postpone all action on the Christmas bonus bill for 48 hours, refusing to consider the legislation "under constraint." Since Congress was about to adjourn, this postponement in effect meant no further action on the bonus question until 1962. The PTB deputies failed in an attempt to forestall postponement by staging a walk-out designed to prevent a quorum.

At this point the São Paulo Federation of Industries issued a public statement strongly attacking the proposed bonus as inflationary, claiming that approximately 55 billion cruzeiros in all Brazil, and 15 billion cruzeiros in

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São Paulo alone would be needed to pay a month's extra salary to all workers.

São Paulo Communist and non-Communist union leaders maintained their demands for the Christmas bonus backed by the threat of a general strike. Among the democratic labor leaders publicly supporting the proposed strike on December 12 were Antonio Pereira MAGALDI, Olavo PREVIATTI, and Dacyr GATTO (Presidents of the São Paulo State Federationsof Commercial Workers, Paper Workers, and Clothing Workers respectively).

São Paulo was undergoing a radio and television strike, and the lack of current news allowed the circulation of many serious rumors, one most persistent being that the Cabinet had fallen. The truth of the matter was that the Minister of Justice had acted firmly on December 12, declaring the proposed strike illegal and describing the agitation for it as subversive. He asked workers to remain at their jobs until Congress decided the issue free from pressure. The Minister of Labor, Dr. André Franco MONTORO, urged workers to maintain rigorous respect for law and the authorities, and to forsake violence. He remained in Brasilia in a vain attempt to work out a compromise proposal in Congress providing for a Christmas bonus of thirty percent of one month's salary in 1961, and a full month bonus in future years.

On the local scene, the São Paulo State authorities began mobilizing a 12, 000 man police contingent supported by the Second Army.

b. Eve of Strike (December 13, 1961)

The São Paulo press almost unanimously opposed the strike. Even leftist Ultima Hora withdrew its earlier support and suggested that the Christmas bonus drive be left for the following year in an editorial pointing out the economic danger in granting an extra month's salary and claiming that the pending bonus legislation was also supported by reactionary elements. Ultima Hora advised the union leaders to "think carefully before exposing the workers to future defeats in exchange for a transitory victory."

São Paulo Governor CARVALHO PINTO issued a carefully-worded manifesto calling the proposed general strike subversive and declaring that the State Government would keep order. The manifesto asked the workers to cooperate with State officials elected by them and devoted to their interests.

During the evening of December 13 the MSD issued a manifesto which defended the workers' claim to a one month Christmas bonus but denounced the proposed general strike as Communist-inspired and subversive, urging workers to remain on the job and promising to work for the bonus without subversion. At the same time the Catholic Workers Circles issued a similar statement which defended the Christmas bonus and the right to strike while attacking the proposed

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strike as being led by known Communist agitators for subversive political purposes, and calling for order and tranquility.

Shortly before the strike deadline, union leaders in Santos decided on a 24-hour postponement, which was equivalent to cancellation.

c. Strike (Events of December 14 and 15, 1961)

The strike call was effective 12:01 a.m. December 14. Strike headquarters were set up in the office of the São Paulo Local Union of Metalworkers, and some 600 pickets were dispatched to various factories in the area during the night of December 13-14. São Paulo unions in the metal-working, chemicals, printing, paper products, glass, textile, and cabinet-making industries were active in the strike.

The local authorities acted promptly, arresting most of the pickets and strike agitators and those labor leaders found in the strike headquarters. Among the relatively few well-known union leaders arrested were Dante PELLACANI, then President of the National Federation of Printing Trades Workers and leader of the winning slate in the CNTI (National Confederation of Industrial Workers) election on December 9, and Remo FORLI, President of the São Paulo Local Union of Metal Workers. Virtually no prominent Communist labor leaders were arrested. The total number of persons detained was estimated between 1,000 and 1,200, with the first figure given by the DOPS (Political and Social Police) and the second by the São Paulo State Secretary of Labor.

By noon of December 14 it seemed clear that the strike had failed. An estimated twelve to fifteen São Paulo plants had been closed, including several textile factories. At several other plants only a small proportion of the workers reported for work, as in some meat-packing establishments where only fifteen percent attendance was reported. However, the great majority of industrial plants, all commercial establishments, government agencies and transportation lines continued normal operations. The large autombbile plants of Volkswagen, Willys Overland and Mercedes Benz in the São Paulo area, who had already paid Christmas bonuses to their workers, were not struck. In the nearby industrial "ABC triangle" six factories were reported closed in São Caetano, two in São Bernardo and none in Santo André. Of those plants closed during the morning of December 14, most re-opened the afternoon of the same day, and virtually all resumed normal operations on December 15. In some cases plants might not have been closed if the police had not arrested workers who were trying to decide whether to report for work or not.

Ultima Hora's claim that thirty percent of São Paulo workers remained away from their jobs on December 14 seemed greatly exaggerated. The São Paulo

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State Secretary of Labor estimated that from eight to ten percent of the work force failed to report on December 14, and most of these returned to work by the following day.

The general strike attempt also failed in the interior cities of São Paulo State. No plants were closed in Campinas and after initial agitation the strike collapsed quickly in Ribeirão Preto. As mentioned above, in Santos the strike was postponed and no strike call was issued.

On December 15 those strike leaders who had escaped arrest publicly called off the attempt. Pellacani and Forli were released by the police on the same day, with the former exhibiting many bandages and claiming that he had been beaten and kicked by arresting officers. On December 16 the State authorities began to release detained workers in mass.

d. Aftermath

Some São Paulo firms fired workers who had participated in the strike without payment of the indemnity required by law, believing themselves justified by the fact that the strike had been declared illegal. In the metal-fabricating sector alone an estimated five hundred were fired. Of these about fifty had served ten years with the same firm. Brazilian labor law provides that after ten years with a firm workers are entitled to two months' severance pay per year worked, and could only be dismissed with permission of the Ministry of Labor. In response to requests from local union leaders, the São Paulo Regional Labor Office intervened with the State Federation of Industries with the result that most firms took back the dismissed workers.

A storm of accusations and counter-accusations also followed in the wake of the strike failure. The Communists attacked President Goulart for having supported Governor Carvalho Pinto's firm measures, and for allegedly having sent a telegram congratulating Carvalho Pinto for his conduct during the strike. At a meeting on December 19 in the São Paulo Regional Labor Office with a group of predominantly Communist union leaders, Gilberto CROCKET DE SA, Goulart's labor adviser, denied that the President had sent any such telegram to Carvalho Pinto. As reported by O Estado de São Paulo, Crocket de Sá added that the strike leaders had not taken sufficient pains to insure the support of the workers, and hinted that "hidden interests" were involved in the strike. This was apparently taken to mean persons favoring the return of ex-President Janio QUADROS.

Minister of Labor Montoro also took his lumps, both from the conservatives and the Communists. O Estado strongly criticized him for not having come out publicly and unequivocally against the general strike, instead of having tried to obtain Congressional approval of a conciliatory proposal. The same newspaper

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said that Dr. Montoro was in disagreement with President Goulart, Prime Minister Tancredo NEVES and most of the ministry and pointedly noted that the Labor Minister was absent from São Paulo during the height of the strike.

Dr. Montoro replied in a press communiqué saying that his conciliatory action was entirely in line with his responsibilities as Minister of Labor. He added that he had acted in concert with other Government leaders and had always spoken out in favor of authority and respect for the law. (UNCLASSIFIED)

3. Comment: (BEGIN LIMITED OFFICIAL USE)

a. Forces Behind Strike

The Labor Officer has heard various versions, from union leaders and other sources, of who was behind the strike. The fractionalization of the São Paulo labor movement, with frequently shifting alliances between the leaders of the several fractions, makes it difficult to determine the exact line-up at any given moment. Under these circumstances theConsulate General can only hypothesize.

Although many São Paulo workers already received some form of Christmas bonus, it is clear that the extra month's salary appealed to a sizable portion of the working class. It is also clear that the Communists did not initiate the bonus drive, but joined up at a later date. One plausible reason for their participation was that they would have lost face with the workers if they had hung back. (This undoubtedly accounted also for the early participation of many democratic union leaders.) An additional reason for Communist support, as reported afterwards by several democratic union sources, was the Party's two-fold desire to test its strength in the São Paulo labor movement and simultaneously discredit popular Governor Carvalho Pinto by provoking violent police repression. This would appear to be borne out by the fact that the more vociferous Christmas bonus agitation and the general strike itself were confined to São Paulo State.

As the strike deadline approached, President Goulart probably found himself in an uncomfortable dilemma. He undoubtedly was reluctant to antagonize the workers, whose mass support he considers essential. On the other hand, he most likely was under strong conservative and military pressure to suppress the strike. One version has it that he took no action until the eve of the strike, when he apparently concluded from the unyielding attitude of the São Paulo State authorities that the attempt was doomed to failure, and then relayed orders through Pellacani (to the São Paulo labor leaders) and Gilberto Crockett de Sá (to the São Paulo Regional Labor Office) for a face-saving postponement of 48 hours. At a meeting of São Paulo labor leaders during the evening of December 13, Pellacani unsuccessfully tried to achieve the postpone-

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ment. This never became public knowledge. Most of the leaders present wanted to go through with the strike, and Pellacani decided to join what by then seemed a lost cause.

As the strike deadline approached, the Communists also seemed to realize the impending failure (and perhaps the threat to Goulart, whose support in the labor movement they have often enjoyed). At this point they wanted to withdraw but could not do so without suffering serious damage to their prestige with the workers. Instead, at the crucial moment, they merely dropped out of sight to avoid arrest, to emerge only after the danger was past and attack the repressive measures of the São Paulo State Government.

Several democratic union leaders have expressed to the Labor Officer their feeling that Goulart was behind the strike from the early stages, but when asked could not explain what the President's motives were. While Goulart's early position is not clear, his later actions were certainly designed to discourage the strike, as explained above.

A further version of the strike was given by the magazine Manchete, which portrayed the entire affair as a reflection of "left-right" struggle within the Communist Party itself. According to their version, the "leftist," Stalinist, "Chinese" faction of the Party, led by Diógenes ARRUDA, Pedro POMAR, Maurisio GRABOIS and João AMAZONAS (all except Arruda since expelled from the Party) jumped on the Christmas bonus band wagon in order to take over direction of the Brazilian Communist Party (PCB), with assistance from the new Workers Revolutionary Party (POR). Meanwhile, the dominant "orthodox," Khruschchev, "Russian" faction prudently decided to remain un-committed, thinking that if the strike failed, the other faction would be blamed, and if it appeared to be succeeding, the dominant faction could then take over and reap the credit. The Consulate General is not aware of any evidence substantiating Manchete's analysis.

(b) Reasons for Failure.

The Consulate General is convinced that the principal reason for the strike's failure was the prompt, energetic and effective police measures taken by the São Paulo State Government. Three hundred and forty-four São Paulo firms requested and received police protection, and some four hundred DOPS special agents were in action. The State authorities employed the same tactics which were successful in coping with the attempted general strike in 1959, with similar success.

As a contributing cause of the strike's failure, the wide gap between top-level union leaders and the workers should be cited. A large proportion of workers appear cynical regarding their union leaders. This applies to many non-Communist

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as well as Communist leaders. Just prior to the strike, many workers had already received some form of Christmas bonus and were more interested in Christmas shopping than in going on strike so that other workers might receive bonuses.

The lack of support for the strike among the local population also contributed to the failure. Paulistas are generally better fed, clothed, housed and educated than the residents of other Brazilian states, and the Christmas bonus issue did not seem to fire their imagination to the extent of generating the widespread popular support essential to the success of a general strike.

No precise appraisal can be made of the impact of the withdrawal of the democratically-oriented MSD and Catholic Workers Circles on the eve of the strike. Even if the MSD and the Catholic groups had not withdrawn, it seems unlikely, in hindsight, that the strike would have resulted in a significant stoppage of São Paulo industrial and commercial activities. The MSD leaders did not issue their manifesto of withdrawal until 4 hours before the deadline, when it seemed probable from the State Government's ability and willingness to act forcefully, that the strike would fail. Also noteworthy is the fact that at least one prominent MSD leader (Domingo ALVARES, President of the São Paulo State Federation of Metal Workers), refused to sign the manifesto of withdrawal, in view of previous MSD vacillation.

c. Results of Strike in the Labor Movement

On the São Paulo labor scene, no group of union leaders emerged from the strike with its prestige intact. The Communists' last-minute flight to escape arrest did not go unnoticed. MSD's final rejection of what it terms a political strike was weakened by its early vacillation. The MRS leaders active in the strike agitation, many of whom were arrested, could not point to any significant success. Even Pellacani's grandstanding try for martyrdom, by first provoking and then resisting his arrest so as to appear the victim of police violence, was not very convincing.

On balance, the strike may have increased the chances for Congressional approval of some sort of Christmas bonus legislation during 1962. However, the final form of any such legislation cannot now be predicted.

d. Political Repercussions

Brasília's role in the strike distinctly altered at least the Paulista view of the national political scene. The new parliamentary system of government had caused what Embassy Rio de Janeiro summed up as a "crisis of confidence." The "crisis" was probably caused more by what the government had not done than by what it had, although tension was aggravated by such acts as (1) passage

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in the Federal Chamber of an irresponsible bill controlling remittance of profits, and (2) a Senate attempt to emasculate SUDENE (Northeast development agency). At times it seemed that the only thing saving the Cabinet was a fear of what might follow if it toppled. Paulista irritation at federal inaction was already at a peak in early December and could stand little further inflammation.

Had a law requiring payment of the bonus been passed, a large government loan program would have been required to avoid a wave of bankruptcies. The loans could only have been financed through an increase in the already disturbing federal deficit, constituting additional pressure for the inflation which is the government's most pressing problem. For a while, nevertheless, Congress' discouraging recent record allowed the worry that it might pass at least the sort of expensive compromise measure pushed by Labor Minister Montoro. In this context, the federal government's acts of firmness on December 12 appeared quite courageous, unspectacular as they seem in retrospect. They were the turning point. Having declared the strike illegal, Brasília could have relaxed, although it undoubtedly did not. São Paulo Governor Carvalho Pinto was amply prepared and could take care of the rest himself.

The result, first, was to strengthen the National and State Government. The Paulista Governor was the most obvious victor, but he already had a solid reputation. Brasília had really needed to win the battle. Its firm actions much improved its standing just as Congress was entering recess. Yielding to the strikers' demands, on the contrary, would have brought the "crisis of confidence" to a climax. Ability to handle the situation very possibly gave the government a new lease on life.

The most conspicuous losers were the Communists. Though they did not originate the strike idea, public reaction apparently was to blame them (correctly) for a large part in it. The Consulate General has previously reported a definite public "waking up" from indifference to the Communist threat. The reasons for this are complicated, but identification with the general strike attempt must be among the more important of them. Why did the Communists risk this loss? The probable answer is twofold:

1. Even deducting the value of hindsight, they made a serious miscalculation of odds. The strike at no time seemed likely to succeed.

2. The stakes were high. Had the strike succeeded or had the bonus legislation been passed, the Cabinet might well have toppled. The result would have been unpredictable, but it could eventually have led to something to the Communists' liking, even if the short-term reaction were to the right. Red attacks make plain the unacceptability of the present regime. It would be natural for the Communists to hope to extract something better from the confusion following a fall in government.

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On the balance, it is difficult to see why the Communists stuck their necks out so far, despite the attractiveness of the prize. A well-fed populace and strong government made São Paulo a poor target.

Another loser, probably, was President João Goulart, although in his case the loss was small enough to be recouped much faster. His real role in the strike is not clear, as mentioned above. The blame attached to him may have been payment for past rather than present sins; a result of his reputation for labor demagogy. Then too, his representative Pellacani did a poor imitation of a peace-maker. The moderate press – and hence probably the informed public -- concluded against Goulart.

In sum, the abortive general strike made far more smoke than fire but nevertheless had important political effects. (LIMITED OFFICIAL USE)

Daniel M. Braddock
Minister Consul General

DMC

GPO 802667

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(6)

OUTGOING AIRGRAM

Department of State

85

Origin: ARA-4

Info: RMR-1 REP-1 INR-3 CIA-15 S/S-1 LAB-5

CONFIDENTIAL
Classification

NO. A-117.

Feb 19 3 12 PM '62

Page ___ of ___ Pages

SENT TO: AmEmbassy, RIO DE JANEIRO

832.062
XR 810.062

Re - Embassy's Despatch No. 621, February 2, 1962

Substance of referenced despatch was discussed at some length with Romualdi on February 13.

Romualdi expressed complete awareness of problem faced by ORIT relations with CNTI. FYI - Also indicated he fully aware of dangers of Jauregui being taken in by "glad handing" tactics of present CNTI leadership. He plans to meet with Jauregui at AFL/CIO Council Meeting week of February 18 and call this to Jauregui's attention. - END FYI

Regarding possible visit to Brazil prior ICFTU meeting. Romualdi favorably inclined but noncommittal. He pointed out that there is question of time involved and also problem of additional travel costs. He suggested that if he had some sort of request for such visit in unclassified form from Embassy which he could use with his superiors might assist him in obtaining their approval of both time and expense involved. Department sees no objection this maneuver and would transmit if in Embassy's discretion local situation warrants.

RUSK

Rio de Janeiro A-117 832.062/2-1962 XR 810.062

RUSK

Declassified by RMR

(2)

CONFIDENTIAL
Classification

Drafted by: ARA:HPA:HSHammond:erb 2/19/62

Airgram transmission and classification approved by: RPA - John M. Cates

Clearances: EST/B - Mr. Wilson

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0263

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832.062/2-262
XR 810.062

FOREIGN SERVICE DESPATCH

621
DESP. NO.

FROM : Amembassy RIO DE JANEIRO

TO : THE DEPARTMENT OF STATE, WASHINGTON.

REF :

February 2,1962
DATE

FEB 8 1961

20 For Dept. Use Only	ACTION	DEPT.
	S/S-1	RM/A-2 REP-1 INR-5 ARA-3 P-1
	REC'D	OTHER
	2-9-62	CIA-10 LAB-6 USIA-8

SUBJECT: Relations of Brazil's Free Labor Movement with ICFTU-ORIT

At a luncheon on February 1, 1962, Mr. Angelo Parmigiani, President of the CNTC (National Confederation of Commercial Workers) and Mario Lopes de Oliveira, President of the CNTTT (National Confederation of Land Transport Workers) expressed their opinions and concern regarding developing relations between the ICFTU-ORIT on the one hand, and the Brazilian labor movement on the other. Both men were clearly concerned with ORIT's apparent tendency to be willing to collaborate with the new leadership of the CNTI (National Confederation of Industrial Workers). Their concern was based on the fact that, in their judgment, the new CNTI President and Board of Directors are clearly pro-Communist and anti-Western. They stated that the contacts which Mr. Jauregui has developed with the new leaders would seem to indicate his lack of appreciation of the unfriendly orientation and opinions of Mr. Riani (President of the CNTI) and the new Board of Directors.

To present their case more effectively, Mr. Oliveira suggested to Mr. Parmigiani that the two attend the planned ICFTU conference in Berlin around July of this year, in order to there present an adequate case and a united front against the CNTI. He stated that it would not be difficult for him to attend because his expenses would be paid to the meeting of the ITF (International Transport Workers Federation) which will be held in Europe just prior to the ICFTU meeting. He stated that he planned to attend the latter meeting, so that the only additional expenses in attending the ICFTU Congress would be his per diem during the meeting. He asked Mr. Parmigiani for the latter's support and vote in case Parmigiani cannot attend the meeting. Mr. Parmigiani replied that he expects to attend the meeting of the Governing Body of the ILO (for which his expenses will be paid by the ILO). However, he does not anticipate that this Government will appoint him as a labor delegate or advisor for the convention itself. He stated that he will not have the funds or time to remain in Europe for the full month between the meetings of the Governing Body and the ICFTU. He agreed with Mr. Oliveira on the need for unity, but did not promise his vote.

DEPARTMENT OF STATE

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LABOR:JTFishburn:ss
REPORTER

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FEB 13 1962

ACTION ASSIGNED TO:	ARA: RPA	ACTION TAKEN	Airgram to Embassy
NAME OF OFFICER & OFFICE SYMBOL	H.S Hammond	DATE OF ACTION	3/14/62
		DIRECTIONS TO RM/R	OFFICE OF THE SCIENCE ADVISER S/SA

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Both men stated that if the ICFTU-ORIT were to develop "relations" with the CNTI, that they would withdraw their organizations from the ICFTU-ORIT. ("Relations" were not defined; the various possible degrees or types of relationships were not discussed.) It is clear that they regard the new CNTI directory as basically hostile to the U.S., to democracy, and to their own positions within the labor movement here in Brazil.

The Department is requested to bring the above views to the attention of Mr. Serafino Romualdi, Inter-American Representative of the AFL-CIO. The Embassy also recommends that, if possible, Mr. Romualdi visit Brazil before the ICFTU meeting, in order to judge for himself the current labor-political picture.

For the Chargé d'Affaires a.i.:

John T. Fishburn

John T. Fishburn
Labor Attaché

APPROVED BY:

Niles W. Bond
Chargé d'Affaires ad interim

DISTRIBUTION: POL I, POL II, São Paulo(2), Brasilia, Labor, CF, (20)

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AIR POUCH — CONFIDENTIAL
HANDLING INDICATOR

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832.062/2-1362

FOREIGN SERVICE DESPATCH

FROM : Amcongen, SÃO PAULO — 200 NO. — DATE February 13, 1962

TO : THE DEPARTMENT OF STATE, WASHINGTON.

REF :

FEB 14 1962

	ACTION	INFO	DEPT	RM/R	REP	AF	ARA	EUR	FE	NEA	CU	INR	E	P	IO	ICA
22 For Dept. Use Only	ARA-4			2	1							5		1		
			OTHER	AGR	COM	FRB	INT	LAB 5	TAR	TR	XMB					
	REC'D 2/7/62			AIR	ARMY	CIA 10	NAVY	OSD	OCB	USIA		NSA 3				

SUBJECT: Labor Activities of SEI

Since his arrival in São Paulo in late 1961, the Labor Officer has heard from several different sources rumors concerning labor activities of SEI (Sociedade de Estudos Interamericanos). It appeared from these rumors that Mr. Nelson GOUVEIA was in some way connected with SEI, and so the Labor Officer arranged a meeting with him, with the results as reported in the enclosed Memorandum of Conversation.

SEI's impact on the labor scene through the Workers' Circles so far would not seem very great. Its impact through the MSD (Movimento Sindical Democrático) is more significant. While the Labor Officer has reason to believe that SEI has contributed, directly or indirectly, sizable sums to the MSD, he is uncertain as to the extent of SEI's influence on MSD policies.

The most salient point emerging from the conversation was Mr. Gouveia's personal orientation. He is obviously intelligent and well-informed regarding São Paulo, Brazil-wide, and international labor developments. On the other hand, he has no trade union experience, exhibits a clearly right-of-center political outlook, and gravitates towards a corporate state form of labor movement on the Mussolini-Franco-Vargas pattern. It seems logical to assume that Mr. Gouveia would tend to give a similar orientation to the SEI labor activities which he directs. However, the Labor Officer does not believe that this is the way to build a strong democratic independent labor movement essential to the strengthening of freedom and stable institutions in Brazil.

Mr. Gouveia agreed to honor the Labor Officer's request for copies of materials used in the workers' courses financed by SEI. Upon receipt

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FORM 6-61 FS-439 GPO 912596

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FEB 23 1962

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of these materials the Labor Officer will be in a better position to judge SEI's ultimate objectives in the labor field.

Daniel M. Braddock
Minister Consul General

Enclosure:

Memorandum of Conversation

cc: Amembassy Rio 2 (1 for Mr. Fishburn), Amembassy Brasilia, INR, ARA Labor Adviser, Labor Dept. 2 (for Mr. Steinbach OIOA/ILAB and Mr. Bazan ILAB)

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FORM FS-439a
6-1-60

CONFIDENTIAL

Page 1 of
Encl. No. 1
Desp. No. 200
From São Paulo

Begin LIMITED OFFICIAL USE

MEMORANDUM OF CONVERSATION

Date: February 2, 1962

PLACE: Restaurant, São Paulo

SUBJECT: Labor Activities of SEI

PARTICIPANTS: Mr. Nelson GOUVEIA, Director of BIS (Bureau de Imprensa Sindical) and Director of Labor Activities for SEI
Mr. Jack Liebof, Labor Officer, American Consulate General, São Paulo

Copies to: Mr. John T. Fishburn, Labor Attaché, American Embassy, Rio de Janeiro
ARA Labor Adviser
INR
Mr. Joaquin A. Bazan, Jr., Latin American Area Specialist, ILAB, Labor Dept.
Mr. Arnold L. Steinbach, OICA/ILAB, Labor Dept.

After Mr. Gouveia led off with some vague observations about the São Paulo labor scene, the Labor Officer worked the conversation around to the SEI (Sociedade de Estudos Interamericanos). During the two hour conversation Mr. Gouveia made the following points:

1. SEI Organization and Activities

SEI was founded in July 1958 for the primary purpose of fighting communism and preserving democracy in Brazil. Among its founders were some then prominent officials of the Brazilian Foreign Office. It is registered under Brazilian law as a sociedade civil (non-profit organization), with headquarters in São Paulo, maintains a permanent representative in Rio de Janeiro, and has branches throughout Brazil. While it has a President and a Board of Directors, its chief operating officer is the Administrative Director, one Wladimir LODYGENSKY, described as head of a São Paulo public relations firm. SEI is not tied to any Brazilian political party. It enjoys the support of the Catholic Church hierarchy, more so in Rio than in São Paulo. Its

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organization is highly departmentalized with personnel in one department knowing little about the activities in other departments. Mr. Gouveia, as head of SEI labor activities, knew little about the organization's finances. SEI was supported by contributions from companies -- both national and foreign, including American -- operating in Brazil. It has no international affiliations but from time to time exchanges materials with similar organizations in other countries.

SEI's activities are basically informational and educational. It keeps track of and reports on Communist activities. It sponsors courses of various types. Mr. Gouveia mentioned three: union leadership training for workers, industrial relations for personnel managers and executives, and a more generalized course on democracy. SEI believes it can work most effectively without publicity, thus avoiding a direct Communist counterattack. Mr. Gouveia thought that while the Communists are aware of SEI's existence and have probably infiltrated some of its departments, they are not fully cognizant of all of SEI's activities and have not yet found the occasion to denounce it publicly. For similar reasons SEI feels that identification with the U.S. Government would hinder its work.

2. SEI's Activities in the Labor Field - BIS (Bureau de Imprensa Sindical)

As stated by Mr. Gouveia, SEI's labor objective was the harmonization of the interests of management and labor to safeguard democratic institutions. Mr. Gouveia directs SEI labor work through an organization called Bureau de Imprensa Sindical - BIS, with headquarters at Rua Riachuelo 275, 1ª sobreloja, Sala 111, São Paulo (Caixa Postal 7555). SEI does not wish that its control of BIS be known. BIS has been in operation about two years and published Resenha Semanal, a weekly review of local and national labor news. This publication was suspended in October 1961 but will be resumed shortly. Mr. Gouveia is now setting up BIS branches in the principal Brazilian industrial centers.

SEI's main labor activities involve two series of courses, one for workers and one for management personnel executives. The workers' courses are ostensibly conducted by the Catholic Church-oriented São Paulo State Federation of Workers Circles. (Again, SEI does not want its connection with the Workers Circles known.) Up to thirty workers spend a week at a farm outside São Paulo attending lectures by day and participating in group discussions at night. All expenses are paid by SEI through the Workers Circles. Topics covered in the lectures and discussions include union organization and functions, labor and social welfare legislation, and the Papal Encyclicals on labor (Rerum Novarum, Quadragesimo Anno and Mater et Magistra). Mock union meetings are held to teach students how to combat Communist parliamentary maneuvers. Mr. Gouveia lectures on union affairs, and Church officials and sympathetic figures prominent in the labor field also speak to the students. During the weekly cycles students



are insulated (Communist-style, according to Mr. Gouveia) from outside distractions. Workers of varying occupations are selected to participate either through recommendation of their employer or through the Workers Circles and are screened to exclude "undesirables." While some belong to unions, many do not. The Workers Circles maintain contact with the students after completion of the course, and try to hold periodic meetings in each locality. The workers' courses began about eight months ago, and so far several cycles have graduated, making a total of about one hundred students. Mr. Gouveia hopes to complete one weekly cycle per month. The first course for agricultural workers is scheduled for February 5-10 near Campinas. Eventually Mr. Gouveia plans to train lecturers who will give similar workers' courses in other parts of Brazil.

Courses in industrial relations for personnel executives are given in São Paulo during the morning for a period of two weeks, to persons nominated by their firms. These courses are on a higher level than those given to workers. Again, Mr. Gouveia lectures on union matters.

3. Relation of SEI to IPES

There is no direct organizational connection between SEI and IPES (Instituto de Pesquisas e Estudos Socias). The two groups overlap to a considerable extent with respect to contributing firms and activities. The more experienced SEI apparently regards IPES as a rather bumbling novice in the field, and feels that it can do a better job than the newcomer. However, both organizations are discussing possible mutual collaboration, and Mr. Gouveia expected SEI to perform unspecified work for IPES in the labor field.

4. Relation of SEI to São Paulo Labor Groups

SEI is currently represented in the MSD (Movimento Sindical Democrático) in two ways: first, through the Catholic Workers Circles, and second, through other MSD leaders who are secretly affiliated directly with SEI but not with the Workers Circles. (Mr. Gouveia was reluctant to identify the second group, and the drafting officer thought it best not to push him too far on this occasion.) Most MSD leaders were aware of SEI's existence, but those not affiliated directly or indirectly with SEI did not know which other leaders were so affiliated.

SEI is represented by the Workers Circles on CORS (Conselho de Renovação Sindical), composed of the Circles and MRS (Movimento Renovador Sindical). MSD is not affiliated to CORS, since it differs with MRS on issues such as the imposto sindical (MRS wants abolition; MSD split) and the formation of a single labor central (MRS in favor; MSD opposed). (However, MSD and MRS have followed roughly parallel courses since they both walked out of the August 1960 Third National Labor Congress.) CORS is not very active, but provides SEI

GPO 902667

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with a means of following MRS activities. Mr. Gouveia described MRS leaders as predominantly ex-Communists who, while cutting their Communist Party connection, had retained their former ideology and therefore could not be trusted.

SEI is not connected with the FNT (Frente Nacional do Trabalho). Mr. Gouveia considers Dom Jorge Marcos de OLIVEIRA, Bishop of Santo André and principal FNT supporter, to be an extremist agitator.

5. Agricultural Labor Groups in São Paulo State

The Workers Circles (with SEI support and guidance) have organized the largest number of agricultural workers in the State, working through the São Paulo Federation of Rural Workers. The program calls for the setting up of a rural workers association in each diocese, and later splitting these associations into smaller groups with município jurisdiction. São Paulo Catholic bishops are supporting the Federation's efforts.

The Communist-front ULTAB (União de Lavradores e Trabalhadores Agrícolas do Brasil) has organized a few local groups in the State, but the Ministry of Labor has so far withheld from them official recognition as legally-constituted unions. The Communists are having difficulty in penetrating the rural field, at least through ULTAB.

The Ligas Camponesas, heavily infiltrated by Communists, are active in São Paulo, but so far are weaker here than in other states. The Communists are now throwing their weight behind the Ligas, which seem to afford more opportunity for rapid expansion than the ULTAB.

Both the MRS and the FNT have begun to organize rural workers in São Paulo, but so far have made little impact.

6. Mr. Gouveia's Background and Orientation

Mr. Gouveia is a former employee of FIESP (Federação das Indústrias do Estado de São Paulo) who later joined the staff of the São Paulo Regional Labor Delegate, where he is still employed. He also serves on the directorate of the São Paulo State Federation of Workers Circles, in addition to his positions as director of BIS and director of labor activities for SEI. Of all these jobs he spends the most time on his BIS and SEI activities.

He spent three months in the U.S. on a Point IV grant in 1957. However, he has never been a trade union official and has no union experience.

GPO 802667



While discussing the general labor picture in Brazil, Mr. Gouveia praised the current Brazilian labor code, and said that it merely needed minor changes to bring it up to date. When the Labor Officer pointed out that the code's prohibition against dual unionism (i.e. two or more union organizations with the same jurisdictional base) made it impossible for non-Communists to set up a competing union when the Communists have captured control of the existing union, Mr. Gouveia responded that that was one item needing up-dating. Mr. Gouveia denied that the Labor Ministry has intervened in union matters, and added that on the contrary the unions have intervened in internal affairs of the Ministry for political ends. He felt that Brazilian union leaders are not yet sufficiently mature to be capable of action independent of government control, though he thought that the SEI worker courses conducted through the Workers Circles will help to alleviate this situation. To support this position he argued that even the U.S. Government recently found it necessary to control U.S. unions' financial affairs. (The Labor Officer pointed out, however, that the Landrum-Griffin Act merely requires unions to file financial statements with the U.S. Department of Labor and sets certain standards for union financial operations, but does not authorize government intervention in internal union matters.) Mr. Gouveia took no definitive position on the imposto sindical (union tax) but seemed to imply approval at least in principle.

On leaving the restaurant Mr. Gouveia spied State Deputy Conceição da COSTA NEVES and praised her warmly. He mentioned that lack of time did not permit him to accept a three-month grant to study the labor scene in Spain offered by a Catholic organization there. End LIMITED OFFICIAL USE

JLiebof/lfw

0272

(10)

OUTGOING TELEGRAM Department of State

INDICATE: ☐ COLLECT ☐ CHARGE TO

06519

CONFIDENTIAL
Classification

Origin

Info:

ACTION: Ambassy, RIO DE JANEIRO 2232

Feb 14 5 10 PM '62

Rio de Janeiro 2232

FOR FISHBURN

Cavalcanti has written Romualdi asking advice whether should seek work outside labor movement or with ORIT. Romualdi undecided whether support Cavalcanti for ORIT job. Without trying pass responsibility for decision would appreciate your views as to probable effectiveness of Cavalcanti in ORIT role in Brazil.

RUSK

RUSK

Initialed by RMK

(2)

Drafted by: ARA:RPA:HSHammond:erb 2/13/62

Telegraphic transmission and classification approved by: RPA - John M. Cates

Clearances: EST/B - Mr. Gibson

CONFIDENTIAL
Classification

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FORM DS-322

8 HR 062 2-1462

TR 832.062

0273

INCOMING TELEGRAM

Department of State

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COPIES REC'D ARA

Control: 11044
Rec'd: February 18, 1962
3:18 AM

FROM: Rio de Janeiro

TO: Secretary of State

INFO:
RM/R FILES

NO: 1888, February 17, 3 p.m.

FOR HAMMOND, ARA

Reference: Department telegram 2232, February 14

As Fishburn sees picture. Favoring Cavalcanti: Lack better alternative; far preferable to Campista; his loyalty deserves serious consideration; generally good tactician; number good personal relationships. Against Cavalcanti: Not generally respected by more competent, democratic labor leaders, especially Sao Paulo; had had no program except anti-Communism.

GORDON

LM:HC/6

Substance passed to Rowan 1:30 p.m. via chapman

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RIO 1338

810.062/2-1762

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0274

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Control: 15354
Rec'd: February 25, 1962 6:44 a.m.

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FROM: Rio de Janeiro

TO: Secretary of State

NO: 1944, February 24, 3 p.m.

Romualdi informed substance 2/26/62 1944

832.062 ICFTU

FOR HAMMOND, ARA, INFORM ROMULADI AFL-CIO

Deocleciano Cavalcanti Friday showed Labor Attache letter from BECU with copy letter to Riani asking Riani who represents Brazil Executive Board ICFTU for March meeting. No similar letter apparently sent CNTC or CNTTT. Cerqueira reported to have responded by letter designating Riani. Deocleciano understandably disturbed. CNTI had taken no formal action change former representation (Deocleciano) and he feels he would have continued represent Brazil absence BECU letter which precipitated hostile action. He also feels CNTC and CNTTT should be consulted since representative is for Brazil and not just one of three confederations. He claims still have support other two confederations.

Deocleciano also stated Dante Pelacani being named CNTI representative ORIT. He claims same country-wide representation three confederations should prevail here.

ICFTU recently sent Deocleciano at CNTI copy confidential report Libya. Letter opened and reported seen by Cerqueira and others. Deocleciano suggests ICFTU refrain from submitting confidential documents CNTI until situation clarified and their loyalty assured.

GORDON

CPL

Rio de Janeiro 1944 832.062/2-2462 XR 832.062

(2)

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832.062/2-1462

FOREIGN SERVICE DESPATCH

FROM : Amcongen SÃO PAULO — 201 NO. — FEB 16 1962 — February 14, 1962 DATE

TO : THE DEPARTMENT OF STATE, WASHINGTON.

REF : São Paulo Despatch No. 42 of August 7, 1961 (ARA); São Paulo Despatch 182 of January 9, 1962 (ARA)

ACTION	INFO	DEPT	RM/R	REP	AF	ARA	EUR	FE	NEA	CU	INR	E	P	IO	AID
22 For Dept. Use Only			2	1							5				11
ARA-4		OTHER	AGR	COM	FRB	INT	LAB 5	TAR	TR	XMB					
REC'D 2/21/62			AIR	ARMY 3	CIA 10	NAVY 3	OSD	OCB	USIA 8	NSA 3					

SUBJECT: Democratic Union Leaders Plan Visits to Interior of State of São Paulo

Begin OFFICIAL USE ONLY

Leaders of the Movimento Sindical Democrático (MSD) met on the evening of February 2, 1962, at the São Paulo State Federation of Commercial Workers to plan the implementation of the program proclaimed at MSD's First Interstate Congress on July 22, 1961 (see São Paulo Despatch No. 42 of August 7, 1961.) This meeting was the first since early December 1961 when the democratic union leaders debated their participation in the Christmas bonus agitation and general strike attempt.

Antonio Pereira MAGALDI, President of the host Federation of Commercial Workers, presided. Among the union leaders present were Olavo PREVIATTI, President of the São Paulo State Federation of Paper Workers; Orlando COUTINHO, President of the São Paulo State Federation of Land Transport Workers; Lourival Portal da SILVA, Vice President of the National Federation of Oil Refinery and Filling Station Employees; Argel Egydio dos SANTOS, Vice President of the São Paulo State Federation of Metal Workers (representing Domingos ALVARES, Federation President, who was ill); João PALADINO, First Secretary of the São Paulo Local Union of Oil Refinery and Filling Station Employees; Frei CELSO, Spiritual Director of the São Paulo State Federation of Catholic Workers Circles; Sylvio VASCONCELLOS, President of the São Paulo Local Union of Commercial Workers; and Gabriel GRECO, former labor adviser to ex-President Janio QUADROS and former President of the São Paulo Local Union of Printing Trade Workers. Two principal MSD leaders unable to attend were Dacyr GATTO, President of the São Paulo State Federation of Clothing Workers, who was out of town, and Antonio [illegible] MARTINS,

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FORM 6-61 FS-439 GPO 912596

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ACTION ASSIGNED TO: EST/B	ACTION TAKEN: no action	
NAME OF OFFICER & OFFICE SYMBOL: Mr. Crowe	DATE OF ACTION: 4/27/62	DIRECTIONS TO RM/R: file

RECEIVED FEB 21 1962

CLASSIFIED FILE

0276

President of the São Paulo State Federation of Public Utility Workers, who was presiding over a meeting in his own organization.

Most of the discussions concerned plans for a series of local MSD meetings in the interior of São Paulo State, the first being in São José do Rio Preto on February 24 and 25. For that occasion the leaders decided to concentrate their efforts on the following themes: cost of living, workers housing, Christmas bonus, and agrarian reform through unionization of agricultural workers. Other topics discussed were (1) possible expansion of MSD public relations work to include radio programs, a periodic MSD press publication, and films of MSD activities; and (2) preparations for MSD participation in May Day celebrations.

Those present endorsed the original plan to rotate the locale of MSD policy meetings among the various labor entities represented in the organization. Accordingly, the next reunion of MSD leaders was scheduled for February 16 in the Metalworkers Federation, when final preparations will be made for the MSD visit to São José do Rio Preto. (End OFFICIAL USE ONLY)

Begin LIMITED OFFICIAL USE

Comment: The most significant feature of the meeting described above was the spirit of harmony and collaboration which seemed to pervade the discussions. The few differences which arose between individual leaders concerned details rather than principles, and were expeditiously resolved. This apparent harmony was especially noteworthy in view of the threatened MSD split, first evident in late December 1961, between one group headed by Magaldi, Portal da Silva, and Gatto, and another headed by Coutinho, Previatti, and Alvares. As reported in São Paulo's Despatch No. 182 of January 9, 1962, the first group mentioned wanted to retain the informal MSD structure with rotating meetings while the second desired a formal organization with Coutinho as President. Judging from the February 2 meeting, the Magaldi-Portal da Silva-Gatto orientation seemed to prevail, with no bad feelings evident on either side. If this harmony extends beneath the surface, it is an encouraging sign for the development of the MSD, which at the moment is the only anti-Communist democratic labor group with significant action potential in all of Brazil. However, the Labor Officer does not entirely discard the possibility that the harmony cited was only a show put on for his benefit. (End LIMITED OFFICIAL USE)

Daniel M. Braddock
Minister Consul General

cc: Amembassy Rio 2 (1 for Mr. Fishburn), Amembassy Brasilia.

GPO 802667

0277

OUTGOING TELEGRAM Department of State

INDICATE: ☐ COLLECT
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Classification

Origin

Info:

ACTION: Amembassy RIO DE JANEIRO
Amembassy BONN

Ref: Embtel 1605, Rpt. Bonn 5

who had departed Washington prior receipt reftel Department had no opportunity raise with Erhard action by Federal Republic Germany on $50 million commitment to Brazil. We are of view that continued assistance to Brazil by USG will be found justifiable and that USG should encourage participation by FedRep and other European sources. This view based on assumption GUB will proceed with such measures as may be determined by USG to be necessary after review results of studies now being made by IMF team.

If opportunity develops Embassy Bonn should wish query Econ Min about status German action on commitment to Brazil. This subject can also be pursued in side talks during DAC meeting to discuss economic development in Latin America, to be scheduled, to be held Paris February 6-9.

BALL

Drafted by: OFD:ED:HJHilton:slj 1/19/62

Telegraphic transmission and classification approved by: ARA - Milton Barall

Clearances:
REA - Mr. Turnage
EST - Mr. Crane
AID/LA/DP - Mr. Sternfeld
AID/LA/EC - Mr. Floyd
ED - Mr. Schmuckler
GER - Mr. Freshman

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Control: 11047
Rec'd: February 18, 1962
4:08 AM

INFO:
RM/R FILES

FROM: Rio de Janeiro

TO: Secretary of State

NO: 1887, February 17, 3 p.m.

800.062

FOR HAMMOND, ARA

Jacques Otero, local ITF representative hoped return Brazil by February 1. Otero an effective agent. Local ORIT representative states Otero needed soon. Embassy wishes know his plans.

GORDON

LM:HC/6

Rio de Janeiro 1887

832.062/2-1762

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ACTION ASSIGNED TO: RPA/L	ACTION TAKEN: Telegram to Embassy Rio	
NAME OF OFFICER & OFFICE SYMBOL: H S Hammond	DATE OF ACTION: 2/19/62	DIRECTIONS TO RM/R: File

0279

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832.062/2-1962
FEB 21 1962

FOREIGN SERVICE DESPATCH

FROM : Amcongen, São Paulo — 206 NO. — February 19, 1962 DATE

TO : THE DEPARTMENT OF STATE, WASHINGTON.

REF :

S/I-1

For Dept. Use Only	ACTION	AMA-3	INFO	DEPT	RM/R 2	REP 1	AF	ARA	EUR	FE	NEA	CU	INR 5	E	P 1	TO 2	AID 11
				OTHER	AGR	COM 6	FRB	INT	LAB 5	TAR	TR	XMB					
	REC'D 2/27				AIR	ARMY 3	CIA 10	NAVY 3	OSD	OCB	USIA 8	NSA 3	NSC 2	FRI 1			

SUBJECT: Sorocabana Railroad Strike Fails

file AMA/EST/18-Jww 3/5/62

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SUMMARY

Communist-led workers on the State-owned Sorocabana Railroad ended a four-day strike on January 28 when the union was forced to accept the State's original wage offer. The indications are that the Communists tried to parlay a local economic issue into a State-wide rail stoppage which, if successful, might have been escalated to a national transportation tie-up. End LIMITED OFFICIAL USE

Begin UNCLASSIFIED

1. Background of Strike

Workers on the Sorocabana Railroad, owned outright by São Paulo State, are considered public (State) employees and therefore under Brazilian labor law are not permitted to form a sindicato (recognized union). They are organized in a união (unrecognized union) and in several professional associations (e.g. locomotive engineers, firemen, etc.). The Paulista, Mogiana, and Araraquarense Railroads, while also State-controlled, are organized as economías mixtas (the State holds majority interest; other public and private entities have minority interests), and their workers are represented by recognized unions.

Railroad employees in São Paulo State are relatively well paid, in comparison with industrial, agricultural, and commercial workers in the interior of the State. They had been receiving a special bonus of

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REPORTER

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3,000 to 3,500 cruzeiros per month since October 1, 1961. Consequently, the thirty percent pay hike granted all State employees on January 1, 1962, in effect meant no raise at all for railroad workers in the lower salary brackets. The State Government therefore offered railroad workers an increase of forty-two percent in the lower grades and forty percent in the remaining grades.

The unrecognized Sorocabana union rejected this offer and demanded a flat forty-five percent increase with a minimum monthly raise of 6,000 cruzeiros per month. When the State authorities refused this demand, the Sorocabana union declared a strike on January 24. Recognized unions representing workers on the other three State-run railroads mentioned above at first threatened to strike in support of the Sorocabana demands, but instead accepted the State's wage offer.

2. Strike Failure

Shortly after the beginning of the Sorocabana strike, the Federal Minister of Justice ruled it illegal, since the Brazilian labor code does not permit stoppages in "essential industries." Fortified by this ruling, the State Government and the local military arrested the strike leaders and pickets, and placed armed guards in trains, stations and depots. During the early stages of the walkout, service on the Sorocabana line was partially interrupted. However, after the other railroad unions and the Sorocabana associations of locomotive engineers, firemen, and station chiefs refused to adhere to the walkout, and as the police action began to take effect, the strike lost its momentum and petered out. By January 27, service was virtually normal throughout the Sorocabana line. On January 28 the Sorocabana union decided to accept the State's original offer and called off the strike.

Several incidents occurred between strikers and police, although little actual violence was reported. Police had to use force to prevent some three hundred persons, led by Federal Deputy Salvador Romano LOSSACO, from taking over the railroad station in the city of Sorocaba. Deputy Lossaco claimed that he was beaten by the police, who arrested on the scene Coaracy José de SOUZA and René BOSCHETTI, members of the Sorocabana union's board of directors. Charges of subversion of the public order brought by the public prosecutor against Lossaco were referred by a Sorocaba judge to the State High Court, with a recommendation that that body request the Federal Chamber of Deputies to suspend the accused's parliamentary immunity so that he could be brought to trial. The same judge ordered an official investigation of the actions of Guarino Fernandes dos SANTOS, Sorocabana union president, considered responsible for the strike. Basing its action on the illegality of the strike, the Sorocabana management fired employees actively involved in the strike agitation.
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3. Comment

The Sorocabana union is under strong Communist influence. President dos Santos, a Communist, has recently visited Cuba and the Soviet Union. (On the other hand, Communist influence in the Paulista, Mogiana, and Araraquarense unions is minimal.) Two of the principal agitators behind the strike were PTB Federal Deputy Lossaco and PSB State Deputy Jethero de Faria CARDOSO, both Communists. Representatives of the Communist-controlled National Federation of Railroad Workers, to which all four unions belong, were also active in the Sorocabana agitation.

Once again it appears that the Communists (hastily and without sufficient groundwork) tried to parlay a local economic issue into a State-wide rail stoppage which, if successful, might have been escalated into a national transportation tie-up. This maneuver was probably planned at the Sixth National Congress of Railroad Workers in Salvador, Bahia, on January 11-14. (The Congress, attended by Cuban labor agitators Octavio LOUIT Vensant and Víctur MIJARES Negrete, reportedly prepared a coordinated campaign of agitation leading to a general strike of railroad, maritime, and port workers.) However, prompt and energetic action by the São Paulo authorities, plus what appeared to be a judicious mixture of minor concessions to and tactful pressure on the non-Communist railroad unions, thwarted the attempt.

The union adviser to the São Paulo State Secretary of Labor has privately told the Labor Officer that the State authorities plan to use the illegal nature of the strike as a basis for purging the Sorocabana union of Communist control. This same official denied that Deputy Lossaco had been beaten up, and explained that when a policeman caught the fleeing Lossaco trying to scale a wall in the Sorocabana station, the latter showed his Federal Deputy's credentials. Accordingly the policeman merely gave Lossaco a helpful shove, causing the surprised Deputy to fall over the other side. End LIMITED OFFICIAL USE

Daniel M. Braddock
Minister Consul General

cc: Amembassy Rio 2 (1 copy for Mr. Fishburn), Amembassy Brasília

GPO 902667

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OUTGOING TELEGRAM Department of State

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FEB 20 9 06 PM '62

Origin

ACTION: AmEmbassy, RIO DE JANEIRO 2309

Info

EMBTEL 1887 - att

Otero now in Dominican Republic. Will return Washington about February 26 on personal business. Expects return Rio about March 10.

RUSK

Rusk
(Jmeh)

Rio de Janeiro 2309 832.062/2-2062

Microfilmed by RMR

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Drafted by: ARA:RPA:HSHammondjrch 2/19/62

Telegraphic transmission and classification approved by: RPA - John M. Cates

Clearances: EST/B - Mr. Wilson

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(b)

OUTGOING TELEGRAM Department of State

INDICATE: ☐ COLLECT ☐ CHARGE TO

12451

UNCLASSIFIED
Classification

Origin

Info.

ACTION: Amembassy RIO DE JANEIRO 2366

FEB 27 5 00 PM '62

Your tel 1927. Unable inform Montoro of invitation before departure.

End.

RUSK

Rio de Janeiro 2366 832.062/2-2762

(1)

Drafted by: ARA:EST/B:GMSutton:sec 2/26/62

Telegraphic transmission and classification approved by: EST - Mr. Wellman

Clearances:

RPA - Mr. Mammon (In substance)

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Classification

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Control: 13969
Rec'd: Feb. 22, 1962
4:45 p.m.

FROM: Sao Paulo

TO: Secretary of State

NO: 460, February 21, 5 P. M.

ACTION DEPARTMENT 460, RIO DE JANEIRO 127, INFORMATION SANTIAGO 3.

CNTI Vice President Dante Pellacani reportedly to represent CNTI at meeting February 24 - 25 Santiago Chile to organize Communist front Latin American Trade Union Confederation including Cuban CTC. Tibor Sulik, former leader of JOC and present official of Brazilian Labor Ministry Union Tax Commission said to accompany Pellacani.

BRADDOCK

mbk

SAO PAULO 460

820.02/2-2162
XR 332 .052
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UNCLASSIFIED

Control: 14112
Rec'd: Feb. 22, 1962
11 p.m.

FROM: RIO DE JANEIRO

TO: Secretary of State

NO: 1927, FEBRUARY 22

EMBASSY TODAY RECEIVED LETTER TO PRESIDENT KENNEDY FROM PRESIDENT DEMOCRATIC RESISTANCE OF FREE LABOR EXPRESSING APPRECIATION PRESIDENT KENNEDY GREETINGS TO DEMOCRATIC LABOR BRAZIL AND INVITING MINISTER LABOR MONTORO MEET WITH THEM AT BAKERS' UNION HEADQUARTERS NIGHT FEBRUARY 27 OR OTHER DATE CONVENIENT MINISTER. YOUR DISCRETION INFORM MONTORO.

GORDON

MCM

Rio de Janeiro 1927

832.062/2-2262

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(Security Classification)

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832.062/2-2762
IR 810.062

FOREIGN SERVICE DESPATCH

687
DESP. NO.

FROM : Amembassy RIO DE JANEIRO

TO : THE DEPARTMENT OF STATE, WASHINGTON.

February 27, 1962
DATE

REF :

MAR 10 1962

For Dept. Use Only	ACTION REC'D	DEPT. INFO OTHER
19	ARA-4 3-13	RPM/R-2 REP-1 S/PL-1 INR-3 IO-2 P-1 Lab-5 Cia-10 USIA-5

SUBJECT: Attitude of the CNTI toward Relations with Other Hemispheric Labor Bodies

The new directorate of the CNTI (National Confederation of Industrial Workers) approved, under date of February 15, 1962, a document which was taken by Vice-President Dante Pelacani to the meeting of Latin American labor leaders, which was held in Santiago, Chile, February 23-24, 1962. The purpose of the meeting appears to have been to consider the formation of a new Latin American labor confederation which would include representatives of Castro's Cuban labor bodies and which might replace the CTAL (Latin American Confederation of Workers).

The document, as approved, is full of the usual workers' phrases, many of which are innocent enough and accepted by practically all labor elements in the Hemisphere. However, there are, in addition, certain other references which are a dead giveaway to the pro-Communist orientation of the new CNTI leadership. These phrases, while innocent enough to the uninitiated, in many cases clearly indicate the pro-Communist orientation of the document's authors. These include: (1) the need to "fight for the national bourgeois against the pressures of foreign colonizing capital"; (2) to "fight for the political and economic independence" of the countries; (3) reference is made to "this unity of action which is growing more vigorous each day, within all the workers' organizations of South America, Central America, and the American Antilles, and which needs to be enlarged and coordinated"; (Note here the reference to "all" worker organizations, the inclusion of the "Antilles," both covering Cuba, and the lack of any reference to the U.S. or Canada.); (4) reference is made to convoking in the first half of July of this year, in Brazil, a meeting to which would be invited all labor organizations "whatever their affiliation, orientation or program"; the title given to this meeting is the "Encontro Sindical Latino-Americano (Latin American Union Encounter); (5) to "fight against the domination of the imperialist monopolies and trusts in the economies of our countries...against the ruinist consequence of the policies of the International Monetary Fund"; (6) to "fight for liberty and growth of commerce with all countries of the world, and the elimination of all treaties which harm the sovereignty of our nations"; and (7) to "fight for the self-determination of the peoples and non-

LABOR:JTFishburn:ss
REPORTER

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0287

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intervention in the internal life of each nation, eliminating dictatorships and colonialism."

It looks very much as though the CNTI may be planning to play a leading role in trying to establish a possible successor to the CTAL and a rival to the ORIT.

In connection with instruction No. A-117 of February 19, 1962, Mr. Serafino Romualdi should be given the above information.

The full text of the document is attached.

For the Ambassador:

John T. Fishburn
Labor Attaché

Enclosure: 1

A Comissão Organizadora do I Encontro Sindical Latino-Americano Santiago do Chile.

APPROVED BY:

Niles Bond
Deputy Chief of Mission

DISTRIBUTION: POL I (2), POL II, Econ, Brasilia, S.P. (2), Amembassies Mexico City, Santiago, Buenos Aires, Labor, CF (25)

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0288

UNCLASSIFIED

A COMISSÃO ORGANIZADORA DO I ENCONTRO SINDICAL LATINO-AMERICANO

SANTIAGO DO CHILE

A Diretoria desta Confederação, apreciou o documento abaixo transcrito:

"AOS COMPANHEIROS TRABALHADORES E TRABALHADORAS DA CIDADE E DO CAMPO

A TODAS ORGANIZAÇÕES SINDICAIS:-

Em tôda a América Latina, amplia-se, aprofunda-se e cresce a luta reivindicatória dos trabalhadores e do povo.

Lutam as organizações sindicais para a conquista de melhores salários e defesa dos direitos democráticos e sindicais dos trabalhadores. Lutam as massas camponesas pela terra e pela emancipação da exploração semi-feudal, causadora de sua miséria, incultura e atraso. Lutam os assalariados agrícolas por um regime de horas de trabalho, salários justos e proteção de seus direitos. Lutam os estudantes e a pequena burguesia por suas demandas mais prementes. Luta a burguesia nacional contra a pressão do capital colonizador estrangeiro, em defesa de seus interêsses.

Essas lutas que se travam e se desenvolvem dentro de cada país de nosso continente, engrossam e vigorizam cada vêz mais, a impetuosa torrente da luta comum, pela independência econômica e política, pela liberdade e democracia, pela superação do sub-desenvolvimento e pelo progresso geral de tôdas as nações e povos da América Latina.

As organizações sindicais, que dentro de cada país ocupam um pôsto de vanguarda dessas lutas, aspiram e reclamam unir essas ações que se desenvolvem nacionalmente, que têm os mesmos fins e objetivos, num movimento reivindicatório e emancipador de tôda a América Latina.

Essa unidade de ação, que surge cada vez mais vigorosa, no seio de tôdas as organizações de trabalhadores da América do Sul, da América Central, da América Antilhana, necessita ser ampliada e coordenada. Dêsse modo, aumentará a fôrça do movimento sindical em cada país e em todo o nosso continente, para a conquista e defesa de objetivos comuns. Correspondendo a êsse anseio, à essa necessidade e às numerosas decisões tomadas em conclaves operários e sindicais, realizados nos países de nosso continente, as entidades de trabalhadores, que subscrevem êste chamamento, convocam tôdas as suas co-irmãs, qualquer que seja sua filiação, sua orientação, seu programa, a participarem do Encontro Sindical Latino-Americano, que terá lugar na primeira quinzena de julho do ano corrente, no Brasil.

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Os fins e objetivos dêste Encontro acham-se expressos nos programas e resoluções de todos os organismos sindicais de nosso continente e portanto, contamos com fundamentos sólidos para um amplo e democrático debate e com tôdas as condições para a elaboração de um programa de ação comum para as massas trabalhadoras da cidade e do campo, da América Latina.

Propomos, como base de discussão e deliberação as seguintes questões:

1 - solidariedade ampla, ajuda mútua entre tôdas as organizações sindicais da América Latina, nas lutas por suas reivindicações econômicas e sociais:

2 - defesa das liberdades públicas e direitos sindicais, liberdade de organização, direito de greve:

3 - luta contra a dominação dos trustes e monopólios imperialistas na economia de nossos países, contra o sub-desenvolvimento, contra as consequências ruinosas da política do Fundo Monetário Internacional, liberdade e ampliação do comércio com todos os países do mundo e anulação de tratados lesivos à soberania de nossas nações:

4 - incremento de obras públicas, para dar pleno emprêgo e mobilização de crédito para o desenvolvimento industrial e agrícola de nossos países:

5 - luta pela auto-determinação dos povos e não intervenção na vida interna de cada país, eliminação das ditaduras e contra o colonialismo.

A participação das organizações operárias e sindicais no Primeiro Encontro Sindical Latino-Americano é uma feliz oportunidade para conhecermos as nossas opiniões e experiências, estendermos os laços da solidariedade operária e sindical e para elaborar em conjunto, um programa de ação comum de tôdas as fôrças proletárias de nosso continente".

Rio de Janeiro, E.G. 15 de fevereiro de 1962.

Ass) CLODSMIDT RIANI - Presidente

DANTE PELLACANI - Vice-Presidente

BENEDICTO CERQUEIRA - 1º Secretário

JULIO MARQUES DA SILVA - 2º Secretário

FRANCISCO PLÁCIDO DAS CHAGAS - 1º Tesoureiro



INCOMING TELEGRAM *Department of State* PERMANENT RECORD COPY

42-48 CONFIDENTIAL

Action SIL

Info SS SR G SP L SB ARA EUR IO E P USIA INR CIA NSA CCM LAB RMR

Control: 6748
Rec'd: March 10, 1962 7:24 a.m.
INFO: RPP RPM
RM/R FILES

FROM: Rio de Janeiro

TO: Secretary of State

NO: 2045, March 9, 5 p.m.

ROMUALDI informed of substance by HHawkins per Gonecon 12:30 Mar 12

ACTION BRUSSELS 1, INFORMATION DEPARTMENT 2045.

INFORM US DELEGATION ICFTU AND ROMUALDI

Clodsmidt Riani, President CNTI informed Labor Attache departing March 9 for ICFTU meeting. USDEL should know that CNTI recently sent delegation to Santiago Chile with supporting resolution to arrange for meeting of all Latin (not inter) American labor groups in Rio July 1962. Castro representatives definitely included. Purpose Rio meeting to form new Latin American labor confederation. When Attache asked why CNTI favored including Cuban labor groups when own government has characterized Castro government as incompatible with OAS Riani replied he and CNTI favored labor unity all groups without reference political inclinations and complete non-political alignment in labor movement. He criticized ORIT for past actions but stated planned attend ORIT meeting April if invited.

Resolution re formation new labor group and Riani position clear Communist line.

GORDON

CJ/1

Information by RM/R

800.062-ICFTU/3-962
XR 832.062

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0291

57

OUTGOING TELEGRAM Department of State

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8916 89 6

MAR 16 9 13 PM '62

Origin

ACTION: Amembassy RIO DE JANEIRO PRIORITY

2586

Info

EMBTEL 2062

In Department's view visit to U.S. by Crockett de Sa in advance Goulart visit unlikely serve useful purpose and Embassy should try discourage. Appointments for him with USG and trade union officials can be made but AFL/CIO officials distrust Crockett and possibility friction increased by length proposed visit here. Department unable help defray expenses his proposed trip.

So far as known no arrangements being made by AFL/CIO for Goulart meet ICFTU leaders here. However, will probably meet ICFTU representative located New York.

Meeting with AFL/CIO officials (substantively a breakfast) being included Washington schedule and appropriate AFL/CIO officials included our functions for Goulart. Attitude AFL/CIO is that Goulart official guest of US and will be treated as such.

Cable brief biographic sketch on Crockett de Sa.

END BALL

2

Enclosure by mail

RIO 2586

832.062/3-1062

XR 8 00.062 - ICFTU

Drafted by: ARA:RPAs:ESHammond:erb:sec 3/16/62

Telegraphic transmission and classification approved by: EST - Mr. Wellman

Clearances:
U/PR- Mr. Williams (substance)
EST/B-Mr. Wilson
S/S-Mr. Olsen
ARA - Mr. Barall
Labor Dept - Mr. Basa

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Classification

FORM 5-61 DS-322

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Action

Control: 7157
Rec'd: March 11, 1962
6:27 a.m.

ARA
Info
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USIA
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RMR

FROM: Rio de Janeiro

TO: Secretary of State

NO: 2062, March 10, 8 p.m.

Gilberto Crockett de Sa, President Goulart's principal labor advisor and hatchet man, lunched with me today at his request primarily for purpose discussing labor aspects forthcoming Goulart visit.

Said he himself plans proceed to US approximately one week in advance of President to hold preliminary conversations US labor leaders concerning arrangements for visit. Crockett made strong appeal for "greater US understanding" his and Goulart's role in Brazilian labor movement, which he described as being designed to contain rather than abet Communists. He added Riani (who accompanying Goulart to US) also working to strengthen center against extremes of both right and left.

While Embassy views Crockett's protestation of innocence with great reserve, and while he would appear odd choice for emissary to US labor leaders in view his pro-Communist reputation, lack of English and lack of personal contacts in US (which he has never visited before), fact remains he is key figure in Brazilian labor picture and probably as close to Goulart personally as any of President's advisors. For this reason believe he should be treated with consideration and given appropriate assistance in working out details Goulart contacts with US labor (concerning which we understand Goulart will be guided by his recommendations). Also suggest AFL/CIO and USG labor specialists take advantage his presence for polite but profound cross-examination on Brazilian labor developments apparently contrary to interests democratic trade unionism. Crockett reminded that labor contacts only one aspect of visit and that will be necessary coordinate carefully with Department

RIO 2062
332.032/3-1062
XR
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732.11

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

0293

with Department in light other schedule demands.

Crockett asked two specific questions to which he would like answers next week:

1) Is there any way in which US Government can help defray expenses his trip while in US?

2) Are arrangements in fact being made for Goulart meet in US with ICFTU leaders (rumors of which he claims have received from Romualdi through Diocleciano Cavalcanti)?

Department telegram 2479 being answered separately.

GORDON

HC/6

0294

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

RG: 059 TAB #: 16

ENTRY: CDF60-63 1 / 4 / C /

COPIES/PPS/CLASS/SPECMARK

BOX: 2417

ACCESS RESTRICTED

The item identified below has been withdrawn from this file:

Folder Title: 832.062/1-462

Document Date: 11/03/62

Document Ser#:

DESP 40 FR SALVADOR, BAHIA TO STAT DEPT

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: 949516 WITHDRAWN: 02/27/95 by: CJM

FOIA RETRIEVAL #: 949516 02417 00016

0295

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HANDLING INDICATOR

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832.062/3-1662

FOREIGN SERVICE DESPATCH

FROM : Amcongen, São Paulo — 221 NO.

TO : THE DEPARTMENT OF STATE, WASHINGTON. — March 16, 1962 DATE

REF :

S/AL-1

MAR 21 1962

For Dept. Use Only	ACTION	INFO	DEPT	RM/R	REP	AF	ARA	EUR	FE	NEA	CU	INR	E	P	IO	AID/ICA
59	ARA-4			2	1							5	3		2	11
			OTHER	AGR	COM	FRB	INT	LAB	TAR	TR	XMB					
	REC'D				10			5								
	9-23			AIR	ARMY	CIA	NAVY	OSD	OCB	USIA						
				3	5	10		3		8	NSA		3			

SUBJECT: First MSD Regional Convention in São José do Rio Preto on February 24-25

Begin UNCLASSIFIED

MAR 26 1962

Pele ara

The Democratic Union Movement (Movimento Sindical Democrático -- MSD) held its first regional convention on February 24 and 25 in São José do Rio Preto, a city in the interior of São Paulo about 200 miles Northwest of the State capital.

Among Sao Paulo labor leaders who played a prominent part in the convention were the following: Antonio Pereria MAGALDI, Dacyr GATTO, Clavo PREVIATTI, Antonio Navas MARTINS, respectively presidents of the São Paulo State Federations of Commercial Workers, Clothing Workers, Paper Workers, and Public Utility Workers; Argeu Egydio dos SANTOS, Vice President of the São Paulo State Federation of Metal Workers; Lourival Portal da SILVA, President of the São Paulo State Local Union of Oil Refinery and Filling Station Employees, Sylvio VASCONCELLOS, President of the São Paulo local union of Commercial Workers; Heitor Theodoro MENDES, President of the São Paulo State local Union of Paper Workers. Also present were representatives from the São Paulo State Federation of Road Transport Workers, the São Paulo State Federation of Catholic Workers Circles, as well as various trade union leaders from the cities of Campinas and Santos, and the states of Guanabara, Pernambuco, Minas Gerais, Rio Grande do Sul and Rio de Janeiro. Samuel POWELL, CRIT coordinator for Brazil and Inter-American Representative of the International Federation of Plantation, Agricultural and Allied Workers, and Jorge SIERRA, CRIT representative in São Paulo, addressed the convention. In addition, representatives of the Labor Ministry and the social security institutes were in attendance.

J Liebof/lfw
REPORTER

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0296

At the plenary sessions of the convention resolutions were passed calling for the stabilization of the cost of living, workers housing, Christmas bonus, unionization of rural workers, agrarian reform, enforcement of labor legislation, and effective medical assistance by the social security institutes. Other resolutions approved included an expression of gratitude to the workers of the United States who, through their trade unions, offered a loan to the democratic unions in Brazil for the construction of workers housing and supported the Alliance for Progress. A lengthy motion warmly praising Governor Carvalho Pinto's State administration was also passed.

MSD leaders plan a second regional convention in Aparecida do Norte on March 25, 1962. End UNCLASSIFIED

Begin LIMITED OFFICIAL USE

Comment: On balance, the first significant MSD attempt to bring its program to workers in the interior of São Paulo State seems to have achieved its purpose. Local Communists were only partially successful in a last-minute bid to sabotage the convention by spreading rumors in nearby cities that it had been cancelled. Consequently fewer workers from neighboring localities travelled to São José do Rio Preto than was originally expected. Nevertheless, large numbers of workers were present. Two local Communist necklers unsuccessfully tried to disrupt the proceedings.

Conspicuous by his absence was José CHEDIAK, President of the São Paulo State Federation of Glass Workers, who was re-elected President of the São Paulo Local Union of Glass Workers on February 9 over strong Communist opposition with MSD help. Chediak, an opportunist who has more often than not played ball with the Communists, promised MSD leaders in the presence of the Labor Officer on February 16 that he would attend at least the second day of the convention.

The Labor Officer is reliably informed that the São Paulo State Government contributed a major share of the convention finances, which makes the motion of support for Carvalho Pinto (heavily emphasized by O Estado de São Paulo) readily understandable. This aspect of the convention caused some grumbling among a few MSD affiliates, especially the São Paulo State Federation of Metal Workers, who are disturbed by the increasing public identification of the MSD with the Carvalho Pinto administration. SEI (see Congen Despatch No. 200 of February 13, 1962) also provided funds for the convention. End LIMITED OFFICIAL USE

Daniel M. Braddock
Minister Consul General

GPO 902667

0297

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

RG: 059

TAB #: 17

ENTRY: CDF60-63

1 / 1 / C /
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BOX: 2417

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Folder Title: 832.062/1-462

Document Date: 12/03/62

Document Ser#:

TEL 12 FR SALVADOR TO SEC STAT

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832.26 14/3/1362
XR-832-0511
XR-832.062

FOREIGN SERVICE DESPATCH

FROM : Amconsulate PÔRTO ALEGRE — 60 (NO.)

TO : THE DEPARTMENT OF STATE, WASHINGTON. — March 13, 1962 (DATE)

REF : Consulate's desp. nº 47, Feb. 23, 1962; Embassy's despt. nº 697, March 2, AID-11 1962

			DEPT	RM/R	REP	AF	ARA	EUR	FE	NEA	CU	INR	E	P	IO	ICA
(55) For Dept. Use Only	ACTION	INFO		2	1							5	3		2	
	PRP-4		OTHER	AGR	COM	FRB	INT	LAB	TAR	TR	XMB					
	REC'D 3/20				10	3	7	5		2	2					
				AIR	ARMY	CIA	NAVY	OSD	OCB	USIA	NSA	FPC				
				3	5	10					3	1				

SUBJECT: American and Foreign Power Subsidiary in Pelotas-Wage Problems

It is reported in the local press that the Light and Power Syndicate of Pelotas (AEFP subsidiary) has not yet effected a general salary increase of 40 percent granted to their employees recently by the Brazilian Labor Court, under arbitration.

It is reported that the American Company's management informed the workers' union that it intends to pay the 40 percent increase in installments, but that the company, in the meantime, also expected that the Federal Water and Energy Council would authorize a hike in rates sufficient to cover the salary increases.

The workers have now refused the company's pay increase plan and, through their union, stated that they would take legal steps to force the company to pay double salaries as penalty for not complying with the labor court's decision.

The American and Foreign Power subsidiary has been criticized for its stand just when discussions are under way to reduce rates in Pelotas because of the recent inter-connection with the new Candiota thermo-electric plant system, which is supposed to reduce the company's energy costs.

The Consulate will continue to report developments as the expiration date of the company's 50-year concession, next May 17, draws near. The manager in Pelotas has promised to inform the Consulate soonest should any action be taken against the company.

Hyman Bloom
American Consul

cc.: Amembassy RIO

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FORM 6-61 FS-439 GPO 912596

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INCOMING TELEGRAM *Department of State*

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57

Action ARA

Info SS SR G SP CAP P IOP INR RMR

CONFIDENTIAL

Control: 11946
Rec'd: March 17 1962
5:43 pm

FROM: Rio de Janeiro

TO: Secretary of State

NO: 2120, March 16, 10 p.m.

ACTION DEPARTMENT 2120; INFORMATION BRASILIA UNNUMBERED.

Re EMBTEL 2062.

In conversation Ambassador with Acting Foreign Minister Archer yesterday in Brasilia, Archer stated President Goulart knew nothing of Crockatt De Sa's request luncheon meeting with Ambassador March 10. Stated moreover Crockatt informed Foreign Minister meeting was at Ambassador's initiative rather than his own. While foregoing would suggest meeting might have been maneuver on Crockatt's part to get himself named to Presidential Party, American intermediary who arranged meeting at Crockatt's request insists Crockatt was acting with President's knowledge in seeking meeting with Ambassador and reported to President by phone (in his presence) immediately after meeting.

GORDON

MRJ

RIO 2120

832.062/3-1662

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FOREIGN SERVICE DESPATCH

FROM : Amembassy RIO DE JANEIRO

747
DESP. NO.

TO : THE DEPARTMENT OF STATE, WASHINGTON.

March 21, 1962
DATE

REF :

1962

	ACTION	DEPT.
19 For Dept. Use Only	ARA-4	INFO RMR-2 CU-3 S/S-1 IO-2 INR-5 SY-1
	REC'D 3-31	OTIR CIA-15 Lab-5 USIA-8 NSC-2

SUBJECT: Ambassador's Meeting with Democratic Labor Leaders of Curitiba

Ambassador Gordon visited Curitiba on March 16 and 17, 1962. It had been planned that the Ambassador would meet with the labor leaders of Curitiba, possibly in the office of the Regional Labor Delegate, to make a few remarks and then respond to whatever comments they might have. This type of meeting had been held with the labor leaders of Salvador on his previous trip to that city. In Salvador the Ambassador's audience had been composed of 60-70 labor leaders of whom 6-8 were obviously followers of the Communist line. These 6-8 presented more than 70% of the question-comments and permitted the Ambassador, in their own trade union circle, to respond to the comments and questions which the Communists are constantly making. It had been thought that the Curitiba meeting might follow similar lines.

Although the original preparations for the Curitiba meeting followed lines similar to those of Salvador, the democratic labor leaders of Curitiba soon changed the character of the arrangements. (In Curitiba, as distinct from Salvador, the democratic labor leaders possess at least two strong leaders in their own right.) Fearing that the Ambassador would be subject to embarrassing questions by the Communists if the original plans were fulfilled, they arranged instead to invite the Ambassador to the Federation of Commercial Employees of the State of Paraná, for 9:00 on the morning of Saturday, March 17. Only the democratic leaders were invited to the meeting. Plans were also made to give a luncheon in the Ambassador's honor by the democratic labor leaders of the State.

When the Ambassador arrived at the headquarters of the commercial workers at the designated hour, the President of the Federation, Mr. Marconi Pedroso, a former Point IV labor grantee, was there to greet him. However, there was almost no one else. As usual with Brazilians, at least labor leaders, nearly all were late. After being shown around the headquarters of the Federation, the discussion finally began around 9:20 with approximately a dozen labor leaders present. In view of the small number present, the Ambassador abandoned his original plan of reading prepared remarks and instead informally opened the discussion with

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impromptu comments in Portuguese. As the discussion proceeded, the room began to fill and by 9:30 the expected 30 or so labor leaders were present. The principal leaders among these were, in addition to Mr. Pedroso, Mr. Jorge de Mattos, the courageous and determined President of the Federation of Workers in the Food Industry of the State of Paraná, Mr. João Wagner, President of the Federation of Industrial Workers (democratic, but weak), and Mr. Aldo Schwind, ex-President of the Federation of Commercial Workers. The discussion was most amicable and friendly, and a good portion of it was related to the Alliance for Progress plans in the field of housing. The Curitiba labor leaders were somewhat concerned with the way the plans are developing and expressed their concern to the Ambassador. Although the Ambassador had arranged for a 10:00 press briefing, this was postponed until 10:30 in order to permit him to stay longer at the Federation headquarters. This postponement evoked favorable comment later from those who greatly appreciated this divergence from the established program.

The original plans for the luncheon, as understood by the Embassy, were that the Governor of the State was inviting a limited number of labor leaders to meet with the Ambassador. We had learned that the Governor had had to leave the city but otherwise it was thought that the luncheon would remain small. During the course of the morning meeting, however, it became clear that the luncheon was to be a large one with an anticipated attendance of 300, and that it was being given by the democratic labor leaders themselves in honor of the Ambassador. As a consequence of these changes, it was decided that the Ambassador would read at the luncheon the remarks which had been prepared for the morning meeting.

The luncheon was held on schedule with an estimated 300 people present. Mr. de Mattos and Mr. Wagner informed the Labor Attaché, in response to his question, that they noticed no Communist leaders present. The meeting, therefore, was composed of an estimated 200 or more non-Communist labor leaders, plus an unknown number of representatives from industry and government who had been invited. The Ambassador was given extremely warm and friendly remarks by the Chairman, Mr. Pedroso, and by the principal planned speaker, Mr. Auderico dos Reis Petra, President of the Union of workers in leather articles. In response to the Ambassador's remarks, Mr. Edmundo Reike, lawyer for the metal workers' union, responded in an impromptu fashion with well chosen and most friendly words.

The Regional Labor Delegate for the State of Paraná, Mr. Miguel Daitchmann, was notable by his absence from all functions in which the Ambassador participated, labor or other. The Secretary of Labor for the State of Paraná, Mr. Aristides Simão, in contrast, was present at all appropriate times, including both of the labor functions; he was very friendly and helpful in supplying information.

Approved by:

Lincoln Gordon

For the Ambassador:

John T. Fishburn
Labor Attaché

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0302

INCOMING TELEGRAM **Department of State**

PERMANENT RECORD COPY

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CONFIDENTIAL

Control: 14747
Rec'd: March 22, 1962
1:35 AM

FROM: Rio de Janeiro

TO: Secretary of State

NO: 2163, March 21, 3 PM

Embassy telegram 2100 and Department telegram 2587

Amabssador Gordon and Labor Attache today discussed President Goulart problem communism in Brazilian labor and its relationship President's reception by ALF-CIO. Attache outlined for President probable concern AFL-CIO over (1) assistance Communists received from Gilberto Chrockatt DA SA in case Sao Paulo paper workers (2) support by new CNTI Directorate to Communists against democratic leadership Rio de Janeiro construction workers local. Also mentioned problem CNTI international relationships in terms February 15 CNTI resolution favoring establishment new Latin American Confederation with Commie and Castro membership. President responded indicating inability give adequate attention labor since assumption presidency, criticized former CNTI leadership and expressed confidence Riani, Pelacani, Cerqueira not Communists; stated he controlled CNTI. President mentioned growth Communist influence in Brazilian labor last five years and his concern.

Attache indicated Communist nature CNTI resolution on Latin American Confederation and mentioned Cerqueira member WFTU General Council. Attache supported by Ambassador suggested possible establishment positive, helpful relationships between presidency and Brazilian democratic labor leadership, as exemplified by Previatti and Gatto. President deplored lack adequate personnel for such liaison.

President gave no clear negative reaction to suggestions or implied he felt interference, except possibly for statement indicating that matter would have to be handled indirectly and without US Embassy action, with which Ambassador and Attache agreed fully.

RIO 2163

732.11/3-2162

XR 033.062

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

0303

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

RG: 059

ENTRY: CDF60-63

TAB #: 18

1 / 1 / C /
COPIES/PPS/CLASS/SPECMARK

BOX: 2417

ACCESS RESTRICTED

The item identified below has been withdrawn from this file:

Folder Title: 832.062/1-462

Document Date: 23/03/62

Document Ser#:

TEL 2214 FR RIO DE JANEIRO TO SEC STAT

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: 949516

WITHDRAWN: 02/27/95 by: CJM

FOIA RETRIEVAL #: 949516 02417 00018



59

OUTGOING TELEGRAM Department of State

INDICATE: ☐ COLLECT
☐ CHARGE TO

CONFIDENTIAL
Classification

12884

MAR 24 2 21 PM '62

Origin

Info

ACTION: Amembassy RIO DE JANEIRO 2689 PRIORITY

RIO 2689

832.062/3-2362

YOUR 2214

Since Crockett arriving New York suggest he plan spend 29th there. He should make arrangements through Brazilian CG NY to visit ILGWU Headquarters and come to Washington morning March 30. Should advise us and Brazilian Embassy arrival time DC.

We will cooperate with Brazilian Embassy in arranging appointments for March 30 and April 2 in Departments State and Labor and AFL/CIO. Will also bring Shapire into picture. If Embassy knows any persons Crockett has expressed desire to meet will try accommodate.

Hammond will handle for Department.

END

1

BALL

[redacted] by NSR

Drafted by: ARA:RPA:HHammond:rpa 3/24/62

Telegraphic transmission and classification approved by: ARA:RPA - J. Cat[illegible]

Clearances: (In draft) RNT - Mr. Wellman
" " RNT/B - Mr. Wilson
(In substance) S/L - Mr. Chapman
Labor - Mr. Rasan

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CONFIDENTIAL
Classification

FORM 5-61 DS-322

0305

AIR-POUCH
HANDLING INDICATOR

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CONSULATE OF THE
UNITED STATES OF AMERICA
RECIFE, PERNAMBUCO, BRAZIL

832.062/3-2662
RA-932.734

FOREIGN SERVICE DESPATCH

FROM : AmConGen, Recife

166
NO.

TO : THE DEPARTMENT OF STATE, WASHINGTON.

March 26, 1962
DATE

REF : - - -

AID-11

		DEPT	RM/R	REP	AF	ARA	EUR	FE	NEA	CU	INR	E	P	IO	ICA
For Dept. Use Only	ACTION: ARA * 4	INFO	2	1							5	3		2	
		OTHER: AGR		COM 6	FRB	INT	LAB 5	TAR	TR 2	XMB	FMC 2				
REC'D 3/31		AIR	ARMY 5	CIA 10	NAVY 3	OSD	OCB	USIA 8	NSA 3						

SUBJECT: Meeting of National Confederation of Stevedores

file
ara/sch/B - Dww 4-5-62

BEGIN UNCLASSIFIED

Approximately 190 delegates from 60 Locals of the National Confederation of Stevedores met in Recife from March 15 to March 19. As the most significant development of the meeting, the stevedores decided to give the Federal Government 30 days to nullify the Merchant Marine Commission's cancellation of Bulletin 320. Under the provisions of this document charges for handling both domestic and foreign cargo could be computed according to cubic volume, a system which steamship agents in the Recife area say increased handling charges on some cargos as much as 200%. The stevedores themselves claim cancellation of the bulletin decreased their earnings by 40%. If the cancellation is not rescinded, the Confederation warned, it will call a nation-wide strike beginning April 30. Representatives of the Dock Workers Union attending the meeting as observers assured the stevedores that their organization would call a sympathy strike if the stevedores' threatened work stoppage materializes. Meanwhile, the two hour a day stoppage enforced during the past few days by the stevedores in protest of Bulletin 320's cancellation has been called off.

Among the other demands of the Confederation, the most important is its insistence that all matters of hiring, discharging, hours, etc., be negotiated directly through the Confederation without the intercession of "third parties." The idea of a "free system of stevedoring" was turned down cold and its rejection by the Federal Government was made one of the conditions, along with reinstatement of Bulletin 320, for not calling a strike on April 30.

Issuing a public statement on March 18 (see enclosures) which sounded as though they might be "protesting too much", the stevedores displayed a certain

tenderness/

WSSMITH/blm
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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

enclosures in RD

0306

tenderness to charges of irresponsible wage demands contributing to the inflationary spiral. The high cost of living was not the fault of the stevedores, they said, but of speculators, big landowners, and privileged groups. (END UNCLASSIFIED)

BEGIN OFFICIAL USE ONLY

Steamship agents in the Recife area who have followed developments closely express the opinion that though pressure placed upon the government by firms connected with the import or export of such products such as sisal, cotton and newsprint may encourage the government to hesitate as long as possible, in the end it will give in to the stevedores' demands, not only with regard to Bulletin No. 320, but also to rejection of the "free stevedoring system."

Comment: With elections coming up, the politicos are not likely to willingly antagonize a key labor group. Moreover, a nation-wide strike would close all ports and interrupt the normal flow of life at an inopportune moment - i.e., just before elections. Thus, the Federal Government is expected to accede to demands, preventing the threatened strike from materializing. (END OFFICIAL USE ONLY)

Eugene Delgado-Rios

E. Eugene Delgado-Arias
Consul General

Enclosures:
1 - Clipping from JORNAL DO COMERCIO dated March 18.
2 - Translation of Paragraph No. 4 of Clipping.

cc: AmEmbassy, Rio (2)

WSSMITH/blm

GPO 802667

0307

FORM FS-439a
8-1-50

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Page 1 of
Encl. No. 2
Desp. No. 166
From Recife, Brazil

TRANSLATION

Paragraph No. 4

Calls the attention of the people, and particularly of the workers, to the maneuvers of these foreign groups, accusing the stevedores of being responsible for the high cost of living, when in reality the high cost of living is a consequence of the unrestrained financial speculation, devaluation of the cruzeiro, the "latifundios", the unregulated transfer of profits to foreign countries, the inflation which has predominated for several decades, and of the privileges of unscrupulous groups and has nothing to do with the earnings of the stevedores and other Brazilian workers. In reality these foreign groups wish to divide the workers and in particular those who are of the unity pact: stevedores, seamen, dockworkers and railroad workers, in order to be able to effect the sinister plan of impeding the progress of the country, of the syndicate and of better days for the people. But they deceive themselves, for the stevedores are united, and with them are the other members of the pact, the other workers, students, intellectuals, peasants, housewives, and all the authorities who sincerely hope for the progress of the fatherland, ready to enter into action in order to obtain respect for their rights. We are confident that united we shall finally be victorious.

EVERYTHING FOR THE PROGRESS OF THE FATHERLAND.

For the Conference - Oswaldo Pacheco da Silva.

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GPO 902667



ENCLOSURE NO. 1
Recife 0-166 ARH

JORNAL DO COMERCIO – March 18, 1962

I CONFERÊNCIA NACIONAL DOS ESTIVADORES

NOTA OFICIAL

As autoridades, aos trabalhadores e ao povo em geral.

Tendo o Conselho de Ministros, em documento assinado e enviado à nossa Federação reconhecido a irredutibilidade de salário em respeito a Constituição da República, esta CONFERÊNCIA resolveu:

1.º — A partir desta data, suspender as restrições que vinham sendo adotadas em relação as horas extraordinárias, numa demonstração do grau de responsabilidade com que encaramos os problemas nacionais.

2.º — No entanto, em defesa da Categoria se, no prazo improrrogável de trinta dias, conforme documento assinado pelo Govêrno, não forem definitivamente respeitados todos os direitos constantes do Boletim 320, os estivadores de todo território nacional no dia 16 de abril do corrente ano cruzarão os braços, até que seja respeitado o principio da irredutibilidade de salários e demais direitos garantidos pela Constituição Brasileira.

3.º — A atitude da nossa Categoria, visa mostrar ao povo, que os estivadores do Brasil não admitem e nem aceitam a interferência acintosa inclusive com campanhas de calúnias, partidas dos grupos de navegação estrangeiras, entidades representativas dos seus interêsses, como a Conferência Americana de Fretes e outras, e ainda máus brasileiros que servem de testas de ferro contra a categoria dos estivadores do Brasil tentando confundir a opinião pública com inverdades, a fim de conseguirem ditar formas de pagamento para os serviços de estiva — contrárias aos preceitos das Leis e da Constituição Brasileira, com o objetivo de manter a nossa Nação sempre como sua colônia de escravisação politica social e econômica, e o povo brasileiro explorado, e também, visando destruir a frota nacional de navegação pela concorrência desonesta da cobrança dos fretes em dólares e forma de pagamento desigual para os estivadores — como no caso presente a Navegação Nacional pagando por cubagem e a Navegação Estrangeira pagando por pêso, fato que determina maior evasão de divisas agravando a economia nacional.

4.º — Chamar a atenção do povo e particularmente dos trabalhadores para as manobras dêsses grupos estrangeiros, apontando os estivadores como responsáveis pelo alto custo de vida, quando na realidade a vida está cara é em consequência da ganância desenfreiada, especulação, desvalorização do cruzeiro, e latifúndio, a exportação desregulada de lucros paca o estrangeiro e a inflação que já vem de várias dezenas de anos, pelos privilégios de grupos inescrupulosos e não a remuneração dos estivadores e demais trabalhadores brasileiros. Daí pedir a todos o máximo de atenção, porque na realidade desejam êles dividir os trabalhadores e em especial os do pacto de unidade; estivadores, marítimos, portuários e ferroviários para poderem levar a efeito o plano sinistro de impedir o progresso do país, das liberdades sindicais e democráticas e de melhores dias para seu povo. Porém enganam-se, os estivadores estão unidos e com êles os componentes do pacto, os demais trabalhadores, estudantes, intelectuais, camponeses, mulheres e tôdas as autoridades que desejam sinceramente o progresso da Pátria, prontos para entrarem em ação a fim de fazer valer o respeito aos seus direitos, e confiantes estamos que unidos seremos afinal vitoriosos.

TUDO PELO PROGRESSO DA PATRIA.

Pela Conferência — OSWALDO PACHECO DA SILVA

(04767)

0309

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INCOMING TELEGRAM *Department of State*

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Control: 18792
Rec'd: March 28, 1962
1:08 a.m.

44-43
Action
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FROM: Rio de Janeiro

TO: Secretary of State

NO: 2258, March 27, 7 p.m.

PRIORITY

Department telegram 2689

Information and suggestions contained reference telegram passed on to Crockatt de SA. He most appreciative of arrangements and had no further requests re specific appointments. Crockatt and Petty (see Embassy telegram 2214) arriving New York morning March 29 VARIG 854. Biographic data by separate telegram.

BOND

TAB

RIO 2258

332.022/3-2762

XR

Enclosure to RMR

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MAY 11 1962

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58-H CONFIDENTIAL NUMBERED

Action ARA

Control: 18620
Rec'd: March 27, 1962
6 pp

Info SS SR G PR P USIA INR RMR

FROM: RIO DE JANEIRO

TO: Secretary of State

NO: 2242, MARCH 27, 1 PM

ACTION: EST/B
INFO: SS
RM/R FILES: file

EST/B jww 4-19-62

DEPTEL 2679

BIOGRAPHIC INFORMATION RE GLODSMIDT RIANI DOB BORN OCT 15, 1920 IN RIO CASCA, MINAS GERAIS. MEMBER MINAS GERAIS LEGISLATURE REPRESENTING PTB, LONG-TIME LABOR LEADER ELECTRIC POWER INDUSTRY UNION JUIZ DE FORA AND STATE FEDERATION MINAS GERAIS. ELECTED PRES CNTI RECENTLY ON COMMUNIST-SUPPORTED SLATE RESULT INFLUENCE AND INTERVENTION PRES GOULART. FOR MANY YEARS HAS FOLLOWED COMMUNIST LINE DOMESTIC AND INTERNATIONAL ISSUES. SENT US JANUARY 1960 UNDER POINT IV LABOR TRAINING GRANT AS CALCULATED RISK WITH ATTORNEY-GENERAL WAIVER. ARTICLES WRITTEN ON US DURING TRIP AND PUBLIC STATEMENTS THEREAFTER FAVORABLE US. OTHERWISE HAS CONTINUED FOLLOW COMMUNIST CONNECTIONS AND POLICIES ON DOMESTIC AND INTERNATIONAL EVENTS. AT ILO MEETING BUENOS AIRES 1961 WAS ONLY LATIN AMERICAN LABOR DELEGATE SUPPORT COMMUNIST AND CASTRO POSITIONS. CURRENTLY SUPPORTS ESTABLISHMENT NEW LATIN-AMERICAN LABOR CONFEDERATION WITH COMMUNIST AND CASTRO MEMBERSHIP; THIS A LONG-TIME COMMUNIST OBJECTIVE. PRES GOULART BELIEVES RIANI MORE LOYAL HIM THAN TO COMMUNISTS. RECOMMEND COURTEOUS TREATMENT WITH DUE CAUTION.

GORDON

3

CC-22

Call BSB Watch BR

Call Hammond re USIA

RIO 2242
732.11/3-2762
XR 832.062
732.521

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

0311

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

RG: 059 TAB #: 19

ENTRY: CDF60-63 1 / 1 / C / -

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BOX: 2417

ACCESS RESTRICTED

The item identified below has been withdrawn from this file:

Folder Title: 832.062/1-462

Document Date: 27/03/62

Document Ser#:

TEL 2257 FR RIO DE JANEIRO TO SEC STAT

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NND: 949516 WITHDRAWN: 02/27/95 by: CJM

FOIA RETRIEVAL #: 949516 02417 00019



AIR POUCH
PRIORITY

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FOREIGN SERVICE DESPATCH

FROM : Amembassy RIO DE JANEIRO 759
DESP. NO.

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

REF :

For Dept. Use Only	ACTION	DEPT.
19	ARA-4	INFO: KMAR-2 REP-1 P-1 INR-5 E-3 AID-11 IO-2
	REC'D 3-31	OTHER: USIA-4 CIA-15 OSD-3 NSC-2 Lab-5 NSA-3

SUBJECT: Ambassador Gordon's Talk to Labor Leaders in Salvador, Bahia, March 1, 1962

file
ara/ast/6 June 4-8-65

The Ambassador met with approximately 60-70 labor leaders of Salvador, Bahia in the office of the Regional Labor Delegate of the Federal Government, Mr. Amadiz da Silva Barreto.

The Ambassador presented informal comments from notes only, for about twenty minutes. He spoke about the principal objectives and outlines of the Alliance for Progress, with particular reference to housing and its relationships to labor and labor unions. He mentioned that he hoped that the labor unions would be able to participate in the plans and execution for such housing, stating that the details had not yet been worked out and would have to be developed in cooperation with the Brazilian government. He mentioned Minister of Labor Franco Montoro's great interest in this subject and his trip to the U.S., during which the Minister discussed it at considerable length.

Following the informal remarks of the Ambassador, the floor was thrown open by the Regional Labor Delegate for questions. Among those present, there were approximately 6-8 who followed the Communist line and who attempted to present questions which they thought would be embarrassing to the American cause. Generally, their questions were preceded and accompanied by comments or small speeches of their own. They probably accounted for at least 70% of all the questions. Some of their comments were so removed from the field of labor that they elicited objections from the non-Communists present. After some such objections, the Regional Labor Delegate stated that although no limitations had been placed on the remarks, he naturally expected that those present would limit themselves to questions regarding labor and the Alliance for Progress. The Ambassador responded to all of the questions, of whatever type and from whatever source, with restraint and good humor. Judging by the objections made by some of the non-Communists present and comments by others thereafter, the Ambassador's tactics and responses were of value in appealing to the uncommitted and friendly elements present. Whether they had any influence on the pro-Communists present is unknown. One of the newspapers of Salvador later criticized the Regional Labor Delegate for not having

LABOR:JTFishburn:ss
REPORTER

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limited questions and for not assuring a more courteous attitude toward the Ambassador. However, such methods are the only opportunity for replying to whatever questions or comments the Communists may be making among labor circles and it is precisely this free type of discussion which we were seeking.

Some of the questions presented to the Ambassador (albeit often with lengthy accompanying comments) were as follows:

1. Is Cuba permitted to participate in the Alliance for Progress?

2. Is the State of Rio Grande do Sul permitted to participate in the Alliance for Progress?

3. Several questions regarding U.S. unemployment, of a critical nature, were presented to the Ambassador.

4. A critical comment-question regarding Fernando de Noronha was presented.

5. There were several comments regarding remission of huge profits by American firms. The exact size or magnitude of such alleged profits were generally not indicated, although one speaker referred to the fact that $250 million had been sent to the U.S. during the last ten years. One of the pro-Communist leaders also referred to Vargas' last testament and to alleged 500% profit remittances by American firms. One of the speakers stated that the Bahia Electric Company had made huge (unspecified) profits but that it had not reinvested its profits in Brazil.

6. One of the pro-Communist speakers referred to the fact that, according to the UNESCO Year Book, the U.S. has the largest crime rate of any country of the world.

7. There were several questions, generally from the non-Communist leaders present, regarding the details whereby unions might participate in the Alliance for Progress housing projects.

8. There were several comments on problems of rural labor.

9. One of the pro-Communist speakers asked what we expect to receive in return for the Alliance for Progress help. Another asked if one of the prices was to be no nationalization of foreign firms by the Brazilian government.

10. One of the speakers asked how the U.S. can help in fighting the rapidly rising cost-of-living in Brazil.

11. One of the speakers asked for the Ambassador's help in having an alleged American firm, called Sambra, reinstate laborers who had been fired. (It later became evident that Sambra is not an American



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firm and that, according to the Regional Labor Delegate, the discharged workers had been discharged only at the completion of the work for which they had been specifically hired.)

12. One speaker asked what the American unions are doing in the housing field.

13. One of the pro-Communist speakers referred critically to the attitude of American firms toward Brazilian labor leaders and asked why, if American firms accept organized labor in the U.S., they are so hostile to organized labor in Brazil.

For the Chargé d'Affaires, a.i.:

John T. Fishburn

John T. Fishburn
Labor Attaché

DISTRIBUTION: POL I, POL II, USIS, Mr. Liebof (São Paulo), All Consulates, Brasilia, CF (25)

Approved By:

Niles Bond
Chargé d'Affaires, a.i.

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0315

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(Security Classification)

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832.062/4-262

FOREIGN SERVICE DESPATCH

FROM : Amembassy RIO DE JANEIRO

781
DESP. NO.

TO : THE DEPARTMENT OF STATE, WASHINGTON.

April 2, 1962
DATE

REF :

22 For Dept. Use Only	ACTION ARA-4	DEPT. RM/R-2 REP-1 INR-5 IO-2 S/IL-1 FE-2
	REC'D 4/6	INFO OTHER LAB-5 CIA-9 NSA-3 USIA-5

DEPARTMENT OF STATE
BUREAU OF
INTER-AMERICAN AFFAIRS
APR 9 1962

SUBJECT: Brazilian Representation in the ICFTU

file no action RC
ARA/SP/B Jan 4-1962

The recent replacement of Deocleciano Cavalcanti as President of the CNTI (National Confederation of Industrial Workers) by Mr. Clodsmidt Riani, has raised serious questions among the three Brazilian labor confederations which are members of the ICFTU (International Confederation of Free Trade Unions) regarding who formally represents Brazil within the International. It is understood that the ICFTU Constitution provides that when a representative of a member organization is defeated for office, that he shall be immediately replaced. The Constitution, however, takes no special account of the unusual situation which prevails in Brazil, in which three Confederations are independent members of the ICFTU.

Heretofore, the three Confederations of industrial, commercial, and land transport workers, have voted among themselves to determine who shall be their joint representative on the Executive Board of the ICFTU. Mr. Deocleciano Cavalcanti has served in that capacity for some time.

When Mr. Cavalcanti was recently defeated, Mr. Becu, President of the ICFTU, wrote to Mr. Riani asking who would replace Mr. Cavalcanti. He did not write similar letters to the CNTC (National Confederation of Commercial Workers) or the CNTTT (National Confederation of Land Transport Workers). Mr. Riani, without consulting either of the other two Confederations, replied that he was replacing Mr. Cavalcanti. It is possible that he did not know that Mr. Cavalcanti formally represented all three organizations.

Apart from the fact that the other two Confederations were not consulted by Mr. Becu, there is a serious divergence of ideological opinion among the leaders of the three Confederations. With a consistently pro-Communist history, Mr. Riani was elected with the support of President Goulart and all the Communists within the CNTI and was opposed by the leaders of every democratic-led Federation within the Confederation. He is held in great distrust by Mr. Angelo Parmigiani, President of the CNTC, and Mr. Mario Lopes de Oliveira, President of the CNTTT, because of his life-long and intimate contacts with the Communists.

LABOR:JTFishburn:rpc
REPORTER

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Mr. Riani denies being a Communist and the President of Brazil has stated that he does not believe him to be a Communist. Nevertheless, in the eyes of Parmigiani and Oliveira, actions speak louder than words and they are most concerned with the fact that Mr. Riani is now appearing as the Brazilian representative in the ICFTU. Their concern is heightened by the fact that the First Secretary of the CNTI Directorate, Mr. Benedito Cerqueira, apart from being President of the Rio de Janeiro metal workers' union, is also a member of the Executive Council of the WFTU (World Federation of Trade Unions) and a long-standing pro-Communist. They fear that all correspondence received by the CNTI from the ICFTU passes immediately before Mr. Cerqueira's eyes, and that he is informing the WFTU and the Communists. Nearly all democratic labor leaders in Brazil share the concern of Mr. Parmigiani and Mr. Oliveira.

Mr. Oliveira is the Brazilian representative of the ORIT (Inter-American Regional Organization of Workers). He plans to attend the ORIT Executive Council session in Mexico City in April, and there to present his concern to Mr. Serafino Romualdi, Inter-American Representative of the AFL-CIO, and to the ORIT Executive Council.

One of the results of Mr. Riani's attendance at the ICFTU Executive Board meeting in March is his stated pleasure with the results. He plans to attempt to send a maximum delegation of six representatives of the CNTI to the forthcoming ICFTU conference to be held this summer in Berlin, of which four[1] have long-standing, strong, pro-Communist records. It is conceivable that, despite his long-standing and deep connection with the Communists, Mr. Riani can be weaned away from them and that President Goulart is correct. In fact, it was on this hope that Mr. Riani was selected for a Point IV leader grant and sent to the U.S. in 1960. The results of that grant have been at least partially favorable. Mr. Riani wrote articles and delivered speeches on his return favorable to the U.S. Furthermore, he recently defended American "trusts" against criticisms by an alleged Communist labor leader within the CNTI. His "pleasure" with the ICFTU Executive Council

[1] The six include Clodsmidt Riani, Benedito Cerqueira, Luis Tenorio (strongly pro-Communist), Bruno Segalla (strongly pro-Communist), Ary Campista (now in the democratic camp but a long-time fence sitter) and João Wagner (democratic, but not a strong person).

0317

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meeting is of some value. Unfortunately, thus far he has continued to follow the Communist line on all domestic and international events of importance, even following his return from his Point IV labor grant. Included among such stands of importance are the facts that he was the only Latin American labor leader to support the Communists and Cubans at the ILO (International Labor Organizations) meeting held in Buenos Aires in 1961, and that he recently has been promoting the creation of a new Latin American confederation of workers to replace the CTAL (Latin American Confederation of Workers)--a long dormant and ineffective Communist-dominated organization, and the ORIT. The creation of such an organization has been a Communist objective ever since the CTAL became ineffective, shortly after World War II.

In conclusion, there are two principal problems in connection with the divergences between the leaders of the three Confederations on this issue. In the first place, the CNTC and CNTTT Presidents appear to be thoroughly justified in their objections to Riani's serving as Brazilian representative to the ICFTU without their consent and, there is no doubt that at this time they would not give their consent. On the other hand, the ICFTU may conceivably serve as an instrument to bring Riani around from his pro-Communist to a Western orientation. Mr. Riani is the strong, dominant leader of the CNTI and if he could be brought around, the position of the Western world in Brazilian unions would be even stronger than before his election--since there can be no doubt that his predecessor, Mr. Cavalcanti, was a weak leader in a number of respects, far weaker than Riani.

Perhaps the issue will be solved if it does not have to be faced too quickly. If Mr. Riani should come around, then the other two Confederation Presidents might be glad to have him replace Mr. Cavalcanti. On the other hand, the slight indications of Riani's changing position are weak indeed, relative to his long-standing Communist affiliations. Furthermore, he is a State Deputy of the PTB (Brazilian Labor Party) of the State of Minas Gerais and has long been aided in his political aspirations by Communist votes. While possible, it does not seem likely, therefore, that he will immediately abandon his basic, pro-Communist orientation.

There is, of course, the possibility that Mr. Riani is playing this game for political purposes. President Goulart knows of our concern with the Communist influence in the CNTI.

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He may well have given orders to Mr. Riani that the Confederation is not to attempt to leave the ICFTU, to establish friendly relations with the WFTU, or, at this time, to promote the establishment of a new Latin American Confederation. Many conjectures are, of course, possible. Nevertheless, until Riani's recent statements there was not the slightest ray of sunshine. One swallow does not mean spring, however delightful a sight it may be.

For the Charge d'Affaires, a.i.:

John T. Fishburn

John T. Fishburn
Labor Attache

APPROVED:

Niles W. Bond
Charge d'Affaires, a.i.

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832.062/4-1262

FOREIGN SERVICE DESPATCH

FROM : Amembassy RIO DE JANEIRO — 808 (DESP. NO.)

TO : THE DEPARTMENT OF STATE, WASHINGTON. — April 12, 1962 (DATE)

REF :

DEPARTMENT OF STATE
BUREAU OF
INTER-AMERICAN AFFAIRS
APR 19 1962

For Dept. Use Only	ACTION REC'D	DEPT.
19	ARA-4 4-18	INFO K-M/R-2 REP-1 EC-2 S/12-1 INR-5 OTHER Lab-5 CIA-15 USIA-8 NSC-2 NSA-3

SUBJECT: Trend Toward Unity Among Brazilian Labor Confederations

The press of Rio de Janeiro recently carried announcements that all five Brazilian Confederations of labor have agreed upon joint action for a labor sponsored May Day for this year, as well as upon the calling of a "Third National Labor Congress" for August 1962.

These are the first instances of joint labor activity among the five Brazilian labor confederations since the breakup of the attempted "Third National Labor Congress" in August 1961 divided the movement into clear pro and anti-Communist camps. These coordinated efforts are largely a result of President Goulart's trip to the U.S. The Democratic-led labor confederations still have almost as much suspicion of President Goulart and of his long-standing help to the Communists as ever. However, with the U.S. inviting Goulart and feting him, they did not feel that they could refuse when the CNTI (National Confederation of Industrial Workers) made the two proposals. The Democratic leaders felt that refusal would seem to leave them isolated and even more intransigent than the U.S. Government. They therefore accepted these initiatives with mixed feelings, hoping that the belief in some other quarters that President Goulart is moving to the center is correct and that Goulart will soon establish reasonable national policies and programs. If Goulart should lead a reasonable, moderate effort to strengthen Brazil, the democratic labor leaders feel that the Communists will feel that they must attack the President, at which time the democratic labor groups wish to be in a position to displace the Communists as the President's labor support. There is considerable scepticism over the new approach, but if their hopes are too badly betrayed or if the Communists are given or develop too much power, they state that they can again separate from the Communists, as they did at the initial "Third National Labor Congress." They insisted upon calling the next congress the Third, since they argue that the original "Third" was never consumated and should not be counted; the CNTI acted on this point.

Although the democratic leaders stated that they can withdraw if events are not sufficiently satisfying in the future, as they did in

APR 13 1962

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the past, conditions are quite different now from those which prevailed during the initial "Third National Labor Congress." At that time the CNTI, which was and is the dominant labor confederation in Brazil, was in the democratic camp. The joint refusal of the industrial, commercial and land transportation workers' confederations to participate in a congress in effect deprived the effort of any semblance of validity. However, the industrial workers are now, at least momentarily, in the Communist camp. Were the commercial workers and land transport workers alone to withdraw, or even if they were to be accompanied by the maritime, river and air transport workers' confederation, the action would have nothing like the impact the withdrawal had in August 1961. Furthermore, neither Mr. Parmigiani nor Mr. Lopes, as heads of the Confederations of Commercial and Land Transport Workers, has sufficient national prestige to lead an effective walkout. It may, therefore, be largely academic to refer to any such future separation of forces, as long as the CNTI remains in the other camp.

Traditionally, the May Day festivities in Brazil have been planned and paid for either by the Government or employers, or both. The CNTI has taken the leadership to establish a labor day under labor domination. This new development shows the initiative of Mr. Riani and the CNTI. It also may be regarded as part of the slowly developing move toward greater labor independence from Government. Its real significance can only be evaluated after sufficient time has elapsed to permit one to judge just where the industrial workers and the Brazilian labor movement are heading.

As President Goulart returns to Brazil from his trip to the U.S., some of the democratic labor leaders and ORIT officials have expressed their fears that the President has sold a bill of goods to the American Government. They, nevertheless, continue to be willing to cooperate with the President in the hopes that he is sincerely and honestly moving toward the center.

For the Chargé d'Affaires a.i.:

John T. Fishburn

John T. Fishburn
Labor Attaché

APPROVED BY:

Niles W. Bond
Chargé d'Affaires ad interim

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FOREIGN SERVICE DESPATCH

FROM : Amembassy RIO DE JANEIRO

807
DESP. NO.

TO : THE DEPARTMENT OF STATE, WASHINGTON.

April 12, 1962
DATE

REF :

For Dept. Use Only	ACTION	DEPT.
	REC'D 4-18	INFO AFB-4 / RM/R-2 REP-1 INR-5 IO-2 S/S-1 AID-11 OTHER CIA-15 Lab-5 USIA-5 NSC-2

SUBJECT: Angelo Parmigiani Legally Recognized as President of the CNTC

(3)

DEPARTMENT OF STATE
INTERNATIONAL ORGANIZATION AFFAIRS
APR 20 1962

The Embassy has referred on various occasions to the fact that the election of Mr. Angelo Parmigiani as President of the CNTC (National Confederation of Commercial Workers) in October of 1961 was immediately challenged on legal grounds by the losing slate. (See Despatch 662, February 20, 1962.)

The challenge was based on technical-legal considerations and both sides felt that their legal position was unchallengeable. In fact, however, the real problem was a basic political one based on the fact that the winning slate was supported by anti-Communist elements and the losing by pro-Communist forces and others. The decision facing the Ministry of Labor was the same basic political problem. The Minister of Labor would like to have ruled in favor of Parmigiani. However, in view of President Goulart's long-standing rapport with the Communists within the Brazilian labor movement, he was inclined to postpone a decision, leaving the matter indefinitly in abeyance.

Mr. Parmigiani is not a forceful or strong character. The failure to obtain legal recognition for his right to be President worried him considerably and provided a reasonably good excuse for not providing the leadership which one in his position should provide. To what degree this was an excuse and what degree he really felt vulnerable is impossible to determine. However, there was legitimate basis for concern. Had the Minister of Labor been replaced by someone with pro-Communist sympathies while the decision was still pending, Parmigiani would probably have lost the decision and likely the consequent additional runoff election.

This problem was mentioned to the Minister of Labor by Embassy officials and by AFL-CIO officials during the Minister's trip to the U.S. in February 1962. For whatever reason, immediately upon his return to Brazil from the U.S., the Minister informed the Ambassador and Labor Attaché that he had formally rejected the appeal attempting to oust Mr. Parmigiani. The formal decision was published in the Diario Oficial for March 27, 1962.

File for action
RM/R-5 4/13
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The recognition of Mr. Parmigiani as the full, legal President of the CNTC may considerably strengthen his hand and permit him to show more initiative and force as President of his Confederation. This could be particularly significant, since he is the highest ranking of the clearly democratic labor leaders in Brazil at this time.

The recognition may have an equally important effect in permitting further rapprochement between Mr. Parmigiani and the democratic labor forces on the one hand and President Goulart and his associates on the other. If President Goulart is moving toward the center as many believe, it seems almost certain that this will bring him into conflict with the Communists and the Communist inclined labor leaders. At that time it may be essential that the President be able to switch his labor loyalties from the Communists to the democratic camp. The prior elimination of the controversy over the legality of Mr. Parmigiani's election could be of considerable help in such circumstances.

For the Chargé d'Affaires a.i.:

John T. Fishburn

John T. Fishburn
Labor Attaché

APPROVED BY:

Niles W. Bond
Chargé d'Affaires ad interim

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FOREIGN SERVICE DESPATCH

FROM : Amcongen SÃO PAULO 243

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

REF : S/S-3 S/AL-1 S/P-1 ALP

59 For Dept. Use Only	ACTION	ARA-4	INFO	OCD	RMR 2	REP 1	AF	ARA	EUR	FE	NEA	CU	INR 2+3	E	P 1	IO 2	ALP 11
				OTHER	AGR	COM 6	FRB	INT	LAB	TAR	TR	XMB					
	REC'D 4-27				AIR 5	ARMY 5	CIA 9	NAVY 3	OSD 3	OCB	USIA 8	XSA-3					

SUBJECT: Reaction in São Paulo Labor Circles to Alliance for Progress

1. Introduction

This report represents an attempt at a composite portrayal of the reactions of São Paulo labor leaders and workers to the Alliance for Progress. Minor variations from the main stream of thought are omitted, and for the sake of brevity, individual opinions are not identified. The reporting officer considers the reactions sufficiently widespread as to support their generalization. The report itself is the result of many conversations over a period of about five months between the Labor Officer and officials of labor federations and local labor unions, as well as ordinary workers, in the cities of São Paulo and Santos. Opinions of Communist and fellow travelling labor leaders are not included. The Communists, other extreme leftists and the ultra nationalists have consistently portrayed the Alliance for Progress as another American ruse for maintaining U.S. imperialist exploitation of Latin America. The reactions reported below were expressed both by individuals usually friendly to the U.S. and by those often critical of the U.S. In addition, the following observations are pertinent:

a) Latin Americans in general are past masters at telling foreigners, and especially Americans, what the Latins think their listeners want to hear. São Paulo labor leaders are no exception to this general rule. On first acquaintance with local non-Communist union officials, and in their public statements, the Labor Officer has encountered almost invariable praise for and faith in the Alliance for Progress. It is only after repeated private conversations, or near the close of a particularly lengthy chat, that the labor leaders or workers begin to express their doubts and misgivings.

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The Labor Officer has found that his mentioning past oversights in U.S. Latin American policy is an extremely useful device in encouraging local labor leaders to speak their minds more freely on current questions such as the Alliance for Progress. This report therefore represents the Labor Officer's best efforts to separate the grain of his labor contacts' convictions from the chaff of their statements designed to please him.

b) It is the Labor Officer's experience that his contacts' readiness to speak frankly varies directly with their rank in the union hierarchy, while their ultimate degree of frankness varies inversely with their rank. Curiously enough, it is much harder to elicit frank comments from an ordinary worker than from a federation president, but once he gets started, the worker's frankness will considerably surpass his president's.

2. Labor Reactions to Alliance for Progress

a) President Kennedy enjoys enormous personal popularity among São Paulo non-Communist labor leaders, including those critical of most other U.S. public figures. The sincerity of his desire to raise Latin American living standards through the Alliance for Progress is not questioned.

b) There exists wide-spread ignorance of the self-help aspect of the Alliance. The Labor Officer has frequently had to explain that the Act of Bogotá and the Charter of Punta del Este envisaged basic structural modifications by the Latin American governments such as fiscal and agrarian reforms. When pressed, most labor leaders will voice their conviction that the present Brazilian administration will never voluntarily implement effectively such reforms, even in the unlikely case that the present Brazilian Congress were to pass the necessary reform legislation. The labor leaders point out that the majority of the Congressmen, as well as the majority of top administration officials, are wealthy men who are not at all disposed to reforms which will hit them in their own pocketbook. Some leaders foresee the eventual possibility of "paper reforms" i.e., passage of reform legislation (designed solely to qualify Brazil for massive Alliance for Progress aid) which will never be enforced and which will not significantly modify the existing imbalances in the Brazilian economic and social structures. Under careful questioning in an atmosphere of relative frankness, practically no local labor leader believes that the Brazilian economic and political elite will of its own volition initiate the structural reforms mentioned. Some union officials point out that they have been fighting in vain for such reforms for many years. They add that only massive continuous pressure from the U.S. on the Brazilian elite can possibly force the latter to make effective, as distinguished from paper, reforms. However, the concensus of opinion seems to be that U.S. officials lack sufficient genuine interest in such reform to take the necessary steps to achieve it or, when genuine interest is present, lack the fortitude needed to bring

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Control: 16100
Rec'd: April 25, 1962
12:05 AM

FROM: Rio de Janeiro

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TO: Secretary of State

INFO:
RM/R FILES

NO: 2526, April 24, 7 p.m.

Riani and Gilberto Crockatt have mentioned to Labor Attache (and newspapers have referred to) projected trip to US probably in May by Riani, Cerqueira and Placido Das Chagas at invitation President Kennedy. Democratic labor leaders concerned. Embassy not informed details invitations or US expectations. If possible, Embassy recommends invitations also to leaders commercial and land transport confederations, as ICFTU and ORIT affiliates and to friends whose presence would change otherwise largely critical nature of suggested group. Riani and Cerqueira and possibly Placido will require 212 D 3 A visa waivers. Embassy needs information soonest handle details trip.

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Rio - 2526

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Origin

Info:

ACTION: AmEmbassy, RIO DE JANEIRO 3139

AM 1 5 32 PM '62

EMBTEL 2526

In recent conversations both President Kennedy and President Goulart referred to desirability closer relations US/Brazilian labor but no repeat no invitation extended by President Kennedy for visit by Brazilian labor group.

Subject QUOTE closer relations UNQUOTE US/Brazilian labor also discussed by Brazilian and AFL/CIO representatives at Blair House breakfast. AFL/CIO considering but has not extended invitation and apparently would do so only if representatives all major Brazilian confederations included. Also considering defrayment cost if any invitation extended. No final decisions yet either point.

Possible Brazilians may be using Labor Secretary Goldberg's conversation of April 4 with Goulart (at which Riani and Veloso present) in effort promote official invitation. [redacted]

x [redacted] x

END BALL

Drafted by: ARA:RPA:HSHammond:er 4/26/62

Telegraphic transmission and classification approved by: ARA - Edwin Martin

Clearances: EST - Mr. Wilson (In draft)
RPA - Mr. Monsma (In draft)
S/S - Mr. Littlejr
INR/DDC-Mr. Curtis (In draft)
Labor Dept.-Mr. Bazan (In substance)
White House - Mr. Smith

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NUMBERED RIO 2607

Control: 3969
Rec'd: May 6, 1962
2:01 p.m.

INFO: RPAL
RM/R FILES

5/21/62

FROM: Rio de Janeiro

TO: Secretary of State

NO: 2607, May 5, 2 p.m.

DEPTEL 3139

Brazilian declarations re invitations to visit US seem clarified by Secretary Goldberg's memo of conversations of April 4 with President Goulart, Riani, Veloso, and Ambassador Campos.

Embassy feels special invitation to visit US to CNTI leaders alone (who just permitted Commies complete domination anti-US May Day celebration sponsored by CNTI) would be undesirable. View Parmigiani's recent cerebral hemorrhage and lack strong first vice-President CNTC this not particularly opportune time invite leaders all three confederations. Nevertheless to fulfill action directives of above memo conversation and promote further possible attempts bring CNTI closer to West, seems desirable Brazilian labor visit US without long delay. Embassy suggests AFL-CIO consider inviting all Brazilian labor leaders attending ICFTU meeting to stop Washington enroute return Brazil. It known CNTI hoping send six its leaders, a number of whom will require visa waivers. Mario Lopes planning attend represent CNTI. Commercial workers would like send representative but currently strapped for funds. US Government (at least direct) financing of trips to ICFTU or ORIT meetings seems highly undesirable since such action would inevitably be interpreted as US Government domination such organizations, as often alleged by Communists. If AFL-CIO could offer pay partial expenses of Brazial delegation to ICFTU meeting with stopoff in Washington on return, such subsidy

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subsidy less vulnerable to criticism. If this done, Embassy suggests AFL-CIO send separate invitations to three confederations, limiting financial aid offer to six for CNTI, four for CNTC and three for CNTT; in any event recommend majority for last two confederations. In informal manner Embassy will seek find way to ensure Magaldi included CNTC group, despite his strained relations with Parmigiani; AFL-CIO should also consider.

GORDON

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JUN 19 7 05 PM '62

Origin

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ACTION: Amembassy, RIO DE JANEIRO 3690

INFO: AmConsulate General, SAO PAULO 371

832.062/5-862

EMBTEL 2957, DEPTEL 3497, sent Sao Paulo 354

SUBJECT: Labor pressure for expropriation privately owned petrochemical companies and oil refineries.

1. Dept endorses Ambassador's intention express USG concern to GOB and seek reaffirmation GOB assurances it does not REPEAT not intend nationalize foreign private industry outside public utility field.

2. Request Embassy and Consulate General ascertain attitude U.S. companies involved on feasibility of meeting labor demands for equalization of wages and working conditions with government-owned oil industry, having in mind this is main basis of communist-led campaign for nationalization.

End.

BALL

RUG 3690

832.062/5-862

INR 832.05100

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Drafted by: ARA:EST:HWellman:ed 6/19/62

Telegraphic transmission and classification approved by: ARA - Mr. Martin

Clearances: L/ARA - Mr. Halloran ARA - Mr. May EST/B PMo -
A - Mr. Malmberg

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JUN 4 7 02 PM '62

Origin

Info.

ACTION: Amembassy, RIO DE JANEIRO 3497

AmConGeneral, SAO PAULO 354

832.062/5-862

RIO 3497

References: Sao Paulo Tel. 605 sent Rio 152, 606 sent Rio 153

Koppers official expressed concern to Dept. today over possibility further strikes against privately owned Petrochemical companies and oil refineries unable increase wages and fringe benefits to level Petrobras would lead to government take over private companies in these fields. He intends discuss with Ambassador. Request your evaluation possibility and your views re any action USG could or should take.

END

RUSK

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Drafted by: ARA:EST:HRWellman:dhh 6/4/62

Telegraphic transmission and classification approved by: EST - Harvey R. Wellman

Clearances:

ARA - Mr. May (substance)

ARA - Mr. Martin(substance)

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RIO 2655

Action ARA

Control: 7781
Rec'd: May 10, 1962 11:23pm

Info SS SR G/ SP CAP SIL P USIA INR CIA NSA LAB RMR

FROM: Rio de Janeiro

TO: Secretary of State

INFO: RPA/L 5/11/62

RM/R FILES

NO: 2655, May 10, 6 p.m

Embassy Telegram 2607

Yesterday Riani again mentioned to Labor Attache that he expected visit Washington during May as result US invitation. Today Mario Lopes De Oliveira, President Land Transport Powers Confederation, expressed strongly Ambassador Gordon widespread feeling of consternation among democratic labor circles as result publicized US invitation to CNTI "Communist" leadership. Lopes recognized US had received Riani since latter selected by Goulart but objected to additional invitation visit US which he claimed gives prestige Communist CNTI leadership and hurts pro-democratic labor leaders.

Understandable concern and worry democratic labor leaders difficult answer. Embassy has privately stated seeking clarification status invitation and in few instances added that might be desirable widen invitation. Sooner problem of invitation decided better. However, indispensible that group be widened to include all three confederations, with majority for commerce and land transport. If date selected follows immediately ICFTU Congress, Mario(Lopes) would be in Europe, waiting ITF Congress and might need recover extra travel expenses.

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INCOMING TELEGRAM *Department of State*

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Control: 6942
Rec'd: May 10, 1962
2:57 AM

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FROM: Sao Paulo

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LAB

TO: Secretary of State

NO: 607, May 9

PRIORITY

ACTION DEPARTMENT 607, INFORMATION RIO DE JANEIRO 154

Reference: Our 605

Santos general strike and Cubatao chemical workers strikes ended midnight May 8 with petrochemical companies and union accepting Governor Carvalho Pinto's new conciliatory proposal. Santos completly normal morning May 9. No serious incidents reported during 24 hour general strike. Final settlement includes 25 per cent wage increase plus majority other union demands. Despatch follows.

BRADDOCK

RMR

MJA-2

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

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INCOMING TELEGRAM *Department of State* ACTION COPY PERMANENT RECORD COPY

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Action

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Control: 5926
Rec'd: May 9, 1962
9:03 a.m.

FROM: Sao Paulo

TO: Secretary of State

NO: 606, May 8, 6 p.m.

INFO:
RM/R FILES

EST/B

5-11-62

PRIORITY

ACTION DEPARTMENT 606, INFORMATION RIO DE JANEIRO 153, SANTOS UNNUMBERED.

file

Re our telegram 605 to Department

Facts appear confirm American-owned petrochemical companies charge that state and federal authorities not implementing May 7th and earlier regional labor court decisions favoring companies for fear alienating workers in election year. According companies, normally friendly Governor Carvalho Pinto washed hands situation after workers rejected his compromise acceptable companies. Companies also say Goulart representative attempted influence solution favoring union.

Cubatao chemical workers union Communist dominated. Apparent mastermind strike is principal Santos Communist labor leader Geraldo Silvino de Oliveira, President Communist dominated Petro Bras refinery workers union and President Communist controlled Santos Forum Sindical de Debates (city labor central). Oliveira recently criticized by Communist Party for his action. Non Communist majority Santos unions appear consider chemical workers demands just, actively support Cubatao strike and Santos general strike called by Forum Sindical.

Companies in difficult position: Although they pay better than average wages, they do not equal Petro Bras, usually high salaries and fringe benefits. Consulate General believes even if current

832.062/5-962

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-2- 606, May 8, 6 p.m. from Sao Paulo

if current union demands met fully, long term prospects are Communists will continue labor agitation designed provoke federal expropriation petrochemical companies.

BRADDOCK

HEK:HC



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Control: 5921
Rec'd: MAY 9, 1962
1:35 a.m.

INFO:
RM/R FILES

FROM: SAO PAULO

TO: Secretary of State

NO: 605, MAY 8

PRIORITY

ACTION DEPARTMENT 605, RIO DE JANEIRO PRIORITY 152, SANTOS UNNUMBERED.

CITY OF SANTOS PARALYZED BY GENERAL STRIKE BEGINNING 12.01 AM MAY EIGHTH IN SUPPORT CUBATAO CHEMICAL WORKERS UNION ON STRIKE SINCE APRIL 25 AGAINST FOUR AMERICAN OWNED PETROCHEMICAL COMPANIES. THESE ARE UNION CARBIDE DO BRASIL, COMPANHIA BRASILEIRA DE ESTIRENO (KOPPERS), ALBA (BORDEN INTERNATIONAL) AND COMPANHIA PETROQUIMICA BRASILEIRA (COLUMBIAN CARBON CO AND CELANESE CORP OF AMERICA). CHEMICAL WORKERS DEMAND 35 PERCENT WAGE INCREASE PLUS SAME FRINGE BENEFITS PAID BY GOVT OWNED CUBATAO PETROBRAS REFINERY. UNION ALSO ASKING EVENTUAL EXPROPRIATION PETROCHEMICAL COMPANIES.

THREE COMPANIES ATTEMPTING MAINTAIN SOME OPERATIONS WITH SKELETON STAFFS. SOME VIOLENCE REPORTED EARLY STAGES CUBATAO STRIKE, NONE SINCE. CONCILIATION ATTEMPTS BY SAO PAULO REGIONAL LABOR DELEGATE AND GOVERNOR CARVALHO PINTO FAILED. REGIONAL LABOR COURT ON MAY SEVENTH REJECTED UNION DEMANDS SINCE PRESENT COLLECTIVE CONTRACT VALID UNTIL OCTOBER 31, 1962. SANTOS FORUM SINDICAL DE DEBATES (CITY LABOR CENTRAL) THEN CALLED 24 HOUR SOLIDARITY STRIKE OF ALL SANTOS UNIONS.

AS OF MAY EIGHTH NOON SANTOS PORT, BANKS, STORES, GOVT OFFICES, SCHOOLS CLOSED, TROLLEYS, BUSES, TAXIS, RAILROADS STOPPED. POLICE AND MILITARY NOT IN EVIDENCE. LOCAL AUTHORITIES BROADCAST APPEAL CITIZENS AND SCHOOL CHILDREN REMAIN HOME. SANTOS MAYOR CLOSED MUNICIPAL OFFICES. LOCAL MILITARY COMMANDER REPORTED

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

0338

OUT OF TOWN. PUBLIC TRANSPORTATION SANTOS TO SAO PAULO INTERRUPTED. NO VIOLENCE REPORTED. SANTOS FORUM SINDICAL TO MEET MAY EIGHTH AFTERNOON DECIDE WHETHER EXTEND GENERAL STRIKE INDEFINITELY UNTIL CHEMICAL WORKERS DEMANDS MET.

BRADDOCK

BA



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OUTGOING TELEGRAM Department of State

INDICATE: ☐ COLLECT ☐ CHARGE TO

8990

CONFIDENTIAL
Classification

Origin

Info

ACTION: AmEmbassy, RIO DE JANEIRO 3293

EMBTEL 2655 832.062/5-1062

No change in AFL/CIO position stated in DEPTEL 3139 and Romualdi to Weaver memo May 2 sent Ambassador under cover Wilson letter May 4 and Weaver letter May 7.

AFL/CIO representative in conversation with Department May 15 made following points:

1. AFL/CIO will issue invitation if officially requested do so.

2. Invitation must cover representatives at least three Confederations.

3. Under no circumstances will invite Cerqueira.

4. Cannot receive visitors before July.

Assistant Secretary Labor Weaver meeting with Romualdi (AFL/CIO) May 17 decide details issuance invitations.

RUSK

END

(1)

Classified by EMB

Drafted by: ARA:RPA:HSHammond:erb 5/16/62

Telegraphic transmission and classification approved by: RPA - George Monsma

Clearances: EST/B - Mr. Cran[illegible] Labor Dept. - Mr. Bazan (In substance)

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CONFIDENTIAL
Classification

FORM 5-61 DS-322

RIO 3293

832.062/5-1062

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832.062

FOREIGN SERVICE DESPATCH

FROM : Amembassy BRASILIA Office — 878 NC

TO : THE DEPARTMENT OF STATE, WASHINGTON.

May 10, 1962
DATE

REF :

IGA-2 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
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				OTHER	AGR 10	COM 16	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	TASA 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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FORM 6-61 FS-439 GPO 912596

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[illegible]
[illegible]
From [illegible]

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 that 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 Osvaldo Lima Filho (PTB-Pernambuco) who is First Vice-President of the House 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. 965, 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 Julião, 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.

---

1 President - Andrade Lima Filho - (PTB-Pernambuco) and Relator - Clidenor Freitas - (PTB-Piaui).

0342

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

RG: 059 TAB #: 22

ENTRY: CDF60-63 1 / 4 / S /

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ACCESS RESTRICTED

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Folder Title: 832.062/1-462

Document Date: 14/05/62

Document Ser#:

DESP 183 FR RECIFE TO STAT DEPT

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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NND: 949516 WITHDRAWN: 02/27/95 by: CJM

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FOREIGN SERVICE DESPATCH

FROM : Amembassy SANTO DOMINGO

360
NO.

TO : THE DEPARTMENT OF STATE, WASHINGTON.

May 17, 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 2	AID 11
					AGR	COM	FRB	INT	LAB 6	TAR	TR	KMB					
	REC'D 5/21			OTHER	AIR 3	ARMY 5	CIA 10	NAVY 3	OSD 3	OCB	USIA 8	NSA 3					

SUBJECT: Mario Sánchez Córdova Forming New Labor Organization

The Labor Officer was informed today by a reliable source that Mario SANCHEZ Córdova is forming a new labor organization consisting initially of twenty unions. Sánchez Córdova is counting on these unions to break away from the Frente Orbrero Unidos Pro-Sindicatos Autónomos (FOUPSA) from which he was ousted on May 9.

Sánchez Córdova, whom the Secretary of Labor and some members of the Council of State now consider to be a Communist, was the unwitting architect of his own expulsion from FOUPSA. He had stepped down from the position of Secretary General to that of Secretary for Legal Matters on the FOUPSA Executive Committee several weeks ago because of opposition within the organization to his leftist activities. Despite this, Sánchez Córdova invited known Communists and Fidelistas to share the FOUPSA rostrum on Labor Day, May 1. The reaction from several FOUPSA affiliates, from the Council of State and from Dr. Viriato FIALLO, President of the Unión Cívica Nacional (UCN), added to the threat of many unions to disaffiliate, forced the FOUPSA Executive Committee to sack Sánchez Córdova. (FOUPSA has received financial aid from UCN and the Council in the past.)

In the Labor Officer's opinion, all the members of the FOUPSA Executive Committee are opportunists and their decision to expel Sánchez Córdova was motivated by self-preservation rather than ideological or moral convictions. It is reliably reported that the same group which ousted Sánchez Córdova had on two previous occasions sold their support to him for money.

Ironically, the day after the Sánchez Córdova ouster, three leading members of the FOUPSA Executive Committee, including the Secretary General, José SANCHEZ Mercado, who had repeatedly supported Sánchez Cordova's attacks on the radio and the press against the Labor Officer, invited the Labor Officer to visit them at the FOUPSA headquarters. The Labor Officer accepted the invitation for a future date when further, much needed housecleaning, had been accomplished.

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Comment: Sánchez Córdova can count on some financial and moral support but only from leftists. Meantime, his new labor organization will be faced with very strong opposition by the democratic unions, and perhaps by the Council of State. Bloque FOUPSA Libre (BFL) plans to warn the GODR that a Communist-line labor organization may result from Sanchez' efforts. The BFL is also alerting workers to this possibility.

For the Ambassador:

Harry W. Shlaudeman
Second Secretary of Embassy

0345

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FOREIGN SERVICE DESPATCH

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FROM : Amembassy BRASILIA Office — 948 (NO.)

TO : THE DEPARTMENT OF STATE, WASHINGTON. — May 25, 1962 (DATE)

REF :

			DEP	RM/R	REP	AF	ARA	EUR	FE	NEA	CU	INR	E	P	IO	AID
22 For Dept. Use Only	ACTION	ARA-4	INFO	2	1							5	3			11
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	REC'D 6/1			AIR 3	ARMY 5	CIA 10	NAVY 3	OSD 3	OCB	USIA 8	NSA 3					

SUBJECT: The First Congress of Farmers and Rural Workers of North and Northeast Brazil, Held at Itabuna, Bahia, May 13-16, 1962

According to press reports, 2,000 persons participated in the First Congress of Farmers and Rural Workers (Lavradores e Trabalhadores Rurais) of the North and Northeast of Brazil held the week of May 13 at Itabuna, Bahia 150 miles southwest of Salvador. The meeting was organized by an anti-Communist Catholic priest, Antonio Melo, (see Embassy Despatch 878, May 10) who is a self-declared rival of Francisco Julião. He was assisted by other priests, chiefly Paulo Crespo. As he has in the past, Melo predicted violence in the Northeast within a few months if reforms are not instituted. However, the resolutions adopted at the close of the meeting were not extreme and principally stressed the importance of unionizing rural workers. A "National Confederation of Rural Labor Unions" was formed, to be headquartered in Recife. The need for technical assistance and expanded credit, as well as land reform, was emphasized. Melo praised SUDENE, but criticized President Goulart for reneging on a promise to give financial assistance to the meeting. He claims the Federal Government gave substantial support to a Julião-sponsored meeting of rural workers at Belo Horizonte last November (see Embassy Despatch 495 of December 19).

The twenty-six resolutions adopted were as follows:

1. The unionization of rural workers is necessary and urgent. It is the last hope of the peasant.

2. It is necessary to strengthen rural unions by the development and increase in the numbers of authentic rural leaders.

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FORM 6-61 FS-439 GPO 912596

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3. We favor an independent and autonomous unionism. We repudiate union dues (imposto sindical).

4. We urge that rural workers, through their unions, be consulted in the drafting and approval of agrarian reform and social welfare legislation.

5. Rural unions, throughout Brazil, will fight unitedly for the urgent approval of agrarian reform and the creation of an Institute of Social Welfare.

6. Rural unions, in their fight to improve conditions for the rural worker, see him as a whole, body and soul, seeking to educate him and to inculcate social justice; therefore coordination is necessary with the Basic Education Movement (MEB).

7. To create an organizing committee for the National Confederation of Rural Workers Unions, based on those federations already created in Rio Grande do Norte, Pernambuco, Sergipe and Bahia and with those in other states.

8. To create the Institute of Pensions, Accidents and Stabilization for the rural worker.

9. To establish contracts for share-croppers, homesteaders and tenant farmers.

10. The rural worker is interested not in land only, but in technical and financial assistance.

11. That measures be taken to expand credit, for the benefit of all municipalities, by the participation of all official credit agencies.

12. That the Credit Department of the Bank of Brasil increase to a minimum of five months its repayment period for each individual farmer.

13. Agricultural cooperatives constitute the solution to most economic, social and cultural problems of the rural area.

14. An appeal is made to all organizations in the rural field, which are functioning badly or not at all, to be included in the stimulation of the agricultural cooperatives.

15. That SUDENE give priority to affording educational, medical and hospital assistance, and to dealing with the problems of water supply and electricity in those areas lacking them, principally the drought areas.

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OUTGOING TELEGRAM Department of State

INDICATE: ☐ COLLECT ☐ CHARGE TO

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ACTION: AmEmbassy, RIO DE JANEIRO 3434

RIO-3434

DEPTEL 3293

Romualdi of AFL/CIO in meetings May 17 and 23 with Assistant Secretary Labor Weaver discussed issuance by AFL/CIO of invitation to Brazilian labor leaders to visit U.S. AFL/CIO agrees in principle extend invitation subject following conditions:

1. If invitation issued must include representatives two perhaps three confederations in addition CNTI.

2. Under no circumstances will include Cerqueira.

3. Whether Riani, Pellacani, etc., included depends on behavior these individuals at coming ILO and ICFTU Conference. AFL/CIO greatly disturbed CNTI action QUOTE turning over May Day ceremonies to Communists UNQUOTE.

4. Romualdi will visit Brazil about first week August. On basis his observations there and actions Brazilian delegation ILO and ICFTU he will make recommendation re invitation to AFL/CIO Executive Council Meeting about mid-August. If Executive Council approves, invitation will be issued for visit sometime September or early October.

Romualdi

(1)

Authenticated by [illegible]

Drafted: ARA:RPA:HSHammond:terb 5/28/62

Telegraphic transmission and classification approved by: ARA - Richard N. Goodwin

Clearances: EST - Mr. Wellman (in draft)
EST/B - Mr. Wilson (in draft)
S/S - Mr. Olson
RPA - Mr. Jamison
Labor Dept. - Mr. Bazan (in substance)

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FORM DS-322

832.062/5-2842

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Romualdi sorry invitation cannot be undertaken earlier but pointed out embarrassment AFL/CIO if invitation extended and CNTI delegates were to take Communist line in ILO and ICFTU. Visit earlier than September impractical since top level AFL/CIO officials who will host visit will not be available before end of Conferences and Executive Council meeting.

We realize this means that most you can say now and at time President's visit is that invitation under active consideration but we can see no alternative to accepting AFL/CIO position.

END

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INCOMING TELEGRAM *Department of State*

RIO 2815

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Control: 22134
Rec'd: MAY 30, 1962
5:00 PM

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FROM: RIO DE JANEIRO

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TO: Secretary of State

NO: 2815, MAY 30

STRIKE OF TELEGRAPH WORKERS HAS CUT OFF ALL COMMERCIAL TELECOMMUNICATIONS SERVICE IN BRAZIL, BOTH DOMESTIC AND INTERNATIONAL EFFECTIVE 2400 MAY 29. TELEPHONE SERVICE NOT AFFECTED. RESULT IS THAT ALL CONSULATES BRAZIL CUT OFF FROM TELEGRAPHIC COMMUNICATION WITH DEPARTMENT AND EMBASSY. EMBASSY'S TELEGRAPHIC CONNECTION WITH DEPARTMENT NOT AFFECTED BUT MAY BE SUBJECT TO STOPPAGE.

NO INFORMATION AVAILABLE ON DURATION OF STRIKE. FURTHER DETAILS SENT BY AIRGRAM.

RECOMMEND DURING STRIKE DEPARTMENT SEND ALL MESSAGES FOR CONSULATES AS AIRGRAMS. EMBASSY WILL ARRANGE SPECIAL COURIER TRIPS TO CONSULATES.

GORDON

CC

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Control: 596
Rec'd: June 1, 1962
1:14 PM

FROM: Rio de Janeiro

TO: Secretary of State

NO: 2822, June 1

Reference: EMBTEL 2815

Strike of telegraph workers ended and service resumed 1800 May 31 on signing of agreement between companies and union substantially increasing wages.

GORDON

WGM

RIO 2822

832.062/6-162

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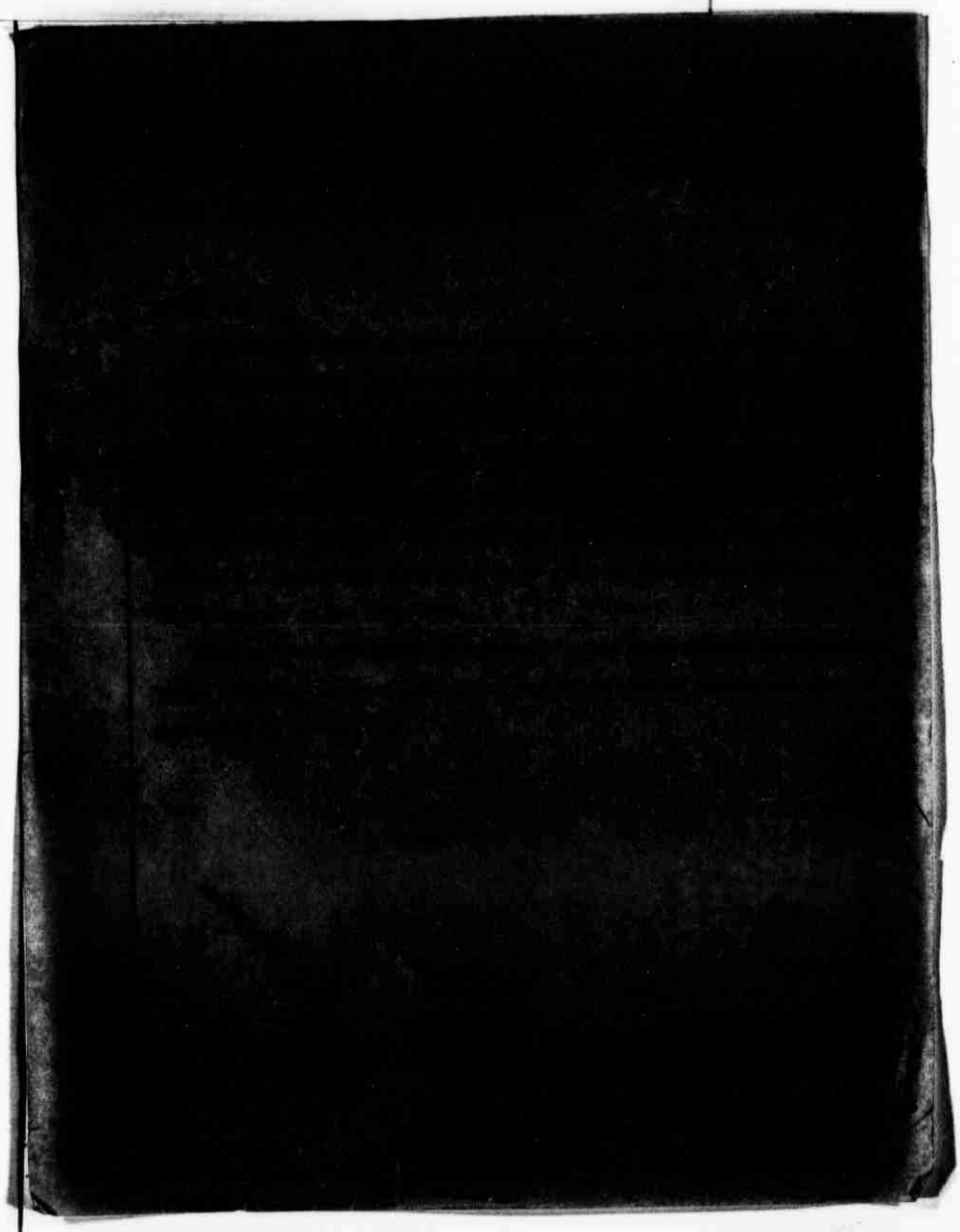
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FOREIGN SERVICE DESPATCH

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XR 732.11
732.00

FROM : Amcongen São Paulo — 294 NO. — June 6, 1962

TO : THE DEPARTMENT OF STATE, WASHINGTON.

REF : Weekly Summary No. 17 (Despatch 250) April 27, 1962

JUN 8 1962

5/5 5/9 5/12

For Dept. Use Only	ACTION	INFO	DEPT	RM/R	REP	[illegible]	ARA	[illegible]	FE	NEA	CU	INR	E	P	IO	ICA
	ara-4			2	1	3	1	1				5		1		
			OTHER	AGR	COM	FRB	INT	LAB 6	TAR	TR	XMB					
	REC'D 6-13			AIR	ARMY	CIA 16	NAVY	OSD	OCB	USIA 5	NSA 3	NSC 2				

SUBJECT: Democratic Union Movement Suspends Try for Rapprochement with Goulart

As reported in Item 5 of the referenced despatch, the Democratic Union Movement (Movimento Sindical Democrático -- MSD) opened the door toward a possible rapprochement with President Goulart shortly after the latter's return from the U. S. in mid-April. The reasoning behind the MSD's move was that Communist attacks on Goulart for his U. S. visit might lead him to look elsewhere for the labor support he obviously craves. Should this occur, the reasoning goes, Goulart might substitute a working alliance with the MSD for his long-standing alliance with Communist labor leaders.

MSD leaders report that their interest in arriving at an understanding with Goulart was apparently matched by a similar interest on his part. During the latter part of April contacts between Goulart and the MSD took place through intermediaries such as Herbert LEVY, President of the National Democratic Union Party (União Democrática Nacional -- UDN), reportedly close to Goulart and one of the sponsors of the MSD founding convention in July 1961. Prominent MSD leaders gave a series of interviews to Correio Paulistano, a São Paulo newspaper controlled by Goulart interests, in which they lavishly praised the President. These leaders were privately skeptical about the chances of an actual break between Goulart and his Communist labor allies, but thought the attempt worthwhile.

However, MSD President Antonio Pereira MAGALDI informed the Labor Officer on May 29 that his organization had suspended, at least for the time being, attempts to reach an understanding with Goulart. Magaldi gave as his reasons for this suspension Goulart's approval (if not initiation) of [illegible] nominations of

FILED
JUN 21 1962

DEPARTMENT OF STATE
BUREAU OF
INTER AMERICAN AFFAIRS
JUN 15 1962

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FORM 6-61 FS-439 GPO 912596

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NAME OF OFFICER & OFFICE SYMBOL	EST/B RC	DATE OF ACTION	6-19-62
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Communist labor leaders to important posts and international missions. These nominations include the following:

(1) Benedito CERQUEIRA, fellow-travelling President of the Rio Local Union of Metal Workers, First Secretary of the National Confederation of Industrial Workers (CNTI), and member of the General Council of the Communist-front WFTU, and Francisco Plácido das CHAGAS, First Treasurer of the CNTI, reportedly named to accompany CNTI President Clodsmith RIANI, an opportunist and frequent collaborator with the Communists, on a forthcoming visit to the U. S. (This visit is apparently the result of a supposed AFL-CIO invitation to Riani, who accompanied Goulart to the U. S. in April, to remain there after Goulart's departure. Riani reportedly replied that he was unable to remain behind at that time but would be happy to return in the future.) The MSD considers Cerqueira and Chagas to be Communists and Riani to be pro-Communist.

(2) Riani as Labor Delegate; Cerqueira and José PERREIRA, Treasurer of the Rio Local Union of Bank Workers and representing the Communist-dominated National Confederation of Workers in Credit Institutions (CONTEC), as labor advisers; and Raul RYFF, Communist Press Secretary to President Goulart, to be a government adviser to the Brazilian Delegation to the 1962 ILO Conference in Geneva (See Amembassy Rio Despatch 932 of May 22, 1962).

(3) Reported nomination of Riani; Cerqueira; Luiz Tenório de LIMA, President of the São Paulo State Federation of Food Workers and leading Paulista Communist labor leader; and Bruno SEGALLA, Communist metal worker leader from Rio Grande do Sul, as CNTI delegates to the ICFTU Berlin Congress in July 1962.

(4) Tenório de Lima named worker representative on a São Paulo Local Board of Conciliation and Judgment (lowest level labor court).

MSD leaders give the impression that they still would be interested in a working relationship with Goulart, improbable as it may seem. However, they insist that as a prerequisite to any such relationship the President must give clear evidence of his desire to break with Communist labor allies. Magaldi is aware of the great danger to the MSD (and to Brazilian democratic institutions) in any presidential attempt to weld Communist and anti-Communist labor groups together into a national labor center which would be nominally controlled by Goulart for political purposes but in fact would be Communist-dominated. On the basis of currently available evidence, the Labor Officer considers such an attempt by Goulart to be highly likely.

For the Minister Consul General:
Scott C. Lyon
Consul

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FOREIGN SERVICE DESPATCH

FROM : Amcongen SÃO PAULO

296
NO.

TO : THE DEPARTMENT OF STATE, WASHINGTON.

June 8, 1962
DATE

REF :

JUN 8 1962

For Dept. Use Only	ACTION		DEPT	RM/R	REP 1	AF	ARA 3	EUR	FE	NEA 1	CU	INR 5	E	P	IO 2	ICA
		INFO		AGR	COM	FRB	INT	LAB	TAR	TR	XMB					
	Lab-6		OTHER	AIR	ARMY	CIA 16	NAVY	OSD	OCB	USIA 5	NSC 2					
	REC'D 6-11															

(2)

SUBJECT: Activities of Interunion Department of Statistics and Socio-Economic Studies (DIEESE)

As of possible interest to the Division of Foreign Labor Conditions, Bureau of Labor Statistics, Department of Labor, the Consulate General encloses the first seven issues of "Revista de Estudos Sócio-Econômicos" (Review of Socio-Economic Studies), a monthly publication of the Interunion Department of Statistics and Socio-Economic Studies (Departmento Intersindical de Estatística e Estudos Sócio-Econômicos - DIEESE).

To the Consulate General's knowledge, DIEESE is the only union research organization in all Brazil. It was created in 1956 by São Paulo labor unions to provide them with cost-of-living statistics free from political manipulation upon which to base wage demands. DIEESE is supported by 11 state federations and 32 local unions in São Paulo, each of which contributes 1.5 percent of its receipts from the trade union tax (imposto sindical). Further details regarding DIEESE's history, organization and activities, are found on pages 39-44 of the September 1961 issue of the review enclosed.

In its monthly reviews DIEESE publishes São Paulo cost-of-living data as well as various articles in the fields of labor economics, labor legislation, social welfare, national and international labor news, labor movement history and organization, and related topics, often written by recognized authorities. These monthly reviews have a wide circulation among labor leaders both in São Paulo and in other sections of Brazil. DIEESE's technical director is José Albertino R. RODRIGUES, a professional economist.

The Consulate General believes that DIEESE and its monthly review are subject to at least some Communist influence. However, the exact extent of this influence is not clear. As far as the Consulate General is aware, Director Rodrigues is not a member of the Communist Party, and he has

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vehemently denied to the Labor Officer the existence of any political influence, Communist or otherwise, in DIEESE. However, five of the eleven affiliated State federations and 21 of the 32 local unions are Communist-dominated. DIEESE's office is physically located in the building belonging to the Communist-dominated São Paulo Local Union of Metal Workers. Several known Communists hold key posts in DIEESE's present directorate, elected February 1, 1962 for a two-year term. This directorate is as follows:

President - Communist Ruben VASCONCELLOS, President of the Communist-controlled São Paulo State Federation of Bank Workers.

Vice President - Domingos ALVARES, non-Communist President of the São Paulo State Federation of Metal Workers and former Point IV grantee.

Secretary-General - Remo FORLI, opportunistic Socialist and long-term collaborator with the Communists, President of the Communist-dominated São Paulo Local Union of Metal Workers.

1st Secretary - Nivaldo FONSECA, Secretary-General of the Communist-controlled São Paulo Local Union of Textile Workers.

2nd Secretary - Carlos LAMACHIA, anti-Communist Secretary of the São Paulo Union of Telephone Workers and former Point IV grantee.

1st Treasurer - Communist Salvador RODRIGUES, President of the Communist-controlled São Paulo Local Union of Carpenters.

2nd Treasurer - Carlos Correia de OLIVEIRA, 1st Secretary of the São Paulo Journalists Union (non-Communist).

The staff of the enclosed DIEESE monthly review includes Principal Director Remo Forli (see above); Secretary Arthur AVALONE, fellow-travelling President of the Communist-dominated São Paulo State Federation of Textile Workers; Technical Director Rodrigues (see above) and Manager Walter Paul KRAUSE, non-Communist economist and director of the Labor Market Section, State Manpower Service of the São Paulo State Secretariat of Labor, Industry and Commerce. Among the dozen contributors to the magazine are Rio Branco PARANHOS, São Paulo Communist City Councilor and labor lawyer, and Paul SINGER, active in the Brazilian Socialist Party (PSB), which has significant Communist infiltration and whose leaders often parrot the Communist line. One

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other contributor was connected with an ultra-nationalist anti-American organization. On the other hand, several contributors are considered friendly to the United States.

Sr. Rodrigues has informed the Labor Officer of DIEESE's plans to expand its activities to the national Brazilian scene in the near future. He has displayed an active interest in U. S. Department of Labor Bureau of Labor Statistics publications, especially in the cost-of-living field, and the Labor Officer has made these available to him.

Despite the Communist influence in DIEESE indicated above, the Consulate General considers that DIEESE, like sex, is here to stay and that its monthly review is a vehicle for carrying the principles, practices, and current news of free democratic trade unionism to places where they might not otherwise penetrate. Therefore, the Consulate General has discreetly stimulated friendly anti-Communist local experts in fields of labor interest to accept DIEESE's invitation to write articles for publication in the monthly review. The Consulate General will restudy this policy periodically and on the occasion of any significant changes in DIEESE's orientation.

Action Requested

Sr. Rodrigues has also asked the Labor Officer for an airmail subscription to the Department of Labor's "Monthly Labor Review." The Labor Officer passed this request along to the Department of Labor, which replied that subscriptions to that review are granted to public officials only.

If the Department of Labor considers the enclosed publication to be useful and desires to receive it regularly, it may wish to make an exception to the rule and award DIEESE the subscription requested. Such exception would assist the Labor Officer in maintaining what he believes is a useful contact with Sr. Rodrigues and DIEESE.

For the Minister Consul General

Scott C. Lyon

Scott C. Lyon
Consul

Enclosures: as

Issues Nos. 1-7, September 1961 through March-April 1962, of "Revista da Estudos Sócio-Econômicos" (Unclassified)

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INCOMING TELEGRAM *Department of State*

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6:01 p.m

FROM: Rio de Janeiro

TO: Secretary of State

NO: 2915, June 11, 4 p.m

RIO 2915

ACTION GENEVA 33, INFORMATION DEPARTMENT 2915

Arnaldo Sussekind, legal adviser, Ministry Labor, former head Security Section Labor Ministry left Rio June 8 for Geneva as adviser to Brazil ILO government delegate. He one of best informed and most reliable democratic figures Brazil Government labor circles.

Fernando Abelheira, now retired, former lawyer and President Permanent Commission on Social Law in Labor Ministry, also appointed Brazil Government adviser. Smooth opportunist.

GORDON

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INP 32.062

OFFICE OF INTERNATIONAL ECONOMIC AND SOCIAL AFFAIRS
JUN 13 1962

(2)

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HANDLING INDICATOR

FOREIGN SERVICE DESPATCH

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FROM : Amcongen São Paulo — 308 NO.

TO : THE DEPARTMENT OF STATE, WASHINGTON. — June 13, 1962 DATE

REF :

JUN 15

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(4)	REC'D 6-18		AIR	ARMY	CIA 10	NAVY 3	OSD	OCB	USIA	NSA 3	NSC 2				

SUBJECT: Meeting of American Businessmen with Governor Carvalho Pinto

Last night a group of local American businessmen including Mr. John S. Richards, President of RCA Electronics Brasileira S.A. and President of the American Chamber of Commerce (São Paulo); Mr. Howard L. Mason, Vice President and Director of Anderson, Clayton & Cia. Ltda; Mr. Walter H. Gussenhoven, Managing Director of General Motors do Brasil; and Mr. Thomas O. Doggett, Director-Superintendent of Alba S.A. called on São Paulo Governor Carlos Alberto Alves de Carvalho Pinto at the Governor's request. The Governor talked with them frankly and informally. He said he had asked them to come in because he wanted to reassure them regarding the general situation in Brazil, as he felt that some of the current reports were unduly disturbing. He felt that the transition involved in the appointment of a new cabinet would be surmounted successfully and intimated, without saying so directly, that he did not think the new Prime Minister would be San Thiago Dantas (although this is the name most frequently mentioned in the press). The Governor said he knew the American companies were all concerned at the action of the Government in the recent petrochemical workers' strike in Cubatão, and he regretted that the Government had had to put pressure on the companies to reach a solution acceptable to the workers but that he had seen no alternative. With respect to the possibility of further labor trouble at Cubatão before October, Governor Carvalho Pinto said that unfortunately the State Government had no control over labor unions although it was of course responsible for the maintenance of law and order.

For the hope expressed by one of the businessmen that Carvalho Pinto might himself take prominent part in the Federal Government, the Governor answered that he considered that the greatest service he could

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perform for Brazil at present was to do his utmost to insure a good Government in the key State of São Paulo through the election of his candidate José Bonifácio Coutinho Nogueira. He said that it was of great importance that Janio Quadros not be elected since Janio had proved himself to be not only unstable but also dangerously leftist. For Adhemar de Barros, the Governor had no regard whatsoever. He believed José Bonifácio would make a good Governor but admitted that as a candidate he lacked "color".

As for his plans after the election the Governor said only that he was very tired and intended to take a good rest, and that he was not a professional politician.

The foregoing was told me today at luncheon by Mr. Gussenhoven.

Daniel M. Braddock
Minister Consul General

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FORM DS-4330
6-1-50

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Page 1 of
Encl. No. 1
Desp. No. 307
From Amconsul, São Paulo

Informal English Translation

UNITRA - Labor University

University Courses for Workers (As provided by Law No. 4,024, Article 69C, of December 20, 1961)

Labor Law

I - Objectives - To make the university accessible as far as possible to the workers, taking into consideration personal conditions of individuals or groups of workers, with emphasis on present or potential labor leaders.

II - Means - Providing university extension courses, lectures and publications in São Paulo and principal cities in the interior of the State; free distribution of course outlines and information. Showing of films, slides and charts. Provision of scholarships for the more talented workers to begin and continue university studies.

III - Idea and Organization - In charge of Professor Dr. Antonio Ferreira CESARINO JUNIOR, Professor of Labor Legislation in the Law Faculty and the Economic and Administrative Sciences Faculty of the University of São Paulo.

IV - Support - From the Ministry of Labor and Social Welfare; Rector of the University of São Paulo; São Paulo State Secretary of Labor, Industry and Commerce; Directors of the Faculties of Law and of Economic and Administrative Sciences, of the University of São Paulo; State Department of Statistics; and Regional Delegacy of the Brazilian Institute of Geography and Statistics.

V - Beneficiaries - Workers in general.

VI - Orientation - The courses will be given on elementary theoretical and fundamentally practical lines, with the objective of offering the workers through summarized notions of basic principles, the opportunity of applying judicial norms in their own best interest, or of evaluating the application by others, thus making the workers capable of conscientiously demanding their rights and fulfilling their corresponding duties. The legal norms will always be taught with the corresponding geographical, historical, sociological, economic, moral and political bases and implications to facilitate comprehension as much as possible.

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FOREIGN SERVICE DESPATCH

FROM : Amcongen, São Paulo, Brazil — 307 NO. — May 31, 1962 DATE

TO : THE DEPARTMENT OF STATE, WASHINGTON.

REF :

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	REC'D 6-19				AIR	ARMY	CIA 10	NAVY	OSD	OCB	USIA 8	3	2				

SUBJECT: Inauguration of Labor University (UNITRA) in São Paulo

On May 17, 1962 the Labor University (Universidade do Trabalho - UNITRA) was inaugurated before an audience of some six hundred persons in the Law Faculty of the University of São Paulo. Under the direction of Prof. Antonio Ferreira CESARINO JUNIOR, Professor of Labor Law in the Faculties of Law and Economic and Administrative Sciences of the University mentioned, UNITRA provides free evening extension courses in basic labor law for the layman, both in São Paulo City and in interior cities of São Paulo State. UNITRA reports that 524 persons have registered for the courses. From personal observation of the Labor Officer most of the participants in São Paulo City appear to be from the working class. Enclosed is an informal English translation of a UNITRA information sheet which was distributed at the inauguration.

The Consulate General has cooperated with Prof. Cesarino Jr. in providing USIS labor films and other materials for use in the UNITRA courses.

Daniel H. Braddock
Minister Consul General

Enclosure:
UNITRA Information Sheet

cc: Embassy, Rio de Janeiro

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FORM DS-4139
6-1-50

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Page 1 of
Encl. No. 1
Desp. No. 307
From Anconsen, São Paulo

Informal English Translation

UNITRA - Labor University

University Courses for Workers (As provided by Law No. 4,024, Article 690, of December 20, 1961)

Labor Law

I - Objectives - To make the university accessible as far as possible to the workers, taking into consideration personal conditions of individuals or groups of workers, with emphasis on present or potential labor leaders.

II - Means - Providing university extension courses, lectures and publications in São Paulo and principal cities in the interior of the State; free distribution of course outlines and information. Showing of films, slides and charts. Provision of scholarships for the more talented workers to begin and continue university studies.

III - Idea and Organization - In charge of Professor Dr. Antonio Ferreira CESARINO JUNIOR, Professor of Labor Legislation in the Law Faculty and the Economic and Administrative Sciences Faculty of the University of São Paulo.

IV - Support - From the Ministry of Labor and Social Welfare; Rector of the University of São Paulo; São Paulo State Secretary of Labor, Industry and Commerce; Directors of the Faculties of Law and of Economic and Administrative Sciences, of the University of São Paulo; State Department of Statistics; and Regional Delegacy of the Brazilian Institute of Geography and Statistics.

V - Beneficiaries - Workers in general.

VI - Orientation - The courses will be given on elementary theoretical and fundamentally practical lines, with the objective of offering the workers through summarized notions of basic principles, the opportunity of applying judicial norms in their own best interest, or of evaluating their application by others, thus making the workers capable of conscientiously demanding their rights and fulfilling their corresponding duties. The legal norms will always be taught with the corresponding geographical, historical, sociological, economic, moral and political bases and implications to facilitate comprehension as much as possible.

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FOREIGN SERVICE DESPATCH

FROM : Amcongen SÃO PAULO — 305 NO.

TO : THE DEPARTMENT OF STATE, WASHINGTON. — June 14, 1962 DATE

REF : Amcongen Despatch No. 200, February 13, 1962

JUN 22 1962

(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 1	IO	ICA
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SUBJECT: Labor Activities of SEI (Sociedade de Estudos Interamericanos) - Continued

Since his conversation with Mr. Nelson GOUVEIA, SEI Director of Labor Activities, reported in the despatch under reference, the Labor Officer tried several times without success to meet Mr. Wladimir LODYGENSKY, SEI Administrative Director and Mr. Gouveia's superior. The Labor Officer believes that Mr. Lodygensky only consented to the meeting because of his strong desire to learn from the Labor Officer which leaders of the Democratic Union Movement (Movimento Sindical Democrático -- MSD) had asked the Consulate General for assistance (see Item 5 of Memorandum of Conversation, Enclosure 1).

While the Labor Officer may disagree with certain details of SEI's written course material (Enclosure 6), the material seems generally unobjectionable.

However, from the Labor Officer's conversations with Mr. Lodygensky and Mr. Gouveia, the following conclusions emerge:

A. SEI is in effect a concrete manifestation of the growing awareness among Brazilian and foreign business leaders of the pressing need to roll back the accelerating Communist infiltration into all walks of Brazilian life. The Labor Officer believes that SEI has a useful role to play in the struggle for democracy in Brazil. However, in the labor field, SEI's leaders seem more interested in attacking communism than in building a strong democratic independent labor movement. This type of purely negative approach is not sufficient in itself. To succeed, it must be coupled with positive measures for strengthening essential democratic institutions such as strong independent labor unions.

B. SEI is an employer-financed and employer-oriented organization which by its very nature is unsuited to conducting union leadership training

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JUN 29 1962

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DEPARTMENT OF STATE
BUREAU OF
INTER-AMERICAN AFFAIRS
JUL 8 1962

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or building a strong independent union movement. Candidates for union leadership training are chosen by employers. Its Director of Labor Activities seems to prefer a fascist type of state-controlled labor movement.

C. SEI regards the MSD as its private plaything and seeks to control the organization completely for SEI's own ends. While the Labor Officer does not question SEI's avowed purpose to "strengthen the democratic, social, human and dynamic regime..." (Enclosure 2, Paragraph 3) or SEI's resolute anti-Communist stance, he has serious doubts that SEI really desires strong independent labor unions free from Communist, government and employer control.

D. The MSD is already financially dependent upon SEI to a considerable degree. (The Labor Officer is certain that SEI is paying the MSD a sizable subsidy. One usually reliable source close to both MSD and SEI places this subsidy at Cr$500,000 per month.)

E. To the extent that SEI's control over MSD's daily operations and MSD's dependence on SEI increases, MSD's potential as the only existing anti-Communist labor group capable of eventually developing into a free democratic Brazilian union movement will decrease because:

(1) Union leaders dependent on employer subsidies will eventually be corrupted and in any case cannot develop the self-reliance and freedom of action necessary to lead a genuine union movement.

(2) It is impossible to keep SEI's subsidizing of and control over MSD operations a secret. If the present situation continues, the Communists are likely to be successful in their attempts to convince the workers that the MSD is a bosses' tool.

F. The Labor Officer's recent conversations with MSD President Antonio Pereira MAGALDI indicate an awareness on the latter's part of the dangers mentioned above and a desire to diminish SEI's control over the MSD. Because of the MSD's limited financial resources, it may be unfair to expect it to break completely with SEI, just as it may be unfair to expect SEI to lend financial support without at least outlining broad objectives for which the support is to be used. However, if the MSD and SEI are to continue their alliance, the Labor Officer would prefer to see a different working relationship between SEI and MSD, in which the MSD would retain complete operational freedom within mutually acceptable guide lines and in addition would be responsible for the selection and training of workers for positions of union leadership. The Labor Officer regards the MSD's future ability to operate free from close SEI control as a crucial test not only of the MSD's viability as a democratic union group, but also of Magaldi's capacity

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to take the lead in building a democratic labor movement in Brazil.

Jack Liebo
Labor Officer

The Principal Officer concurs only in part in the views of the Labor Officer as expressed above. In the material presented, the Principal Officer sees no evidence that SEI is trying to use the MSD for the interests of the employers as against the interests of a free labor movement. It should be possible for employers and workers to unite in common cause against communism which aims at the destruction alike of private enterprise and free labor unions. If the MSD is in fact chafing at its present relationship with SEI, then a modified association, as suggested by the Labor Officer, in which the MSD would retain complete operational freedom within mutually acceptable guide lines and would be responsible for the selection and training of workers for positions of union leadership, might remove the friction and lead to a more effective relationship. The Consulate General's ability to exert any influence in the direction of such a change is probably very little, but something might be accomplished through discussion of the matter with any American firms that contribute to SEI.

for Daniel M. Braddock by Scott Clyman
Daniel M. Braddock
Minister Consul General

Enclosures:
1. Memorandum of Conversation with Mr. Wladimir Lodygensky
2. Outline of the SEI
3. Activities of the SEI
4. SEI Union Leadership Courses - Informal Translation
5. SEI Social Relations Assistants Courses
6. Seminars for Social Relations Assistants - 3rd and 5th Lessons (Dept. Only)

Copies to: Amembassy Rio 2 (1 for Mr. Fishburn), Amembassy Brasilia, INR, ARA, Labor Adviser, Labor Dept. 2 (for Mr. Steinbach OIOA/ILAB and Mr. Bazan ILAB).

GPO 902667

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FORM FS-439a
5-1-60

CONFIDENTIAL

Page 1 of
Encl. No. 1
Desp. No. 309
From São Paulo

MEMORANDUM OF CONVERSATION

Date: May 16, 1962

Place: Rua Avanhandava 224, São Paulo

Subject: Labor Activities of SEI (Sociedade de Estudos Interamericanos)

Participants: Mr. Wladimir LODYGENSKY, SEI Administrative Director
Mr. Jack LIEBOF, Labor Officer, American Consulate General, São Paulo

Copies to: Mr. John T. Fishburn, Labor Attaché, American Embassy, Rio de Janeiro
Mr. Henry S. Hammond, ARA Labor Adviser
INR
Mr. Joaquin A. Bazan, Jr., Latin American Area Specialist, ILAB, Labor Dept.
Mr. Arnold L. Steinbach, OIOA/ILAB, Labor Dept.

Mr. Lodygensky described himself as a Swiss of Russian birth with sixteen years' residence in Brazil. (Drafting officer's note: The Consulate General Visa files reveal that Lodygensky was born in Kiev, Russia on June 2, 1915 (?) and travels on a Swiss passport.) He speaks fluent English, Spanish and Portuguese, and probably several European languages as well. He impressed the Labor Officer as an intelligent, self-confident, forceful, yet diplomatic person with strong convictions and few scruples. The principal topics covered in a one-hour conversation were as follows:

1. SEI Organization and Activities

Mr. Lodygensky more or less repeated what Mr. Nelson GOUVEIA, SEI Director of Labor Activities, had previously told the Labor Officer (see Memorandum of Conversation enclosed in the Consulate General's Despatch 200 of February 13, 1962). By way of further clarification, Mr. Lodygensky gave the Labor Officer relevant written material (enclosures 2 and 3). He mentioned that SEI's staff consisted of some 40 - 50 persons, which he described as quite small in comparison with the workload. In passing he admitted SEI's student activities had flopped badly, while its labor activities had enjoyed more success.

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2. SEI Labor Activities

Mr. Lodygensky confirmed Mr. Couveia's previous statement that BIS (Bureau de Imprensa Sindical) was an SEI "front organization" whose publishing activities served as a screen for SEI's training courses in the labor field. His explanation of the workers' union leadership courses, ostensibly conducted by the São Paulo State Federation of Catholic Worker Circles, was substantially the same as Mr. Gouveia's (as reported in the Despatch under reference) and conformed to the written description furnished by Mr. Lodygensky to the Labor Officer (enclosure 4). Mr. Lodygensky referred to Mr. Gouveia as one of the very few Brazilians competent in the trade union field and possessing backbone, although occasionally too inflexible. The Labor Officer repeated his earlier request (to Mr. Gouveia) for copies of materials used in the union leadership courses. The SEI executive replied that these materials were not yet ready for distribution. In answer to the Labor Officer's questions regarding SEI's long-range labor goals, Mr. Lodygensky stressed the importance of fighting communism in the unions, but made no mention of a strong, independent, non-Communist union movement.

Apart from its union leadership courses, SEI's courses designed to train company executives to be Social Relations Assistants to top management were also discussed by Mr. Lodygensky. The latter gave the Labor Officer a description of this latter type of training (enclosure 5) and English versions of two of the more interesting of the ten lessons in the Social Relations Assistants Seminar (enclosure 6), in addition to a Portuguese version of the entire Seminar.

3. Relations of SEI to IPES

In reply to an indirect question Mr. Lodygensky said that IPES (Instituto de Pesquisas e Estudos Sociais) was contributing funds to SEI for labor activities. He added that these funds made possible the recent acquisition of a permanent site for SEI's union leadership courses for workers near the town of Jacarei about 50 miles outside São Paulo along the Rio-São Paulo highway. This new site had improved facilities for continuous training. According to Mr. Lodygensky, Mario Toledo de MORAES, a director of Melhoramentos, Vice President of the São Paulo State Federation of Industries, and IPES Labor Coordinator, worked closely with SEI in the labor field.

4. Relations of SEI to IBAD

Despite the Labor Officer's discreet questions, Mr. Lodygensky did not make clear SEI's relation to IBAD (Instituto Brasileiro de Ação Democrática). He praised IBAD's publications and its work in the Northeast. He noted that IBAD is supporting Floriano da Silveira MACIEL, President of the Guanabara Democratic Resistance of Free Workers (Resistência Democrática dos

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Trabalhadores Livres) in Rio, and added that he considered Maciel to be a weak leader. (Drafting Officer's note: IBAD collaborates with the Union Renovation Movement (Movimento Renovador Sindical -- MRS) which Lodygensky severely criticized as reported in Item 6 below.)

5. MSD Leadership

With reference to the Democratic Union Movement (Movimento Sindical Democrático -- MSD), Mr. Lodygensky said that in December 1961 SEI came to the conclusion that the current MSD leaders had to be replaced. While not saying so specifically, he intimated that these leaders did not conform to SEI's long-range labor plans. The Labor Officer asked what sort of replacement SEI had in mind. Mr. Lodygensky replied that SEI was planning a higher level union leadership course to prepare more promising graduates of the existing union leadership courses for greater responsibilities. He added that very few Brazilian union leaders had the backbone to successfully resist the Communists, since most Brazilians instinctively desired to be friendly with everyone, including Communists.

Mr. Lodygensky said that he was very disturbed at reports that certain MSD leaders had requested finances and other assistance from the Consulate General. He rather peremptorily demanded to know which MSD leaders had approached the Consulate General in this regard. The Labor Officer replied that to his knowledge no such direct approach had occurred. Mr. Lodygensky insisted that he did not want MSD leaders going to the Consulate General with requests for assistance.

6. Unity Among Non-Communist Union Groups

Mr. Lodygensky very politely told the Labor Officer not to meddle in SEI's work by trying to bring together São Paulo non-Communist labor groups such as the MSD and MRS. He referred to a stormy meeting of the São Paulo State Federation of Catholic Workers Circles (Círculos Operários) in April 1962 when the possibility of an alliance with the MRS was discussed and rejected (presumably under SEI pressure). Mr. Lodygensky indicated that SEI refuses to permit such an alliance, and described the MRS leaders as trotskyites not to be trusted. He said that while the MRS and Workers Circles had been cooperating in Rio and other places, SEI was prevailing upon Padre VELLOSO, Ecclesiastical Assistant to the National Confederation of Workers Circles in Rio, to reduce such co-operation. Mr. Lodygensky gave the unmistakable impression that the MSD was his creature, and resented any external inference. The Labor Officer replied that he considered it his duty to maintain contact with all local labor groups, including even some limited contact with Communist union leaders, and that he intended to continue this procedure during his assignment here. He explained that his views on the São Paulo labor scene coincided with SEI's in some respects and differed in others. He added that while he would not go out

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of his way to interfere with SEI's activities, he did not feel bound to necessarily guide his actions by SEI's desires. Mr. Lodygensky appeared to accept the Labor Officer's explanation, at least outwardly.

7. SEI Contact with U. S. Government

Mr. Lodygensky volunteered that he definitely did not desire any contact with the U. S. Government. He said that SEI was a Brazilian operation and could gain nothing from such contact. The Labor Officer agreed that publicity would not make SEI's activities any easier. Mr. Lodygensky said that he had had some difficulty (unspecified) with Mr. Benjamin L. Sowell (Labor Officer in São Paulo 1957 - 1959) and that he had once met Mr. James F. Shea (Labor Officer in São Paulo 1959 - 1961) in Rio. The Labor Officer asked whether SEI had informed the American Embassy in Rio of its activities, including those in the labor field, to avoid any possible misunderstanding. Mr. Lodygensky replied that he assumed that "American intelligence" knew about SEI's operations. He went on to accuse unnamed U. S. Government agencies of giving financial support to the MRS. When the Labor Officer asked how Mr. Lodygensky knew this, the latter replied vaguely that "all indications pointed to it."

JLiebof/lfw



FORM FS-439a
6-1-60

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Page 1 of
Encl. No. 2
Desp. No. 309
From Amcongen, São Paulo

SOCIEDADE DE ESTUDOS INTERAMERICANOS - SEI

São Paulo - Brazil - Rua Avanhandava, 224

Tel. 34-1742 - Caixa Postal 21,085 - S.P.

1. Founded July, 1958, by a group of Brazilians.

2. It is a civil society, without any economic purpose, registered in São Paulo under no 4487, financially based on the contributions of its members and on gifts from groups and national firms.

3. The purpose is to strengthen the democratic, social, human and dynamic regime, inspired by Latin-American and Christian traditions.

4. It acts by means of the following services:

   a) Bulletins and Informative Reports (four per week);

   b) Weekly Press Service;

   c) Courses for Democratic Leaders, in form of conferences, pamphlets and long-play records on the respective classes;

   d) Studies of the practical solution of social, economical and cultural problems;

   e) Assistance to Democratic Organizations of Students;

   f) Assistance to Labor Unions;

   g) Assistance to Employers' groups;

   h) Collaboration with cultural and social associations and movements;

   i) Radio and TV Services, and campaigns for the enlightenment of the public opinion.

5. The "SEI" is independent of political parties and governmental services.

6. The "SEI" is not a confessional organization, though it is based upon the principles of Christian philosophy and working closely together with different confessional organizations.

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7. The "SEI" is seeking new and positive answers to the desire of the Latin-American Peoples for a social, economical and cultural development.

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FORM FS-439a
8-1-50

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ACTIVITIES OF THE SEI

I - BUILDING OF DEMOCRATIC PUBLIC OPINION

a) Confidential Bulletin Service -
(four times a week, in Portuguese and Spanish, about 3,000 copies, distributed only to top governmental, military, church and business leaders).

b) Press Service -
(Weekly, distributed to 350 newspapers, 1,200 trade unions, student unions, intellectuals, etc.).

c) Broadcasting News Service "LUZES" -
(to 124 Catholic radio stations and 80 Catholic newspapers).

d) Printing of leaflets, posters, fliers, etc.

e) Radio-Theater on records.

f) Radio, Press and Television Campaigns -
(on political matters, such as Cuba, Nationalism, Peace, etc.)

II - BUILDING OF DEMOCRATIC LEADERS

Through the "Federação dos Círculos Operários" of São Paulo

a) Democratic Labor Union Leaders' Course
This is a monthly course. It takes place on a farm near São Paulo, on a boarding basis, for 25 to 30 participants, for a period of six consecutive days. In the morning a lesson of one hour is given, followed by a two-hour session at which questions are answered. In the afternoon, the group elects the "Presidium" and separates into two teams, the "Democrats" and the "Communists", for a four-hour debate.

The participants complete the course receiving a diploma and are appointed to the respective labor union sectors.

The participants are not sent by the firms but invited by the labor union group; they are only indicated in a confidential way by the management of the company as potential candidates. The firm pays CR$ 7,000,00 for the course, plus the salary of its employee.

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Through the "União Cívica Estudantil"

a) Democratic Student Leaders' Course
Two hours a week in two teams, one on Thursdays in the evening, the other on Saturdays at 5 p.m.

b) Oratory Course
Two hours per week in two teams, one on Tuesdays at 8 p.m., the other on Sundays in the morning.

c) Physical Training and Personal Defense Course (Judo)
Bi-weekly, specifically for students. There will be a similar course for trade unionists.

d) Amateur Theater Course
For students and labor unionists, in charge of the author and producer, Sr. Milton Pelicciotta.

Through the "Instituto Superior de Cultura e Ação Social da PUC"

a) Night Course for Democratic Leaders
At the Catholic University of Rio de Janeiro, for professors and students. (The SEI contributes with documentation and funds.)

Through the "Instituto Superior de Estudos Interamericanos"

a) Basic Course for Democratic Leaders
On long-playing records, accompanied by text-books, given in different parts of Brazil by skilled monitors. So far 148 courses of this type have been completed.

b) Seminar for Social Relations Assistants to Business Managements
The objective of this seminar is to form, in a period of two weeks (12 sessions from 9 a.m. to 12:30) social-political advisers to the managements of large firms. These courses are given by university professors and various specialists of the SEI.

Upon completion of the course, the Social Relations Assistants receive systematically the SEI documentation and remain in touch among themselves to discuss problems of mutual interest.

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III - OTHER ACTIVITIES (Supply of means, orientation and documentation)

a) CLACE - Centro Latino-Americano de Coordenação Estudantil
The Latin-American Center of Student Coordination is a center of documentation on student problems.

b) UCE - União Cívica Estudantil
The Student Civic Union is an organization for the building of student leaders and the conquering of the "UNEB" (National Union of Brazilian S udents) and the "UBES" (Brazilian Union of High-School Students).

c) BIS - Bureau de Imprensa Sindical
The Trade Union Press Bureau is an organ in charge of the coordination of the Democratic Trade Union Movement.

d) RIT - Radio, Imprensa & Televisão
The Radio, Press and Television net is for the conquest of the infra-structure of vehicles and publicity agencies, and to fight communist infiltration in the newspapers.

- - - - - - - -

The following programs are being put into effect:

a) An assessorial group for the UCE and the Democratic Trade Union Movement, consisting of professors.

b) A service of assistance to students, providing them with jobs and training stages at firms, of four to five hours a day (in charge of the UCE).

c) A foundation to provide facilities for students to buy new and old didactic books at low prices (at the UCE headquarters).

d) A program to organize holiday camps for students on industrial farms in the interior.

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FORM FS-439a
6-1-60

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Page 1 of
Encl. No. 4
Desp. No. 309
From São Paulo

(Informal English Translation)
Union Leadership Courses

Under the Sponsorship of the Labor University of the São Paulo State Federation of Workers Circles

These courses are given on a boarding-school basis, lasting one week, generally from Monday to Saturday, in the São Jorge Vacation Camp near Jacarei, São Paulo.

The courses consist of classes given by leaders who are specialists in labor and union matters, interspersed with debates on the classroom topics.

Nominations by companies of candidates for these courses should be submitted in advance to Sr. Carlos Ernani, Director of Courses, or Sr. Antonio Vieira da Silva, Secretary, São Paulo State Federation of Workers Circles, Avenida Brigadeiro Luiz Antonio 545, telephone 32-7991.

Persons recommended by their companies should obtain two weeks' leave of absence with pay, and the companies are requested to contribute toward the workers' living expenses and the teachers' salaries, on the basis of seven thousand cruzeiros per person per course. The salary should be paid directly to the worker while the seven thousand cruzeiro expense fee should be paid to the São Paulo State Federation of Workers Circles at the above address.

NOTE: The principal aim of these courses is to train persons capable of participating in the union activities not only in the firm where they work, but above all, in the union activities and assemblies of their respective occupations.

Therefore, the company which participates in this program is not only making an effort to solve its own problems, but also participating in a national campaign to give Brazilian unionism a democratic orientation, independent of foreign and subversive doctrines of a Communist nature.

CURRICULUM

1st day: Social Question - Systems and Philosophies Which Try to Solve It.

2nd day: International and National Union Organizations and Movements - Organization of Professional Associations and Local Unions.

3rd day: Socio-political Subjects and Theses Which Should be Defended or Combatted.

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4th day: Aim of Democratic Unionism and the Responsibilities of Union Leaders.

5th day: Labor Meetings, Assemblies and Congresses - Communist and Democratic Tactics and Methods - Practice in Public Meetings.

6th day: Union Activities - Recruitment - Creation of Interest in Union Base Organizations - Labor Leadership and Direction.

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6-1-60

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Page 1 of
Encl. No. 5
Desp. No. 309
From Amcongen, São Paulo

SEI Social Relations Assistants Courses

SIR, FIRST SOME QUESTIONS:

- What were the consequences of the Third National Labor Union Congress?
- Which are the professional and labor organizations and movements in Brazil?
- What are the aims and the importance of the meetings in Lima of the Latin-American popular parties?
- When and where will the next Latin-American Congress of ORIT take place?
- Which is the real aim of the "Ligas Camponêsas" (Rural Leagues) directed by Deputy Francisco Julião?
- What is the meaning of the movement for the "Centrais Únicas dos Trabalhadores" (CUT)?
- How can the public opinion be conquered for the defense of free enterprise?
- Who is creating the social agitation in enterprises?
- How can the movable wages be applied?
- What does the movement for the integration of enterprises in the national community mean in the survival of the democratic system?

It is possible that you may not be able to answer these ten questions among dozens of others. However, they affect the stability and the actual existence of your enterprise more than the problems of cost, personnel or taxes do.

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THEN, A FEW CONSIDERATIONS...

In the last century, employers could afford not to be interested in social-political problems. In 1961, however, these problems have become vital to every enterprise.

They are so complex and evolute so rapidly, though, that only those specialized can follow them with due benefit.

You do not have the time, or the means, to become a specialist; neither your legal counsellor nor your personnel manager can dedicate themselves to these problems.

Don't you think, therefore, that the time has come to choose a Brazilian of your full confidence to act as Social Relations Assistant to the Management of your firm?

What will be his role?

1 - Follow day by day the evolution of the social and political problems.

2 - Inform the Management about the events that affect the firm's policies, the security, social peace and public opinion.

3 - Participate at the meetings of the Management where the direction of the firm's policies is decided upon.

4 - Cooperate with his colleagues from other enterprises in the coordination of efforts and in the discussion of social-political problems.

5 - Be constantly in touch with the "Instituto Superior de Estudos Interamericanos - ISEI" in order to obtain systematic documentation on the problems connected with his specialty.

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AND NOW, SOME PRACTICAL SUGGESTIONS:

Our long experience in the sector of social-political problems, previously exposed, which are of fundamental importance to modern enterprises, permits us to suggest the following program:

SEMINARY FOR SOCIAL-RELATIONS ASSISTANCE TO BUSINESS MANAGEMENTS.

1. Date: To start in June of 1961.

2. Place: Social headquarters of SEI - Rua Avanhandava, 224 - São Paulo.

3. Participants: 12 to 15 persons indicated by the large firms as future assistants and advisers to the Management on social-political matters. The candidate must be of above-average standing and have the complete confidence of the Management and, as far as possible, be of Brazilian nationality.

4. Teaching Staff: SEI executives and specialists invited by SEI.

5. The Seminary will last two weeks. Five days per week, six hours per day, divided into two three-hour periods. Attendance obligatory.

6. Daily Program:
   1st period: from 9 to 12 a.m.
   Presentation of program, to last from 30 to 45 minutes;
   Distribution of text books.
   Two-hour discussion.

   2nd period: from 2 to 5 p.m.
   Same program.

   One topic, in two parts, will be discussed every day.

7. Topics:

   First Week

   Monday: Integration of national and foreign private enterprises into the Brazilian community.
   Types of enterprises. Meaning of the process of integration.

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Tuesday: Position of enterprises in a world torn by an ideological war. Meaning of this war. Examples. Free men and free enterprises versus men and enterprises in a bureaucratic or totalitarian state.

Wednesday: Which are the organizations, apparatus, fronts, movements, etc. planning to overthrow the democratic system. Study of their organogram, specialization, lines of command and logistic.

Thursday: Communist tactics and methods of action in this country, and particularly in the enterprises. Examples and names of basic organizations.

Friday: Labor, professional and trade-union movements in the world and in Brazil. Denominations, organizations and methods of action. Congresses and trade-union techniques. Various movements and their short and long-range goals.

Second Week

Monday: Human Relations within the enterprise. Building-up of the right atmosphere and positive image in the firm. Technical processes, collaboration and participation of employers and employees in social activities. Factors of productivity and profit-making.

Tuesday: Public relations outside the enterprise. Building-up of a favorable image in the public opinion. Institutional presentation of the firm and its role in the community. Strife for a democratic system and against slander and demoralization campaigns.

Wednesday: Democratic ideology; principles of economic and social development; individual-family-enterprise relations. Necessity for planning. Abuses of the economic power, reality and demagogy.

Thursday: Democratic ideology; principles of enterprise-state relations. Movable equilibrium of the state and free economy interferences.

Friday: Latin-American integration, Political-social-economic interdependence of the Latin-American peoples. Political economy of Latin America in relation to the rest of the world. Solidarity

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of the Latin-American peoples.

8. The possibility is being studied of requesting a short written work from each participant at the end of the course on a chosen topic or a test of quick answers to 40 practical questions.

Prof. Wlademir Pereira
President of Sociedade de Estudos Interamericanos-SEI

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FOREIGN SERVICE DESPATCH

FROM : Amembassy RIO DE JANEIRO — 1022 DESP. NO.

TO : THE DEPARTMENT OF STATE, WASHINGTON. — June 15, 1962 DATE

REF :

For Dept. Use Only	ACTION	DEPT.
19	ARA-4	INFO Emb-1 REP-1 S/S-1 IO-2 INR-5
	REC'D 6-18	OTHER Lab-6 CIA-16 NSC-2 USIA-5

SUBJECT: CNTI Considers Possible Political General Strike

For some weeks the newspapers have been filled with articles and public discussions concerned with the weaknesses of the Administration. These have gone so far as to state that there is, in effect, no government and there have been implications and some talk of a rightest coup to remedy the situation. Partly as a result of such talk and partly in order to show their own strength, the Communist-leftist leadership of the CNTI (all members of the Board of Directors were on hand) called a meeting at the headquarters of the CNTI for the night of May 30 to discuss this problem. At that meeting, Mr. Benedito Cerqueira, First Secretary of the CNTI and member of the WFTU General Council, alerted all member organizations and workers in general to be prepared for a general strike against any "reactionary" coup. The threat was defined not only to include a military coup in the usual sense of the term, but efforts on the part of the right to force a conservative and unsatisfactory cabinet upon the country. In order to prepare the workers, Mr. Cerqueira referred to the desirability of calling meetings of union leaders throughout the country. Mr. Dante Pelacani, CNTI Vice President, is currently making a tour in the north of Brazil for exactly this purpose.

Foreign Minister Santiago Dantas was invited to attend the May 30 meeting, but was unable to do so because of a prior engagement. In order to assist him and possibly at his suggestion, a second and similar meeting was held in the headquarters of the Communist-dominated Rio de Janeiro metalworkers' union on June 5, 1962. This meeting was sponsored not only by the CNTI but by the Communist-dominated UNE (National Students Union), UME (Metropolitan Students Union--Rio de Janeiro) and UNES (National High School Students Union). At the meeting, Mr. Pelacani represented the CNTI in the absence of President Clodsmidt Riani and Mr. Cerqueira, who were attending this year's ILO Conference. Mr. Pelacani read the declaration of the CNTI approved under date of June 5 to the assembled crowd. This declaration not only referred to the danger of a coup but recalled the various crises which have occurred in Brazil since 1945, including the latest crisis of August 1961.

LABOR:JTFishburn:ss — REPORTER

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DEPARTMENT OF STATE
BUREAU OF
INTER-AMERICAN AFFAIRS
JUN 20 1962

ACTION ASSIGNED TO:	ARA	ACTION TAKEN	no action	DIRECTIONS TO RM/R	
NAME OF OFFICER & OFFICE SYMBOL	EST/B-RC	DATE OF ACTION	6-21-62		file

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FOREIGN SERVICE DESPATCH

FROM : Amembassy RIO DE JANEIRO — 1022 DESP. NO.

TO : THE DEPARTMENT OF STATE, WASHINGTON. — June 15, 1962 DATE

REF :

JUN 16 10

For Dept. Use Only	ACTION REC'D	DEPT. INFO OTHER
19	ARA-4 6-18	INR-2 REF/ S/IL-1 IO-2 INR-5 ① HRW ② ~~BNE~~ Laf-6 CIA-16 NSC-2 Main-5

SUBJECT: CNTI Considers Possible Political General Strike

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LABOR:JTFishburn:ss (REPORTER)

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DEPARTMENT OF STATE
BUREAU OF
INTER-AMERICAN AFFAIRS
JUN 20 1962

ACTION ASSIGNED TO	ACTION TAKEN	DIRECTIONS
NAME OF OFFICER & OFFICE SYMBOL: ARA/VLE EST/B-RC	DATE OF ACTION: 6-21-62	TO RM/R: no action file

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However, this time the workers are advised to be more prepared than they were last August when a general strike effort failed (though this failure is not recognized in the manifesto). The manifesto finally calls upon all urban workers, farm workers, students, intellectuals, public officials, and armed forces to unite in opposing any attempted coup.

At the June 5 meeting, Foreign Minister Santiago Dantas was present and addressed the crowd. Stating that the "success" of the Brazilian foreign policy lies in its constant contact with the "people," he restated the three basic objectives of his policy: general disarmament, strengthening the principle of "self-determination," and the expansion of commerce between Brazil and all the countries of the world.

The next step was a meeting held at the Communist-dominated union of metalworkers of São Paulo on the night of June 7, which was largely a repetition of the June 5 meeting. At this meeting the same labor objectives were repeated and the Foreign Minister also was present. The principal new development of interest at this meeting was a letter given to the Foreign Minister by an unspecified and unknown number of signers which: (1) supports his foreign policy, (2) stresses the signers' support for "the heroic and courageous Cuban people," and finally, (3) calls upon Minister Dantas to represent the signers in the existing administration as their representative--"We appeal to your Excellency to become our spokesman before the President of the Republic, at this moment when the cabinet must be changed."

To what degree the CNTI leaders felt real concern with the alleged threat or to what degree they simply wished to take advantage of the opportunity to state their opinion and flex their muscles is unclear. However, word coming directly from the CNTI leaders and indirectly from reliable government officials indicates that there is some real concern on their part with a "rightest" coup.

On the other hand, the CNTI leadership was changed by President Goulart (see despatch 526 of December 15, 1961) largely in order that the Confederation could be used on his behalf if necessary, and it is entirely possible that the leaders have utilized the opportunity to publicly demonstrate their loyalty to him, quite apart from any real concern.

Finally, the Communists within the CNTI have, upon various occasions, stated that, in effect, they now control the government and they may have pushed the discussed activities in order to demonstrate their strength. While their view is an obvious exaggeration, the CNTI might, if the Administration and Armed Forces were divided and indecisive, under certain circumstances, be able to wield considerable power through its ability or threat to hold a general strike.

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The phraseology and terms of the activities mentioned above appear to give strongest support to President Goulart and to Foreign Minister Dantas. Both terminology and content are entirely consistent with the previous expressions by and on behalf of both men. However, the terminology could also be used to support Janio Quadros, if need be.

Mr. Santiago Dantas seems to be expressing his efforts of the past several years to develop himself as the logical successor to Mr. Goulart as the next PTB (Brazilian Labor Party) leader of the masses and, hopefully, as the forthcoming PTB candidate for the Presidency, with a possible interim stop in the Prime Ministership.

For the Ambassador:

John T. Fishburn

John T. Fishburn
Labor Attaché

Authorized by:

Niles Bond
Deputy Chief of Mission

DISTRIBUTION: POL I, POL II, Brasilia, All Consulates in Brazil, Mr. Liebof, Labor, CF (25)

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Control: 12273
Rec'd: June 15, 1962
9:36 P.M.

FROM: Rio de Janeiro

TO: Secretary of State

NO: 2958, June 15, 8 P.M.

EST/B file
EST/B Rec'd
6-20-62

ACTION DEPARTMENT 2958, INFORMATION SAO PAULO UNNUMBERED

Partial CNTI Directorate under direction Pelacani issued manifesto June 14 threatening 24 hour general strike if Congress rejects Prime Minister proposed by President Goulart if name suggested does not satisy "people". General strike of indefinite duration threatened until new "legitimately nationalist and democratic" Council of Ministers formed. Manifesto, alleging shortages of commodities are prelude to coup which would establish dictatorship, calls for several objectives including "rejection of financial policies of International Monetary Fund", limitation of profits remission and maintaining "independent" foreign policy. Manifesto signed by leaders of CNTI, CONTEC, Maritime, River and Air Transport Workers Confederation (whose president has been leaning toward communists lately) and other communist-dominated federations such as stevedores, port workers, railway and national air transport unions.

Neither CNTI nor signers could establish effective general strike if Goulart opposed. May be effort, approved by Goulart, strengthen his nomination for Prime Minister, possibly Dantas.

Despatch follows.

GORDON

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Control: 12838
Rec'd: June 17, 1962
3:22 P.M.

FROM: Recife

TO: Secretary of State

NO: 414, June 17, Noon

Recife 414
EST/B files
EST/B rec'd
6-18-62

ACTION RIO DE JANEIRO NIACT 349 INFORMATION DEPARTMENT 414

In conversation with Kissinger Governor Sampaio andar* reported stiffened attitude on part of PTB in favor Senator Barros Carvalho for Governor in exchange support Federal Government. Alternatively, PTB would throw support to Arraes. All other twelve names on Governor Sampaio's list rejected. Covernor made counter with proposal of Jose Ermirio Morais. Covernor and aides meeting this evening attempt reach decision, although Sampaio stated still too soon to determine final result.

Sampaio also reported candidacy Sam Thiago Dantes for Prime Minister appeared strongly supported by President. Antonio Balbino also mentioned but refused since he wishes run for Federal Deputy but would support Dantes. Sampaio expressed opinion Congress should allow President freedom to name his own Cabinet since this would entail full responsibility, while Congress would retain control in any event through power of vote of confidence. Believes this would inevitably force President to lean to right in order guarantee support of Center and Right forces in Congress. Also believe Dantes would choose move away from Left as matter of intelligent practical politics and since Dantes not Leftist by conviction.

Secretary of State also told us President planned remove Furtado as Director of Sudene. Other source confirmed this, indicating a military figure is being considered, possibly former head of Petrobras. Timing expected coincide with change of Cabinet.

DELGADO ARIAS

* As received.

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INCOMING TELEGRAM *Department of State*

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Control: 13640
Rec'd: June 18, 1962
7:47 p.m.

FROM: Rio de Janeiro

TO: Secretary of State

NO: 2977, June 18, 7 pm.

EST/B - file
6-26-62 RC

Reference: EMBTEL 2958.

Sunday JORNAL DO BRASIL carried two-page add by CNTI threatening general strike and listing all CNTI member unions as supporting. News item, same paper, quotes leaders commie labor unions as saying labor will strike support Dantas or whomever Goulart names, if nomination refused.

Democratic labor leaders Rio preparing public manifesto disagreeing with CNTI call for general strike. They worried, feel strike preparations designed force opposition leaders into overt action which would then be utilized to "liquidate" them politically. Nomination Dantas thought keystone. If Dantas nomination approved, which they think possible, victory for opponents still easier, since they forecast loss of government to pro-communists through infiltration. Action being coordinated with similar action by Democratic labor forces Sao Paulo.

GORDON

dhp

893.00/6-1862

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DEPARTMENT OF STATE

AIRGRAM

(Departmental and Foreign Service)

A-10, NO.

CONFIDENTIAL

General

TO : American Consulate, RECIFE, BRAZIL

RECIFE A-10

JUN 22 9 28 AM '62

FROM : Department of State DATE:

SUBJECT : Organization of Farmers and Rural Workers in Northeast

REF : Rio despatch 948, May 25, entitled "The First Congress of Farmers and Rural Workers of North and Northeast Brazil, Held at Itabuna, Bahia, May 13-16, 1962."

We would appreciate comment on significance of Congress and possible influence and viability of National Confederation of rural labor unions. Has Consulate General contact with new organization? Do you recommend U.S. trade unions support and if so in what ways?

BALL (ACting)

832.062/6-2262

XR 832.20

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FORM DS-323 11-61

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☐ In ☒ Out

Drafted by: ARA:EST:HRWellman:ed 6/6/62

Contents and Classification Approved by: ARA - Mr. [redacted] May

Clearances: APA

REA - Mr. Hammond

EST/B - Mr. Crane

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INCOMING TELEGRAM *Department of State* **PERMANENT RECORD COPY**

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Control: 17728
Rec'd: June 22, 1962
7:10 p.m.

FROM: Rio de Janeiro

TO: Secretary of State

NO: 3012, June 22, 6 p.m.

PRIORITY

Following from Brasilia

1. PSD made public note which in essence while declaring support Goulart "admiration" for merits Dantas, insists on ability PSD backed by majority Congress "form government with firm and irreversible commitment carry out energetic and decisive program meet grave problems country faces." UDN also released note operative portion which says party bench majority "did not pronounce favorably with respect to name Professor Santiago Dantas for post Prime Minister."

2. Aside from Commie and crypto-Commie press, only ULTIMA HORA and JORNAL DO BRAZIL now insisting on Dantas nomination. Bulk press playing developments straight reporting accurately unfavorable reaction Dantas indication. Two dailies mentioned pulling all stops support Dantas claiming despite turning down party leadership Dantas found sufficient support parties rank and file inform President can form cabinet. Both dailies playing turndown as evidence dominance reactionary status quo elements over liberal reform group capable saving country from chaos which could put Goulart in position analagous to that which led Vargas suicide and Quadros resignation.

3. Soz hints that bank employees and other Commie dominated unions will strike and students agitate if Dantas turned down.

4. ULTIMA HORA insists Goulart has agreed submit Dantas name Congress and POL commentator sees advantages therefrom (A)

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AIR PRIORITY
HANDLING INDICATOR

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832.062/6-2262

FOREIGN SERVICE DESPATCH

FROM : Amcongen SAO PAULO — 318 NO.

TO : THE DEPARTMENT OF STATE, WASHINGTON. — June 22, 1962 DATE

REF :

JUN 27 1962

20 For Dept. Use Only	ACTION	ARA-4	INFO DEPT	RM/R 2	REP 1	AF	ARA	EUR	3/14	NEA	CU	INR 5	E 3	P 1	IO 2	L 11
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		REC'D 6-30-62	OTHER	AIR	ARMY	CIA 10	NAVY	OSD	OCB	USIA 8	NSA 3					

SUBJECT: Communist-led Cubatão Chemical Workers Win Strike Against American-owned Petrochemical Companies.

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DEPARTMENT OF STATE ... RECEIVED ... 1962

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1. Summary

Communist-led Cubatão Chemical workers struck against four American-owned petrochemical companies for wages and working conditions approximating those granted by the adjacent government-owned Petrobras refinery, despite the existence of a valid contract. The striking union also asked for expropriation of the companies. After several unsuccessful attempts at conciliation by State and Federal authorities and a labor court decision favoring the companies, the Communists called a successful general strike which effectively paralyzed Santos and resulted in a settlement including virtually all the workers' demands. The authorities were reluctant to risk losing electoral support by acting against the strikers. While fresh labor trouble is not likely before November, the long-term prospects are for the Communists to provoke further strikes in their attempt to force eventual expropriation. (END LIMITED OFFICIAL USE)

JLiebof/llw
REPORTER

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FORM 6-61 FS-439

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ACTION ASSIGNED TO	ACTION TAKEN	
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U.S. GOVERNMENT PRINTING OFFICE: 1961 O - 612210(17)

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2. Background

The four petrochemical companies in Cubatão are Union Carbide do Brasil S.A. (subsidiary of Union Carbide and Carbon Corp.), Alba S.A. (subsidiary of Borden International), Companhia Petroquímica Brasileira - COPEBRAS (controlled by Columbian Carbon Co. and Celanese Corp. of America) and Companhia Brasileira de Estireno (half-interest held by Koppers Company Inc.). These companies exist side-by-side with the Cubatão Government-owned Petrobras refinery, which pays wages far above Brazilian norms, with shorter hours and many fringe benefits rarely if ever encountered elsewhere in Brazilian industry. While the pay scales of the petrochemical companies are above the Brazilian average and the legal minimum, they are substantially lower than those of Petrobras. Approximately one thousand workers are employed by the four Cubatão petrochemical companies, and are represented by the Cubatão Local Union of Chemical Workers. The four companies usually negotiate as a single group with the union.

The last wage agreement covering the petrochemical workers was signed on October 24, 1961, provided for a forty percent wage increase, and was to expire October 31, 1962. However, in November 1961, the Chemical Workers Union made new demands for higher wages, shorter hours and fringe benefits matching those granted by Petrobras. Upon the companies' rejection of these demands, the dispute reached the São Paulo Regional Labor Tribunal. On April 11, 1962 the Tribunal rejected the union's demands on the basis that a valid wage contract was still in existence. Notwithstanding this decision, the companies granted a ten percent spontaneous wage increase effective April 1, 1962. The Chemical Workers Union continued to press its demands which included the following: (1) a thirty-five percent general wage increase; (2) six-hour shifts (instead of eight hours) for plant personnel; (3) thirty percent hazard pay differential for all petrochemical employees, including other staff in Cubatão (instead of existing limitation of differential to plant personnel engaged in dangerous operations), with retroactive pay for certain employees; (4) forty percent unhealthy pay differential for all employees of COPEBRAS (whose carbon black operation was allegedly injurious to health and caused lung diseases); (5) Saturdays off with pay for maintenance and administrative employees; (6) double pay for Sundays and holidays worked by plant operating personnel; and (7) certain changes in job classifications. The union also demanded expropriation of the petrochemical companies by the Brazilian Federal Government. On April 25 the union called a strike against three of the four petrochemical companies (Union Carbide do Brasil was not struck at this time).



3. Cubatão Strike Chronology

During the first days of the strike sporadical violence occurred in Cubatão. The local police used tear gas against the pickets, and arrested some of the striking workers. However, those arrested were soon released. Two of the three companies affected at this stage maintained some plant operations with skeleton crews.

Several unsuccessful attempts at conciliating the union and the companies were made by Governor Carvalho Pinto, São Paulo Regional Labor Delegate Dr. Mario Romeu de Lucca, and the São Paulo Regional Labor Tribunal. After lengthy negotiations Governor Carvalho Pinto obtained the agreement by company representatives and union leaders during the night of May 3 to a compromise proposal. According to this proposal the companies would grant the following union demands mentioned above: (1) thirty-five percent salary increase to be effective May 1, 1962; (5) Saturdays off with pay for maintenance and administrative employees to take effect within sixty days; and (6) double pay for Sundays and holidays. Demands (2), (3) and (4) concerning six-hour shifts, hazard pay and unhealthy pay differentials would be re-examined by a committee of workers and company representatives on January 1, 1963. Also, the striking workers would not be punished and would receive pay for time lost on strike, fifty percent of which was to be charged against holidays.

This above compromise proposal, however, was rejected at a union assembly in Cubatão on May 4. At this point the strike was extended to Union Carbide do Brasil plant, and the Santos City Labor Council (Forum Sindical de Debates) threatened to call a general strike of all Santos unions in support of the chemical workers.

The São Paulo Regional Labor Court decided to re-open the case and on May 7 by a 4 to 3 margin once more rejected the union's demands on the ground that a valid wage contract existed. In effect, the strike was thus declared illegal. The Santos City Labor Council, without giving the individual Santos unions a chance to hold assemblies to vote on the issue, then called a 24-hour general strike effective 12:01 AM on May 8.

4. Santos General Strike

The general strike completely paralyzed Santos. Port facilities, banks, stores, government offices and schools closed. In addition, trolleys, buses, taxis and railroads were halted. Public transportation from Santos to São Paulo was likewise interrupted. Santos local authorities made a radio appeal to the general public to remain at home and not send their children to school. The Mayor of Santos closed the municipal offices. The Santos area military commander was reported out of town and almost no police or soldiers were in evidence on Santos streets. While there were scattered

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incidents between strikers and the general public, there was relativey little violence. Federal, state and municipal authorities made no attempt to take action against the strikers. Both the Santos general strike and the Cubatão chemical workers strike ended mid night May 8 after the companies and the union accepted Governor Carvalho Pinto's new conciliatory proposal. Santos returned to normal on the morning of May 9, with the City Labor Council leaders holding a jubilant victory parade.

5. Final Settlement

The terms of the final settlement were as follows: (1) twenty-five percent salary increase effective May 1, 1962; (2) six-hour shifts, without a paid lunch hour, to be put into effect within 180 days; (3) extension of the thirty percent hazard pay differential to new categories of workers in Alba S.A., Union Carbide do Brasil and Cia. Brasileira de Estireno; (4) twenty percent unhealthy pay differential for workers in Copebras' carbon black operation; (5) Saturdays off with pay for maintenance and administrative employees to start within sixty days; (6) double pay for Sundays and holidays.

In addition, strikers would not be punished and would receive full pay for time lost on strike, one half being charged to holidays. It should be noted that the union demand encountering the greatest company opposition was that involving six-hour shifts. While the Governor's original conciliatory proposal of May 3, mentioned above, provided that the question of shift time reduction would be re-examined at a later date, the final settlement specifically provided for the installation of six-hour shifts within six months.

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6. Analysis

The Cubatão strike and the Santos general strike were planned and executed by the Communists. Claudio José RIBEIRO, President of the Cubatao Local Union of Chemical Workers, and Geraldo SILVINO de OLIVEIRA, President of the Cubatão Petrobras Refinery Workers Union and President of the Santos City Labor Council, are Communists. Both unions mentioned, as well as the Santos Labor Council and the majority of the unions involved in Santos port activities, are Communist-dominated. Silvino de Oliveira is regarded as the leading Communist labor leader in the Santos-Cubatão area, with ready access to President Goulart (as in the case of many Communist union leaders). Prior to the Cubatão strike, he was reportedly criticized by the Communist Party for lack of initiative, and apparently masterminded the chemical workers' strike to make up for lost time. The Consulate General considers that the Communist union leaders' plan was and is to exploit an almost inevitable wage discrepancy to force the Brazilian federal government to expropriate the petrochemical companies.

The situation was further complicated by the obvious reluctance of the federal and State authorities to risk alienating worker support in an election year by enforcing the Regional Labor Tribunal's decisions and taking energetic measures against the strikers.

An important factor in the success of the Communist-led Santos general strike was the support of the non-Communist Santos union leaders. A considerable number of these leaders apparently considered the chemical workers' demands as justified; others adopted a passive attitude and went along with the general strike for lack of any alternative. The Communist leadership of the Santos City Labor Council did not consult the majority of the non-Communist unions, or allow time for these unions to hold assemblies to vote on the general strike call.

From the petrochemical companies' viewpoint, one of the most disturbing aspects of the strike was the authorities' inaction in the face of Silvino de Oliveira's thinly-veiled threats of possible physical violence against American executives' families by "uncontrollable elements" among the strikers unless the union's demands were met. These threats were reportedly made at a meeting of union leaders and company executives in the presence of Governor Carvalho Pinto and other State and federal officials. Dr. Paulo MARZAGÃO, São Paulo State Secretary of Labor, Industry and Commerce, confidentially told the Labor Officer that he did not believe that Silvino de Oliveira meant these threats seriously but was merely trying to apply further pressure on the

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companies. Dr. Marzagão said that in his opinion the threats did not warrant the interruption of the negotiations which at that point showed some promise of reaching a settlement, and that therefore he did not take any action.

On balance the Communist union leaders in Santos and Cubatão appear to have won an important victory which enhanced their prestige considerably.

7. Outlook

Several petrochemical company executives have expressed to the Consulate General their fears that the Communist-led chemical workers union will create further labor disturbances in the near future to attain their real objective of forcing expropriation of the companies. Some executives believe the union will try to take further advantage of the abnormal political climate existing prior to the October elections which tends to make the Federal and State Administration leaders appease labor rather than risk loss of electoral strength. However, the Consulate General considers unlikely the possibility of additional labor unrest until the expiration of the present wage contract on October 31, 1962, provided the companies comply with the terms of the May 8 settlement. This assessment is based on the temptation for the chemical worker leaders to rest on their laurels at least temporarily, and on their probable reluctance to create a sharply adverse public opinion and bring about governmental retaliation by going too far too fast.

Beyond November 1, 1962, to the extent that the petrochemical companies increase wages and fringe benefits to keep pace with increases almost certain to be granted by Petrobras, they will be in a better position to resist nationalization pressures. However, while Petrobras wage scales, working conditions, and fringe benefits are largely dictated by political considerations, the petrochemical companies' wage scales, etc. must be responsive to economic factors. Thus it is conceivable that a point may be reached where the companies might prefer expropriation under reasonable conditions of reimbursement to operation at a loss caused by skyrocketing labor costs. Nationalization of the petrochemical companies would seem an ominous precedent for private enterprise in Brazil.

Now that the Communist union leaders in the Santos area have felt their oats, it remains to be seen whether they will further test their strength by calling general strikes over political rather than economic issues. The Consulate General believes that the non-Communist union leaders and the workers in general are normally not inclined to support openly political strikes to the same extent as economic ones. The Communists are more apt to continue their heretofore successful policy of masking basic political issues (such as nationalization of industrial sectors) by economic demands (such as virtually impossible wage parity with privileged industries or operations). Future

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reactions by the State and, to a lesser extent, Federal governments, will be influenced by the October election results.

In any event the Communists are likely to continue playing a very significant, if not controlling, role on the labor scene of Santos, proportionately the most heavily unionized city in Brazil. The Consulate General would like to see far more attention given Santos by democratic labor organizations such as ORIT and the International Trade Secretariats than has been the case in the past.

Daniel M. Braddock
Minister Consul General

Enclosures: Att'l w. m.
1. Memo of Conversation between petrochemical company executives and Ambassador Gordon
2. Informal English Translation of Memorandum Presented by Company executives to the Ambassador
3. Memo of Conversation between Company Executive and Labor Officer

Copies to: Amembassy Rio 2 (1 for Mr. Fishburn), Amembassy Brasilia, Amcon Santos

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FORM FS-439a
6-1-60

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Page 1 of
Encl. No. 1
Desp. No. 318
From São Paulo

MEMORANDUM OF CONVERSATION

Date: May 7, 1962

Subject: Strike at Cubatão Petrochemical Companies

Place: American Consulate General, São Paulo

Participants: Mr. T. C. Doggett, Director-Superintendent of Alba S.A.
Mr. J. H. Jones, Director, Union Carbide do Brasil S.A.
Ambassador Lincoln Gordon
Minister Daniel M. Braddock, American Consulate General, São Paulo
Consul Scott C. Lyon, Economic Officer, American Consulate General, São Paulo
Jack Liebof, Labor Officer, American Consulate General, São Paulo

Copies To: Ambassador Gordon
John T. Fishburn, Labor Attaché, American Embassy, Rio de Janeiro

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Messrs. Doggett and Jones presented the company side of the labor dispute involving the Cubatão chemical workers. Their principal argument was that a contract is a contract, and that a union victory in this dispute would open the door to further breaches of contract and other abuses by the union. They delivered to the Ambassador a memo drafted by the companies' legal counsel the same morning (see enclosure No. 2) outlining the companies' position. The two company executives did not appear to agree with the request to the Ambassador made in Item 7 of that memorandum. The Ambassador noted that it would be nice if a contract were a contract everywhere. He added that the companies' geographic proximity to the Petrobras refinery in Cubatão did not make their predicament any easier.

In reply to a question by Mr. Liebof, the company executives confirmed that Petrobras already grants its workers all the wage differentials, fringe benefits, and working conditions demanded by the unions from the petrochemical companies, with the exception of the six hour shift which Petrobras will institute in the near future. The executives gave several concrete examples of the great disparity between wages paid by Petrobras and by the vast majority of private companies in Brazil.

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Mr. Doggett said that his company was losing a great deal of money every day of the strike and could not hold out much longer. In response to a question by Mr. Lyon, Mr. Doggett stated that meeting of the union's demands would increase his company's wage cost by 55 percent. This would require the company to raise its selling prices by approximately 17 percent to cover the increased cost.

According to the company executives, Governor Carvalho Pinto told the companies he could not do anything for them in view of the proximity of the October elections. The executives claim that after the union assembly had rejected Carvalho Pinto's conciliatory proposal previously accepted by the companies, the Governor washed his hands of the matter.

Messrs. Doggett and Jones were especially disturbed by what they described as threats of physical violence by strikers against the families of American executives if the union's demands were not met. The executives said that these threats were made by Geraldo Silvino de Oliveira, Communist President of the Santos City Labor Council, in the presence of government labor officials during negotiations with company representatives. The only specific request made by the company executives of the Ambassador was that he ask the Federal Government to provide police protection to U.S. citizens and property should circumstances require. The Ambassador replied that he considered this request justified and that he was prepared to take up the matter with Brazilian federal authorities if American lives and property were endangered. The executives expressed their appreciation for the Ambassador's support, and said that they would inform him should any such danger arise.

The company executives indicated their agreement with Mr. Lieboff's view that the long-term objective of the Communist union leaders behind the strike was to force Federal Government expropriation of the petrochemical companies.

JLieboff/lfw

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Informal English Translation

Memorandum Presented by Company Executives

1. On October 24, 1961 Union Carbide do Brasil S.A., Cia. Brasileira de Estireno, Cia. Petroquímica Brasileira S.A., and Alba S.A., signed a collective labor contract with the Chemical and Pharmaceutical Workers Union of Cubatão stipulating new working conditions, valid until October 30, 1962.

2. However, 30 days afterwards the union presented new demands, using pressure against the companies by threatening to go on strike.

3. The São Paulo Labor Court was asked to hear the case and decide on the validity of the workers' new demands. The Court decided against the union for lack of any legal basis for its demands.

4. A few days after this decision was reached, the union called a strike which has lasted until the present. From the legal point of view authorities would be expected to suppress the picketing, as the Labor Court found no grounds for the new demands at this time. However, for political reasons, they adopted on the contrary a temporizing attitude, limiting their action to a most discreet policing which did not at all impede the pickets. Even the newspapers reported that the tendency of the State Government was not to intervene in the strike, because of the unfavorable political repercussions that might result from such intervention. In view of the State Government's timidity, the strike gained impetus and reached its climax with the threat of a general work stoppage in the Santos area and in a vast sector of industry in the city of São Paulo, to start at zero hour, May 8, 1962, with the launching of a campaign to pressure the Government into decreeing the expropriation of the companies.

5. Faced with a political and economical situation of such serious consequences, the Federal and State Authorities tried in innumerable ways to persuade the companies to make concessions to the strikers. According to the press, the State Government in order to please the strikers even offered them free tickets to Rio de Janeiro to discuss with the Federal authorities the expropriation of the companies. At the same time, these authorities sought some way of avoiding the general strike called for May 8th, if the companies did not comply with the workers' demands. The authorities had the idea of having the Minister of Labor issue a decree declaring the existence of hazardous conditions in the case of all the workers in the companies mentioned, thus extending to these workers the same

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benefits enjoyed by the Petrobras workers by virtue of an agreement reached previously with the corresponding union and assuring them the right to work six-hour shifts. The idea was that this decree should be ratified by the President of the São Paulo Regional Labor Court, so as to make its legality less questionable.

This suggestion was presented to the President of the São Paulo Regional Labor Court, Dr. Decio de Toledo Leite, by Sr. Gilberto Crockatt de Sa, known as President Goulart's advisor for labor matters, but the President of the Labor Court expressed the point of view that the plan was unfeasible given its manifest illegality. In this situation the idea that the Court hear the case anew was then suggested.

In normal conditions this possibility would never have been considered, since the Tribunal on April 11, 1962, already had rejected the workers' demands. The President of the Regional Labor Court, however, agreed to the suggestion that a new hearing be called, and asked the Labor Procurator, Dr. Luiz Roberto de Rezende Puech, to open the hearing. This attitude adopted by the President of the Regional Labor Court clearly reveals his expectation that the Court will reach a decision favoring the strikers. Everything indicates moreover that this will be the Court's tendency, since it is the only way to avoid the general strike called for May 8. A decision in favor of the companies would not change at all the situation already in existence for the past twelve days.

To avoid having the members of the Court hear the case with the foregoing tendency in mind, the Federal Government must give them assurance that, if the previous decision reached on April 11 were maintained, it would be supported by energetic action of the police and eventually the army.

b. We believe that this assurance will only reach the members of the Court after the authorities realize the seriousness of the problem, especially the fact that the American companies involved are more or less unprotected against the illegal action of the strikers. If guarantees are not given that judicial decisions in favor of these companies will be enforced, other foreign enterprises planning to invest capital in Brazil will have ample reason to give up their plans. Such a possibility is frankly contrary to the desired economic cooperation between the American and Brazilian governments, recently emphasized on the occasion of the President of the Republic's visit to the United States.

c. These reasons make important an understanding between the American Ambassador and the Prime Minister in order that the latter might make

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known to the Labor Tribunal his willingness to enforce any decision which might be handed down, whether it be favorable or unfavorable to the companies.

JLeboif/vsgs/lfw



FORM FS-439 6-1-60

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MEMORANDUM OF CONVERSATION

Date: May 25, 1962

Subject: Strike at Cubatão Petrochemical Companies

Place: São Paulo Office of Companhia Brasileira Estireno

Participants: Dr. Ernani Azevedo Silva, President of Companhia Brasileira de Estireno
Jack Liebof, Labor Officer, American Consulate General, São Paulo

Copies To: Ambassador Gordon
John T. Ashburn, Labor Attaché, American Embassy, Rio de Janeiro

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Dr. Silva gave the impression of being an intelligent, well-educated, and competent Brazilian business executive. He spoke quite freely, and answered at length the Labor Officer's questions. While he vigorously defended the petrochemical companies' position in the Cubatão strike, he did not seem to have a completely negative attitude toward unions in general. He mentioned that his company had been completely shut down from the very beginning of the strike and that his was probably the smallest of the four companies, employing approximately 150 workers. He said that his company was the only one of the four which did not have an American controlling interest. According to Dr. Silva, the Koppers Company holds a fifty percent interest and a Brazilian group the other fifty percent.

Foreign-owned petrochemical industries in most of Latin America were generally in difficulties because of forced competition in wages with government oil monopolies, in Dr. Silva's opinion. He said he had differed from American executives of the other three petrochemical companies in Cubatão regarding tactics in the recent labor dispute. He had urged the other companies to accept the union terms before the case was decided a second time by the Regional Labor Tribunal on May 4. He described these terms as practically identical with those the companies were finally forced to accept. Dr. Silva said that while the American executives were afraid that the Tribunal's decision would be against the companies because of pressure from the Brazilian Government, he knew that the court decision would be favorable to the companies, but that it would be meaningless, since political considerations stemming from the forthcoming elections would prevent the government from enforcing the decision. He added that the Mayor of Cubatão was favorably disposed to helping the companies but was powerless.

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0406

It was Dr. Silva's belief that the American-owned petrochemical companies committed a serious blunder in giving the Communists an opportunity to stage a successful general strike in Santos. According to him, this success bodes ill for the future since the Communists are now aware of how much power they hold. Dr. Silva discounted the seriousness of Communist strike leaders' threats of possible violence against American executives' families. He said that he was not present at the negotiations where the threats were made. He thought that labor agitation in Cubatão will continue until eventual expropriation of the petrochemical companies by the Brazilian Federal Government. He considered the most dangerous period to be from now until the elections in October, 1962. He accused the Brazilian Federal Government and some Brazilian industrialists of actively supporting the Communists.

Dr. Silva thought that the local American executives of petrochemical companies were not "sensitive" to the Brazilian political scene and were out of touch with the local situation. This resulted in their giving bad advice to their U. S. parent companies. Dr. Silva said that most of his American colleagues in the petrochemical companies thought they were back in the U.S. and were unable to adjust to the very different Brazilian environment.

While Dr. Silva described himself as a nationalist in the same sense that all normal persons were nationalists of their respective countries, he said that he recognized the great desirability of foreign capital investment in filling the widening gap between production and consumption in Brazil. He believed that some form of profit remittance legislation was inevitable in the near future. However, he thought that the final version would be less restrictive than the bill passed by the Chamber of Deputies. In any event, he added, the seed was planted and would bear fruit: remittance of profits would be subjected to some degree of control. He closed the discussion by stressing that American capital in Brazil should realize that the future lies in association with Brazilian capital, such as the arrangement existing between Koppers Company and Brazilian interests which share equally in the control of his company. He claimed that this arrangement had never resulted in any difficulty between the Brazilian and American interests.

Liebolt/lfw

GPO 902667

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INCOMING TELEGRAM *Department of State*

43-M

SECRET

Action

Control: 19294
Rec'd: June 25, 1962
7:35 p.m.

RIO 3022

ARA
Info

FROM: Rio de Janeiro

SS
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INR

TO: Secretary of State

NO: 3022, June 25, 6 p.m.

PRIORITY

ACTION DEPARTMENT 3022, INFORMATION BRASILIA PRIORITY 54.

RMR

LIMIT DISTRIBUTION

FINMIN Moreira Salles lunched with me today before departing Rio for "last supper" of present cabinet in Brasilia today. He expects Dantas defeat by Chamber, with maximum 120 votes out of 164 needed. Many deputies will be tempted to remain away, but anti-Dantas ones are being strenuously urged to attend and vote against in order avoid discrediting Congress. Goulart persistence in pressing Dantas attributed by Moreira Salles not too subtle plot to ditch Dantas but rather to Svengali Trilby or Cyrano de Bergerac relationship of intellectual dominance, Dantas presenting move as means for strengthening PTB and possibly Goulart's relative power.

Moreira Salles sees three possible Goulart reactions to Dantas defeat. He may simply proceed to nominate acceptable moderate candidates, such as Moura Andrade, Carvalho Pinto, Antonio Balbino, or (less likely) Oliveira Brito. He may throw down gauntlet to Congress making two other unacceptable nominations and then letting Senate name premier, who probably Moura Andrade.

Moreira Salles also sees substantial chance Goulart might wash hands and resign. This is new and surprising notion to me. Moreira Salles says that in private conversations Goulart has repeatedly mentioned this possibility only to reject it,

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Date

732.13/6-2562 (53) 732.00/6-2562 732.00

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Control: 15122
Rec'd: June 20, 1962 11:12 a.m.

FROM: Sao Paulo

TO: Secretary of State

NO: 643, June 29, 11 a.m.

ACTION DEPARTMENT 643, INFORMATION RIO DE JANEIRO 171

Re DEPTEL 354.

CONGEN concurs Embassy Rio telegram 2957 June 15 to Department.

BRADDOCK

DT

SAO PAULO 643

FILED
OCT 15 1962

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(#3) Dept informed 7-2

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RM/R

Rio - 3084

43
Action
SAL ARA informed

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Control: 24287
Rec'd: June 30, 1962
5:08 p.m.

FROM: Rio de Janeiro

TO: Secretary of State

NO: 3084, June 30, 2 p.m.

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ACTION DEPARTMENT 3084, INFORMATION BERLIN I

Campista and Riani informed Embassy CNTI delegation to ICFTU Congress, apart from Riani as member Executive Committee, Pelacani Vice-President and Cerqueira First Secretary and member WFTU General Council, both named by CNTI Directorate, to be composed as follows: Luis Tenorio da Lima, President Federation Food Worders Sao Paulo and clear Communist and Bruno Segala, metal worker and regarded as leading Communist Rio Grande do Sul, both nominated by Communist wing CNTI; Ary Campista, President Federation Inter-State Chemical Workers and Joao Wagner, President Industrial Workers Federation of Parana, both Democrats nominated by Democratic wing CNTI.

Mario Lopez du Oliveira, President Confederation Land Transport Workers will also have proxy vote Confederation Commercial Workers.

Riani and majority CNTI slate expected present Confederation as without effective Communist influence. Campista plans openly refute, citing (1) clear Communist-non-Communist division last election with Communist victory, (2) Communist affilitations Tenoria and Segala, (3) Cerqueira relations WFTU, (4) influence Roberta Morena ex-Communist Deputy and leading Communist labor leader Brazil in recent Brasilia CNTI demonstrations favor Santiage Dantas, (5) Morena and Pelacani attendance Santiago, Chile meeting form Communist dominated Latin American Confederation Workers replace CTAL, (6) Communist dominated May Day celebration sponsored by CNTI and (7) above mentioned

800.062 - ICFTU/6-306.2
833.062
733.00

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NAME OF OFFICER & OFFICE SYMBOL: Hammond ARA/R	DATE OF ACTION: 7/2/62	

(Ronald informed of substance)



(45)

OUTGOING TELEGRAM Department of State

INDICATE: ☐ COLLECT
☐ CHARGE TO

CONFIDENTIAL
Classification

01159

JUL 3 6 04 PM '62

Origin

ACTION: Amembassy BERLIN 12

Info

INFO: Amembassy RIO DE JANEIRO 19

requested ?

Please provide report ~~xxxxxx~~/Embassy Rio's 1 direct Rio with info copy Department. Department will supplement with later reactions on return to US of AFL/CIO delegates. Re. Brazilian delegates to ICFTU conference.

END

RUSK

(4)

Drafted by: ARA:RPA:HSH...:cr:b:ch 7/3/62

Telegraphic transmission and classification approved by: RPA - Ward P. Allen

Clearances: EST - Mr. W... Labor Dept.-Mr. ...zan (in substance)

CONFIDENTIAL
Classification

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FORM S 61 DS-322

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800.062 - ICFTU/6-3062

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DEPARTMENT OF STATE

AIRGRAM

832.062/7-262
XR 832.413
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A-1 NO. | UNCLASSIFIED | HANDLING INDICATOR

1962 JUL 17 AM 8:39

TO : Department of State

INFO: RIO DE JANEIRO, BRASILIA

FROM : Amconsul RECIFE DATE: July 2, 1962

SUBJECT : Catholic Rural Workers Syndicate in Catolé da Rocha, Paraiba,

REF :

file JUL 7/31/62

In response to a telegraphic invitation to the Consul General to visit Catolé da Rocha and the Syndicate of Rural Workers there, and at his request, USAID technicians J. MAHER and R. HAYNES stopped at Catolé da Rocha during a swing through the Northeast. Their report to the Consul General is enclosed as of possible interest to the Department.

In founding the syndicate, claimed to be the only one in the State of Paraiba, Friar MARCELINO has followed a pattern set by other members of the clergy in the Northeast who are working with peasant groups. He has made available to the members medical and dental care and legal assistance, and has set up a food cooperative. Benefits of this type are probably more immediately appealing than vague promises of land through agrarian reform, and are bound to attract a large number of peasants into the fold.

Eugene Delgado-Arias

E. Eugene Delgado-Arias
American Consul General

Enclosure: ltr w. m.

Report of Visit to Catolé da Rocha, Paraiba, Brazil

FORM DS-323 4-62 | UNCLASSIFIED | FOR DEPT. USE ONLY [X] In [ ] Out

Drafted by: POL:LGarriday | Contents and Classification Approved by:

Clearances:



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REPORT OF VISIT TO CATOLÉ DO ROCHA, PARAIBA, BRAZIL

As you know, Friar Marcelino, a Capuchin monk, has formed a syndicate of 1800 rural workers in the town of Catolé do Rocha, state of Paraiba, in northeastern Brazil. Last week you received an invitation by telegram to visit the aforementioned town and asked us to visit the town, if possible, during our trip through the Northeast. Friar Marcelino was extremely pleased to see such prompt action on his request.

Upon arrival we were driven to a school built by Friar Marcelino and escorted throughout the town by him. The syndicate of rural workers (Sindicato de Trabalhadores Rurais) is the first of its type in Paraiba, and he hopes that similar projects will start throughout the state. Each member contributes monthly the sum of Cr$30, for which they and their families receive free medical care (including minor surgey), dental care, legal services, and the privilege of purchasing food through a cooperative store, where they sell only for cash. The cooperative, in turn, pays the local doctor a fee of Cr$420 for every prescription which is made out to member syndicate. This, of course, represents a heavy burden on their expense account.

Friar Marcelino has done a remarkable amount of work in the town itself, including the construction of a "ginásio", a kindergarten, trade school, organizing a Boy Scout group, as well as this syndicate. We were introduced to the president of the syndicate, who was literally a rural worker, and very proud of the fact of his being president of the organization. In looking over the cooperative, we must say the stock on hand was limited to what was in sight, with the exception of Caritas milk stored in the rear of the store.

Friar Marcelino met Mr. Ted Kennedy during his recent trip to Recife, and seemed to be very pro-American and slightly anti-Sudene in his views. We attempted to clarify his doubts and the conversation ended with "well, we shall have hopes."

In discussing the needs of the community, it was revealed that water supply is the greatest problem at the moment. Friar Marcelino and Sr. PEDRO, who is a well-to-do farmer in the area and evidently a leader in this small town, have both been making a great effort to get state government assistance for carrying out this project. However, no success has yet been reached. We explained to them that such projects fall within the objectives of the Food for Peace program using food as payment of partial salary. Great enthusiasm was shown over this suggestion and chances are that Sudene will soon be contacted regarding the above-mentioned water supply project.

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10:59 PM

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FROM: SANTOS

TO: Secretary of State

NO: 2, JULY 5

SANTOS 2

ACTION RIO DE JANEIRO 1, INFORMATION DEPARTMENT 2, BRASILIA 1, SAO PAULO UNNUMBERED

24 HOUR GENERAL STRIKE BEGINNING 1201 AM JULY 5 DECREED BY FORUM SINDICAL DE DEBATES (CITY LABOR CENTRAL) IN SUPPORT RESOLUTIONS OF THE NATIONAL CONFEDERATION OF WORKERS INDUSTRY, THE UNITY PACT OF RAILROAD MARITIME DOCKWORKERS STEVEDORES AND AIRCRAFT UNIONS PARALYZED BUSINESS AND SHUT DOWN PORT IN CITY OF SANTOS. FORUM RESOLUTIONS DEMAND "CONSTITUTION NATIONALISTIC AND DEMOCRATIC CABINET"; SUPPORT PRESIDENTE GOULART'S ATTEMPT FORM SUCH A CABINET WITHOUT INTERFERENCE "GOLPISTAS AND REACTIONARIES WHO ARE ORGANIZED AGAINST THE PEOPLE"; IMMEDIATE PASSAGE BASIC REFORMS; SUPPORT OF STATEMENT GENERAL OSVINO FERREIRA ALVES COMMANDER FIRST ARMY TO UPHOLD LEGAL AND DEMOCRATIC CONSTITUTION. CUBATAO REFINERY WORKERS INITIATED STRIKE; OPERATING EMPLOYEES FOUR AMERICAN CHEMICAL PLANTS CUBATAO WORKING NORMAL SHIFTS BUT OFFICE WORKERS ON STRIKE. PORT SANTOS CLOSED ADDING TO GREATEST CONGESTION IN SEVERAL YEARS. 36 SHIPS TIED UP IN STREAM OR IN CHANNEL AWAITING BERTH AT 6 OCLOCK MORNING 5TH- BANKS, BUSSES, TROLLEYS, TAXIS STOPPED. TRAFFIC SANTOS/JUNDIAI RAILROAD INTERRUPTED BY ACCIDENT BLOCKING RIGHT-OF-WAY. SOROCABANA RAILROAD FUNCTIONING NORMALLY; BUS TRANSPORTATION SANTOS TO SAO PAULO CEASED AT NOON. MOST STORES CLOSED. POLICE AND MILITARY NOT IN EVIDENCE. SANTOS MAYOR HAS MADE NO STATEMENT NONE CONTEMPLATED AT 11 OCLOCK 5TH. NO VIOLENCE REPORTED. FORUM PERMITTED WORKERS ESSENTIAL SERVICES GAS, WATER, LIGHT, TELEPHONE, HOSPITAL PERFORM DUTIES AND PHARMACIES REMAIN OPEN. ONLY FOOT PASSENGERS PERMITTED USE FERRY TO GUARUJA. SCHOOLS OBSERVING JULY HOLIDAY. SANTOS FORUM SINDICAL MEETING AGAIN AT 8 PM TO PLOT FUTURE COURSE.

332.98/7-562

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RIO 31

Control: 3432
Rec'd: July 5, 1962
10:45 p.m.

FROM: Rio de Janeiro

TO: Secretary of State

NO: 31, July 5, 7 p.m.

PRIORITY

CNTI, CONTEC and Rio Unity Pact, all Communist-directed, leading general strike effective zero hours July 5. Final strike decisions read over radio late hours July 4, all by Communist or pro-Communist leaders. All air transport, rail and Rio buses affected. Telephone workers out and other utilities likely be affected but special efforts being made President's office to keep services functioning. Some violence center Rio reported, with at least some taxis refusing enter there. Most reports indicate no violence in Rio. Population largely caught by surprise; too many cries wolf lately.

Presidential assistant Gilberto Crockatt had stimulated general strike while Moura Andrade attempting form Cabinet unsatisfactory to Goulart. Principal worry President, according Arnaldo Lafayette, special labor adviser to President, was military members Cabinet, especially army and navy, who had shown anti-Goulart attitudes. When Andrade resigned, both Crockatt and Leocadio Antunes, presidential aide, attempted have general strike cancelled, but without success, leaders alleging had gone too far. Riani in Europe preparing attend ICFTU meeting and Cerqueira reported by Lafayette in Moscow, prior attending same congress. Strike clearly not anticipated by them. Rest of CNTI delegation to ICFTU had planned leave July 4, but planes delayed; departure now uncertain. Dante Pelacani, CNTI vice president, admitted former Communist who never broke ties and former strong

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strong supporter Janio; Oswaldo Pacheco, president National Federation Stevedores and regarded as Communist even by Crockatt and Lafayette; and Humberto Pinheiro, CONTEC president and long-time Communist collaborator, leading strike. However, Communists as body, including Roberto Morena, undoubtedly real pro-strike force, who feel this excellent opportunity for showdown. Lafayette claimed early July 5 all army units loyal to President and most air also; navy unreliable, but ineffective alone.

Luis Hugo Guimaraes, president Union Bank Workers Paraiba, member Goulart's staff since January 1962, left Catete Palace 0600 hours a.m., July 5 go airport to leave with Pelacani, Pacheco and Pinheiro for Brasilia. Lafayette reported President arranged trip in special plane to try get them call off strike.

Technically, general strike called for 24 hours, but expected continue until leaders convinced by President to contrary or crisis solved their satisfaction.

Purpose Goulart's insistence on new CNTI leadership, to utilize for general strike support in case desired, now entirely clear. Crisis also illustrates President's determination utilize Communist labor leaders when necessary against forces opposed him. Whether he can in fact control Communist labor leaders, as he has consistently contended he could, may be put to test by developments of next few days.

GORDON

SMD/DLW



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

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ENTRY: CDF60-63

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Folder Title: 832.062/6-162

Document Date: 05/07/62

Document Ser#:

TEL 43 FR RIO DE JANEIRO TO SEC STAT

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SECRET

Control: 5839
Rec'd: July 9, 1962
7:20 p.m.

FROM: Recife

TO: Secretary of State

NO: 10, July 5, 4 p.m.

ACTION RIO DE JANEIRO 2, INFORMATION DEPARTMENT 10

Military commanders Fourth Army District and Second Air Region privately expressed to me last night concern and uncertainty over present political situation Brazil. Brigadeiro Ismar Brasil frankly expressed his preoccupation over division in the army command and was evidently quite in dark on possible developments. He volunteered opinion visit President Kennedy as now tentatively scheduled appears unwise. Reason he gave was people too preoccupied with internal political situation to devote attention merited by important visit. Reading between lines I received impression that he recommending postponement visit until situation becomes clearer and present disturbed political atmosphere is dissipated. Although developments still too recent and information available locally insufficient to arrive any definite conclusions, Brigadeiro's opinion believed worthy full consideration by Embassy. Embassy views will be greatly appreciated.

Local scene quiet, although anxiety expressed by state government officials especially over possible effect of crisis on decision gubernatorial candidacy which still undetermined and further delayed in view developments national scene. Bank workers, railway workers and dock workers, participating 24 hour strike. Municipal buses running and airlines operating except for incoming flights from Rio. Situation otherwise normal as of noon today.

DELGADO ARIAS

SMD/DLW

SECRET

NOTE: Message delayed in transmission.

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JUL 5 11 27 AM '62

Origin

ACTION: Amembassy RIO DE JANEIRO 34 NIACT

Info:

RUOI 34

AP report Brasilia indicates Brasil practically paralized by general strike. Cable NIACT your estimate current situation.

END.

RUSK

732.062/7-562

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Drafted by: ARA:EST:HRWellman:am 7/5/62

Telegraphic transmission and classification approved by: ARA:EST - Mr. Wellman

Clearances:
EST/B - Mr. Wilson
ARA - Mr. Charlton (ad.)

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Control: 4304
Rec'd: JULY 6, 1962
4:39 P.M.

AC
INFO:
RM/R FILES

FROM: SANTOS

TO: Secretary of State

NO: 3, JULY 6.

ACTION RIO DE JANEIRO 2, INFORMATION DEPARTMENT 3, BRASILIA 2, SAO PAULO UNNUMBERED.

24 HOUR GENERAL STRIKE IN SANTOS TERMINATED OFFICIALLY 12.01 SIXTH. FORUM SINDICAL DE DEBATES (SANTOS CITY LABOR CENTRAL) ISSUED MANIFESTO STATING ONLY "NATIONALISTIC AND DEMOCRATIC GOVERNMENT COULD EFFECT REFORM AGRICULTURE AND SCHOOLS, LIMIT REMISSION PROFITS AND TAKE MEASURES AGAINST DOMINATION COUNTRY BY LARGE LANDOWNERS AND FOREIGN CAPITAL PRINCIPALLY NORTH AMERICAN". WORKERS NOT INTERESTED MANIFESTO DECLARED WHETHER FORM GOVERNMENT PRESIDENTIAL OR PARLIAMENTARY BUT ONLY IN PASSAGE BASIC REFORMS AND MEASURES REDUCING HIGH COST LIVING. CONDITIONS NOW NORMAL. PORT WORKERS RESUMED WORK AT 7 AM 42 SHIPS AWAITING BERTH NO SERIOUS INCIDENTS DURING STRIKE.

PYLE

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Enclosure to DOM

SANTOS 3

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Action ARA

Control: 4448 7 27

Rec'd: July 6, 1962 8:41 p.m.

Info SS SR G SP L H CAP SIL E AID P USIA NSC INR CIA NSA OSD ARMY NAVY AIR NIC COM LAB RMR

INFO: RM/R FILES

FROM: Rio de Janeiro

TO: Secretary of State

NO: 53, July 6, 6 p.m.

PRIORITY

Embassy telegram 43

CNTI and Communist leaders called off strike effective close July 5, if labor leaders detained Rio released. Men released, strike stopped and Rio transport and businesses normal morning July 5. As strike ended, Communists jubilant, considering objectives accomplished. Rio democratic labor leaders equally depressed, considering government, in effect, controlled by Communists.

Rioting and looting reported center Rio shortly after noon July 5.

GORDON

CT

832.062/7-662

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RIO 32

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Action ARA

Info EUR IO SIL E P USIA INR CIA NSA LAB RMR

Control: 4386
Rec'd: JULY 6, 1962 7:49 PM

FROM: RIO DE JANEIRO

TO: Secretary of State

NO: 56, JULY 6

ACTION BERLIN PRIORITY 1, INFORMATION DEPARTMENT 56

BRAZIL CRISIS DELAYED DEPARTURE BULK CNTI DELEGATION TO ICFTU. CERQUIRA REPORTED IN MOSCOW PRIOR GOING BERLIN. RIANI RETURNED BRAZIL JULY 5, APPARENTLY WILL NOT RETURN BERLIN. COMPISTA AND WAGNER PLAN DEPART JULY 7, ALSO PELACANI. REST DELEGATION REPORTED LEFT JULY 5.

GORDON

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INCOMING TELEGRAM *Department of State*

NUMBERED

RIO 66

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Action

SECRET

Control: 4476
Rec'd: July 6, 1962
9:25 p.m.

ARA
Info

FROM: Rio de Janeiro

TO: Secretary of State

SS
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NO: 66, July 6, 8 p.m.

PRIORITY

LIMIT DISTRIBUTION

PTN

Marshal Angelo Mendes de Morais (PSD Federal Deputy -- Guanabara) who arrived Rio de Janeiro from Brasilia July 6 in military plane told Embassy officer July 7 Congress completely demoralized by demonstration Goulart's ability organize labor behind him in form general strike and will find it difficult oppose Goulart's will. View this situation he had come Rio de Janeiro, with agreement other anti-Goulart forces in Congress, to work for opposition to Goulart in military sector. He said he had already talked with ex-President Dutra, Admiral Heck, Marshal Denys (who all much concerned over situation) and that arrangements being made by ex-Justice Minister Armando Falcao for him to see Marshal Lott. He said it obvious Goulart and Communists with aid Brizzola working establish "syndical state", one step before Communist take-over, and he feared if anti-Communists do not act forcibly now they will be lost. Added "do not be surprised if tomorrow I lead military coup". This statement significant mainly as measure seriousness of concern and of his efforts promote anti-Goulart military movement. Adherence Lott to movement would be especially significant.

Mendes admitted General Osvino Alves (who he said has real military control rather than Acting War Minister Machado Lopes, who he said despite role August, 1961 crisis is anti-Communist) formidable obstacle to anti-Goulart action in military.

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INCOMING TELEGRAM **Department of State**

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CORRECTION ISSUED: 796762, 6 P.M. LM: hmr

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FROM: Rio de Janeiro - Corrected Page 1

TO: Secretary of State

NO: 67, July 6, 5 p.m.

PRIORITY

FOLLOWING FROM BRASILIA

EMBTEL 44

Presidency continuing intensive probes for most effective means bring back presidentialist system. Indications are executive uncertain how best to proceed some of which uncertainty doubtless genuine some part of concerted psychological warfare campaign against Congress unwilling risk losing powers by agreeing to plebescite. Congress feels probably rightly that Brazilian electorate accustomed to presidential system would vote out parliamentary system before giving it chance prove itself. In addition other indications are people blaming present troubles on "parliamentarianism" indicating Presidency's campaign effective. Presidential supporters meanwhile going to extremes of accusing Centrist--Conservatives particularly "antiquated party leadership" attempting Frondizi-ize Goulart and subvert armed forces.

Uncertainty our procedures indicated by following.

During meeting with Brazilians this morning working on preparations presidential visit Raine asked Frank Mesquita Chief Protocol Presidency privately whether crisis would be solved in time to permit proper preparations for presidential visit. Minister Mesquita said that request to Supreme Court was going forward today, that PRES would be in effective control by Monday and that the Plebescite would be held October 7. (Since Pres sending Andrada resignation to Chamber only today, has until

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Control: 6768
Rec'd: JULY 10, 1962
5:18 PM

FROM: BERLIN

TO: Secretary of State

NO: 22, JULY 10, 7 PM

ACTION RIO DE JANEIRO 1, INFORMATION DEPARTMENT 22, BRUSSELS 4.

REFERENCE: RIO DE JANEIRO TELEGRAM 1, JUNE 30.

A SECTION OF CNTI -- D. PELACANI, B. SEGALA, L. TENORIO DE LIMA, B. CERQUEIRA -- ANNOUNCED WITHDRAWAL FROM ICFTU CONGRESS JULY 10 IN MESSAGE SIGNED BY PELACANI AND CERQUEIRA BECAUSE THEIR REPRESENTATIVE (SAID TO HAVE BEEN PELACANI) HAD NOT BEEN NOMINATED FOR EXECUTIVE BOARD BY MEETING (PRIVATE) OF LATIN AMERICAN GROUP. MESSAGE ALLEGED THIS BECAUSE HE HAD SPOKEN UP FOR RIGHT SELF-DETERMINATION OF PEOPLES AND AGAINST US INVASION CUBA. MESSAGE ADDED THAT NO ONE ELSE AUTHORIZED TO SPEAK FOR CNTI AT CONGRESS. A. CAMPISTA AND J. WAGNER REPORTEDLY REMAINING AT CONGRESS. LATIN AMERICANS REPORTEDLY NOMINATED A. GOMES DE CASTRO OF CONFEDERACAO NACIONAL DOS TRABALHADORES EM TRANSPORTES TERRESTRES FOR EXECUTIVE BOARD.

IN STATEMENT BEFORE CONGRESS JULY 9 PELACANI STATED BRAZILIAN UNIONS COMPLETELY FREE, WITH FREELY-ELECTED LEADERS, AND THAT CNTI INTERESTED IN PEACE AND FREEDOM FROM FOREIGN DOMINATION AND ATTEMPTING DEFEND DEMOCRACY AND EXTEND CULTURAL AND COMMERCIAL RELATIONS WITH "SOCIALIST COUNTRIES." STRESSED THAT GREATEST PROBLEM IN BRAZIL WAS UNIFICATION OF WORKERS. HE THOUGHT THAT COOPERATION BETWEEN ICFTU AND WFTU COULD SERVE USEFUL PURPOSE. CHARGED ALSO THAT CAVALCANTI, FORMER BRAZILIAN MEMBER EXECUTIVE BOARD, HAD NEVER ACCOUNTED FOR FUNDS RECEIVED FROM ICFTU'S SOLIDARITY FUND AND HAD USED SOME OF FUNDS FOR PRIVATE PURPOSES, PARTICULARLY MENTIONING CERTAIN TRAVEL EXPENSES WHICH WERE CHARGED BOTH TO ICFTU AND TO BRAZILIAN UNION.

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INCOMING TELEGRAM **Department of State**

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FROM: Berlin

TO: Secretary of State

NO: 30, July 11, 8 p.m

ACTION RIO DE JANEIRO 2, INFORMATION DEPARTMENT 30, BRUSSELS 6

Reference: Our Telegram 1, Rio de Janeiro 22 Department

With reference to Brazilian statement, correction read in plenary session July 11, substituting "would not support those who want the invasion of Cuba" for "against the U.S. invasion of Cuba".

Statement by Wagner and Campista also read at Congress explained method of appointment of ICFTU Delegates by CNTI, stated that consequently delegation obviously was not unified and affirmed that "democratic group" opposed all forms of totalitarianism while others adhered to principles in conflict with those of ICFTU and supported regime in Cuba. Wagner and Campista also stated they would remain at Congress in accordance with mandate of CNTI.

LIGHTNER

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DEPARTMENT OF STATE

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INTER-AMERICAN AFFAIRS
JUL 17 1962

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DEPARTMENT OF STATE
BUREAU OF
INTER-AMERICAN AFFAIRS
JUL 13 1962

FROM : Amcongen SÃO PAULO

July 11, 1962

DATE: JUL 11 1962

SUBJECT : São Paulo State Federation of Metalworkers ~~Affiliates~~ Affiliates with IMF

REF :

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EST/B 7/19/62

The São Paulo State Federation of Metalworkers voted on June 23 to affiliate with the International Metalworkers Federation (IMF). This is the first time that a union organization belonging to the National Confederation of Industrial Workers (Confederação Nacional dos Trabalhadores na Indústria -- CNTI) has affiliated with an International Trade Secretariat (ITS).

The State Federation, largest in Brazil, bargains for an estimated 350,000 workers, although its actual dues-paying membership is reportedly about 50,000. It is composed of 25 local unions of metal-workers, of which seven are Communist-controlled and an eighth (Campinas) is subject to heavy Communist influence. The seven Communist-controlled local unions include those in the following localities: São Paulo City (largest local union in Brazil); the key industrial satellite cities of Santo André, São Bernardo do Campo and São Caetano do Sul (known as ABC Triangle); and the interior cities of Limeira, Cruzeiro, and Mogi das Cruzes.

Communist leaders opposed the State Federation affiliation with the IMF bitterly and vociferously, calling the latter organization a "tool of American imperialist trusts." However, after heated debate, the non-Communists led by Federation President Domingos ALVARES won out by a vote of 16 to 7. Each local union had one vote, except the recently-recognized São Carlos local union; the Communist-controlled São Bernardo do Campo local union was unexplainedly

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Drafted by: LAB:JJLiebof/lfw 7/6/62

Contents and Classification Approved by:

Clearances:

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not represented.

Comment: The affiliation represented a serious blow for the Communists. Mr. Daniel BENEDICT, IMF Representative for Latin America, deserves full credit for this victory. He has resided in São Paulo since February 1962 and devoted the major part of his time and energy to working with the São Paulo State Federation. He has also cooperated closely with the Consulate General's Labor Officer. A successful seminar in union leadership training for metalworkers planned and carried out by Mr. Benedict on June 15-17 in the interior city of São José dos Campos undoubtedly contributed to the non-Communist metalworker leaders' decision to affiliate with his organization. Mr. Benedict has indicated to the Labor Officer that before leaving Brazil for Geneva in late August 1962, he plans to begin working toward IMF affiliation by the State Federations of Metalworkers in Rio Grande do Sul and Minas Gerais, and perhaps others as well.

As of possible interest to the Department of Labor, recent copies of the Portuguese version of "Metal," IMF Latin American publication, are enclosed.

Daniel M. Braddock
Minister Consul General

Enclosures:

1. 1 copy of "Metal" February-March 1962 issue

2. 5 copies of "Metal" April-June 1962 issue

Copies to: Amembassy Rio 2 (1 for Mr. Fishburn), Amembassy Brasília, ARA Labor Adviser, Labor Dept. 2 (for Mr. Steinbach OIOA/ILAB and Mr. Bazan ILAB).

0428

METAL

Jornal da Federação Internacional dos Trabalhadores nas Industrias Metalúrgicas (FITIM), com sede em Genebra, Suissa (27 rue de la Coulouvrenière); publicado pela sua Região Interamericana, com sede no México (Plaza Ferrocarril 11 - s. 22) e no Brasil, em São Paulo (Rua dos Estudantes, 48).

Diretor responsável: **Sebastião de Paula Coelho**

Redator internacional: **Daniel Benedict**

ANO II | FEVEREIRO-MARÇO, 1962 | NUMERO 1

NOVO ACORDO EM S. PAULO 48o/o E COMISSÃO PARITARIA

A Federação Metalúrgica do Estado de São Paulo acaba de firmar um novo acôrdo com os sindicatos patronais para 200.000 trabalhadores do interior do Estado. O acôrdo divide-se em duas partes: a primeira fixa um aumento salarial de 48% sôbre os salários em vigor em 1.º de março de 1961. A segunda decidiu a formação de uma Comissão Paritária para a negociação de outros problemas empregado empregadores.

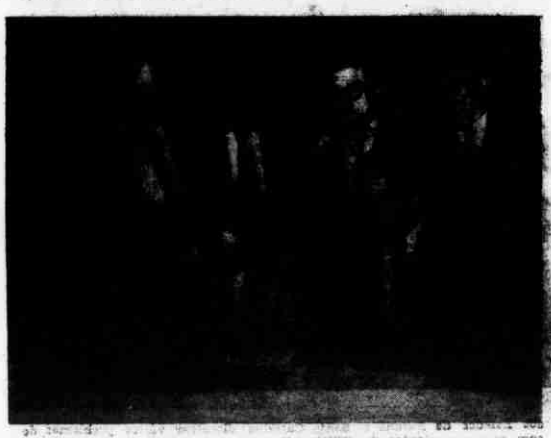
O importante aumento salarial foi conseguido graças à evidente determinação e unidade dos sindicatos metalúrgicos em torno de sua Federação. A tática democrática dos dirigentes da Federação, encabeçados pelo secretário-geral Domingos Alvares, fazendo participar representantes de todos os sindicatos em cada etapa importante das negociações contribuiu manifestamente para convencer os patrões da fôrça dos negociadores sindicais.

O acôrdo suplementar sôbre a constituição de uma Comissão Paritária, abre novas possibilidades importantes para os metalúrgicos de São Paulo. Esse ponto foi salientado especialmente por Domingos Alvares e, também, pelo Secretário Interamericano da FITIM, Daniel Benedict, tanto nas reuniões dos representantes sindicais, como na ocasião do encontro entre trabalhadores e empregadores quando da assinatura do acôrdo. É um reconhecimento do fato de que não é possivel limitar a discussão entre as duas partes a simples acôrdos salariais onde os trabalhadores procuram sempre salvar de novo as conquistas salariais de anos passados e que foram solapadas pelo aumento constante do custo de vida.

Se os representantes patronais mostram-se sérios na aplicação deste acôrdo e no estudo e solução pela Comissão Paritária dos vários problemas operários atuais e os que possam surgir durante o ano, essa decisão pode representar um passo à frente de grande importância para o futuro do Brasil.

Comentando os acôrdos o c. Domingos Alvares fez uma advertência aos patrões. "Dêem os anéis para não perder os dedos". Acrescentou que já não é possivel seguir tratando ao trabalhador como um servo da gleba ao qual só se dava o necessário para não morrer de fome, e expressou sua esperança na atividade da Comissão Paritária. Expressou também sua satisfação pelo acôrdo o snr. Devisate, presidente da Federação das Indústrias, que salientou ainda o trabalho social de vários órgãos patronais ensinando vários temas de importância inclusive para

(Continua na 10.ª pág.)



Assinatura do Acôrdo pôs Domingos Alvares. Entre os que observam se notam: Daniel Benedict, Norberto Nunes do Amaral, Vitalino Ferreira de Sousa e Antonio Novaes.

Apoio aos Mineiros - Metalúrgicos Mexicanos

Resultante de uma entrevista celebrada com o c. Napoleon Gómez Sada, Secretário Geral do Sindicato de Trabalhadores Mineiros, Metalúrgicos e Similares da República Mexicana, ao regressar de Washington, depois de comparecer ante a Camissão sôbre Tarifas Alfandegárias de Chumbo e Zinco, os cc. Daniel Benedict e Fernando Melgosa, representantes da FITIM, expediram uma declaração que mereceu grande acolhida e divulgação por parte da imprensa mexicana, apoiando as aspirações dos mineiros-metalúrgicos no sentido de que não sejam elevadas as tarifas alfandegárias norte-americanas sôbre as importações desses metais; para que sejam eliminadas as restrições impostas anteriormente; para que se estabeleça um mercado permanente e preços justos para os mesmos, beneficiando aos trabalhadores e, finalmente, pela aquisição dos excedentes acumulados, "como um exercício efetivo da solidariedade e cooperação interamericana".

Fez-se notar nessa ocasião que já no passado se haviam apoiado idênticos pe-

(Conclui na pág. 5)

SOLUÇÃO PARA O CONFLITO MINEIRO NO CHILE

No mesmo dia 13 de janeiro quando se vencia o prazo marcado na gréve da mina de cobre de Anaconda em Chuquicamata, a emprêsa cedeu concedendo um aumento de 16.5% aos 4.800 trabalhadores.

Foram ganhos também vários Bonus e outros benefícios adicionais. O acôrdo é valido por 15 meses. Dia 31 de março vence-se o contrato na Braden (Kennecott Copper). A poderosa Confederação de Trabalhadores reivindica um aumento de 25%.

SEMINARIO DA CTM NO MEXICO

A central sindical mexicana, a CTM, organizou em janeiro seu III Seminário Nacional de Educação Operária, sob a hábil direção do companheiro Bernardo Colles, Secretário de Educação. Nesta oportunidade o Seminário se dedicou às atividade dos sindicatos da indústria.

O c. Daniel Benedict, da FITIM, deu uma aula sôbre "A Solidaridade Operária e os Secretariados Profissionais Internacionais".

CONQUISTAS DOS SIDERURGICOS PERUANOS

O sindicato de trabalhadores da Usina Siderúrgica do Chimbote (no norte do Perú) acaba de conseguir a assinatura de um novo contrato coletivo.

A importância do povo contrato foi realçada pelo importante diário — "La Tribuna" — da cidade de Lima na primeira página de seu número de 1.º de fevereiro transcrito a seguir:

"É a primeira vez no país uma comissão mixta de trabalhadores e patrões executa esta classe de trabalhos técnicos. Os representantes dos Sindicato de operários de Sogesa tiveram um ciclo especial de capacitação. O sistema se efetuou seguindo as pautas técnicas estabelecidas pela Federação dos Trabalhadores de Aço dos Estados Unidos da América do Norte, pela Organização Internacional do Trabalho (O. I. T.) e a Federação Internacional dos Trabalhadores nas Indústrias Metalúrgicas, com as correspondentes adaptações a realidade nacional e da indústria."

O artigo citado faz referência á missão da FITIM, enviada à Chimbota no mês de novembro de 1961, a petição de mencionado sindicato que recem se afiliou à FITIM. Formaram parte dessa missão: Alberto Nieves, do Uruguay (representante da FITIM na Zona Sul América Latina), Dean Clowes (representante Internacional da Federação Norte americana de Trabalhadores de Aço) o Uldorico Lucanas (dirigente da Federação Metalúrgica do Perú — também filiada á FITIM).

As negociações entre os representantes sindicais e patronais duraram seis meses, tratando especialmente sôbre os problemas de avaliação de tarefas e o estabelecimento de um quadro de salários por categorias. Em aditamento a emprêsa aceitou a formulação de um programa de 5 anos de melhoração planejada do nível de vida dos trabalhadores. Tem-se incorporado varias bonificações dentre deum salário para cada categoria, que servirá de base para tôdos os benifícios sociais (horas extras, férias, novas gratificações). Para ajudar a que futuras discussões de aumento de salários girem sôbre êsse aumento no saláro real, o poder aquisitivo dos trabalhadores se incluiu no contrato o principio da escala móvel (ajustamente automatico dos salários relativo ao aumento do custo de vida), começando esses ajustes uma vez por ano. O acôrdo prevê também aumentos gerais anuais para elevar o nivel de vida dos trabalhadores e regulamentos especiais para fixar condições para aumentos "por mérito" com bases mais objetivas e menos sujeitas ao favoritismo. Seguiram-se as gratificações semestrais da produção que no último semestre deram 21 dias de salário extra a cada trabalhador.

A emprêsa se compromete também a estabelecar uma cooperativa para consumo administrada por uma comissão mista operário-patronal.

Os aumentos salariais propriamente ditos são entre 6 e 30 soles por dia (aproximadamente 27 solos equivale a 12 cruzeiros). Estabeleceu-se novos salários mínimos nós departamento que variam entre 59.62 e 64.84 selos por dia, como base do sistema de aumentos acima mencionado. O mesmo artigo de "La Tribuna" qualifica essas conquistas assim:

"Estes sistemas de remuneração e os adicionais indicados, unidos com o plano de moradia própria, que esta em um estado avançado de execução, coloca os trabalhadores siderúrgico da cidade de Chimbote, entre os mais bem pagos do Perú".

As conquistas dos trabalhadores da Chimbote consaguidas pelo seu sindicato são um grande passo que seguramente será devidamente aproveitado para o fortalecimento e a continuada capacitação dos trabalhadores da Usina Siderúrgica e também do resto do Perú. Justifica plenamente o esforço de cooperiação técnico sindical da parte da FITIM com os companheiros peruanos.



PERÚ — Os Delegados da FITIM saindo de Lima em uma missão de assessoramento aos companheiros da Usina Siderúrgica de Chimbote. Da esquerda para a direita: Alberito Nieves, representante da FITIM; Dean Clowes, representante internacional da Federação Norte-americana do Aço e Uldarico Lucanas, Secretário de técnica e estatística da Federação Metalúrgica Perú.

Estamos solidários com o povo Peruano

O ano de 1962 trouxe consigo em se início, uma enorme tragédia para o povo rmão do Perú quando um alude ocasionou o desaperecimento do povoado andino de Ranrahirca, no Departamento de Huarás. O desgelo do pico Huascarán, segundo em altura na América do Sul, produziu a morte de quasi 4.000 pessoas e a desolação naquele local.

A FITIM imediatamente transmitiu suas condolências ao movimento operário peruano por perda tão irreparável, enviando telegramas à Confederação de Trabalhadores do Perú, bem como as suas organizações filiadas, a Federação de Trabalhadores da Indústria Metalárgica, em Lima, e o Sindicato de Trabalhadores da Usina Siderúrgica de Chimbote. Ao mesmo tempo estendeu sua solidariedade material com a remessa de uma contribuição financeira, junto com seus votos pela pronta recuperação da zona sinistrada.



CURITIBA — Dirigentes metalúrgicos dos Estados de Paraná e Santa Catarina discutem vários problemas de fortalecimento das organizações sindicais com os representantes da FITIM. Entre outros notam-se os cc. Miguel Krug (Curitiba), Júlio Lirani (Ponta Grossa), João Maria Rodrigues (Irati), Ralf Bussi (Blumenau) e Getulio Reimer (Joinville). Com eles se vê na segunda fileira os cc. Daniel Benedict e Albert Kemetmüller, da FITIM.

Garantias Sindicais nas Leis e nas Realidades Brasileiras

Escreve: Antônio Muscat (consultor jurídico) — Da Federação dos Trabalhadores nas Indústrias Metalúrgica, Mecânicas e do Material Elétrico do Estado de São Paulo

Os trabalhadores brasileiros gozam de uma suposta garantia de direitos por suas atividades sindicais. Não falamos só do direito oficial de formar sindicatos, mas da faculdade de organização e participação nas atividades sindicais, frente ao empregador.

Este problema está intimamente ligado com as questões de autonia e liberdades sindicais.

Mencionamos a expressão "suposta", porque mesmo em face da clareza da letra da lei, falsos e interessados interpretadores dos dispositivos legais, a despeito mesmo da jurisprudência do Suprêmo Tribunal Federal, procuram tergiversar para encontrar entendimentos da lei que a própria lei absolutamente não autoriza. Verdade é que pouquíssimos Juízes dos Tribunais do Trabalho ainda adotam essas maliciosas interpretações, com propósitos manifestos de abrir caminho a poderosas emprêsas industriais, comerciais, bancárias, etc., para investir contra a direção dos Sindicatos de seus empregados tolhendo-lhes a liberdade de organização sindical e, quando organizadas as respectivas entidades sindicais, interferir, através de manipulações misteriosas, na permanência de uns e supressão de outros diretores de cada entidade sindical.

A observação nos tem orientado e feito chegar a conclusões sintomáticas. Por exemplo: manifestam decisões com a adoção da incriminada interpretação, prejudicial aos empregados sindicalizados, mormente candidatos e diretores de Sindicatos, os Juízes do certas regiões do país, onde há poderosos grupos financeiros e econômicos, visceralmente contrários ao progresso das organizações sindicais.

Para bem se compreender o alcance das garantias que a lei assegura aos empregados, nesta questão de organização e participação nas atividades sindicais, deve-se levar em conta que há uma lei orgânica, pôsto que dentro da Consolidação das Leis do Trabalho, que define tôda a instituição sindical do país. Trata-se do título V da referida Consolidação, abrangendo os artigos 511 até 610.

O art. 543 da referida Consolidação, tendo por base a discriminação das profissões, organizadas em Sindicato, ou mesmo na fase de pré-organização, impede que o empregador, por motivo de serviço, crie obstáculos ao empregado eleito, para o cargo de administração sindical ou representação profissional, dispondo mais que não podem esses empregados ser despedidos, transferidos, suspensos ou rebaixados de categoria.

Ora, se o art. 540 da Consolidação, par. 1.º determina a perda dos direitos de associado ao sindicalizado que deixar o exercício de atividade ou profissão e, por outro lado, declarando o par. 1.º do mencionado art. 543 que perderá o mandato sindical quando o empregado aceitar transferência ou solicitá-la, conclu-se fàcilmente que a lei teve a intenção de garantir em cada atividade profissional o direito de permanência no exercício do mandado eletivo e, consequentemente, na própria profissão ou atividade profissional enquadrada na lei e no Sindicato.

Assim, o verdadeiro sentido e interpretação do art. 543 foi o de obstar o empregador de interferir na organização sindical de seus empregados, direta ou indiretamente, proibindo que êste proceda à transferência, dispensa, penalidades, ou rebaixamento de categoria com redução de salário. Daí concluir-se que na Legislação brasileira, há como que uma estabilidade provisória do exercente do mandato sindical.

O par. 3.º do art. 543, já mencionado, procura proteger os empregados que se associem a Sindicatos, organizem associação sindical ou exerçam direitos de sindicalizado.

A Côrte Suprêma brasileira tem decidido reiteradamente, com fudamento nos dispositivos legais apontados, que o exercente de um mandato sindical, durante o respectivo prazo, não pode ser despedido pelo empregador. A consequência foi sempre a condenação dos empregadores a reintegrar o empregado, com tôdas as vantágens legais. Um dos fundamentos tem sido o de que o Legislador tencionou impedir ao empregador a intervenção direta ou subreptícia nas organizações sindicais de seus empregados ou na direção dos exercentes do mandato sindical.

(Continua na página 4)



LIMA — A FITIM expressa seu apôio à Federação Nacional de Camponeses do Perú na sua luta pela Reforma Agrária. O Secretário Geral, Rafael Avalos e outros dirigentes e delegados camponeses peruanos junto com Daniel Benedict, da FITIM.

ARTIGO EDUCATIVO:

O Aço e o Progresso

Neste primeiro número de "Metal" em 1963, iniciamos a publicação de uma "Coluna de Educação Metalúrgica". Dedicamo-la ao preparo geral dos dirigentes e militantes ativos dos sindicatos metalúrgicos e afins em nosso Continente.

Fazemos primeiramente algumas observações sôbre a importância da siderúrgia para a economia da América Latina. A seguir damos um breve esquema geral do processo siderúrgico, para tornar a falar mais detalhadamente em números subsequêntes sôbre os diferentes aspectos de cada etapa do processo.

I — A SIDERURGIA: EMPREGO E DESENVOLVIMENTO ECONOMICO

No mundo contemporâneo existe como meta fundamental de todos os países o desejo de acelerar seu desenvolvimento economico para elevar a um plano de justiça e dignidade o nivel de vida de seu povo.

Neste esforço, nos países de elevado grau de progresso, produziram-se melhoramentos técnicos que transformaram radicalmente as indústrias, entretanto, é ainda muito grande o número de países que não puderam planejar e diversificar sua economia, que depende em muitos casos da exportação de um ou dois de seus produtos agrícolas e nos quais a industrialização propriamente dita é incipiente. Este é um fenômeno muito comum na América Latina. Não obstante e apezar de muitos obstáculos, alguns países deste Continente estão apressando sua incorporação ao grupo dos industrializados.

Pois bem, ninguém pode negar quea indústria siderúrgica, de ferro e de aço, é a pedra angular de todo o programa de desenvolvimento econômico, uma vez que estes produtos são a base de indústrias tais com as de construção, transporte, etc. e de muitas outras que produzem bens de consumo para atender às necessidades da vida moderna, e, também, da agricultura cujos métodos evoluíram com o tempo e impuzeram o uso de maquinária adequada.

A América Latina todavia não pode satisfazer as suas necessidades de aço para cobrir as solicitações de sua industrialização, que alcançam aproximadamente 9 milhões de toneladas. Tendo-se em vista que sua produção foi em 1960, por exemplo, de 3.700.000 toneladas, é preciso importar quase 60% do que se consome. Deve-se fazer notar que o aumento na produção foi considerável se fôr tomado em consideração que a América Latina produziu em 1955 2.500,00 toneladas, e será maior ainda em virtude de que o consumo de aço em 1975 alcançará 22 milhões de toneladas.

Os principais países produtores são os seguintes, em ordem de importância: durante 1960 — Brasil, 2.300,000; México, 1.550,000; Chile, 450,000; Argentina, 300,000; Colombia, 100,000; Perú, 60,000 e Venezuela, 60,000. O Brasil, com a instalação de 3 novas usinas, estará produzindo em 1965, 4.300,000 toneladas de lingote e, possivelmente, mais; o México espera produzir em 1963, 2.600,000 toneladas e em 1965 quatro milhões; a Argentina em 1965 estará produzindo 2.200,000 toneladas; o Chile em 1964 alcançará 650,000; a Colombia poderá chegar a 500,000 toneladas fàcilmente; a Venezuela alcançaria 700.000; o Uruguai daria início e alcançaria 300,000 em 5 anos; o Perú chegaria a 240,000 toneladas, etc.

É lógico supôr-se que esta indústria vital constitua uma fonte valiosa de trabalho para muitos milhares de operários e de subsistência para as familias que dependem dos salários que eles receberem. As possibilidades futuras de emprêgo serão maiores, visto que está em expansão constante.

Sob o ponto de vista sindical oferece um vasto campo de atividade, uma vez que na América Latina os metalúrgicos e mineiros alcançam a cifra de 1.500,000, dos quais mais de 1.000,000 são propriamente metalúrgicos (trabalhadores dedicados à manufatura, produção ou tratamento dos metais em suas multiplas formas), e destes entre 140 e 150,000 trabalham nas usinas siderúrgicas, distribuidos da seguinte forma: Brasil cêrca de 70,000; México 35,000; Argentina 20,000; Colombia 10,000; Chile 7,000; Perú e Venezuela 3,000 cada um e Uruguai 2,000.

Por estas notas poder-se-á apreciar a importância da siderurgia para os países da América Latina; a responsabilidade que as organizações sindicais dessa industria têm para com seus trabalhadores frente às tremendas perspectivas de progresso que a caracterizam e se compreenderá também o interêsse e a preocupação da FITIM para a obtenção de um maior conhecimento da mesma, e para a preparação de dirigentes operários capazes e esforçados que ajudem a resolver os problemas de trabalho que ela encerra.

II — O PROCESSO SIDERÚRGICO

Fundamentalmente, o processo siderúrgico é o da **transformação do minério de ferro em aço.** Ele consiste em quatro etapas básicas, que são: a preparação das matérias primas, a redução do minério em ferro gusa, a conversão do ferro gusa em aço e a adaptação (laminação ou acabamento).

1 — A ETAPA PRELIMINAR É A PREPARAÇÃO DAS MATERIAS PRIMAS. A principal é: minério de ferro. Ele contém ferro na forma de óxido de ferro (cujo símbolo químico é: Fe_2O_3, ou sejam 2 átomos de ferro em combinação com cada 3 de oxigênio). A segunda é o combustível, que geralmente é o coque, destilado do carvão (tirando-lhe seus componentes mais voláteis por meio de uma combustão parcial) na "coqueria" (uma série de fornos verticais delgados); que deve ser de grande resistência mecânica — para suportar o grande pêso da carga de minério no alto forno — e queimar ràpidamente, gerando muito calor. A terceira é o calcário, que atúa como fundente que tem a faculdade de combinar com a maior parte das impurezas do minério de ferro e do coque, para extrairlas. A quarta é o ar — ou vento — préaquecido e sob pressão, as vêzes enriquecido com oxigênio. Em quinto lugar podem-se mencionar alguns minérios secundários como mineral de manganês, dolomita, etc. Em sexto lugar deve-se mencionar a utilização, que pode parecer curiosa, da sucata (ou fragmentos de aço ou de ferro destinado a serem refundidos), em quantidade a miude igual ou maior do que a de minério de ferro.

2 — A SEGUNDA ETAPA É A REDUÇÃO DO MINÉRIO DE FERRO EM FERRO GUSA, OU FERRO DE PRIMEIRA FUSÃO — A. O processo de utilizar o carbônio (do coque), para que combine, a altas temperaturas, com oxigênio contido no oxido de ferro (no minério de ferro), e "liberte" o ferro. Este processo que geralmente ocorre hoje em dia em alto forno, tira do minério um gás carbônico, deixando porém um ferro com uma certa porcentagem de carbônio (geralmente entre 3 e 5 por cento) e certa quantidade de silício, manganês, fósforo e enxofre. Bôa parte destas impurezas são eliminadas pelo calcário, que se combina com elas para formar uma escória que tem outra temperatura de fusão e se deixa assim separar do ferro em alto forno.

B. — O ferro em forma de ferro gusa se pode classificar, segundo seu destino.

GARANTIAS...

(Continuação da 3.ª página)

A legislação, apesar de clara, mais se positivou em face do decreto legislativo brasileiro n.º 49 de 27 de Agôsto de 1952, que aprovou a convenção n.º 98, da Organização Internacional do Trabalho das Nações Unidas (O. I. T.) relativa à aplicação dos princípios do direito de organização e de negociação coletiva, adotada por ocasião da 32.ª sessão da Conferência Internacional do Trabalho em Genebra, em 1949. Tornaram-se leis no país as disposições dos arts. 1.º e 2.º da referida convenção, que proíbe quaisquer atos atentatórios à liberdade sindical ou interferência do empregador no Sindicato de seus empregados, estendendo a proteção a atos de coação, dispensada e quaisquer prejuizos do sindicalizado.

Felizmente, a jurisprudência dos Tribunais tende a adotar os princípios de autonomia e liberdade sindical.

Mesmo assim, a luta prossegue, em face de se ter observado últimamente um movimento dos grandes grupos industriais, financeiros e econômicos, no sentido de abolir aquêles direitos, senão na legislação, mas através de decisões de Juizes de Tribunais, embora em reduzido número, para

como para fazer aço, ou para fundição (isto é, para ser transformado em produtos de ferro e não de aço).

C. — Para fundir, ou reduzir, o ferro necessita-se de temperaturas até 1800 graus (centígrados). O ferro gusa sai em forma líquida para fazer lingotes de ferro. Além do ferro gusa, sai a escória e o gas carbônico, que frequentemente se chama gas de alto forno (e que se usa geralmente para aquecer o ar que entra no alto forno).

D. — Mencionamos brevemente também a implantação de alguns sistemas para produzir ferro gusa ou ferro primário sem esses altos fornos utilizados pela maioria dos usinas siderúrgicas do mundo, e pela quasi totalidade das da América Latina.

E. — Em vários países da Europa foram desenvolvidos processos para substituir parte do coque pela energia elétrica. Um desses processos, descoberto na Noruega, usa fornos elétricos de chaminé baixa, chamados FORNOS T-H (por causa dos seus inventores Tysland-Hole). A primeira, e até agora única usina siderúrgica na América Latina que usa esse processo elétrico é a nova usina de Orinoco, na Venezuela. A força elétrica substitue o coque na função de aquecer o minério de ferro, porém continua a necessitar carbônio, de alguma forma, para a mencionada redução química do minério de ferro (através da combinação do carbônio com o oxigênio contido no minério). Não obstante, isso se pode realizar com muitos tipos de carvão, como o que existe na Venezuela, que dificilmente se poderia converter em coque para altos fornos.

F. — No México se usa também (na usina "Hojalata y Lámina" em Monterrey) um processo químico chamado "redução direta" ou "H Y L", para produzir um tipo de ferro de primeira fusão que se chama "Ferro esponjoso" ou "Esponja de Ferro". Obtem-se um tipo de ferro bastante transformado ("reduzido", ou libertado de seu oxigênio), porém onde falta o carbônio, que se costuma adicionar em fornos elétricos para se obter um ferro gusa utilizável para a fabricação de aço. A etapa química usa um gas natural (transformado em monóxido de carbônio e hidrogênio) que se encontra no México e é a primeira vez que se evita a necessidade de depender da importação de sucata de ferro.

3 — A TERCEIRA ETAPA É A OBTENÇÃO DO AÇO. — A. Geralmente se obtem através da conversão (ou afinação) do ferro gusa ou ferro primário. Os processos mais usuais de conversão geralmente acrescentam ao ferro gusa uma quantidade mais ou menos grande de "sucata", ou seja, aço já utilizado (carros velhos, máquinas, etc) ou recuperado dos desperdícios da própria usina. O principal propósito desta etapa é o de afinar o ferro primário, diminuindo a proporção do teôr de carbônio até atingir a necessária para o tipo de aço desejado. Ao mesmo tempo se eliminam os restos de outros ingredientes indesejáveis e se pódem introduzir pequenas quantidades de outros elementos para dar certas características específicas à cada tipo de aço.

B. — Mencionamos aqui os métodos principais de conversão (há vários outros) que são: os conversores (especialmente o de Bessemer), os fornos de revérbero ou de soleira aberta (Siemens-Martin) e os fornos elétricos de arco ou de indubação. Aos conversores do tipo Bessemer vêm-se acrescentando um novo tipo, o de sopro com oxigênio (em vez de ar), por lançamento vertical de cima, chamado "L-D" (por ter sido aplicado primeiramente nas usinas austriacas de Linz e Donawitz), e que já se começa a utilizar no Brasil e no Perú.

Por exemplo: na Belga-Mineira e na Usiminas em Minas Gerais e na Cosipa em São Paulo).

C. — O primeiro processo moderno para fazer aço foi desenvolvido em 1856, pelo inglês Henry Bessemer, que lhe deu seu nome. O conversor, carregado com 5 a 30 toneladas de ferro gusa derretido e outros aditivos mencionados àcima, recebe um forte sopro de ar, ou de oxigênio puro, para queimar e eliminar impurezas.

D. — O processo mais usado no mundo e, especialmente, na América Latina (em aproximadamente 90% da produção), é até agora o de fornos "Siemens Martin" de revérbero (soleira aberta). É conhecido pelo nome de seus inventores e aperfeiçoadores, os irmãos anglo-germanos Siemens e os irmãos franceses Martin. Aquece-se a mistura de ferro gusa e sucata mediante combustíveis gasosos ou líquidos e se mantem o metal candente em uma soleira sob o nível das portas e as chamas passam por cima do banho de metal. O aço fundido que se extrai dos fornos é vasado em moldes ou lingoteiras. Em geral deixa-se que se solidifiquem em lingotes antes de mudá-los de lugar.

E. — Também se empregam alguns fornos elétricos de diversos tipos, sobretudo para a fabricação de aços especiais (de liga fina, inoxidáveis, para ferramentas especiais, etc.). Os mais importantes são os de arco ou indução. Os de arco são circulares ou elípticos, usando eletrodos (de grafite ou de carbônio) para conduzir a corrente até o banho de metal. O arco salta entre os eletrodos e o metal para aquecê-lo. Os de indução, em vez de usar eletrodos, fazem a indução da corrente elétrica no mesmo banho de metal, geralmente por meio de bobinas indutoras, e o metal circula constantemente, até expulsar os ingredientes não desejados.

F. — Entre a terceira e a quarta etapa, e antes de passar á laminação, os lingotes de aço são libertados dâqueles moldes mencionados no final do paragrafo 3D e levados aos Fornos Poços. Alí se igualam as temperaturas externa e interna dos lingotes e se preparam para a laminação, aquecendo-os até cêrca de 1000 graus, e recuperando o calor perdido no caminho desde o Forno Siemens Martin até os Laminadores.

4 — A QUARTA ETAPA BÁSICA É A DOS PROCESSOS ADAPTATIVOS (LAMINAÇÃO, FORJA E FUNDIÇÃO).

— A. O mais importante dos processos adaptativos nas usinas siderúrgicas é o da laminação. Fazem-se passar os lingotes de aço entre pares de cilindros ou rolos que giram em sentidos opostos, com o proposito de afiná-los mediante passagens sucessivas. O conjunto de cilindros forma o trem de laminação.

Os trens de laminação trabalham seus produtos em diferentes etapas (desbaste, semi-acabado e acabado). Em um artigo subsequente trataremos em detalhe de vários produtos laminados. Aqui sòmente se mencionará que os principais são: a) **Desbaste:** placa, bloco (maior) e tarugo (menor) p/ lamina); b) **Semi-acabado:** bilete e barra redonda para relaminação; c) **Acabado:** chapas, barras e varas, aços (ou perfis) para construção e comerciais, trilhos, fio-máquina para trefilação e formas especiais. Um tipo especial de laminação é a fabricação de **tubos:** os tubos sem costura ou soldadura, que são perfurados por meio de um mandril ou punção, e os tubos soldados.

B. — O processo de forjamento é a deformação do aço mediante golpes ou pressão. As vêzes se usam ferramentas de mão (manuais), como sejam: martelos, marretes, tenazes, talhadeiras, cinzeis, furadores, mandris, etc. Outras vêzes utilizam-se máquinas, como sejam: martinetes, prensas (inclusive as de méra pressão ou de estampa com matrizes) e máquinas especiais para forjar parafusos, etc.

C. — O outro processo adaptativo importante é a fundição, isto é, a obtenção de peças moldadas. As operações de fundições são: a) a moldação ou fabricação de moldes (sendo que os moldes podem ser de areia, argila ou outros materiais, inclusive de metal; b) a fusão do aço nos fornos e o vazamento nos moldes; c) a desenformação; d) a limpeza; e) o tratamento térmico (aquecimento e esfriamento sob determinados graus de calor para a obtenção de determinadas propriedades metálicas) e f) o acabamento das peças.

D. — Alguns **processos adaptativos secundários** são. a) os **mecânicos:** estiramento (adelgaçamento), trefilação (ou estiramento de arame através de orifícios progressivamente menores), extrusão (deformação de uma barra ou lingote através de orifícios de matriz, com determinadas formas) e forjamento em estampa ou matriz (deformação mediante dobramento ou curvatura (ou vergagem de uma lamina com matriz e punção) e b) os **químicos e electro-químicos:** galvanizado (depósito de zinco por imersão na superfície do aço), estanhado por imersão (em um banho de estanho fundido), elétrodepósito (de vários metais — niquel, cromo, estanho, prata, ouro, etc. — por um processo electrolítico que os adiciona à superfície do aço) e cementação (de vários metais depositados na superfície do aço — cobre, niquel, etc.).

5 — CHAMA-SE "USINA SIDERÚRGICA INTEGRADA" uma instalação que toma o minério de ferro e o transforma em produtos de aço. As principais usinas da América Latina já estão integradas.

PEQUENO VOCABULÁRIO SIDERÚRGICO

Para facilitar o conhecimento da técnica, damos abaixo uma lista dos têrmos principais utilizados neste artigo com seus equivalentes em espanhól e inglês (ajudando também àqueles que tenham que consultar publicações técnicas estrangeiras). As referências são a parágrafos do artigo onde se menciona ou explica o têrmo. Apreciaremos sugestões para revisão dos têrmos incluidos.

Português	Espanhól	Inglês
Acabado; Acabamento (Par. 4a)	Acabado	Finished; Finishing
Aço	Acero	Steel
Aços (ou perfis) para construções (Par. 4a)	Perfiles estructurales	Structural Steel
Alto forno (Par. 2)	Alto horno	Blast furnace
Arame	Alambre	Wire
Areia (Par. 4C)	Arena	Sand
Argila (Par. 4C)	Arcilla	Clay
Barras (ou Varas) Par. 4A)	Varillas	Rods
Bessemer (conversos) (Par. 3S)	Bessemer (convertidor)	Bessemer convertor
Bilete (Par. 4)	Billete	Billet
Bloco (Par. 4A)	Tocho	Billet (rough)
Cadeira (de laminadores)	Castillo (de laminadores)	Stand (of rollers)
Calcário (Par. 1)	Caliza (ou Piedra de Cal)	Limestone
Caneluras (do laminador)	Acanaladuras; ranuras; calibres del laminador	Grooves (on the passes of rollers)
Carbônio	Carbono	Carbon
Carvão	Carbón	Coal
Chaminé baixa (ou cuba baixa) (Par. 2E)	Cuba baja	Low stack
Conversão (ou Afinação) (Par. 3A)	Aceración	Steel making (the step from iron to steel)
Conversor (ou Convertedor) (Par. 3B e C)	Convertidor	Convertor
Coque (Par. 1)	Coque	Coke
Coqueria (Par. 1)	Coquería	Coke plant
Debastador (Laminador)	"Blooming" (laminador, desbastador)	Blooming mill
Desbaste (laminação em bruto)	Desbaste (laminación)	Roughing, rough milling
Escória (Par. 2A)	Escoria	Slag
Estanhado (Par. 4D)	Estañado	Tin-plated
Estiramento (Par. 4D)	Estirado	Drawn
Extrusão (Par. 4D), saida forçada do metal baixa pressão	Extrusión	Extrusion
Ferro esponjoso (ou Esponja de ferro) (Par. 2F)	Ferrosponja	Sponge iron
Ferro gusa; ferro fundido em primeira fusão, - o ferro libertado do oxigênio que tinha no estado minério (Par. 2)	Arrabio-Hierro liberado del oxigênio que tiene en el estado mineral; hierro de primeira fusión	Pig iron
Fio máquina (Par. 4A)	Alambrón	Wire rod
Folha de Flandres; folha ou chapa estanhada	Hojalata; Hoja de Flandres	Tin plate
Forjamento (Par. 4B)	Forja	Forging
Forjamento em estampa (Par. 4D)	Troquelado	Stamping
Forno	Horno	Furnace
Forno a arco (Par. 3E)	Horno de Arco	Arc Furnace
Forno de indução (Par. 3E)	Horno de inducíon	Induction Furnace
Forno de revérbero (Par. 3B e D)	Horno de reverbero	Reverbatory or air furnace
Forno Poço	Fosa o Pôzo de recalentamiento; Horno de Foso	Soaking Pit
Forno T-H, de redução elétrica (Par. 2E)	Hornos T-H de redución electrica	T-H electric reduction furnaces
Fundição (Par. 4C)	Fundición	Foundry
Galvanizado (Par. 4D)	Galvanizado	Galvanized
Gas de alto forno (Par. 2C)	Gas de tragante	Blast furnace gas
HyL (processo mexicano de "redução direta" do minério (Par. 2F)	HyL (processo mexicano de "reducdión directa" del mineral)	HyL "direct reduction" of iron ore (Mexican process)
Lamina em bruto (Par. 4A)	Llantón, Planchón (Mex.)	Sheet (in rough form)
Laminação (ou Laminagem) (Par. 4A)	Laminación	Rolling
L-D (conversor austriaco a oxigênio) (Par. 3B)	L-D (Convertidor austriaco de oxigêno)	L-D oxygen convertor (Austrian process)
Lingote (Par. 2C e 3C)	Lingote	Pig, ingot or billet
Lingoteira (Par. 3D)	Lingotera	Mold for pig iron, or for billet
Metalurgia — a produção e o tratamento dos metais	Metalurgia — la producción y tratamiento de metales	Metallurgy, Metal working
Minério de ferro	Mineral de hierro	Iron ore
Molde	Molde	Form
Moldação (Par. 4D)	Moldeo	Casting (molding)
Oxido de ferro (Fe_2O_3) (Par. 1)	Oxido de ferro	Iron oxide
Redução (do minério em ferro gusa)	Reducción (del mineral en arrabio)	Reduction (of iron to pig iron)
Semi-acabado (Par. 4A)	Semiacabado	Semi-finished

PEQUENO VOCABULÁRIO SIDERÚRGICO

Português	Espanhól	Inglês
Siderurgía — todo o processo da fabricação do aço	Siedrurgía — la fabricación del acero	Siderurgy, Steel making (the entire process)
Siemens-Martin (forno) (Par. 3B e D)	Siemens-Martin (horno)	Open-hearth furnace, or its inventors
Soleira aberta (v. Siemens-Martin)	Solera abierta. hogar abierto	Open-hearth furnace
Sucata de ferro (Par. 1 e 3A)	Chatarra	Scrap
Trefilação (ou Estiramento de arame) (Par. 4D)	Trefilado	Wire, drawn or stranded
Trem de laminação (Par. 4D)	Tren de laminación	Roller train or rolling mill
Trilhos (Par. 4A)	Rieles	Rails
Tubos — sem costura (Par. 4A)	Tubos — sin costura	Pipes - seamless
Tubos — soldados (Par. 4A)	Tubos soldados	Pipes - Welded
Usina integrada (Par. 5)	Planta integrada	Integrated plant

Notícias da Diretoria da FITIM

CONFERENCIA INTERNACIONAL DO AÇO

O setôr siderúrgico da FITIM (um dos setôres importantes nas indústrias metalúrgicas) abaca de anunciar a convocação duma conferência internacional para os dias 3 a 5 de maio de 1962, em Duisburg, centro da Ruhr, região Siderúrgica da Alemanha.

DIRETORIA REUNIU-SE EM BERLIM

Nós dias 20 e 21 de fevereiro de 1962 o Comité Executivo (diretoria) da Internacional Metalúrgica reuniu-se em Berlim onde expressou sua "solidariedade para com essa cidade duramente posta à prova e para com seu valente povo". A diretoria expressou também sua indignação pelo fato de Heinz Brandt, redator do jornal da Federação Metalúrgica Alemã, continuar detido pelas autoridades da zona sovietica, sem possibilidade nem de entrar em contato com êle, nem de investigar as acusações que lhe são feitas, e protesta contra essa recusa de reconhecer aíquér os mínimos direitos de qualquer acusado em país civilisado.

O Comité Executivo da FITTIM protestou também, junto com a CIOSL contra toda tentativa de deixar a ditadura de Franco na Espanha entrar no mercado comum europeu e saudou os corajosos metalúrgicos espanhóis que lutam contra a tirania.

A Diretoria protestou também contra a ação do govêrno reacionário da União Sul-Africana que recusou um visto ao delegado especial da FITTIM, Ken Bannon, diretor dos operários da emprêsa FORD nas fileiras da Federação Norte-Americana dos Trabalhadores de Automóveis.

Milhares de trabalhadores de Berlim Ocidental fizeram manifestação de apreço á diretoria da FITTIM por expressar sua determinação de conservar seu direito a livre determinação de seus destinos.

CONQUISTA EM PIRACICABA

O Sindicato Metalúrgico de Piracicaba (Estado de São Paulo) acaba de ganhar um aumento salarial de 54%. Por este aumento os 3,000 trabalhadores metalúrgicos dessa cidade acrescentam, ao aumento de 48% ganho pela Federação do Estado, um aumento adicional para reparar a injustiça de ter sido Piracicaba fixada na 4ª zona quando o custo de vida é muito mais alto.

Da Assembléia que aprovou o novo acôrdo e celebrou a vitória participaram também o prefeito Francisco Salgot Castillon, e o padre Gil, que apoiaram as reivindicações dos trabalhadores, os dirigentes locais, Francisco Luiz Costa, presidente do Sindicato, e Jaime Cunha Caldeira, ex-presidente do Sindicato e atual Tesoureiro da Federação. Participaram também da reunião os cc. Daniel Benedict e Albert Kemetmüller da FITTIM Internacional.

NOVOS CONTRATOS NO MÉXICO

O Sindicato de Mecânicos, Ajudantes e Similares da Região Lagunera, filiado à FITTIM, acaba de firmar seu primeiro contrato coletivo de trabalho com a emprêsa Auto Camiones S. A., e um novo convênio dom Talleres Mutualidad, ambos de Torreón. Com essas negociações o Sindicato aumentou o número de seus afiliados e conseguiu para um grupo de mecânicos condições justas de vida e de trabalho. Por outro lado, o Secretário Geral desta organização visitou a séde do Escritório Interamericano da FITIM nós primeiros dias de fevereiro, para reforçar os contátos e a cooperação entre o Sindicato e a Internacional.

EM IRATI PARANA

Os companhiros do Sindicato dos Trabalhadores nas Industrias Metalúrgicas, Mecânicas e Material Eletrico de Irati, nós informaram da posse da nova diretoria assim composta:

DIRETORIA:
João Maria Rodrigues — Presidente
Renato Limberg — Secretário
Leonidas Luiz da Silva — Tesoureiro

SUPLENTES:
Adelino Barros dos Santos
Clodoaldo Neves
João Szreider

CONSELHO FISCAL:
Antônio Heila de Ramos
José Basílio Thomaz
Claudio Mendes

SUPLENTES DO CONSELHO FISCAL:
Tadeu Domingues
João Bonete dos Santos
Casemiro Kieltica

DELEGADOS JUNTO À FEDERAÇÃO:
João Maria Rodrigues
Renato Limberg
Leonidas Luiz da Silva

SUPLENTES DE DELEGADOS:
Clodoaldo Neves
João Szreider
João Cordeiro

Comissão Partidária no Paraná

Escreve: Miguel Krug (Curitiba)

A 5 de outubro de 1961, o Sindicato dos Trabalhadores nas Indústrias Metalúrgicas, Mecânicas e do Material Elétrico do Estado do Paraná com sua séde em Curitiba através seu Presidente Miguel Krug e assistido pelo Consultor jurídico Ary Zimmermann, assinou acôrdo de reajuste salarial com a entidade patronal, que se constituiu no passo gigantesco jamais dado no Paraná, e com interesse para todo o Brasil, para se conseguir a tão almejada justiça social.

Na parta salarial propriamente dita, o reajuste foi de 46% sôbre os salários vigentes em outubro de 1960, tendo-se que levar em consideração que, àquela época, o mínimo da categoria dos Metalúrgicos já era bastante superior ao salário mínimo fixado em lei, o que nós leva à conclusão, feitos os devidos cálculos: o reajuste, na realidade atingiu base bastante superior a 56% sôbre os níveis gerais vigentes. Este aspecto, entretanto, representa a vitória material da categoria — grande, aliás.

O que, por outro lado, se constituiu em grande vitória e inestimável contribuição dos metalúrgicos paranaenses para a justiça social, foi o estabelecimento de uma "Comissão Paritária" encarregada de estudar as modificações verificadas no custo de vida durante a vigência do acôrdo (12 meses). Esta Comissão ficou constituida por seis membros; três empregadores e três assalariados, encarregados de fazer os levantamentos e os cálculos, com a assistência de economistas, dando o "quantum" da elevação mensalmente.

O intuito da medida é evitar que, ao término do acôrdo, surjam novamente as mais desencontradas discussões sôbre qual a porcentagem justa para o aumento. Então, em princípio, será considerado justo o "quantum" resultante dos estudos dessa Comissão Paritária.

Por outro lado, os empregadores assinaram o compromisso de fazer um reajuste semestral (após seis meses de vigências), de acôrdo com o resultado apresentado pela Comissão Paritária nêste período.

Inegàvelmente, foi um passo gigantesco conseguido pelos metalúrgicos paranaenses no sentido de fugir às grandes convulsões coletivas no seio da classe, que, inevitàvelmente, levam à conflitos, tão ao gosto dos anti-democrátas, e inimigos, com pele de cordeiro, que procuram aproveitar as dificuldades dos trabalhadores.

COLUMBIA

II CONGRESSO DA FETRAMECOL

A Federação dos Trabalhadores nas Indústrias Metalúrgicas da Colombia (FETRAMECOL), filiada da Confederação de Trabalhadores da Colombia e da FITIM designou os dias 17, 18 e 19 de março, e a cidade de Bogotá, como datas e séde para a realização de seu segundo congresso ordinário.

Para tal fim, o companheiro Marco A. Córdoba, Presidente da mesma, enviou a convocação oficial a 62 organizações metalúrgicas do país, em fins de desembro de 1961.

A FETRAMECOL que obteve recentemente, após uma árdua batalha, sua personalidade jurídica, participou ativamente do Encontro e do Seminário Metalúrgico Interamericano que sob os auspícios da FITIM Internacional se reuniram em Paipa, Colombia, no mês de setembro último. Seguramente este acontecimento marcará a consolidação dessa importante organização filiada, em seus esforços para superar os níveis econômico-social e técnico-cultural dos trabalhadores que representa.

O Congresso abrirá com a seguinte Ordem do Dia:

Sábado 17. Instalação: Saulações de Marco A. Córdoba, Presidente da Fetramecol; Fernando Melgosa Representante do FITIM, e do snr. Ministro do Trabalho. — Nomeação de Comissões. — Proposta.

Domingo 18. Estudos e sugestões sôbre organização dos sindicatos metalúrgicos. — Estudos dos sistemas de Salários e Contratos Coletivos.

Segunda-Feira 19. Relatórios das Comissões e aprovação das propostas. — Eleição do Comité Executivo Nacional — Tomada de posse do mesmo. — Encerramento.

Entre os sindicatos que já confirmaram sua participação no referido acontecimento podemos mencionar os seguintes: Indústrias Metálicas Alba, Volkswagen, Laralford, Colmena, Corte, Estamparia e Gravação, H. B. Estruturas Metálicas. Icasa, Mecânicos e Similares, Tamsa, Associação de Eletricistas, Artmetal, Incope, Philips, Litometal, Envases Rok, Zigme, General Electric e Siemens Colombiana. Por outro lado, está-se trabalhando ativamente para contar com representações de organizações metalúrgicas de Medellin, Cali e outros lugares do país.

O representante da FITIM para a Zona Norte da América Latina e Caribe transportar-se-á oportunamente para a Colombia fim de dar toda especie de cooperação à FETRAMECOL e seus dirigentes e participar no sucesso do Congresso.

Greve do Aço na Espanha

Os trabalhadores espanhóis continuam desafiando a ditadura de Franco. Dia 19 de janeiro os altos fornos e os trens de laminação da grande usina siderúrgica "La Vasconia" em Dos Caminos — perto de Bilbao — foram fechadas pelo govêrno devido a uma gréve de braços cruzados realisada pelos trabalhadores. Na semana seguinte a gréve continuava ainda.

DELEGADO ESPECIAL DA FITIM

O companheiro Albert Kemetmüller, um dos Secretários da Federação Austriaca de Trabalhadores Metalúrgicos e Mineiros (filiada à FITIM) acaba de ser designado delegado especial da Região Interamericana da FITIM. O companheiro Kemetmüller, passará ao redor de seis meses em vários países da América Latina. Chegou ao Brasil nós últimos dias de fevereiro e já visitou sindicatos em Volta Redonda e nós Estados de



Albert Kemetmüller

São Paulo, Paraná e Santa Catarina. Há 37 anos nasceu o companheiro Kemetmüller no seio de uma família mineira e começou a trabalhar nas minas com a idade de 14 anos.

Começou a ter trabalhos sindicais de responsabilidade no ano de 1947, especialmente na Organização da Juventude Sindicalista Metalúrgica e Mineira. Há mais de oito anos ocupa cargos de responsabilidade regional e nacional em sua Federação. Além de falar o alemão, sua lingua de origem, o companheiro Kemetmüller tem conhecimentos de espanhol e inglês.

Outros Secretáriados:

Petroleiros

A Federação Internacional de Trabalhadores Petroleiros acaba de fazer público a solicitação de filiação de recebeu por parte de três organizações sindicais da indústria, uma delas da Somalia na Africa do Sul e as duas restantes da Colombia neste continente.

A Internacional Metalúrgica congratula essa organização irmã pe novo passo em direção da unidade dos trabalhadores petroleiros do mundo livre.

Tranportes

O Escritório Regional da ITF para a América Latina informa que em recente viagem de seu Diretor, C. Fernando Azafia, ao Ecuador, conseguiu-se a unidade completa dos dois gremios ferrocarris do país. Por outro lado, nesta data o próprio C. Azafia está em viagem para Valparaiso para intervir na solução do grave problema que aféta nos marítimos da COMACH, em virtude de que o govêrno e os amadores de barcos estão tratando de reduzir seus salários.

"Patriotismo" Patronal

Segundo a prestigiosa revista "Comércio Exterior do México", o Presidente da Associação Suiça de Banqueiros mencionou que interesses latino-americanos têm mais do que 10 mil milhões de dólares acumulados em bancos suiços. Por outro lado, o Banco Interamericano de Desenvolvimento emprestou em 1961 a 18 países da América Latina em pouco menos do que 300 milhões. O capital latino americano, escondido na Suiça, teria podido financiar 33 anos de desenvolvimento, nesse ritmo, sem necessidade de empréstimos.



VOLTA REDONDA — O companheiro Alberto Nieves, representante da FITIM para a zona sul da América Latina, acompanhado pelo companheiro Joaquim Otero representante da ITF (Transporte), em frente da sede do poderoso Sindicato Siderúrgico de Volta Redonda. No centro da fotografia se vê nosso companheiro Samuel de Paula Reis, Presidente do Sindicato, com outros dirigentes locais (entre outros o c. Othon Reis, o c. Waldir e o representante do govêrno sr. Borges).

Estados Unidos

Trabalhadores da Studebaker em gréve

Desde 1.º de janeiro de 1962, 6.500 trabalhedores de automóveis, que formam a secção local N.º 5 da UAW, em South Bend. Indiana, estão em gréve contra a emprêsa Studebaker-Packard Corp. que procura reduzir os salários e modificar as condições de trabalho nessa fábrica nos Estados Unidos.

Os dirigentes do Sindicato manifestaram compreender o momento difícil que atravessa a emprêsa e que os trabalhadores colaboraram ao fazer concessões em matéria de seguro médicos, pensões e outros benefícios complementares. porém não podem aceitar baixa de salário e modificações das normas de trabalho em que os patrões insistem. Os piquetes de gréve não pararam sua marcha a despeito das temperaturas muito abaixo de zero que predominam na região.

A decisão firme e a convicção de que sua causa é justa, darão a esses companheiros o triunfo, que será mais um no brilhante histórico dos trabalhadores de automóveis, membros da **FITIM**.

Alemanha

Negociações Importantes

Diante dos preparativos da poderosa Federação Alemã de Trabalhadores Metalúrgicos (IG Metall), filiada à **FITIM**, para a apresentação de uma nova pauta de reivindicações, as 14 maiores associações de empregadores da indústria provocaram elas mesmas a terminação dos contratos coletivos dia 31 de dezembro próximo passado. Julga-se que a tática dos empregadores procura criar uma frente única dos capitalistas contra as reivindicações operárias, para impedir a Federação operária de entrar separadamente em negociações com àqueles setores de empregadores que menos possam resistir às solicitações.

A Federação Metalúrgica já havia indicado sua intenção de lutar por:

a) um aumento geral de 10% (para melhorar o padrão de vida);

b) 6 dias feriados adicionais.

A parte (a) é a mais importante, visto que vem juntar-se a um acôrdo já alcançado de diminuir a jornada semanal de trabalho de 44 para 42 horas sem diminuição de salário. A Federação Metalúrgica, cujo Presidente Otto Brenner é também Presidente da **FITIM**, conta com 1.800.000 filiados.



VOLTA REDONDA: Cena do trágico acidente onde caiu uma caçamba de aço fervendo extinguindo a vida de 16 companheiros.

VOLTA REDONDA

GRAVE ACIDENTE

As agências noticiosas internacionais difundiram sábado 27 de janeiro os detalhes do acidente ocorrido na usina siderúrgica de Volta Redonda, a maior da América Latina, ao romper-se a tenaz que sustentava uma caçamba móvel com 70 toneladas de aço incandescente, que se derramou sôbre um grupo de trabalhadores, dos quais 16 perderam a vida e os restantes sofreram lesões que os põe á beira da morte e os incapacita de fórma permanente.

Ao tomar conhecimento do ocorridos **FITIM** enviou imediatamente um telegrama ao c. Samuel de Paula Reis, Presidente do Sindicato Metalúrgico, transmitindo-lhe condolências e solidariedade nesses momentos de dôr pela desgraça que atingiu a esses esforçados companheiros nossos. Além disso, foi enviada uma contribuição para o fundo de ajuda às famílias das vítimas.

Grã Bretanha

PROTESTO CONTRA CONGELAMENTO DE SALARIOS

Durante estes últimos dias teve lugar na Inglaterra uma gréve de atividades por parte de 3.000,000, de trabalhadores, em consequência das medidas ditadas pelo Govêrno congelando os salários. como medida para melhorar a situação de competição do país nos mercados estrangeiros.

Este cessamento de atividades, iniciado nós setôres indústriais, ameaçava estender-se aos de transporte e será mantido até que o govêrno mude radicalmente sua posição.

O Congresso de Sindicato Britânico (TUC), central nacional com 8.000,00 de trabalhadores e afiliada à CIOSL, está tomando parte ativa na direção deste protesto de suas filiadas e do movimento operário em geral, para que se respeite o seu direito de lutar por melhores salários.

poio aos...

(Continuação da 1.ª página)

didos dos trabalhadores da Bolivia, Chile e Perú e nessas oportunidades contou-se com a participação das filiadas norte-americanas da FITIM, especialmente a dos trabalhadores do aço (que incluem em suas fileiras milhares de mineiros de metais), que ao ajudarem seus irmãos latino-americanos, se esforçaram também em proteger tanto quanto possivel os empregos dos mineiros norte-americanos e, em todo o caso, para conseguir que sejam criadas novas fontes de trabalho para os desempregados e, também facilidades necessárias para adquirir aptidão profissional para tal fim.

Ainda, expressaram o desejo de que "as bases do comércio internacional desses metais devam ser estabelecidas mediante convênios bilaterais ou multilaterais entre os Estados Unidos, principal consumidor, e os países produtores, e **nunca por decisões unilaterais**".

NOVO CONTRATO COLETIVO EM VOLTA REDONDA

O Sindicato Metalúrgico de Volta Redonda firmou um novo contrato coletivo com a grande companhia Siderúrgica Nacional. Este sindicato conta-se entre os mais adiantados do Brasil. Tem um alto grau de sindicalização voluntária e é um dos sindicatos onde é mais evidente a vontade de financiar as atividades sindicais das mensalidades de seus sócios (com uma renda própria daquela fonte além de duas vezes maior do que a que recebe do impôsto sindical). Essa preocupação democrática com a participação dos trabalhadores na vida do seu sindicato foi expressa pelo seu presidente, Samuel de Paula Reis, pelo vice-presidente da Federação do Estado, Othon Reis Fernandes, e outros dirigentes operários de Volta Redonda aos representantes da FITIM, Daniel Benedict e Alberto Kemetmüller, que visitaram as instalações do Sindicato dia 28 de fevereiro.

O contrato continua a clausula importante de reajustamento automático de salários (escalas móvel), com a Comissão Paritária para julgar as cifras recolhidas nas lojas da mesma Volta Redonda. No novo acôrdo os reajustamentos entrarão em vigor a partir do primeiro dia do mês subsequente à constatação do aumento do custo de vida, em vez de ser adiado por mais um mês como foi o caso no artigo contrato. Esses reajustamentos são feitos cada 4 meses com a condição de que o custo de vida haja aumentado 5% ou mais (condição tristemente muito fácil de acontecer). No ano passado esses aumentos automaticos deram um aumento cumulativo de 47.39% Isso resulta em que o salário mínimo básico atual na usina é de Cr$.. 17.000,00, a isso se acrescenta ainda várias outras parcelas como o ATS (adicional por tempo de serviço) e o salário família, que atualmente é de Cr$ 910.00 por dependente por mês.

Junto com o acôrdo escrito houveram certas discusões e promessas no campo da construção de moradias.

Há uma clausula interessante protegendo os direitos completós dos jovens trabalhadores chamados a servir nas Fôrças Armadas Brasileiras e outros sôbre os salários noturnos e horas extra.

Os benefícios são extensivos a todos os 16.000 trabalhadores da C. S. N., não só em Volta Redonda como também no Rio de Janeiro, São Paulo, Rio Grande do Sul, Minas Gerais e Pernambuco, com excepção dos tripulantes dos barcos da Emprêsa e dos participantes nas Escolas Técnicas.

Um ponto que fica para resolução eventual é o da participação do Sindicato nas decisões sôbre classificações e categorias.

Uma Assembléia do Sindicato aprovou o contrato por 5,348 votos contra 236.

Do grande interesse também foi a decisão recente do Sindicato, aprovada já na Assembléia, fixando as mensalidades dos sócios em 1% do salário com teto em 150% do salário mínimo. Essa decisão que assegura a renda própria do Sindicato contra a inflação, é um importante meio de fortalecimento democrático do sindicalismo.

QUE E A FITIM?

A Federação Internacional dos Trabalhadores nas Indústrias Metalúrgicas (FITIM) e um dos 16 Secretariados Profissionais Internacionais, que reúnem os trabalhadores de cada um dos ramos industriais para a defesa eficaz dos seus interêsses. Organizada em 1893 por ocasião da luta pela jornada de 8 horas com 125.000 membros, e agrupando hoje mais de 8.000,000 de metalúrgicos sindicalizados nos cinco continentes, êsse organismo age em cooperação com as demais organizações sindicais livres do mundo.

A sede central da FITIM está na cidade de Genebra, na Suissa. Seu Secretário Geral é o companheiro Adolphe Graedel, dirigente dos operários metalúrgicos e relojoeiros suissos. No presente momento suas atividades são secundadas por três secretários gerais adjuntos ou secretários propriamente ditos, um dos quais é o companheiro Daniel Benedict, quem está dirigindo as atividades da FITIM na região interamericana. A região interamericana conta ainda com dois colaboradores permanentes que são: o companheiro Alberto M. Nieves, representante na parte sul do continente (Argentina, Uruguai, Brasil, Bolivia, Chile e Perú) e o companheiro Fernando Melgosa, representante na parte norte (México, América Central Equador, Colombia, Venezuela e Caribe). A Federação conta também com um escritório no Japão dirigido pelo companheiro Ishiro Seto.

A autoridade da FITIM é o Congresso Geral que se reúne de três em três anos. Até o presente 16 congresso foram realizados, sendo o último em maio de 1961 em Roma. Depois do Congresso, o órgão mais importante é o Comité Central integrado pelos representantes das suas principais organizações associadas, e que se reúne pelo menos uma vez por ano. O Comité Central conta atualmente com representantes dos Estados Unidos, Colombia e México.

O Comité Executivo está formado por um presidente e cinco vice-presidentes designados pelo Comité Central; reune-se duas ou três vezes ao ano para examinar a execução dos programas de trabalho da Internacional e bem assim, os assuntos administrativos. Por último, o Secretariado, dirigido pelo Secretário Geral propriamente dito, sendo formado por êste e pelos companheiros que com êle cooperam na sede central e nas sedes regionais. O atual presidente da FITIM é o companheiro Otto Brenner, que foi eleito em 1961, sendo também presidente da poderosa Federação Alemã dos Trabalhadores Metalúrgicos.

A estructura interna da FITIM é bem simples, para acompanhar detalhadamente os acontecimentos e problemas especiais de cada uma das principais partes de nossa indústria, a FITIM creou os chamados "setores industriais". Assim temos o setor de automóvel, o de ferro e aço, o da construção naval, além do setor da mecânica geral que inclui o sub-setor do material elétrico e eletrônico. Êsses setores publicam estudos especializados sôbre os aspectos específicos de cada ramo. Tudo isto tem especial importância dado o grande número de emprêsas internacionais nos vários setores de Metalurgia.

A FITIM considera que o desenvolvimento da tecnologia e dos métodos de produção e administração da indústria tornam imprescindível o fortalecimento do sindicato no seu aspecto orgânico, na ação baseada na análise clara dos problemas que arrastam seus associados no conhecimento útil das experiências e dos métodos e táticas elaborados pelos companheiros de outro países. A FITIM compartilha o anseio das suas associadas de marchar com suas próprias pernas, representar digna e aceitadamente as aspirações dos seus associados para não ser títeres nem brinquedo de quem quer que seja, e muito menos vítima do engano de ninguém e sobretudo de nenhuma fôrça extranha ao sindicalismo. E assim que a FITIM entende a realização plena do formoso lema "Solidariedade Internacional".

A FITIM impulsiona os sindicatos metalúrgicos de cada país a fim de que êstes trabalhem com o espírito isento das atitudes separatistas, exclusivistas ou demagógicas, sabendo de antemão, que o movimento sindical só será forte à medida em que os sindicatos de cada ramo sejam robustecidos, ocupandose eficazmente das suas tarefas.

(Continuação da 1.ª página)

NOVO ACÔRDO EM SÃO PAULO: 48% E COMISSÃO PARTIDÁRIA

o lar operário para evitar que hajam numerosas donas de casa que não saibam fritar um ôvo. Falando na mesma ocasião Daniel Benedict da FITIM acentuou o papel social dos sindicatos na tarefa de eliminar as condições que fazem com que em milhares de lares operários faltem ovos para fritar. e mencionou o interesse com que a Internacional Metalúrgica seguiu as negociações e seguirá o desempenho da Comissão Paritária. O delegado Regional do Trabalho, Mário de Luca, frisou o que possam representar esses acôrdos, inclusive como um passo para a realização de verdadeiros Contratos Coletivos.

METAL

Jornal da Federação Internacional dos Trabalhadores nas Indústrias Metalúrgicas (FITIM), com sede em Genebra, Suissa (27 rue de la Coulouvrenière); publicado pela sua Região Interamericana, com sede México (Plaza Ferrocarril 11, s/22) e endereço no Brasil, em São Paulo (Rua dos Estudantes, 48)

Diretor responsável:
SEBASTIÃO DE PAULA COELHO

Redator internacional:
DANIEL BENEDICT

Solicita-se intercâmbio de publicação.

Autoriza-se a reprodução, com menção da FITIM.

Assinatura anual:
200 cruzeiros no Brasil;
1 dolar o seu equivalente nos damais países.

METAL

Jornal da Federação Internacional dos Trabalhadores nas Indústrias Metalúrgicas (FITIM), com sede em Genebra, Suíça (27 rue de la Coulouvrenière); publicado pela sua Região Interamericana, com sede no México (Plaza Ferrocarril 11 - s. 22) e no Brasil, em São Paulo (Rua dos Estudantes, 48).

Diretor responsável: **Sebastião de Paula Coelho**

Redator internacional: **Daniel Benedict**

ANO II | ABRIL — JUNHO, 1962 | NÚMERO 2

Satisfação dos participantes no Seminário Metalúrgico de São José dos Campos (S. P.)

Este seminário foi uma valiosa oportunidade para todos nós de aumentar os nossos conhecimentos e forjar novas armas para a nossa luta sindical. Porém, foi ainda mais importante como estímulo que aproveitaremos para fazer um trabalho educativo em nossos sindicatos nas demais localidades do Estado". Assim falou no encerramento do Seminário de Capacitação Sindical Metalúrgica de São José dos Campos (no interior do Estado de São Paulo) o companheiro Sergio Durval Vicentini.

Trinta sindicalistas de 17 cidades paulistas participaram de um Seminário de 3 dias de estudos sindicais. Este seminário foi organizado nos dias 15, 16 e 17 de junho pelo Sindicato de Trabalhadores Metalúrgicos, Mecânicos e do Material Elétrico de São José dos Campos com a cooperação ativa da Federação Metalúrgica do Estado de São Paulo e da Federação Internacional, a "FITIM".

A discussão dos vários temas foi precedida por introduções por parte de: Argeu Egydio dos Santos (Vice-Presidente da Federação do Estado e Presidente do Sindicato de Ribeirão Preto), Vitelbino Ferreira de Souza (Suplente da Diretoria Estadual e Presidente do Sindicato de Santos), Armando Martins de Azevedo (assessor jurídico da Federação do Estado), Mario Carvalho de Jesus (assessor de vários sindicatos e dirigente da Frente Nacional de Trabalho), Lázaro Augusto da Cruz (2.º Tesoureiro da Federação do Estado e Presidente do Sindicato de Araras), Daniel Benedict (FITIM) e Alberto Nieves (FITIM).

Além da ativa discussão que teve lugar durante a apresentação de cada tema em sessão plenária, foram organizados dois grupos de trabalho para facilitar a participação democrática e ativa de todos os assistentes. Isso serviu também para promover a discussão dêsses temas à luz das experiências e problemas dos participantes.

O programa foi:

Dia 15:

15 às 18 horas — "Deveres de um dirigente sindical" — Trabalho em grupo

19 às 22 horas — "Elementos do Contrato Coletivo" — Trabalho em grupo

Dia 16:

9 às 11,30 hs. — "Finanças Sindicais — "A vida sindical Nacional e Internacional"

13 às 17 horas — "Utilização da Legislação do Trabalho" — Trabalho em grupo

17 às 18 horas — Reunião dos chefes dos grupos

Dia 17:

9 às 11 horas — "Papel do Delegado de Emprêsa" — Trabalho em grupo

11 às 12 horas — Relatórios dos grupos

13,30 às 15 horas — Encerramento

Os componentes dos grupos foram:

Grupo A — Manfredo Formigoni, de São Carlos (Presidente do Grupo); Antonio de Góes, de Araras (Secretário do Grupo); Fioravante Sajo, de Sorocaba; Antenor Formigoni, de Lins; Sebastião Batista, de Taubaté; Pedro de Abreu, de Taubaté; José Soares de Albuquerque, de São José dos Campos; Antonio Lopes Plaça, de Itú; srta. Leonice Ramos, de São José dos Campos; Benedito José Custódio, de Cruzeiro; Joaquim Vicente Alves, de São José dos Campos; Benedito Alves de Sá, de São José dos Campos; Luiz Baldo, de Marília; Joilson Goes Rosa, de Lorena; Julio Salustiano da Silva, de Taubaté.

Grupo B — José Domingues da Silva Sobrinho, de São José dos Campos (Presidente do Grupo); Norberto Nunes do Amaral, de Santa Bárbara do Oeste (Secretário do Grupo); Cecílio Domingues Neto, de São José dos Campos; Albano Nery Secco, de São Paulo; Pedro de Oliveira, de Cruzeiro; Lázaro Augusto da Cruz, de Araras; Lázaro Barbosa de Oliveira, de Campinas; Antonio Cabeça Filho, de São Carlos; Sergio Durval Vicentini, de

(Continua na página 2)

Reunião Mundial dos Operários do Aço

Cinco dirigentes sindicais de algumas das usinas siderúrgicas mais importantes da América Latina terminaram no México, dia 18 de maio, uma viagem de grande importância. Eles foram especialmente convidados para participar da Conferência Internacional do Setor Siderúrgico da FITIM, que se realizou em Duisburg, Alemanha, do dia 3 ao dia 7 de maio. Os encarregados da organização dessa Conferência foram Adolph Graedel, Secretário Geral da FITIM, e Karl Casserini, Diretor do Serviço Econômico da mesma. Foi esta a primeira vez que delegados latino-americanos assistiram a uma Conferência de um dos setores industriais da Internacional Metalúrgica, mas mesmo assim tomaram parte importante na discussão dos diferentes temas de interêsse prático para os trabalhadores do aço. Os delegados convidados foram:

Alfredo de Oliveira — Delegado principal da Planta Siderúrgica COSIPA, Brasil

Waldyr Amaral Bedê — Secretário do Sindicato de Volta Redonda, Brasil.

Anibal Granados — Membro do Executivo da Secção Belencito do Sindicato Paz del Rio, Colombia.

Santiago Ravello — Secretário Geral do Sindicato da Usina Siderúrgica de Chimbote, Perú.

Mario Mosquera — Secretário do Sindicato Industrial "Acero del Pacífico", em Huachipato, Chile.

Foram também à Duisburg e foram admitidos para observar o decorrer da Conferência, assim como a participar das primeiras visitas que fizeram os outros delegados depois dessa Conferência, os representantes de duas agrupações que incluem uma pequena, porém ativa parte dos afiliados do Sindicato Industrial de Huachipato, que são os chamados "Sindicatos Profissionais" de operários especializados e capatazes: Rolando Chaves e Alfredo Riosseco.

Os trabalhadores sindicais latino-americanos estiveram entre os 73 participantes de 22 países da Europa, Américas, Ásia e Austrália que participaram da Conferência.

(Continua na página 4)

SATISFAÇÃO DOS PARTICIPANTES

(Conclusão da primeira pág.)

Presidente Prudente; Antonio Maria Martins Filho, de Santos; Gavino Ferrari, de Jaú; Turíbio de Araujo, de São José dos Campos; Benedito Domingos, de São José dos Campos.

Visto que o Seminário foi celebrado em São José dos Campos, os demais sindicatos do lugar foram convidados a enviar um participante cada um. Quase todos aceitaram e é assim que se contou com a presença dos sindicatos de ceramistas, comerciários e da construção civil.

Dos participantes do Seminário, 15 são presidentes de seus sindicatos locais, 12 têm outros postos sindicais, 3 não têm nenhum cargo sindical e *todos menos três participaram pela primiera vez de um curso educativo sindical.*

O encerramento do Seminário foi presidido por José Domingues da Silva Sobrinho (Presidente do Sindicato Metalúrgico de São José dos Campos, e principal organizador do Seminário e falaram: Cecilio Domingues Neto (Presidente do Sindicato de Ceramistas de São José dos Campos e da Federação dos Trabalhadores nas Indústrias de Vidros, Cristais, Espelhos, Cerâmica, de Louça e Porcelana do Estado de São Paulo) e Sergio Durval Vicentini (Presidente do Sindicato Metalúrgico de Presidente Prudente) em nome dos estudantes, Daniel Benedict, em nome da FITIM, e Argeu Egydio dos Santos, em nome da Federação Metalúrgica do Estado de São Paulo. O companheiro Argeu e o companheiro Nieves distribuiram diplomas e distintivos aos estudantes. Todos salientaram a importância de transmitir os ensinamentos aos demais companheiros; Cecilio Domingues frizou o valor de cada um ter podido externar seus próprios pensamentos; e o companheiro Argeu frizou dois pontos: a) sua satisfação de que os representantes da FITIM estudem os problemas e trabalhem junto com os companheiros dos vários sindicatos em vez de vir apenas saudar os dirigentes de cúpola e ir embora e b) que a Federação do Estado seguramente continuará dando seu apoio à celebração de outros eventos dêste tipo.

SALÁRIO-FAMÍLIA E ABONO DE NATAL

A Confederação Nacional dos Trabalhadores na Indústria filiada a CIOSL-ORIT, acaba de chamar os trabalhadores brasileiros a manifestar dia 26 de junho em Brasília, ao povo, congresso e govêrno do país, sua vontade de realizar duas reivindicações simples mas profundas: O Salário-Família e o Abono de Natal. A FITIM, informada pelo Presidente da Federação Metalúrgica do Estado de São Paulo, o c. Domingos Alvares, se junta aos metalúrgicos e aos demais trabalhadores do país em apoio dessas reivindicações econômicas justificadas para a defesa do salário.

Ajuda Metalúrgica aos Grevistas Espanhóis

A Internacional Metalúrgica — FITIM — fês pública a notícia de um bom número de respostas ao chamado de solidariedade para com os grevistas espanhóis que são em grande parte mineiros e metalúrgicos. A própria FITIM contribuiu imediatamente com 5.000 dólares de seu fundo de solidariedade. Essa contribuição foi dedicada a dois fins que são: ajuda direta à manutenção dos grevistas espanhóis e suas famílias e à defesa dos prêsos e outras vitimas das represálias franquistas.

Em outro lugar dêste número mencionamos a contribuição de 10.000 dólares enviada por intermédio da FITIM pelos trabalhadores do automóvel dos EE.UU. Também foram recebidas contribuições significativas das Federações Metalúrgicas da Alemanha, Dinamarca, Suiça e Itália.

A FITIM como a CIOSL e suas organizações regionais europea, interamericana, etc. de comum acôrdo com a Internacional Cristã, continuará apoiando os trabalhadores espanhóis em sua luta para garantir o salário diário de 150 pesetas (Cr$ 840.) que ultrapassando de longe a importância de sua reivindicação inicial está criando grandes brechas na ditadura de Franco e impondo o direito de negociação coletiva e até mesmo o direito de greve tão odiado e temido pela ditadura.

A FITIM aplaude também a ajuda e as manifestações dos trabalhadores de outros grêmios como por exemplo a greve dos portuários belgas que recusaram descarregar uma barco espanhol e que como a CIOSL e muitas de suas filiadas estão dando também fortes contribuições materiais.

O escritório regional internacional da FITIM sugere a tôdas as organizações filiadas ou amigas, que não o tenham feito ainda, que façam o seguinte: a) alertar a opinião pública em favor da luta democrática do povo trabalhador da Espanha; b) instar com o govêrno de seu país para que tome uma atitude nas Nações Unidas e seus órgãos especializados em favor da liberdade sindical na Espanha e contra as represálias antidemocráticas. Nêste sentido é particularmente importante que os Ministérios de Trabalho e as delegações à Conferência Internacional da O.I.T. salbam nosso repúdio das atuais violações dos direitos enunciados pela mesma O.I.T. por parte de um govêrno que procura entrar com pleno direito nêsse organismo internacional; c) Qualquer contribuição econômica ainda mesmo que simbólica por parte de uma organização sindical latino-americana será de grande valor, inclusive psicológicamente.

É favor dar a conhecer à redação de "Metal" tôda ação em favor de nossos irmãos espanhóis.

CONVOCAÇÃO DO COMITÉ CENTRAL INTERNACIONAL DA FITIM EM OSLO — (8-9-10 de agôsto de 1962).

Dia 8 de agôsto de 1962, começará em Oslo, Noruega, a reunião do Comitê Central e Internacional da FITIM.

Antes da reunião do Comitê Central terá lugar uma reunião do Comitê Executivo.

CHILE
INDÚSTRIA DE MATERIAL ELÉTRICO

O escritório Interamericano da FITIM recebeu informes no sentido de que os Sindicatos de Trabalhadores da Standard Electric, Indústrias Philips e RCA Victor em Santiago do Chile entrariam em greve durante o mês de abril, em virtude de que suas reivindicações de aumento salarial e benefícios maiores não foram atendidas pelas emprêsas em apreço, em alguns casos mesmo depois de terminado o período de conciliação.

Queremos reiterar por intermédio de "Metal" o apoio, já expresso a êsses Sindicatos amigos da FITIM por meio de telegramas que foram dirigidos a suas assembléias, a suas justas aspirações de melhoramento para seus trabalhadores e lhes assegurar nossa solidariedade moral e material no caso em que tenham que se declarar em greve como um último recurso.

A luta dêsses três Sindicatos é de importância vital, uma vez que os mesmos formarão na Província de Santiago a Comissão de Salários para todos os trabalhadores da indústria de material elétrico.

—o—

Ultima hora: Os trabalhadores da Philips e RCA Vctor acabam de obter novos contratos coletivos, com 15 por cento de aumento e outras melhorias, e os da Standar 10 por cento.

NOVOS LAÇOS ENTRE TRABALHADORES EM FABRICAS DE AVIÕES

Sindicalistas de vários países assistiram à Conferência Especial do Setor Industrial de Aeronaves da Federação Metalúrgica "Fôrça Operária" da França, celebrada em 26 e 27 de maio em Tolosa. Após à mencionada Conferência, celebrou-se uma segunda reunião, nos dias 2 8e 29, de caráter internacional, no mesmo local, sob os auspícios da FITIM. Entre as organizações representadas em ambos os certames contavam-se as Federações Metalúrgicas da Alemanha, Suécia, Itália, Inglaterra, Holanda e Bélgica e as de Mecânicos (IAM) e de Automovel (UAW), que englobam à maioria dos trabalhadores dêste setor nos Estados Unidos e no Canadá.

Foi estudada a extensão mundial desta indústria, as relações entre os governos e as emprêsas nacionais e particulares, os laços entre empêsas em diferentes países, as vantagens e problemas de uma aproximação entre os sindicatos afetados, e diversos outros aspectos sociais, técnicos e econômicos.

Sugere-se aos sindicatos metalúrgicos que incluam em suas filiais trabalhadores de emprêsas construtoras de aviões, que se comuniquem com o escritório Interamericano da FITIM no México.

SOLIDARIEDADE PRÁTICA PARA DE UMA FILIAL DA FITIM, A COM OS GREVISTAS ESPANHÓIS U. A. W.

Como seu primeiro ato de Solidariedade prática, o Fundo Internacional de Resistência Sindical Livre, da Federação Norte-Americana de Trabalhadores do Automovel (UAW), decidiu remeter 10.000 dólares para os grevistas espanhois.

Êsse dinheiro acaba de ser enviado à FITIM (a Internacional Metalúrgica), para ajudar os trabalhadores espanhois em luta, a maioria dos quais é efetivamente neste momento composta de metalúrgicos e mineiros de metal.

O Fundo em questão foi estabelecido pela UAW durante o seu recente Congresso (de 4 a 10 de maio), quando se decidiu dedicar à Solidariedade Internacional o interêsse que recebem do Fundo de Greve dessa Federação. Segundo o Diretor Internacional da UAW, Victor Reuther, o interêsse disponível será de uns 3 milhões de dólares nos 2 anos vindouros, visto que o Fundo de Greve — o qual, conforme os estatutos não pode ser usado para outros assuntos — é de 40 milhões de dólares. Uma emenda nos estatutos, votada por uma maioria de perto de 98%, estabeleceu a nova utilização do interêsse.

O c. *Walter Reuther, reeleito para a Presidência da UAW* nêsse mesmo congresso, frizou a responsabilidade dos 1.250.000 afiliados da UAW em contribuir para o fortalecimento do sindicalismo dos outros países em sua luta para melhores salários e condições de trabalho, e de fazê-lo através dos órgãos internacionais, a CIOSL e a FITIM. O Congresso reelegeu os demais dirigentes da UAW, porém foram também modificados os estatutos para acrescentar 3 diretores ao Comité Executivo Nacional. Os novos membros são Kenneth Bannon (dirigente dos trabalhadores da Ford — a quem o govêrno reacionário e racista da Africa do Sul recentemente recusou um viso para visitar êsse país em missão da FITIM), Douglas Fraser, e Nelson Jack Edwards (destacado dirigente negro da região de Detroit).

METALÚRGICOS BAIANOS CONTRA CORRUPTORES PATRONAIS

O Sindicato de Trabalhadores Metalúrgicos de Santo Amaro, Bahia, dirigido pelo companheiro Vivaldo Lopes, está fazendo face à uma campanha da Companhia Siderúrgica Sto. Amaro para minar a fôrça sindical. Através de medidas paternalistas, como melhoramento de um campo de futebol, a emprêsa procura fazer esquecer, segundo os dirigentes sindicais, o fato de que não paga a taxa de insalubridade, que não dá tôdas as férias previstas pela lei, etc.

A FITIM compartilha do desejo dos trabalhadores brasileiros de ver a indústria se desenvolver no Norte e Nordeste dêste país. Compartilha também de sua insistência em que êsse desenvolvimento tenha que acompanhar o respeito dos direitos dos trabalhadores e das suas condições de vida.

Partindo do mesmo princípio que faz com que a Companhia não tenha o direito de se apoderar de maquinária pertencente a outrem por estar naquela região do país, melhor ainda não tem o direito de surripiar o dinheiro dos trabalhadores.

GREVE NA MAFERSA EM SÃO PAULO

Há 45 dias os operários da Indústria MAFERSA encontram-se em greve, cujo movimento teve origem em virtude da emprêsa deixar de efetuar os pagamentos de salários correspondentes aos meses de abril e maio. Várias tentativas tem sido feita no sentido de obter uma solução satisfatória, todavia, a direção da emprêsa se mantêm irredutível em atender os reclamos dos operários.

A Federação dos Metalúrgicos, na pessoa do seu Presidente, Domingos Alvares, e o Sindicato dos Metalúrgicos de São Paulo, representado pelo seu diretor, Afonso Dellelis, integrando uma Comissão de operários se dirigiram aos responsáveis pela emprêsa em busca de uma solução para o impasse Tratando-se de uma firma subvencionada pelo Govêrno Federal, pois, opera com atividade de fabricação de vagões de aço, as entidades sindicais acima mencionadas em companhia de um grupo de operários da referida emprêsa, vem mantendo contatos diretamente com elementos do govêrno, para que através do Banco Nacional de Desenvolvimento, possam conseguir meios necessários para que os pagamentos em atraso sejam efetivamente pagos. Enquanto aquela comissão procura a solução para o problema, os operários da MAFERSA S.A., operando em diversos Estados do Brasil, continuam em greve, a espera de seus salários.



Congresso da Federação dos Trabalhadores nas Indústrias Metalúrgicas da Colombia (FETRAMECOL), filiada da FITIM. Da esq. à dir.: Gustavo Cuadros (da Diretoria da Confederação C.T.C.), Fernando Melgosa (representante da FITIM), Alfredo Camacho (de Cartagena, presidente da mesa), Marco A. Cordoba (presidente de FETRAMECOL), Alvaro Plazas e Hugo Duarte.

REUNIÃO MUNDIAL DOS...

(Conclusão da primeira pág.)

TRABALHOS DA CONFERÊNCIA

O programa foi o seguinte:

Quinta-feira, 3 de maio — Abertura da conferência pelo presidente D. H. Davies (Grã-Bretanha)

Nomeação da Comissão diretiva

Comunicados do Secretário geral.

Informações do Secretariado sôbre Condições de Trabalho na Indústria do Aço e discussões sôbre o tema.

Informações sôbre a luta para a Redução da Duração do Trabalho na Indústria do Aço e discussões a respeito.

A Co-determinação nas Emprêsas de Ferro e Aço na República Federal Alemã, por Otto Brenner (Presidente da FITIM), e discussões.

Sexta-feira, 4 de maio — Informações dadas pelo Secretariado sôbre a Situação Econômica na Indústria do Aço, e Análise dos Balanços das Maiores Emprêsas Siderúrgicas do Mundo Livre e discussão sôbre o assunto.

Visita à Usina Siderúrgica August Thyssen.

Sábado, 5 de maio — Continuação da discussão sôbre as Informações do Secretariado.

Informações sôbre Mudanças Tecnológicas e Desenvolvimento da Produtividade na Indústria do Aço, e discussão.

Conclusões a serem tiradas dos trabalhos e Encerramento da Conferência.

Submeteram-se relatórios à Conferência por intermédio do Secretariado da FITIM sôbre a presente situação econômica, salários e condições de trabalho na indústria de ferro e aço, bem como sôbre a posição financeira das 118 maiores companhias siderúrgicas do mundo livre (com o fito de servir de auxílio aos sindicatos nos contratos coletivos).

Boa parte da discussão rodou em volta do problema de repetidas flutuações no comércio internacional dêsse setor da indústria, particularmente sério nesta época de grande expansão da capacidade e rápido progresso tecnológico.

Em vista dêsse fatôres, a conferência sublinhou a necessidade de melhor coordenação de programas de desenvolvimento, na indústria de ferro e aço, na organização de uma política econômica internacionalmente coordenada visando expansão, de modo a salvaguardar o emprêgo pleno, o melhor desenvolvimento econômico e racional dos recursos produtivos para satisfazer as necessidade do povo. Ao mesmo tempo, a necessidade de promover o progresso em países em desenvolvimento econômico necessita completa atenção.

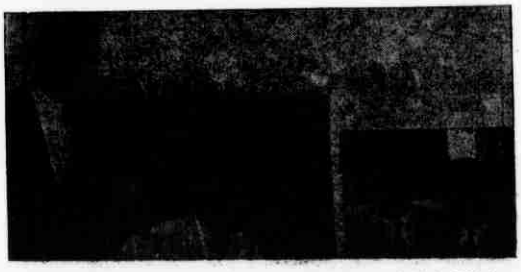
Para alcançar essas metas importantes, é de vital importância para os trabalhadores, através dos seus sindicatos, aumentar sua influência na organização da política econômica. O exemplo de co-determinação na República Federal Alemã pode ser olhado como um dos meios para se chegar a essa diretiva democrática da economia.

O Delegado Waldyr Amaral Bedê, de Volta Redonda, participou de maneira importante na discussão dêste tema durante a Sessão Plenária, detalhando as primeiras experiências brasileiras neste campo.

Os problemas futuros requerem, através de ativa política sindical de negociação de contratos coletivos, medidas efetivas para um constante aumento do padrão de vida, redução das horas de trabalho e previdência social no trabalho, de modo que medidas adequadas possam ser tomadas contra os efeitos prejudiciais que o desenvolvimento tecnológico possa eventualmente ocasionar.

O Delegado dos trabalhadores da nova grande usina COSIPA, Alfredo Sebastião de Oliveira, (Santos, Estado de S. Paulo), salientou em outra reunião plenária, a importância desta atividade sindical eficaz, particularmente nas novas indústrias e em países como o Brasil.

A conferência adotou duas resoluções por unanimidade. Uma estendendo saudações fraternais de 8 milhões de trabalhadores metalúrgicos organizados do mundo livre para com os trabalhadores espanhóis presentemente envolvidos numa greve de grandes proporções. A conferência confirmou sua solidariedade para com as organizações sindicais oprimidas e perseguidas por Franco, e reivindicou de todos os povos e governos do mundo livre o apoio para com a justa batalha do povo espanhol em prol da liberdade.



Alguns participantes na Conferência do Aço (da esq. à dir.): Alfredo Sebastião de Oliveira (COSIPA, Brasil) Daniel Benedict (FITIM) Mario Mosquera (Huachipato, Chile) Mitsuji Hanioka (Teko Roren, Japão) Waldyr Bedê (Volta Redonda, Brasil) Anibal Granados (Paz del Rio, Colombia)

Na segunda resolução, os delegados presentes à conferência falaram contra a brutal intervenção da polícia portuguêsa durante uma demonstração operária de protesto, ação essa que ocasionou duas mortes. Eles declararam sua solidariedade para com os trabalhadores portugueses em sua luta pela liberdade e democracia em Portugal.

RESOLUÇÃO SOBRE AS GREVES DOS OPERÁRIOS ESPANHOIS:

"Participantes da Conferência de Trabalhadores do Aço da FITIM, reunidos em Duisburg, apresentam, em nome de 8 milhões de membros sindicalisados no mundo livre, sua saudação fraternal aos operários espanhois, no momento testemunhando por meio de uma grave de grandes proporções sua irresistível determinação de continuar sob a ditadura de Franco sua luta para obtenção de melhores salários e condições de trabalho, bem como para a recuperação de seus direitos sociais e liberdade política.

"Por isso aqueles presentes à Conferência renovam com ênfase sua expressão de solidariedade para com os operários espanhois e seus sindicatos, oprimidos e perseguidos por Franco. Êles reivindicam o apoio de todos os países e governos do mundo livre para a justa batalha do povo espanhol em direção à liberdade, e que não dêem nenhum auxílio à ditadura de Franco. Tôda opressão dos direitos democráticos e sociais na Espanha significa o enfraquecimento das democracias ocidentais. Sòmente um movimento sindical livre, independente e democrático pode com sucesso organizar a luta contra as restrições da liberdade e contra o comunismo, e promover o progresso social".

PROTESTO CONTRA A AÇÃO DO DITADOR SALAZAR EM PORTUGAL

"Delegados da Conferência dos Trabalhadores do Aço da FITIM, reunidos em Duisburg, República Federal Alemã, nos dias 3 a 5 de maio de 1962, protestam veementemente contra a morte a tiros dos mineiros portugueses, efetuada pela fôrça policial de Salazar durante a demonstração de protesto e em favor da liberação de seus colegas. Os participantes dêste congresso estão profundamente sentidos pela trágica consequência de tal ação. Declaram sua solidariedade para com todos os trabalhadores portugueses em seu esfôrço tenaz contra a ditadura de Salazar, e expressam o desejo de que os trabalhadores portugueses e a nação posam em breve viver em liberdade e sob um regime democrático".

CONTATOS FRATERNAIS EM OUTROS PAÍSES

Depois da Conferência Internacional os delegados latino-americanos, acompanhados pelo Secretário Interamericano da FITIM, Daniel Benedict, e pelos dirigentes metalúrgicos da Turquia, Kemal Turkler e Saban Kapucu, fizeram uma serie de visitas de estudos e contatos fraternais. Começaram na Alemanha com a cooperação entusiasta da Federação Alemã de Trabalhadores Metalúrgicos IGMETAL, e com um programa bem organizado pelo seu Diretor Interna-

cional, Fritz Opel, e pelo responsável pelas relações com os trabalhadores estrangeiros, Max Diamant. Foram à sede do Sindicato local em Francfurt, à sede nacional da Federação na mesma cidade e à uma das duas escolas permanentes de capacitação que essa grande Federação mantém e que se acha na pequena localidade de Lohr, no Estado da Bavária. Na sede nacional, além das visitas a vários dirigentes metalúrgicos, celebraram-se a pedido dos mesmos delegados duas reuniões especialmente interessantes: uma sôbre certos aspectos e problemas da participação operária na co-determinação e a outra sôbre os problemas de avaliação de tarefas.

A delegação tomou o avião para Berlim onde visitou o Sindicato Metalúrgico local na zona ocidental e sua casa da juventude que é um centro de educação e recreação para jovens operários metalúrgicos. Separando-se em dois grupos, os delegados visitaram as casas de 2 trabalhadores metalúrgicos, e conversaram demoradamente sôbre os salários e as despesas de uma família operária. A delegação ficou impressionada particularmente pelo grande muro que as autoridades comunistas da zona oriental construiram para separar as duas zonas de maneira a impedir a continua fuga de habitantes da Alemanha Oriental para o ocidente, fuga que já alcançou 3 milhões de seus 21 milhões de habitantes. Viram o triste espetáculo não só do muro propriamente dito e que os alemães chamam "o Muro da Vergonha", como também as janelas e portas em todos os andares fechados completamente por tijolos, e as cruzes nas ruas junto ao muro onde pessoas morreram procurando saltar o teto para escapar do paraíso oriental.

A delegação procurou também informar-se sôbre a sorte do companheiro Heinz Brandt, redator do jornal da Federação IGMETALL, raptado o ano passado de Berlim Ocidental por agentes da Zona Oriental. Considera-se geralmente que o rapto do c. Brandt, conhecido por pertencer politicamente à ala mais esquerda do partido socialista alemão, obedece a um desejo dos orientais de castigá-lo por ter rompido anos atraz com o aparato do partido comunista do qual formava parte. A delegação procurou falar com o promotor público, e êle nem quiz recebê-la, mandou um subordinado dizer isso mas só a um dos integrantes da delegação e sòmente quando êste companheiro insistiu repetindo em frente de tôda a delegação que não podia recebê-la para responder a quaisquer perguntas sôbre Heinz Brandt. Acrescentou que se queriam queixar-se, poderiam fazê-lo ao Ministério de Relações Exteriores. Depois de ter saído de Berlim a delegação soube que os jornais da manhã seguinte publicaram a notícia de que o companheiro Brandt fôra condenado em processo secreto, sem representação nem de sua família nem de sua organização Sindical, a 13 anos de prisão — e que essa condenação já fôra feita quando se recusou a responder às perguntas da delegação latino-americana. (Vêr mais abaixo comentários dos delegados latino-americanos).

Em Paris os sindicalistas Latino-americanos tiveram conversações muito interessantes com os dirigentes franceses, encabeçados por seu secretário geral metalúrgico, Georges Delamarre, e com o destacado siderúrgico japonês, Mitsuji Hanioka.

Em Nova York visitaram o escritório da CIOSL e a sede impressionante das Nações Unidas. Daí seguiram para Washington onde se reuniram com dirigentes de vários setores metalúrgicos (Meyer Bernstein and Dean Clowes, dos Siderúrgicos, Rudy Faupl, dos Mecanicos, Victor Reuther e Lew Carliner, do Automovel, e Ben Segal, do Material Elétrico), todos afiliados da FITIM. Visitaram também a Refinação de Cobre da Kennecott Copper e a Usina Siderúrgica da Bethlehem Steel, ambas perto de Washington.

A última visita foi para o México onde o Sindicato Nacional de Mineiros e Metalúrgicos, que não poude participar da Conferência na Alemanha por ter seu próprio Congresso nos mesmos dias, convidou através da FITIM a todos os delegados das Américas presentes à Conferência de Duisburg, a visitar o mencionado Congresso Mexicano. Os cc. Oliveira, Bedê, Granados, Raveio, Mosquera e Benedict fairam no Congresso Mexicano. A Delegação teve também conversações de grande interêsse com os cc. Napoleon Gomes Sada, Secretário Geral do mesmo Sindicato de Mineiros e Metalúrgicos, com Fidel Velasques, Secretário Geral da Confederação dos Trabalhadores do México, nas respectivas sedes, e no escritório regional da FITIM, com Fernando Melgosa, representante da FITIM para a zona Norte da América Latina. Em cada uma dessas conversações foram comparadas experiências nos campos da organização sindical e da contratação coletiva. Depois do México os Delegados seguiram para suas casas, afirmando que as experiências da viagem seriam divulgadas a seus companheiros de sindicato e devidamente aproveitadas para o fortalecimento do movimento operário nos seus respectivos países.

COMENTÁRIOS DE ALGUNS PARTICIPANTES LATINO-AMERICANOS SÔBRE SUA VIAGEM À CONFERÊNCIA DA FITIM

Aníbal Granados. (Colombia). A viagem fêz ressaltar a necessidade que existe de mais trabalho educativo e mais cooperação organizadora entre a FITIM e suas filiadas.

Santiago Ravello. (Perú). O que vi, especialmente na Alemanha, vai me servir para fortalecer o trabalho organizador de meu sindicato. Considero também muito importante a visita ao Congresso dos Mineiros e Metalúrgicos do México, que nos deu um exemplo democrático de trabalho em favor dos interêsses dos trabalhadores.

Mario Mosquera. (Chile). Anteriormente só conheciamos à FITIM através das visitas de seus Representantes à Huachipato, mas agora vejo que a FITIM é uma organização que representa em geral a atitude que pensávamos ser própria de um companheiro. E' uma organização na qual nós, os trabalhadores de Huachipato, podemos colaborar como parte da construção de um movimento operário forte, democrático e revolucionário. A viagem também me convenceu da importância de ter nos Estados Unidos companheiros que nos conhecam. A madureza dos sindicalistas mexicanos nos impressionou.

Waldyr Bedê. (Brasil). Vendo as realizações dos trabalhadores metalúrgicos nos outros países, percebi que o que nos faz muita falta é o conhecimento de nossa própria fôrça. Temos que aproveitar o que vimos nesta viagem para nos ajudar a modificar a ordem de coisas.

Comentários sôbre Berlim e Heinz Brandt.

Alfredo de Oliveira. (Brasil). Enquanto em Berlim Ocidental vimos um povo livre, em Berlim Oriental vimos um povo subjugado a um regime ditatorial e controlado completamente por um forte grupo policial como pude observar com meus próprios olhos.

Waldyr Bedê. (Brasil). Pareceu-me profundamente estúpido o tratamento dado pelos alemães orientais a Heinz Brandt. Quando os jornais falarem das ditaduras latino-americanas eu me consolarei pensando no que sofre também o povo da Alemanha Oriental, cuja ditadura não deixa nada a desejar às daqui. Qual a razão do muro se o povo da Alemanha Oriental é livre?

Santiago Ravello. (Perú) Quero expressar meu protesto contra o trato dispensado a Heinz Brandt.

Aníbal Granados. (Colombia). Protesto não apenas contra o trato dado a Heinz Brandt, como também refuto a maneira pela qual nós mesmos fomos tratados, recusando-se até a responder as nossas perguntas sôbre o que estavam fazendo com o nosso companheiro raptado pelos soviéticos.

Mario Mosquera. (Chile). Todos nós repudiamos o estado policial que vimos com nossos próprios olhos.

Como em qualquer País

A primeira coisa que impressionou a delegação metalúrgica latino-americana quando pensou para a zona oriental de Berlim, foi que os guardas das fronteiras comunistas inspecionaram todo o dinheiro que tinham e obrigaram-nos a apresentar recibos para cada Marco gasto na zona para poder sair sem dificuldades após. Tiveram até que pedir recibos ao chofer de taxi. Quando um dos delegados mostrou sua surprêsa para com êsse procedimento, uma mulher da polícia comunista lhe disse: "Porque V. está tão surpreendido? isso é feito em todos os países do mundo"!

Kennedy e os donos do Aço

O Presidente dos Estados Unidos, Sr. John Kennedy, no mês de abril felicitou às emprêsas siderúrgicas e aos sindicatos de trabalhadores de aço, por terem assinado um novo acôrdo coletivo. Felicitou-os por duas razões: por ter sido o contrato assinado sem greve (o contrato precedente foi obtido sòmente após uma greve de 116 dias) e porque os benefícios, segundo opinião geral, foram de natureza a serem absorvidos dentro da estrutura de preços existentes para os produtos de aço, sem justificar nenhuma outra onda de inflação.

Mal a tinta das declarações de satisfação do Sr. Presidente teve tempo de secar, quando os grandes donos do aço anunciaram em abril que, apesar de tudo, iriam aumentar seus preços. Kennedy reagiu imediatamente, com um ataque forte, que dividiu os patrões, convencendo alguns a anular seus aumentos e assim obrigando os outros a fazer o mesmo. Acrescentou aos seus argumentos o anúncio de investigações por parte da Justiça, sôbre os lucros e impostos dos recalcitrantes, e a recusa de comprar seus produtos por parte dos departamentos governamentais — e, especialmente, pelas Fôrças Armadas.

O Presidente Kennedy disse à Imprensa: "O povo norte-americano terá dificuldade, como a tenho eu, em aceitar uma situação onde um pequeno punhado de gerentes do aço, cuja corrida atraz do poderio particular e lucros supera sua responsabilidade para com o público, pode mostrar um tão completo desdenho dos interêsses de 185 milhões de norte-americanos.

"Não há nenhuma justificativa para os aumentos de preços. E' reconhecido por todos que o novo contrato coletivo não provoca uma inflação. Além disso não entrará em vigor até julho. O custo do elemento operário em cada tonelada de aço em 1961 foi essencialmente o mesmo que em 1958. A produção de aço por trabalhador segue aumentando tão ràpidamente que é provável que seu custo diminua durante os próximos 12 meses.

"O custo de suas principais matérias primas — sucata e carvão têm baixado também... Sua porcentagem de lucros foi normal e aumentará provàvelmente êste ano. Sua sorte foi muito melhor do que a dos 100.000 trabalhadores de aço que perderam seus emprêgos durante os 3 últimos anos.

"Em resumo, num momento em que deveriam explorar as possibilidades de reduzir os preços, umas poucas grandes Sociedades Anônimas decidiram aumentá-los, com um desprêzo desprovido de consciência de suas responsabilidades para com o público".

Seguiram-se as referências aos departamentos públicos de investigações e compras.

Segundo o prestigioso periódico, "New York Times", o Presidente, furioso, disse também — porém não ao microfone: "Meu pai me havia dito que todos os capitalistas são filhos da..... Agora sei que tinha razão". A Casa Presidencial, respondendo perguntas dos periodistas, nega que Kennedy tenha usado a palavra "todos".

Acrescentemos que os trabalhadores norte-americanos, desejosos como Kennedy de proteger o valor de seus salários contra a inflação, estão também preocupados com a lentidão da solução do problema angustioso do **desemprêgo,** e por isso começam a exigir "Redução da semana de trabalho, sem redução do salário total."

ALEMANHA

ÊXITO NAS NEGOCIAÇÕES

A Federação Alemã de Trabalhadores Metalúrgicos (I. G. Metall), membro da FITIM, acaba de terminar a negociação de novos contratos de trabalho nas várias zonas convencionais da indústria dêsse país. Isso constituiu um triunfo absoluto das fôrças sindicais democráticas frente à reação patronal, que havia jurado opor-se redondamente aos pedidos e reivindicações operárias.

Nos novos convênios, os salários aumentaram 6%, com retroatividade desde janeiro de 1962, e a duração das férias anuais foi prolongada de três dias, só que agora as férias não são determinadas pela antiguidade do trabalhador, mas por sua idade. Dêsse modo, os trabalhadores entre 18 e 25 anos gozarão de quinze dias de férias; os que tiverem de 25 a 30 anos terão 18 dias e os de mais de 30 anos terão direito a vinte e um dias. Os dias feriados com gôzo de salário são em média 9 por ano

Os dirigentes de I. G. Metall afirmaram que estas foram as negociações mais difíceis de após Guerra, visto que a Federação teve que fazer um referéndum entre seus membros para votar a greve no caso de que os patrões continuassem sua atitude intransigente; êstes porém ameaçaram uma greve de patrões que finalmente não levaram a efeito ao tomarem conhecimento de que 80% dos trabalhadores, aproximadamente ..... 1..440..000 aprovaram ir à greve se fôsse necessário e inclusive realizaram manifestações de protesto em vários lugares do país.

Êste foi um exemplo claro dos benefícios produzidos pela unidade e a determinação da classe operária e a responsabilidade dos dirigentes no uso correto da arma fundamental dos trabalhadores, como é o direito de greve.

ESTADOS UNIDOS
NOVO CONTRATO SIDERÚRGICO

A Federação Norte-Americana de Trabalhadores do Aço, filiada à FITIM, assinou dia 5 de abril na cidade de Pittsburgh, um novo contrato com as 11 companhias mais importantes da indústria, que terá vigência de 2 anos, a partir de 30 de junho próximo, data em que expira o atual. O novo acôrdo ampara a 430.000 trabalhadores e servirá de base para melhorar as condições de trabalho de mais 500.000 operários, que prestam seus serviços a outras produtoras e a emprêsas que fabricam artigos de aço.

Como resultado das negociações, conseguiu-se, por meio dêsse contrato, fortalecer a segurança no emprêgo e criar novas oportunidades de trabalho na indústria. Obteve-se um plano de economia para férias, novos benefícios de aposentadoria, melhoramento da compensação adicional por desemprêgo, férias regulares, elegibilidade de pensões e benefícios, assim como o estabelecimento de uma comissão conjunta, encarregada de melhorar os manuais de avaliação de cargos. Em têrmos econômicos, as conquistas obtidas alcançam um valor equivalente entre 10 e 12 centavos de dólar por hora-homem e ainda que os salários de base não foram aumentados, e sua média se mantenha em 3,28 dólares por hora, o contrato prevê uma revisão dos mesmos ao iniciar-se o segundo ano, notificação prévia às companhias com 90 dias antecipados. Segue porém em vigor a cláusula da "escala móvel" com reajuste automático por todo aumento do custo de vida.

CONQUISTAS NO AUTOMOVEL EM E.U.A.

A greve de um pouco mais de 5 semanas que os 6.500 trabalhadores da Studebaker-Packard Corp., filiados ao Sindicato Local N. 5 da UAW em South Bend, Indiana (EE.UU), e sôbre cujo início informamos no número anterior de "Metal", terminou com êxito dia 10 de fevereiro. Os representantes sindicais assinaram um contrato por três anos, que estipula um aumento salarial de 16 centavos de dólar por hora.

—o—

Um novo contrato de trabalho assinado com a Companhia Allis Chalmers beneficiou a 11.000 trabalhadores do automóvel filiados a 7 sindicatos locais da UAW em 5 estados da União Americana, depois de um curto período de greve. São mantidos alguns piquetes enquanto continuam as negociações ao nível local. Entre as conquistas alcançadas através do convênio coletivo que estará em vigor 32 meses, podem mencionar-se: aumento de 6 centavos de dólar por hora nos salários: as pensões sobem de $2.5 a $2.80 dólares por mês por cada ano de serviço; assim como melhorias consideráveis nos dias de férias e no montante dos seguros e benefícios de desemprêgo.

O que é a FITIM

A Federação Internacional dos Trabalhadores nas Indústrias Metalúrgicas (FITIM) é um dos 16 Secretariados Profissionais Internacionais, que reunem os trabalhadores de cada um dos ramos industriais para a defesa eficaz dos seus interesses. Organizada na Europa em 1893 por ocasião da luta pela jornada de 8 horas, com 125.000 membros, e agrupando hoje mais de ..... 8.000.000 de metalúrgicos sindicalizados no mundo livre, a FITIM age em cooperação com as demais organizações sindicais democráticas.

A sede central da FITIM está na cidade de Genebra, na Suiça. Seu Secretário Geral é o companheiro Adolphe Graedel, dirigente dos operários metalúrgicos e relojoeiros suiços. No presente momento suas atividades são secundadas por três secretários gerais adjuntos ou secretários propriamente ditos, um dos quais é o companheiro Daniel Benedict, que está dirigindo as atividades da FITIM na região interamericana. A região interamericana conta ainda com dois colaboradores permanentes que são: o companheiro Alberto M. Nieves, reptesentante na parte sul do continente (Argentina, Uruguai, Brasil, Chile e Peru) e o companheiro Fernando Melgosa, representante na parte norte (México, América Central, Equador, Colombia, Venezuela e Caribe). No momento está na região Sul também o companheiro Albert Kemetmuller, um dos secretários da Federação Austriaca dos Trabalhadores Metalúrgicos e Mineiros, como delegado especial da FITIM encarregado de uma missão de ligação e intercâmbio de experiências e táticas sindicais.

A autoridade máxima da FITIM é o Congresso Geral que se reune de três em três anos. Até o presente, 19 congressos foram realizados, sendo o último em maio de 1961, em Roma. Depois do Congresso, o órgão mais importante é o Comitê Central integrado pelos representantes das suas principais organizações associadas, e que se reune pelo menos uma vez por ano.

O Comitê Executivo está formado por um presidente e cinco vice-presidentes designados pelo Comitê Central; reune-se duas ou três vêzes ao ano para examinar a execução dos programas de trabalho da Internacional e bem assim, os assuntos administrativos. Por último, o Secretariado, dirigido pelo Secretário Geral propriamente dito, sendo formado por êste e pelos companheiros que com êle cooperam na sede central e nas sedes regionais. O atual presidente da FITIM é o companheiro Otto Brenner, que foi eleito em 1961, sendo também presidente da poderosa Federação Alemã dos Trabalhadores Metalúrgicos.

A estrutura interna da FITIM é bem simples. Entretanto, para acompanhar detalhadamente os acontecimentos e problemas especiais de cada uma das principais partes de nossa indústria, a FITIM criou os chamados "setores industriais". Assim temos o setor de automovel, o de ferro e aço, o de construção naval, além do setor da mecânica geral que inclui o subsetor do material elétrico e eletrônico. Esses setores publicam estudos especializados e organizam cooperação intersindical sôbre os aspectos específicos de cada ramo. Tudo isto tem especial importância dado o grande número de emprêsas internacionais nos vários setores da metalurgia.

O TRABALHO DA FITIM: O Brasil é um lugar onde a indústria metalúrgica está fazendo um grande progresso; mas é muito visível que a classe trabalhadora pode perguntar-se legitimamente até que ponto os operários participam dos frutos dêsse progresso. Delegados da FITIM visitam as organizações operárias brasileiras para conhecer seus problemas e suas aspirações. Estendem isso a todos os níveis possíveis: por um lado nas sedes (nas cidades do Rio de Janeiro, São Paulo, etc.) das Federações e Confederações operárias e nos Congressos de todo nível, onde encontram os dirigentes eleitos pelos trabalhadores, e por outro lado (como por exemplo no interior do Estado de São Paulo, em lugares como Lorena, Piracicaba, São José dos Campos, Santos ou Ribeirão Preto) às Assembléias, e, quando possível, sempre em companhia de sindicalistas locais, às fábricas, usinas e oficinas mecânicas onde comparam experiências e problemas diretamente com os trabalhadores do ramo.

Durante as recentes negociações entre os trabalhadores metalúrgicos do Estado de São Paulo e os sindicatos patronais, o representante da FITIM acompanhou em várias ocasiões a delegação operária. Rechaçou particularmente o argumento patronal de que os aumentos dos salários atuais poderiam fazer demasiado caros os artigos brasileiros frente à competição dos demais países, mostrando quanto mais baixos são os salários brasileiros que nos demais países, e fazendo conhecer o fato de que os patrões dos outros países procuram usar o mesmo argumento contra os trabalhadores de sua terra. Salientou também a importância da nova Comissão Parfitaria na implantação no Brasil de uma verdadeira Contratação Coletiva como um passo para a aceitação já muito atrasada da participação dos trabalhadores nas decisões que afetam suas condições de trabalho. A FITIM considera essa participação efetiva como uma das bases da democracia em qualquer país, como considera o direito de greve e os direitos de livre organização, de sindicatos e de eleição democrática de seus dirigentes, livres de sôbre da dominação de fôrças partidárias ou totalitárias sejam da chamada esquerda ou direita.

A FITIM considera que o desenvolvimento da tecnologia e dos métodos de produção e administração da indústria tornam imprescindível o fortalecimento do sindicato no seu aspecto orgânico, na ação baseada na análise clara dos problemas que arrostam seus associados, no conhecimento útil das experiências e dos métodos e táticas elaborados pelos companheiros de outros países, e, porisso, é que a FITIM organiza conferências regionais e internacionais, seminários e outros cursos educativos, e a publicação de jornais e folhetos, estudando essas diferentes experiências. A FITIM compartilha o anseio das suas associadas de marchar com suas próprias pernas, representar digna e acertadamente as aspirações dos seus associados para não ser titere nem brinquedo de quem quer que seja, e muito menos vítima do engano de ninguém e, sobretudo, de nenhuma fôrça estranha ao sindicalismo. E' assim que a FITIM entende a realização plena do formoso lema "Solidariedade Internacional".

25 HORAS POR SEMANA PARA ELETRICISTAS (IBEW)

Depois de oito dias de greve, 9.000 trabalhadores membros do Sindicato Local N. 3 da IBEW em Nova York ganharam por intermédio do novo contrato uma duração de trabalho semanal de 25 horas, que é a mais curta conseguida até agora nos Estados Unidos. Ao mesmo tempo seu salário por hora aumentará de $ 4.40 para 4.96 dólares a partir de 1.º de julho próximo. Por sua vez o Sindicato se comprometeu com 600 empreiteiros elétricos a habilitar 2.000 aprendizes a fim de que possam suprir a falta de mão de obra na indústria de construção.

REUNIÃO DO COMITÊ EXECUTIVO DA FICOP

Os treze membros que formam o Comitê Executivo da Federação Interamericana de Jornalistas se teuniram no México, durante os dias 4 a 6 de abril, para estudar as violações que se hajam produzido na liberdade da imprensa em diferentes países e para estudar o desenvolvimento das organizações democráticas de trabalhadores em periódicos.

Esta Federação é dirigida por dois co-Presidentes, os companheiros Charles A. Perlik Jr., do Grêmio de Jornalistas Americanos, e Luis Carnero Checa, da Federação de Jornalistas do Perú.

SINDICALISTAS INTERNACIONAIS VISITAM AS AMERICAS

Dia 6 de junho chegou a São Paulo um grupo de sindicalistas internacionais que visitam vários países da América Latina, inclusive o Brasil, e cujo objetivo principal é estudar o papel dos sindicatos no desenvolvimento econômico e social em cada país.

Êsse grupo foi convidado a percorrer as Américas pela Organização dos Estados Americanos, com a cooperação da Organização Européia de Cooperação e Desenvolvimento.

Integram essa delegação os seguintes companheiros: **Hans Matthoeffer,** membro do parlamento da República Federal Alemã (Partido Socialista-Democrático), Diretor de educação da Federação Metalúrgica (I. G. METALL), filiada à Federação Internacional (FITIM). Frankfurt, Alemanha. **Nathaniel Goldfinger,** Diretor adjunto do Departamento de Investigações da A. F. L. - C. I. O., e membro da Associação de Investigações de Relações Industriais. **Jorge Acosta y Acosta,** diretor do escritório Centro-Americano da Internacional de Correios, Telégrafos e Telefones (ICTT), Panamá. **Valerio Agostignone** (Itália), Representante sindical da OECD, Washington. **Joseph Perlmuter,** Membro do Executivo Central Agrícola da H'stadrut, membro da Comissão Econômica, membro da Comissão Regional de Desenvolvimento de Negev, Israel. **Jorge Paldam,** Chefe do Conselho Econômico de Trabalhadores e Presidente da Associação Educacional de Trabalhadores, Copenhagen, Dinamarca.

Êstes sindicalistas de prestígio que estão visitando a Venezuela.. o Brasil, Chile, Bolívia. e Peru, quando de sua passagem por São Paulo, mantiveram uma reunião com destacados dirigentes paulistas, realizada na sede da Federação Metalúrgica do Estado de São Paulo, auspiciada pelo Presidente dessa Federação, o companheiro Domingos Álvares, estando também presente o secretário interamericano da FITIM, c. Daniel Benedict e o representante para a zona sul, c. Alberto Neves. No Rio falaram com dirigentes da CNTI e CNTTT e de vários sindicatos locais, inclusive dos Metalúrgicos. Visitarem também várias personalidades públicas e universitárias, inclusive o Chanceler da União, o sr. Santiago Dantas.

Foram discutidas e pormenorizadas as necessidades mais imediatas dos trabalhadores brasileiros, assim como sua ineludível participação nos planos de desenvolvimento econômico e social do Brasil.

MÉXICO

VII CONGRESSO DA CTM

A Confederação de Trabalhores do México, central majoritária do país, afiliada a CIOSL-ORIT, realizou seu VII Congresso Nacional Ordinária na cidade do México, dias 15, 16 e 17 de abril, com a assistência de 14.800 delegados representando cêrca de 2.000.000 de trabalhadores. A Mesa Diretiva do Congresso foi presidida pelo companheiro Alfonso Sánchez Madariaga.

O Presidente da República, Lic. Adolfo López Mateos, pronunciou a declaração inaugural em um ato solene ao qual concorreram delegados fraternais de centrais operárias de 12 países do continente. O companheiro Omer Becu levou pessoalmente a representação da CIOSL, e também estiveram presentes representantes de Secretariados Profissionais, como os companheiros O. A. Knight, Robert Goss dos petroleiros; Fernando Azaña dos transportes; Ernest Lee de empregados e técnicos e Fernando Melgosa dos metalúrgicos (FITIM).

Fidel Velazquez ficou re-eleito Secretário Geral e Sanchez Madariaga foi eleito Secretário de Relações Internacionais.

GREVE METALÚRGICA EM CAÇAPAVA

No dia 15 de Junho eclodiu uma greve de operários metalúrgicos em Caçapava, localidade do interior de São Paulo.

Êstes trabalhadores, que pertencem ao Sindicato dos Metalúrgicos de São José dos Campos, se viram obrigados a abandonar o trabalho, adotando essa medida, devido à atitude da emprêsa "MAFERSA", de não pagar os salários correspondentes ao mês de Maio.

No dia 18 de Junho, uma delegação composta com o presidente do Sindicato dos Metalúrgicos de São José dos Campos, companheiro José Domingues da Silva Sobrinho, o Vice-Presidente da Federação dos Metalúrgicos do Estado de São Paulo, companheiro Argeu Egydio dos Santos e o representante da FITIM, Alberto M. Nieves, se locomoveram à indústria "MAFERSA", onde se reuniram com os trabalhadores, formando-se com os companheiros antes mencionados e 5 grevistas, uma Comissão que entrevistaram-se com a patronal.

Logo, tanto o companheiro Argeu Egydio dos Santos, como o companheiro José Domingues, assumiram a responsabilidade do movimento, pondo especial ênfase, nas palavras de Alberto M. Nieves, quem deu o apôio da FITIM.

Atendendo sugestão da Federação do Estado de São Pau'o, a F.I.T.I.M., fez uma doação material, destinada aos operários em gréve.

EM CIMA DA HORA

A FEDERAÇÃO METALÚRGICA DO ESTADO DE SÃO PAULO AFILIA-SE À FITIM

Sábado, 23 de junho, o Conselho da Federação dos Trabalhadores nas Indústrias Metalúrgicas, Mecânica e de Material Elétrico do Estado de São Paulo votou por 16 a 7 uma resolução, já aprovada à unanimidade pela Diretoria da mesma Federação, de afiliação à Federação Internacional, a FITIM.

A Federação Paulista, que luta enérgicamente para nova melhoria pelos 850.000 trabalhadores da classe Metalúrgica que representa, toma assim um passo importante pelo fortalecimento das fileiras operárias face aos problemas do desenvolvimento da economia brasileira e face às grandes emprêsas Internacionais que dominam setores da Indústria Metalúrgica em vários países.

NOVO SINDICATO EM SÃO CARLOS — S. P.

O Jornal Oficial acaba de noticiar o reconhecimento dado pelo Ministério do Trabalho, num ato datado de 25 de abril, da existência oficial do novo Sindicato de Trabalhadores Metalúrgicos da cidade de São Carlos.

Êste reconhecimento vem como resultado duma campanha dedicada e persistente por parte dos trabalhadores metalúrgicos de São Carlos, de sua Associação e dos companheiros da Federação de Trabalhadores Metalúrgicos do Estado de São Paulo, superando com sacrifícios e determinação os obstáculos que se lhe antepunham.

A vitória da luta pelo reconhecimento leva a 25 o número de sindicatos que formam parte ativa dessa dinâmica Federação.

METAL

Jornal da Federação Internacional dos Trabalhadores nas Indústrias Metalúrgicas (FITIM), com sede em Genebra, Suiça (27 rue de la Coulouvrenière); publicado pela sua Região Interamericana, com sede no México (Plaza Ferrocarril 11, s/22) e endereço no Brasil, em São Paulo (Rua dos Estudantes, 48)

Diretor responsável:
SEBASTIÃO DE PAULA COELHO

Redator internacional:
DANIEL BENEDICT

Solicita-se intercâmbio de *publicação.*

Autoriza-se a reprodução, com menção da FITIM.

Assinatura anual:
200 cruzeiros no Brasil;
1 dolar o seu equivalente nos demais países.

~~ORIGIN~~ ACTION

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DEPARTMENT OF STATE

AIRGRAM

832.062/7-1362

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A-6 NO. | CONFIDENTIAL | HANDLING INDICATOR

TO : Department of State

1962 JUL 26 AM 10 54

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

INFO: RIO DE JANEIRO, BRASILIA

SECURITY CLASSIFICATION

FROM : Amconsul RECIFE

DATE: July 13, 1962

SUBJECT : Rural Labor Unions

REF : Department's A-10 ara: Wellman

Full - no action
ARA:EST:IG
J. W. Wellman
8/16/62

Department's A-10 was only received here on July 10. Please see our Weekly Summary No. 14, Despatch No. 185, dated May 23, 1962 for previous analysis of the Rural Unions. See also Weekly Summary No. 17, Despatch No. 189, dated June 12, 1962 for a report on the recent Catholic Social Action Conference held in this State.

The Consulate General has lines of communication with various leaders of the Church-inspired rural unions, but due to the fledgling nature of the movement such contacts are not yet extensive. Clearly, however, the movement is significant, has great potential, should be closely watched and discreetly encouraged. In the underdeveloped Northeast there is only a minute industrial complex and thus comparatively few urban workers. The mass of the labor force--and thus one of the keys as to the political tangent the area will proceed along in the future--is composed largely of rural laborers and sharecroppers. Heretofore this has been an unorganized, inarticulate, exploited and poverty stricken mass. Now, however, with the strong scent of social and economic change in every wind, the mass is beginning to stir, to voice new demands, and to look with jaundiced eyes at the great gap between their own standard of living and that of the wealthy landowners. Increasingly too, the trend is toward organization, through which they hope to realize their maximum potential on the political scales. The Ligas Camponesas, for example, are a reflection of the trend toward organization. The situation is made to order for agitators, of whatever persuasion. The Communists have already seen the opportunity thus presented and for some time have been attempting to give the organizational movement a Marxist revolutionary orientation. In order to uncercut the arguments of pro-Communist agitators, and to counterbalance

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FORM DS-323 4-62

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Drafted by: WSSmith:ag

Contents and Classification Approved by:

Clearances:

0447

any gains they may have made, it is essential that the rural workers be organized by liberal democratic forces. They must be convinced that they can voice their protests and achieve their just social demands within a democratic framework. They must be given an alternative, in other words, between pro-Castro, pro-Communist extremism on the one hand and the reactionary camp which wants no real change on the other. The Rural Trade Unions, led by reform-minded priests, could well provide such an alternative. The support of U.S. trade unions is, therefore, definitely recommended, though such support should be discreet, even cautious, until the orientation, leadership and objectives of the Rural Trade Unions are more clearly established. Invitations from American labor unions to key leaders of the rural labor movement to visit the United States and observe our labor movement in action would be most helpful at this time. Such visits would be more effective if of an unofficial nature, but leader grants should not be ignored. If the Department concurs, the Consulate General will begin to compile a list of leaders who might productively be invited and sound out the reaction of some of them toward such an invitation.

Eugene Delgado-Arias

J. Eugene Delgado-Arias
American Consul General

0448

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Control: 13106
Rec'd: JULY 18, 1962
2:53 PM

FROM: RECIFE

TO: Secretary of State

NO: 34, JULY 17.

ACTION DEPARTMENT 34, INFORMATION RIO DE JANEIRO 22.

REFERENCE: CONTEL 19 TO RIO DE JANEIRO, 32 TO DEPARTMENT.

DISTRICT COURT TODAY DENIED RESTRAINING ORDER REQUESTED TRAMWAYS. STATE GOVERNMENT ORDERED PRESENT WITHIN FIVE DAYS ADDITIONAL EVIDENCE CONCERNING ITS POSITION. IMPASSE THUS STILL UNRESOLVED. TRAMWAYS OFFICIALS HERE STILL UNCERTAIN WHETHER STATE GOVT OR FEDERAL ENTITY WILL TAKE OVER BUT EXPECT SOME ACTION TOMORROW.

PETROLEUM WORKERS STRIKE GOING INTO FOURTH DAY. FUEL SUPPLIES ALREADY RUNNING LOW RECIFE AND POSSIBILITY CITY TRANSPORTS AFFECTED IF STRIKE CONTINUES. COMPANIES OFFERING 25 PERCENT INCREASE, BUT WORKERS HOLDING OUT FOR 40 PERCENT. EXPECTATIONS STRIKE WILL NOT LAST PAST END OF WEEK. BRAZIL-GAS EMPLOYEES ALSO STRIKING FOR WAGE RAISE. THREATENED NATION-WIDE DOCKWORKERS STRIKE ANNOUNCED FOR JULY 18TH WOULD FURTHER COMPLICATE SITUATION IF IT GOES INTO EFFECT. 1600 NEARBY PAULISTA TEXTILE WORKERS ON STRIKE FOR ONE WEEK RETURNED TO WORK SATURDAY.

DELGADOARIAS

GDW

Route 34

832.7131/7-1762

RS 832.06
832.3933

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Control: 14324
Rec'd: JULY 19, 1962
5:21 PM

FROM: RECIFE

TO: Secretary of State

NO: 35, JULY 19

ACTION DEPARTMENT 35; INFORMATION RIO DE JANEIRO 23.

CONTEL 34 TO DEPARTMENT 22 TO RIO. DEPTEL 40

ASSETS PERNAMBUCO TRAMWAYS PLACED CUSTODY FEDERAL DISTRICT COURT LAST NIGHT, WHICH APPOINTED ADMINISTRATOR. COMPANY STILL INSISTING PRIOR COMPENSATION BEFORE FURTHER DETERMINATION OWNERSHIP CAN BE MADE. STATE GOVERNMENT EMPHATICALLY REASSERTS RIGHTS TO ASSETS AND CONCESSION WHILE POINTING OUT THERE NO QUESTION EXPROPRIATION, THAT THIS SIMPLE CASE LEGAL REVERSION ASSETS AS PROVIDED BY CONTRACT.

PETROLEUM WORKERS STILL ON STRIKE. FUEL SUPPLIES CITY AND SURROUNDING AREA NOW VIRTUALLY EXHAUSTED. FEW CARS ON STREET THIS MORNING. PORT WORKERS, STEVEDORES, AND WAREHOUSEMEN WALKED OUT AT 0700 THIS MORNING, NOT IN PROTEST USE NON-UNION LABOR AS ORIGINALLY ANNOUNCED, BUT IN SUPPORT PETROLEUM WORKERS. STRIKE PROTESTING NON-UNION LABOR MAY ALSO BE CALLED NEXT FEW DAYS.

DELGADOARIAS

MRJ/21

Recife 35
7/18/62
832.712/7-1962
XR 832.062
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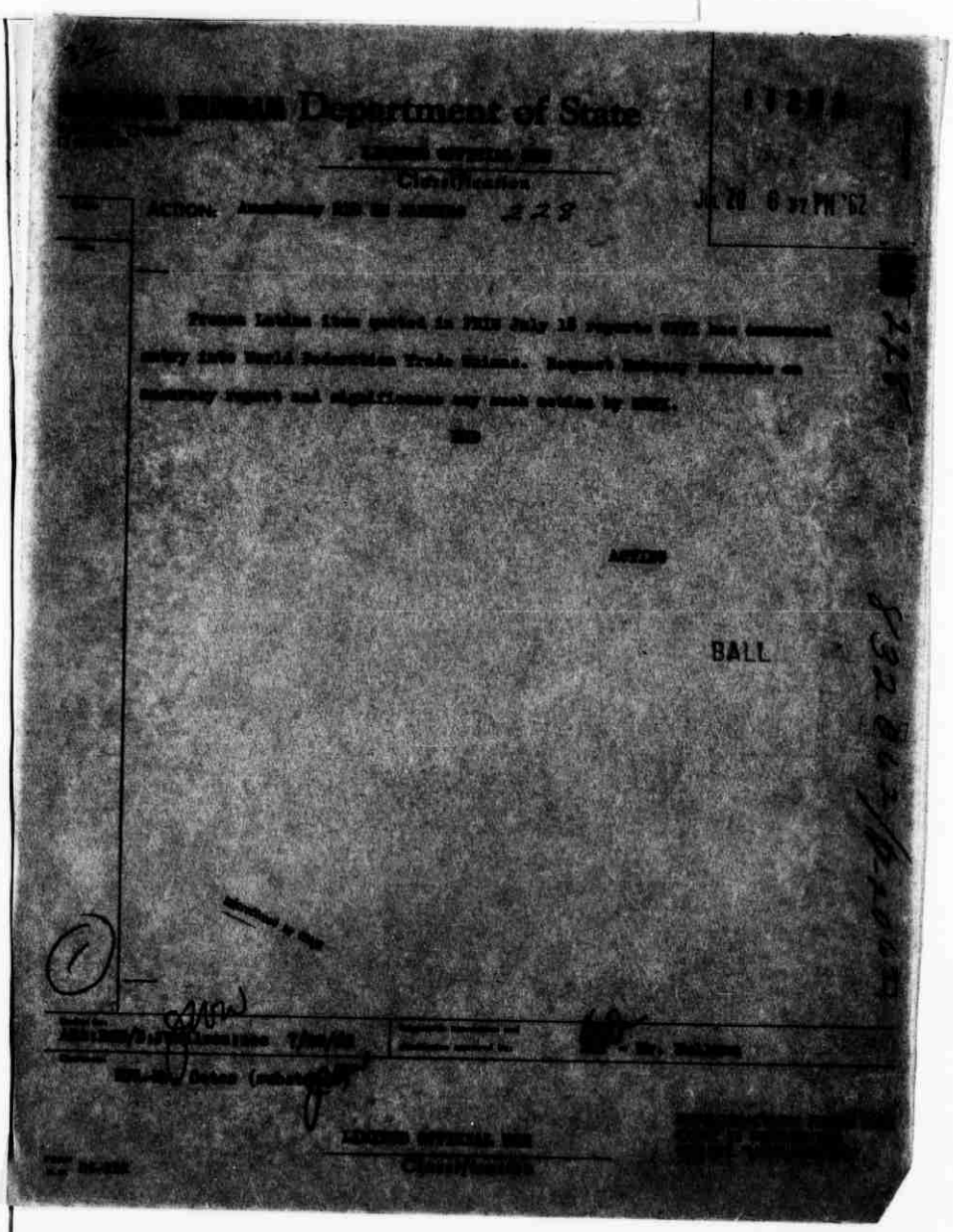
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Department of State

Classification

ACTION:

BALL

Classification

ORIGIN/ACTION

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DEPARTMENT OF STATE

AIRGRAM

532.06/7-2062

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A-90 NO.

CONFIDENTIAL

HANDLING INDICATOR

TO : Department of State

FROM : Amembassy Rio de Janeiro

DATE: July 20, 1962

SUBJECT : Report on Brazilian Labor - January 1-July 15, 1962

REF :

SUMMARY

The most significant development of the period was the consolidation of Communist domination of the CNTI, by far the most important of the Brazilian labor organizations. Federal Government favoritism and help to the Communist labor leadership continued and the results were evident when Communist labor leadership tied up Rio de Janeiro and some of the principal ports of Brazil in a one-day general strike on July 5, 1962.

The growing strength and danger of Communist labor leadership encouraged the anti-Communist labor leaders to greater activity and strength in Sao Paulo, Parana, Santa Catarina and to a lesser degree elsewhere.

Because of the Federal Government's powers, influence, financial strength, etc., its position in labor is decisive. There will have to be a change in the Administration or in its policies before the democratic labor elements can hope to dominate the national labor scene again.

On the international scene the Communist domination was evidenced by the attendance of a CNTI delegate at the formatory meeting for a Latin American Labor Confederation, held in Santiago, Chile in February, 1962 and in the withdrawal of the CNTI

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Form DS-323 (4-61)

Drafted by: LABOR:JTFAshburn:rpc

Cleared by:

0452

delegation from the ICFTU Congress in Berlin in July.

On the domestic economic front, the cost-of-living continued its upward spiral ever more rapidly. The housing program of the Minister of Labor, Franco Montoro, made no real headway and probably died with his resignation in early July.

******

I. Political-Labor Developments

A. Communist Activities

In the labor report for 1961, it was stated that, "In effect, they (the Communists) now control Brazilian labor, subject only to the President's power and desires".. The President chose to use his power and influence to help the Communists, despite much camouflage to the contrary--probably for our benefit. Indirect presidential influence and CNTI aid was given to the Communist opponents of the non-Communist incumbents in several CNTI Federation and local union elections during the period. The Federation of Food Workers of the state of Guanabara, as a result of such aid, passed from the hands of an incompetent, tired old non-Communist into Communist hands. Similar aid helped the Communists win control of the Union of Workers at the Duke of Caxias refinery. The CNTI also aided the Communists in a number of other significant elections, thereby increasing the difficulties of the non-Communist incumbents, but without taking their control from them; these include the Union and the Federation of Construction Workers in the state of Guanabara, National Federation of Street-car Workers, the Union of Bakery Workers of the state of Guanabara, the Federation of Industrial Workers of Parana, and the Federation of Construction Workers of Santa Catarina.

Communist control of the CNTI was clearly shown by the May Day meeting in Rio de Janeiro, which was dominated entirely by Luis Carlos Prestes and the Communist Party, with CNTI leaders participating (see Despatch 887 of May 11, 1962).

The general strike which was held on July 5 was directed by the combined leadership of the CNTI (National Confederation of Industrial Workers), CPOS (Permanent Labor Organization Committee), Rio Unity Pact and CONTEC (Bank Workers Confederation). The leadership of all four organizations, entirely and clearly Communist dominated, was following a

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12:48 p.m.

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FROM: Recife

TO: Secretary of State

NO: 37, July 21

ACTION:
INFO:
RM/R FILES

ACTION DEPARTMENT 37; INFORMATION RIO DE JANEIRO 28.

PETROLEUM STRIKE CONTINUES. SETTLEMENT HOPED FOR BY TOMORROW BUT WILL TAKE SOME TIME RESTOCK OUTLETS AND REPLENISH FUEL SUPPLIES WHICH NOW EXHAUSTED. 50 PERCENT CITY BUSUSES INOPERATIVE TODAY. ENTIRE SYSTEM WILL BE IMMOBILIZED TOMORROW. ALL FLIGHTS INTO RECIFE REQUIRING REFUELING MAY BE CANCELLED TOMORROW. WITH TRUCK TRAFFIC PARALYZED DUE LACK FUEL, FOOD SUPPLIES ALSO BEGINNING RUN LOW SOME AREAS.

PORT WORKERS BACK AT WORK TODAY AFTER 24 HOUR STRIKE BUT THREATENING WOLK OFF AGAIN IF PETROLEUM WORKERS DEMANDS NOT MET WITHIN NEXT FEW DAYS. CONSINTRA NOW ENDEAVORING ORGANIZE GENERAL STRIKE SUPPORT PETROLEUM WORKERS BUT DEGREE SUCCESS NOT YET APPARENT. TENSIONS RESULTING STRIKE PROVIDE OBVIOUS OPPORTUNITY AGITATION.

GENERAL MEETING INDUSTRIAL WORKERS AND LABOR LEADERS NORTH AND NORTHEAST ORGANIZED WHEN CNTI LEADER DANTE PELLACANNI HERE LAST MONTH INAUGURATED TODAY. WILL DISCUSS ECONOMIC SOCIAL SITUATION BRAZIL. GOVERNOR BRIZOLA AND SAN TIAGO DANTAS INVITED BUT NO INDICATION WHETHER OR NOT WILL ATEEND. DELGADOARIAS

Recife 37
7/18/62
July file
7/23/62

832.062/7-2162

FILE
OCT - 8 1962

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AAL/6

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Control: 16197
Rec'd: July 22, 1962
3:37 p.m.

FROM: Recife

TO: Secretary of State

NO: 39, July 21

INFO:
RM/R FILES

Received ESAB 7/23/62

ACTION DEPARTMENT 39; INFORMATION RIO DE JANEIRO 31.

CONTEL 37 information Rio 28

Petroleum strike ended last night with companies giving 30 percent wage increase. Estimated three days required bring gasoline stocks back to normal.

DELGADO ARIAS

AAL/4

832.062/7-2162

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OCT - 8 1962

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Control: 19006
Rec'd: July 25, 1962
11:15 p.m.

FRO'M: Rio de Janeiro

TO: Secretary of State

NO: 206, July 25, 4 p.m.

INFO: RM/R FILES file

DEPTEL 228

Sources here indicate as of now no truth in report.

BOND

MRJ/6

that CNTI had official to join NFTH

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SEP 28 10 12 AM '62

832.062/7-2562

information to RMR

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Control: 19638
Rec'd: July 26, 1962
12:28 p.m. PM 5 09

FROM: Rio de Janeiro

TO: Secretary of State

NO: 214, July 26.

ACTION: EUR/B
INFO:
RM/R FILES: file

Industry and Commerce Ministerial nominee Jose Ermirio de Moraes announced rejection post in favor pursuance campaign PTB candidate for Pernambuco Senatorial seat.

BOND

REE

this answers your question, Yes,
Jon

732.00/7-2662
XR 532.00

(2)

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DEPARTMENT OF STATE

AIRGRAM

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OSD	USIA 8	NSA 3

A 125 NO. CONFIDENTIAL HANDLING INDICATOR

TO : Department of State

1962 AUG 10 PM 4 11

DISTRIBUTION

FROM : AmEmbassy, RIO DE JANEIRO DATE: July 31, 1962

SUBJECT : Report on VIIth Congress of the International Confederation of Free Trade Unions by Ary Campista

REF :

The attached signed report by Ary Campista, who is president of the Chemical Workers Federation (Federação Interestadual dos Trabalhadores nas Indústrias Quimicas e Farmacêuticas do Estado da Guanabara e Rio de Janeiro) and who was a delegate to the recent ICFTU Congress held in Berlin, was submitted to this office.

For the Ambassador:

Harold Shapiro

Mr. Harold Shapiro
Assistant Labor Attaché

Enclosure:
Translation of a report on the VIIth Congress of the International Confederation of Free Trade Unions

FORM DS-323 4-62

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Drafted by: POL - HShapiro:ss

Clearances:

Content and Classification Approved by: Mr. Niles W. Bond, Minister-Counselor

0458

CONFIDENTIAL

Enclosure No. 1
Airgram A 125
Page 1
Rio de Janeiro

To the Department of State
(Translation of report on VIIth Congress of the International Confederation of Free Trade Unions by Ary Campista)

Preliminaries: 1) The I.C.F.T.U. represents the trade unionism of the democratic and free world. Over 100 countries are represented in the confederation by their trade union organizations. Its policy in pleading for democracy contrasts to that of the World Federation Trade Unions which supports the totalitarian communist regime.

2) The Seventh Congress held in Berlin (West Berlin) was designed to outline the general policy of the member organizations of the ICFTU as regards the defense and attainment of the claims of the labor class, as well as the election of the new members of the executive and administrative committees and the Secretary General and the President of that Organization.

Brazilian Delegation: The Brazilian Delegation was composed as follows: for the National Confederation of the Workers in Land Transportation (CNTTT), Avelino Gomes de Castro; for the National Confederation of Commerce Workers (CNTC), Mário Lopes de Oliveira, who had a power of attorney granted by that entity and signed by its deputy president Miguel Mendonça; for National Confederation of Industry Workers (CNTI), Dante Pellacani, Benedicto Cerqueira, Ary Campista, João Wagner, Luiz Tenório de Lima, and Bruno Segalla, the first two in the capacity of Directors, Vice-President and first secretary, and the other elected by the CNTI's Representative Council at the last meeting.

CONFIDENTIAL

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ORIGIN/ACTION

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OSD 17	USIA	NSA 3

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DEPARTMENT OF STATE

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A-160 NO. | UNCLASSIFIED | HANDLING INDICATOR

TO : Secretary of State

1962 AUG 6 AM 8 37

DEPARTMENT OF STATE
BUREAU OF
INTER-AMERICAN AFFAIRS
AUG 8 1962

FROM : Amembassy Buenos Aires DATE: August 2, 1962

SUBJECT : PETROLEUM: YPF Head Claims August General Strike Will Cost Agency 380 Million Pesos

REF : CERP D-15

(2)

Dr. Rodolfo A. FITTE, President of Yacimientos Petroliferos Fiscales (YPF), the Argentine State oil agency, in a public statement on July 30, 1962, claimed that the general strike called by the CGT for August 1 and 2, if completely effective, would cost the firm 380 million pesos (about $3.2 million at current exchange) in lost production and in extra expenses necessary to get production started again. Dr. Fitte appealed to the patriotism of the personnel of the company and to the employees of other oil companies to do their utmust to see that the strike did not affect the production, distribution, and refining facilities of the nation.

According to reports from the Comodoro-Rivadavia area, the YPF union plans to shut down everything, including the electricity generating plants, which would effectively cut off production, which is Dr. Fitte's main preoccupation. YPF's union has done the same in past general strikes. Other producing companies report that they expect to keep production going, but drilling, completion, and servicing activities will probably be completely stopped. In the Mendoza fields, the unions are planning only three half-hour stoppages in symbolic support of the general strike. In Plaza Huincul the local union is opposed to the strike and no stoppage is expected to occur.

COMMENT: In YPF's present precarious financial situation, the loss in production and revenue arising from the strike can be a serious setback in Dr. Fitte's attempts to get the organization on its feet. From information available to the Embassy, it seems doubtful that Dr. Fitte's appeal to the patriotism of the workers will find much response. However, it is evident that his estimate of possible losses is somewhat high, and while some loss will occur the total will not approach 380 million pesos.

McCLINTOCK

AUG 1 1962

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Drafted by: WWLehfeldt/reh 7/31/62

Contents and Classification Approved by: HConover

Clearances: Hall

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ORIGIN/ACTION

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DEPARTMENT OF STATE

AIRGRAM

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CA-1281 NO. CONFIDENTIAL HANDLING INDICATOR

TO : Amconsul RECIFE

INFO : Amembassy RIO DE JANEIRO

DATE: AUG 2 5 11 PM '62

FROM : Department of State

SUBJECT : Rural Labor Unions

REF : Recife's A-6, July 13, 1962.

432.062

We agree that contact between American labor union leaders and key leaders of the rural labor movement in Northeast Brazil would be desirable. Therefore request you compile and submit through Embassy list of rural labor leaders who might productively be invited, through U.S. labor or U.S. Government programs, indicating your recommendations as to timing and priorities. Also without making any commitment sound out reaction of some leaders to such invitations.

RUSK

(2)

declassified by NSA

CONFIDENTIAL

FORM A-62 DS-323

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Drafted by: ARA:EST/B:[illegible]:am 8/1/62

Contents and Classification Approved by: ARA:EST - Mr. Wellman

Clearances:

Ambassador Gordon (in substance)

RPA - E.J. Rowell

CU - Mr. Canter (in substance)

Circular 281

832.062/8-262

TPS 1.323

0461

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DEPARTMENT OF STATE

AIRGRAM

837.062/8-1362

FOR RM USE ONLY

A-180 NO. — OFFICIAL USE ONLY — HANDLING INDICATOR

TO : Department of State

1962 AUG 15 PM 2 43

DEPARTMENT OF STATE BUREAU OF INTER-AMERICAN AFFAIRS AUG 17 1962

RM/AN ANALYSIS & DISTRIBUTION BRANCH

FROM : AmEmbassy, RIO DE JANEIRO DATE: August 13, 1962

SUBJECT : The recent Brazilian crises

REF :

Following a meeting held on August 9th, the General Strike Committee of leftist unions, in a suprising policy switch, declared by manifesto its opposition to strikes for political reasons. The manifesto stated:

"The reasons for the Brazilian crises are not being placed in their right perspective. Our people and our workers cannot be led to the struggle just to carry banners for a plebiscite and delegation of powers. We demand that the action, in view of the crises be around the pending and decisive problems affecting the future of the country, such as the independent development of our country and the welfare of our people. The action, in our point of view should be in favor or against free democracy and free unionism; in favor or against the maintenance or extension of the freezing of prices of staple goods; in favor or against speculators; in favor or against the immediate land reform; in favor or against taking over foreign cold storage plants and foreign concessions of public utilities services; in favor or against the law covering profits remittances; in favor or against the extension of petroleum state monopoly to distribution; in favor or against increase of the minimum wage and reajustment of all wages and earnings; in favor or against

FILED Aug 30 12 00

FORM DS-323 4-62 — OFFICIAL USE ONLY — FOR DEPT. USE ONLY ☐ In ☐ Out

Drafted by: Mr. Harold Shapiro, Asst. Labor Att. M. Robert Emrens, Minister-Coun.

Clearances:

0462

the liquidation of privileges enjoyed by imperialistic companies against national industry; in favor or against the establishment of a nationalistic and democratic government."

Because of the strong reaction against the leftist union leaders who called the general strike recently in support of President Goulart's political machinations; the communist dominated unions, who now have the economic basis for a strike, apparently in deference to President Goulart's wishes, are seeking to avoid the accusation of calling a strike for political purposes.

For the Ambassador:

Harold Shapiro
Harold Shapiro
Assistant Labor Attaché

Translation by:

Waltrudes Santos

POL:HShapiro:ss

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ACTION
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BELEM
PORTO ALEGRE
CURITIBA
BELO HORIZONTE

DEPARTMENT OF STATE

AIRGRAM

832.062/8-1362

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A-15 NO. | CONFIDENTIAL | HANDLING INDICATOR

~~RR~~ ~~HWW~~ ~~EERW~~

TO : Department of State

1962 AUG 20 PM 3 01

INFO: RIO DE JANEIRO, BRASILIA
BELEM-1 PORTO ALEGRE-1
BELO HORIZONTE-1 SAO PAULO-1
CURITIBA-1

FROM : Amconsul RECIFE

DEPARTMENT OF STATE
BUREAU OF
IN
AUG 23 1962

DATE: August 18, 1962

SUBJECT : Rural Labor Unions in the Brazilian Northeast: The Democratic Alternative

REF : Department's A-10; Amcongen's A-6.
ARA: WELLMAN

reply - airgram
to Recife
9/7/62

SUMMARY

Church-inspired rural labor union movements now exist in at least eight states in Brazil. In the Northeast alone, there are at least thirty recognized labor unions, and many more in the process of seeking recognition, altogether with an estimated membership in excess of 80,000. For the peasant, the rural labor union movement offers the only available democratic alternative to the Ligas Camponesas. Pernambuco's movement, guided by Padre PAULO CRESPO and Padre ANTONIO MELO, is probably typical. In two years, Crespo asserts, the movement has grown to a total membership of 30,000, while the number of Ligas Camponesas centers in the state has been cut in half. The unions face serious difficulties in the future, however, and there is a possibility that the leadership could be infiltrated by Communists or that the unions could swing sharply to the left in despair over early defeats or prolonged struggle without visible success. To help influence the direction of the labor union movements, which are sure to grow rapidly in size and influence, the Consulate

CONFIDENTIAL

FORM DS-323 4-62

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Drafted by: ~~HAK~~ RCKilday:ag

Contents and Classification Approved by:

Clearances:

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General recommends that assistance be provided either by or through governmental or non-governmental sources. The type of assistance that would be most effective might well vary with the individual state movements but should be concentrated in the field of leader training. It is believed that U. S. participation in the training of union leaders would be welcomed. As an initial step, the Consulate General proposes that members of the clergy who are guiding the various state movements be invited to visit the United States.

The Consulate General's A-6 discussed briefly the awakening of Northeast Brazil's peasants and other rural workers to the world about them, their increasing desire and demand for social equality and economic progress, and their recognition of the need to organize to obtain these changes, which, in the feudal Northeast, are revolutionary. Two years ago, the Ligas Camponesas represented the only channel through which the peasants could effectively voice their demands for progress, and the Ligas route seemed to lead first to violent uprising and overthrow of the present system, then to the establishment of a Marxist society. Today, there exists an alternative to the Ligas Camponesas, an alternative which is probably more viable than the Ligas ever were, though almost as revolutionary in aim, but one which is pacific in method and purpose, and democratic in orientation. The alternative is the church-stimulated, church-influenced rural labor union.

Church-inspired labor union movements operate in the rural zones of at least eight states: Pernambuco, Rio Grande do Norte, Paraiba, Sergipe, Ceara, Rio Grande do Sul, Rio de Janeiro, and São Paulo. The first five of these states have between them thirty recognized trade unions and a great number more which are not recognized, boasting a total membership in excess of 80,000. At the present, there is no formal organizational tie-up of the various state movements, though all are fostered by members of the Catholic clergy, and there is a good deal of informal cooperation and a constant exchange of views. Also, at the Congress of Rural Workers of the North and Northeast recently held in Bahia organizational plans for the future were discussed, though reportedly no action was taken. The movements do plan, however, to merge the various local unions into state and/or regional federations and the federations into a national confederation.

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Unions of Ceara, Rio Grande do Norte and Pernambuco, for example, are well along on plans to create a Federation of Rural Workers of the North and Northeast. Since Brazilian labor law prohibits competing labor organizations, the movements hope, by so organizing, to preempt the field of rural labor, excluding the Ligas Camponesas from operation beyond the local level.[1]

The Pernambuco rural labor union movement is the only one of which the reporting officer has direct knowledge. This movement is presumed to be typical, however, so it may be of interest to the Department to examine the movement in as much detail as is possible at the present time.

The Pernambuco movement is fostered by two Catholic priests, Padre Paulo Crespo of Jaboatão and Padre Antonio Melo of Cabo. Padre Melo is the better known of the two, having received much national and international publicity lately, but Padre Crespo is the wiser and the more experienced. Together they symbolize sharply divergent qualities of leadership. Padre Melo is a demagogue. Young (28), extremely thin, hard charging, wild-eyed, often contradictory, sometimes verging on the hysterical, Melo fairly burns with an all-consuming fanatic devetion to his cause of aiding the peasantry. Melo lacks sophistication and stability, and though now strongly in favor of democratic and pacific change, he could easily become a fanatic leader of violent revolution. Padre Crespo is also young (about 35) but the similarity between the two ends there. Short and squat, Crespo has an even, cool disposition which at times can be mistaken to connote a complete lack of emotion. Crespo is patient, quiet, intelligent, logical, and possesses a keen perspicacity. Not the type to move large crowds, Crespo is convincing and confidence-inspiring in private conversation. He seems to be much more sophisticated than the average priest in Northeast Brazil. Though no less devoted to the cause than Pedre Melo, Padre Crespo has a deep, unshakable, personal conviction that the road to real progress for the peasantry is democratic legal and peaceful.

1. The Embassy's A-90 reported that recognition of labor unions prior to the publication of a decree establishing the norms for recognition may lack a legal basis. Padre Crespo is apparently unaware of this. He feels however that Minister of Labor HERMES LIMA will not be friendly to the rural labor unions and will do everything possible to stall extending recognition to other rural unions, giving the Ligas Camponesas an opportunity to organize legally.

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Several years ago, Padre Crespo began to interest himself in the formation of democratically-oriented organizations of rural workers. His interest was prompted on the one hand by the abject misery of the living and working conditions of the farm workers, and on the other by the apparent Communist orientation of the Ligas Camponesas, the only class organization then open to rural workers. In cooperation with Padre Melo, he started to organize peasants in selected communities into groups which would someday develop into unions. Today, there are six unions in Pernambuco which have been recognized by the Ministry of Labor, eleven more which have requested Ministry of Labor recognition, and a greater number which are in the process of completing the requirements for recognition, altogether with an estimated membership of 30,000.

To help give birth to and nurture the growth of rural unions, Padres Crespo and Melo formed the Rural Orientation Service of Pernambuco (Servico De Orientacão Rural de Pernambuco--SORPE). SORPE has divided the state into seven regions. To each region it has assigned an organizing team of five persons: a chairman and general coordinator, a priest, two school teachers, and a secretary-typist. The function of the team is to select in each municipality and to train, preliminarily, potential union leaders and other persons willing and able to assist, such as local priests, teachers, nurses, lawyers, etc. Those who are selected make up a sub-team, which is given further training by SORPE and which then forms a nucleus of leadership and starts to organize a union.

The sub-teams are first given a full week's training, following which they return to their towns to work for three months with a definitely scheduled program of activities. After the first three months, they return for another week's training, and then work for six months, again with a schedule of activities prepared by SORPE. At the end of the six months, the teams are given an additional fifteen days of training, and then return to their own municipalities to work for a year according to program schedules which they have drawn up themselves. Exactly 102 leaders have been trained in this manner, but it is Padre Crespo's belief that at least 1000 leaders will be needed if Pernambuco is to be covered thoroughly.

The goal of the trade union movement is simply to serve as a democratic vehicle for rural workers to obtain a higher standard of living and to terminate some of the abuses which they have suffered for years at the hands of land owners. The unions seek

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changes which are almost as revolutionary as those sought by the Ligas Camponesas; the difference is that the unions intend to follow a legal and peaceful course of action, and desire to preserve a democratic form of government. The unions support an agrarian reform but, according to Padre Crespo, recognize that a simple division and redistribution of land, at least in the sugar zone, is likely to increase their problems more than it would help to solve them. In addition to, or as part of an agrarian reform, the unions want a minimum wage for rural workers, increased educational opportunities, class legislation which will provide them with the basic guarantees enjoyed by other workers, improved health and medical facilities and care, etc. As one of the steps toward a higher standard of living, the movement hopes to be able to set up cooperative stores for each union and to establish an instruction-by-radio literacy school at each union headquarters.

Eventually the unions are hopeful they will be able to establish their right to bargain collectively. Although they deny the existence of plans to participate directly or indirectly in local or national politics, it seems certain that they also have hopes of developing into a strong political pressure group. For the time being, however, their collective efforts are devoted primarily to further organizational work and to obtaining support from other sectors. Individual unions, with the counsel of SORPE, have also started to defend vigorously in local courts the rights of mistreated workers, and several cases of extreme maltreatment by land owners have been won. Some unions have also been able to offer medical and dental assistance to their members, but the 20 cruzeiro per member monthly dues severely limit such programs of assistance.

Progress of the movement in Pernambuco is difficult to calculate. If ability to attract members is a measure of progress, then the figures cited earlier speak well for the movement. Perhaps a better measure, however, is the decline in membership and effect of the Ligas Camponesas in Pernambuco which corresponds to the growth of the states rural labor union movement. According to Padre Crespo, there were approximately 56 local centers of the Ligas Camponesas two years ago. Today, that number has been reduced by one-half, and only half of those remaining in existence continue to follow the leadership of FRANCISCO JULIÃO; the others want to form an alliance with the labor union movement. In Padre Crespo's own town of Jaboatão, membership in the local Ligas has dropped from over 2000 to less than 200 in a period of two years. (Precise information on number of Ligas in Pernambuco is difficult to obtain. Padre Crespo's figures have not been confirmed.)

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FUTURE

There is one certainty in the future of rural labor organizations in the Northeast and all of Brazil: they will grow rapidly in size, power and influence. Within a few years, a confederation of rural workers' unions could well dwarf in size and possibly surpass in influence the powerful CNTI. With this one certainty, there are many uncertainties. Some of these are: 1) Whether the church-inspired, democratically-oriented unions will be able to retain the organizational advantage they may have over the Ligas Camponesas, and be the first in obtaining recognition on the national and regional levels as representatives of the rural working class; 2) Whether the unions will be able to ward off Communist infiltration of their leadership and prevent a Communist take-over; 3) Whether the unions will retain their present peaceful and democratic character or whether they will react to initial difficulties and possible defeats by swinging sharply to the left.

RECOMMENDATION

It is suggested that the United States should not be merely a passive observer of the course followed by the rural labor unions over the next few years. By governmental or non-governmental (e.g. American trade unions) means, the United States should do everything possible to influence the direction of these unions. Fortunately, an excellent opportunity for the exercise of such influence exists in an area where U. S. participation would be welcomed.

Agree

U. S. participation would be most welcome and most effective in the area of leadership training. Aside from the guiding Fathers, who can legally play no formal role in the unions, leaders are taken from the ranks of the peasantry. They are poorly educated and untrained, most of them having less than the equivalent of a grade school education. They are chosen because they appear to have some qualities of leadership, and because they are generally better trained than their fellow workers. They are not good material to work with, but they are the best the Northeast peasantry can offer. Precisely because of the poor background of the potential leaders, and because of the difficulties encountered by the state movements in training enough leaders well enough, it is suggested that the United States assist in the training of leaders for the rural workers unions.

AID Program

United States assistance could take several forms, and could be distributed through several channels. The ideal channel

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would be a federation or confederation, but none exists at this time. The best alternatives for channeling of assistance in the immediate future, then, would seem to be either the local unions themselves or the fostering organizations, such as SORPE. Logic strongly recommends the latter.

The type of assistance that would be most effective and best utilized might well vary with each state. In Pernambuco, the most pressing need is for a training site and for financial assistance to maintain leaders and their families during the training period. Effective supplementary assistance could involve any one or several of the following: 1) Training and orientation visits to the United States of the seven regional selection and training teams; 2) Technical advice and assistance at the training center by U.S. labor leaders; 3) Advice and assistance in setting up consumer cooperatives; 4) Advice and assistance in establishing a radiophonic instruction system. Prior to the rendering of any assistance, it might be well to invite Padre Crespo to visit the United States for discussions. If his clerical status is a bar to an invitation from the United States Government, perhaps the A.F.L-C.I.O. or the National Catholic Welfare Conference could be persuaded to issue the invitation. Similar invitations might be extended to the pertinent members of the Clergy from the other states involved.

The Consulate General recognizes the dimensions of the programs implied by the recommendations made in this communication. It should be stressed, perhaps, that the recommendations have not been made lightly. The direction taken by organizations of peasants and other rural workers is sure to bear heavily on the direction taken by Brazil within the next few years. An excellent opportunity exists for the United States to encourage the growth of democratically-oriented labor unions and to influence the direction taken by those unions. The Consulate General hopes that the opportunity will not be allowed to pass unheeded.

Eugene Delgado-Arias

Dr. Eugene Delgado-Arias
American Consul General

CONFIDENTIAL

0470

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Action ARA

Info CAP E P USIA INR CIA NSA COM LAB RMR

Control: 11515
Rec'd: August 15, 1962 4:18 PM

FROM: Recife

TO: Secretary of State

NO: 89, August 14

ACTION RIO DE JANEIRO PRIORITY 96, INFORMATION DEPARTMENT 89

In support warehouse workers strike in demand 80 percent wage increase local stevedores and ppt workers also walked off 0700 today thus paralyzing port. Workers refused 30 percent increase offered by owners. Local railway workers union has agreed join strike though no deadline specified. Bank workers and motorist union may also join.

DELGADO RIAS

COT/14

Recife 89

832.062/8-1462

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Control: 11581
Rec'd: August 15, 1962
6:40 p.m.

FROM: Recife

TO: Secretary of State

NO: 90, August 15, 11 a.m.

ACTION DEPARTMENT 90, INFORMATION RIO-DE-JANEIRO 97.

Dock workers strike originally announced to last 24 hours, and since today is holiday, workers expected return to work tomorrow Thursday, August 16. However, other strikes threatened by truckers, railroad workers and petroleum company employees, who claim companies have not kept their part of recent wage agreement. Governor Sampaio decided not attend Governors Conference called by President giving as excuse strike situation. Feels this new strike wave may be part of continuing pressure tactics on part of President's labor backers. Threatened work stoppages would in effect constitute general strike paralyzing state.

DELGADOARIAS

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Control: 12679
Rec'd: August 16, 1962
9:36 p.m.

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FROM: Rio de Janeiro

TO: Secretary of State

NO: 409, August 16, 7 p.m.

A-180

Reversing apparent promise contained August 9 manifesto confine strikes to economic issues, labor unions, via general strike command body, now threaten new general strike if Congress fails grant Cabinet special powers requested in Premier's August 12 message. In August 14 manifesto strike command promises employ "all our forces in order that chamber fulfill duty by voting delegation powers". Manifesto convoked "all workers to preparation general strike at time workers general command considers necessary".

Labor Attache has August 17 appointment with Crockett de Sa when he will attempt learn whether Goulart implicated in issuance manifesto.

GORDON

LM:HC

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Rec'd: AUGUST 18, 1962
3:22 PM

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FROM: RECIFE

TO: Secretary of State

NO: 96, AUGUST 17.

INFO:
RM/R FILES

Recife 96

ACTION RIO DE JANEIRO 102, INFORMATION DEPARTMENT 96.

STRIKE PARALYZED PORT FOURTH STRAIGHT DAY. THIRTY-FOUR SHIPS CAUGHT IN HARBOR, FIVE WAITING OUTSIDE AND SEVEN DUE NEXT TWO DAYS. LOSSES ALREADY ESTIMATED AT 60 MILLION CRUZEIROS. WAREHOUSE WORKERS NOW INDICATE WOULD ACCEPT 50 PERCENT RATHER THAN ORIGINAL 80 PERCENT DEMAND. OWNERS HAVE SO FAR AGREED ONLY 30 PERCENT BUT SOME HOPE COMPROMISE NEXT FEW DAYS. STEVEDORES AND PORT WORKERS SUPPORT WAREHOUSE WORKERS DEMANDS AND IN ADDITION DEMANDING FAMILY BONUS AND END TO "INDEPENDENT STEVEDORING" SYSTEM. SOME SCUFFLING ON DOCKS THIS MORNING WHEN NON-UNION LABOR ATTEMPTED UNLOAD VESSEL. BANK WORKERS ANNOUNCED SYMPATHY STRIKE TO BEGIN AUGUST 20 UNLESS WAREHOUSE WORKERS DEMANDS MET. WITH PETROLEUM WORKERS, RAILWAY WORKERS AND TRUCK DRIVERS UNIONS ALSO CONTINUING THREATEN WALK-OUT, GENERAL STRIKE MOVEMENT COULD DEVELOP, WITH SERIOUS IMPLICATIONS, UNLESS WORK STOPPAGE PORT AREA NOT SOON RESOLVED.

DELGADOARIAS

GDW

832.062/8-1762

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OCT - 8 1962

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Control: 16114
Rec'd: August 21, 1962
4:52 p.m.

FROM: Recife

TO: Secretary of State

NO: 99, August 20

ACTION RIO DE JANEIRO 108, INFORMATION DEPARTMENT 99

Reference: Consulate telegram 102 to Rio de Janeiro, 96 to Department.

With owners offering 55 percent wage increase warehouse workers, and acceptable concessions stevedores, and port workers, strike settled today and all workers expected be back on job tomorrow. Total of 47 ships affected by strike with losses all sectors estimated around CR$75 millions.

DELGADOARIAS

SBW/2

Recife 99
832.062/8-2062

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OCT - 8 1962

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DEPARTMENT OF STATE

AIRGRAM

832.062/8-2062

FOR RM USE ONLY

A-208 NO. CONFIDENTIAL HANDLING INDICATOR

TO : Department of State

FROM : AmEmbassy, RIO DE JANEIRO DATE: August 20, 1962

SUBJECT : Meeting with Mr. Gilberto Crockatt de Sá

REF : Airgram A-180

The Assistant Labor Attaché met with Mr. Gilberto Crockatt de Sá, Friday, August 17, at 10:00 a.m. and discussed the latest developments in Labor.

Mr. Gilberto Crockatt de Sá stated that the difference between the two manifestos issued by the "Comando Geral da Greve" was due to the workers revolt against the interpretation given by the press, after the first manifesto was issued.

In the second manifesto issued on August 15, Crockatt said that the workers declared "We will use our force together with civil and military patriots, to bring home to the Chamber that it should delegate the necessary powers for effective government, or vote immediately the necessary laws."

Mr. Crockatt de Sá conceded, however, that in President Goulart's opinion, the first manifesto was really more expressive but, in order to attain those objectives, the delegation of powers was necessary. With regard to those who signed the manifesto, Mr. Crockatt de Sá stated that, in fact, some of them were communists but that most of them are democrats. He mentioned Messrs. Hercules Correa, Roberto Morena, Júlio Jardim da Silva, Osvaldo Pacheco and Waldir Gomes, as being communists, and Messrs. Dante Pellacani, Paulo Canedo Lopes, Othon Canedo Lopes, Wilson Barros Leal, Francisco Plácido das Chagas, Huberto Menezes Pinheiro,

(1)

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FORM DS-323 4-62

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Drafted by: Harold Shapiro, Asst. Labor Attaché

Contents and Classification Approved by: Robert Eakens, Minister-Counselor

Clearances:

0476

Raphael Martinelli, Nelson Mendes, Newton Eduardo de Oliveira, Severino Naino Schnaipp, Felipe Ramos Rodrigues and Benedito Cerqueira, as being democrats. The latter, in his opinion, has opposition as he is considered a communist element, but, in fact, is an authentic democrat leader, and he (Crockatt) trusts him.

Questioned regarding the latest events which occured at the ICFTU Congress held at Berlin, Mr. Crockatt de Sá said that the CNTI delegates, by withdrawing from that Congress, acted in accordance with the policy line adopted by the Brazilian Government, refusing its support to the Motion presented, regarding intervention in Spain and Cuba. Brazilian workmen, therefore, supported the policy regarding self-determination of the people, which was adopted during President Quadros' Government and which is faithfully maintained to date. Mr. Crockatt de Sá stated further that the withdrawl of the CNTI delegation does not imply a break with ICFTU. President Goulart himself is interested in having CNTI continue as a member of ICFTU and that, after the political crises is over, he will send a delegation of labor leaders to the U. S. to get in touch with U. S. labor leaders regarding a few points, as was agreed during his recent visit to that country. He stated further that the delegation would hope to see Mr. Meany and Mr. Serafino Romualdi of the AFL-CIO in regard to these matters.

Comment: The timing of the two manifestos appears to be the work of President Goulart through Gilberto Crockatt de Sá. As the Embassy has indicated previously, when President Goulart used his maximum powers to change the leadership of the CNTI, it was done to give him a leadership in that organization upon which he could depend to wage a general strike in his behalf, if he so wished.

For the Ambassador:

Harold Shapiro
Assistant Labor Attaché

POL:HShapiro:ss

0477

DISTRIBUTION

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DEPARTMENT OF STATE

22 AIRGRAM

832.062/8-2062

FOR RM USE ONLY

A-211 NO. UNCLASSIFIED HANDLING INDICATOR

TO : Department of State

AM 7 49

BUREAU OF INTER-AMERICAN AFFAIRS AUG 24 1962

RECEIVED ANALYSIS & DISTRIBUTION BRANCH

FROM : AmEmbassy, RIO DE JANEIRO DATE: August 20, 1962

SUBJECT: Second manifesto issued on August 15 by the Comando Geral Sindical

REF :

file JWW 8/27/62

Five days after the first manifesto was issued by the "Comando Geral Sindical" which stated "Our people and our workers cannot be led to the struggle just to carry banners for a plebiscite and a delegation of powers," the left-wing unions reversed their position again and issued a second manifesto on August 15th, which called on "Brazilian workers to get ready for a general strike, when "Comando Geral Sindical" thinks the time has come to take this measure in defence of "democratic and union liberties, and reforms clamored for by the country."

It states that every effort will be made, "together with civil and military patriots," "to bring home to the Chamber that it should delegate the necessary powers for effective government, or vote immediately the necessary laws."

Further highlights of the manifesto are: "We are convinced that the political, economic and social crises is the result of this country's obsolete structure and of domination by imperialism and landowners;" "patriotic solution of these problems cannot be found merely by party leaders, if they ignore workers and the people;" "the Government must get rid of those who are or may be a hindrance to the attainment of measures which the Government itself proposes to bring into being;" "analysis of the ministerial message to Congress reinforces our conviction that a nationalist and democratic government is called for;" "it is up to the Government to rely on popular support for bringing about the

FORM DS-323 4-62

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Drafted by: Harold Shapiro, Asst. Labor Attache

Contents and Classification Approved by: Robert Eakens, Minister-Counselor

Clearances:

0478

reforms called for by the country."

For the Ambassador:

Harold Shapiro
Assistant Labor Attaché

POL:HShapiro:ss

0479

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

RG: 059

TAB #: 24

ENTRY: CDF60-63

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AGRAM A-9 FR SALVADOR TO STAT DEPT

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0480

INCOMING TELEGRAM

Department of State

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INFO:
RM/R FILES

8/23/62

TO: Secretary of State

NO: 37, August 21, 2 a.m.

PRIORITY

ACTION DEPARTMENT 37, INFORMATION RIO DE JANEIRO 17, BRASILIA 2

1. Summary: As expected, 4th National Labor meeting Sao Paulo August 17-19 communist dominated. Goulart representative explicitly endorsed meetings principal theme "Labor Unite".

2. Two to three thousand delegates reportedly represented some 300 local unions and federations out of estimated national total 1600 local unions and 150 federations. CNTI (industrial workers), CONTE (bank workers), and CNTTMFA (maritime, river and air transport workers) confederations participated, although CNTTMFA president not in evidence.

3. International representatives attending: Henri Brener (name uncertain-France), and Carlos Aparicio (Uruguay), both WFTU; Samuel Powell, ORIT-ICFTU; and 2 communist Chinese, names unavailable. Brener and one Chinese addressed closing session, stressed labor unity, hit divisionists, received standing ovations. Powell's speech received boos and scattered applause.

4. Final session contained numerous attacks American imperialism, foreign trusts, etcetera. Repeated mention Cuba received loud ovations. Meeting chaired by arch-opportunist ex-communist Dante Pellacani, Acting President CNTI, with top Brazilian communist labor leader Robert Morena constantly at former's elbow during important plenary sessions.

5. Prominent Brazilian communist union leaders Oswaldo Pacheco

SAO PAULO 37

832.062/8-2162

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da Silva and Benedito Cerqueira at final session emphasized labor unity, denounced simultaneously nond* interstate meeting Democratic Unism movement in Rio as divisionist, defended CNTI walkout Berlin IDFTU Congress, threatened general strike if basic reforms not enacted immediately and warned government that their cooperation depended on government's granting their demands. Pellacani in closing remarks bitterly attacked Antonio Pereira Magaldi, President Democratic Union movement, and called for tighter organization workers local and state levels around national strike command which led July 5 general strike.

6. Labor Under-Secretary Joao Pinheiro Neto spoke in favor reforms. Goulart labor hatchetman Gilberto Crockatt de Sa warmly praised labor leaders present, repeatedly supported labor unity, and attacked Rio meeting. Federal government reliably reported subsidized round trip transportation out-of-town delegates.

7. Resolutions not ready distribution final session as promised. Chairman Resolution Committee Morena read some resolutions aloud including (A) support September Latin American Trade Union Conference in Santiago, Chile, with 3 Brazilian labor confederations to send delegates, as yet unnamed; (B) proposed Fourth National Labor Congress mid-1963 at which Brazilian Labor Movement would adhere Latin American Trade Union Federation. Apparently no mention CNTI disaffiliation from ORIT-ICFTU. At previous plenary sessions resolutions passed in bulk by acclamation with little discussion. CONGEN will report final version resolution when available.

8. Comment: communists apparently not ready openly organize Central Sindical Unica, rather seem prefer quietly build central around national strike command with subordinate organizations state and local levels. Goulart representatives echo communist labor unity line and praise for obviously communist-dominated meeting probably agreed price for communist support Goulart recent political crises. Airgram follows.

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*As received, will be serviced upon request.

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DEPARTMENT OF STATE

AIRGRAM

832.062/82162

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A-218 NO. CONFIDENTIAL

DEPARTMENT OF STATE
BUREAU OF
INTER-AMERICAN AFFAIRS
AUG 27 1962

TO : Department of State

1962 AUG 24 PM 1 20

DEPT. OF STATE
ANALYSIS & DISTRIBUTION
DIVISION

FROM : AmEmbassy, RIO DE JANEIRO DATE: August 21, 1962

SUBJECT : The second Interstate Meeting of the Democratic Labor Movement

REF :

An estimated 2,000 people were present at the Municipal Theater Sunday, August 19th to participate in the closing ceremonies of the 2nd Interstate Meeting of the Democratic Labor Movement.

The dignitaries present included Mr. Rêgo Monteiro, representing President Goulart; Mr. Carlos Lacerda, Governor of Guanabara; Juracy Maglahães, Governor of Bahia, Messrs. Menezes Côrtes and João Mendes, Federal Deputies; Messrs. Raul Brunini and Lopo Coelho, State representatives.

Mr. Ary Campista, President of the Interstate Federation of the Chemical and Pharmaceutical Workers of Guanabara and State of Rio de Janeiro (Federação Interestadual dos Trabalhadores nas Indústrias Químicas e Farmacêuticas da Guanabara e Estado do Rio de Janeiro), claimed to speak on behalf of the democratic workers of Guanabara and reported on the actions of the Federal authorities which, in his opinion, had benefitted the communist labor leaders alone. The speaker stated that "as soon as Mr. Franco Montoro took office as Labor Minister he irrevocably handed over the Labor Federation of Food Workers of São Paulo to the communist Luiz Tenório de Lima. Shortly after, by virtue of another act, Mr. Montoro handed over to the communists the National Federation of Maritime Workers."

Campista illustrated his claim that communists are benefitted by the Government's support with the following account (given here in summary) of events following the election of

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Drafted by: Harold Shapiro, Asst. Labor Attaché

Contents and Classification Approved by: Robert Eakens, Minister-Counselor

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the CNTI's Board in December, 1961. Two slates were proposed. One slate included only the democrats, and the other, the communists, crypto-communists and communist sympathizers. All Brazilian labor leaders, Campista said, recall that the second slate was born at the Presidential Palace. This circumstance was made apparent by the stand taken by Clodsmidt Riani, Dante Pellacani, Francisco Plácido das Chagas, Roberto Morena, Hércules Correia dos Reis and many other avowed communists, who openly urged all delegates of CNTI to barter their votes for positions and benefits which they claimed would be granted by the Federal Government. Later, Campista continued, certain delegates and members of their families received the favor of highly paid offices in the Social Security system. The children of Waldmar Luiz Alves, Dante Pellacani, Benedicto Cerqueira, and Clodsmidt Riani, some under age, are earning salaries ranging from 70 to 80 thousand cruzeiros, as Treasurers of IAPI (Institute for Retirement and Pensions of Industrial Workers). Plácido das Chagas, Zacarias Fernandes da Silva, obtained the employment of their friends and mistresses at the same Institute, all of them compensated at the same rate of pay.

Governor Carlos Lacerda made a strong speech in which he first discussed the Labor movement of Brazil. Then he lauded the Alliance for Progress and criticized the Federal Government for not having as yet drawn up effective plans to ensure the success of this Program.

COMMENT: In this meeting the Democratic Labor forces appear to have finally consolidated their strength and determination in a struggle to survive against the combined forces of the Brazilian Government and the leftist controlled unions.

This is the first public break with the present administration and the Democratic Labor forces are evidently preparing for a real show down.

For the Ambassador:

Harold Shapiro
Harold Shapiro

Translation by:
Waltrudes Santos

POL: HShapiro:ss

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DEPARTMENT OF STATE

AIRGRAM

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A-279 — OFFICIAL USE ONLY — HANDLING INDICATOR

TO : DEPARTMENT OF STATE

1962 SEP 13 PM 3 19

DEPARTMENT OF STATE
BUREAU OF
INTERNATIONAL AFFAIRS ANALYSIS & DISTRIBUTION
DIVISION

SEP 17 1962

FROM : AmEmbassy, RIO DE JANEIRO DATE: August 31, 1962

SUBJECT : II Inter-State Meeting of Democratic Syndicalism

REF (1) :

RM/R Files 9/24-JWW

The enclosure is a translation of the five resolutions adopted by the recent convention held in Rio de Janeiro, state of Guanabara on the 18th and 19th of August.

The content of most of the resolutions deals with the social security systems and the Labor Courts.

These systems, established between 1937 and 1945 have not been fundamentally changed.

Beginning with the "Estado Novo" period, all possible protests were channeled through organs of the State. Not only was the social security system established as a means of reducing or ending some of the worst grievances of the workers, but the trade unions were also converted largely into organizations which provided the same kind of benefits as the social security institutions. Furthermore, all grievances arising in the course of relations between workers and their employers were taken out of their hands and placed in those of the Labor Court system. Finally, the overall direction of this system of government control was centralized in the Ministry of Labor. The State still plays the lead in channeling workers' protests and through the "dissidios" and the grievance procedure of the Labor Courts, the State also has a great deal to say about the framework under which Brazilian industry functions.

Although some progress has been made since 1945 in re-asserting the role of the unions as representatives of their

Enclosure ott all m.n.

FORM 4-62 DS-323 — OFFICIAL USE ONLY — FOR DEPT. USE ONLY [X] In [ ] Out

Drafted by: Harold Shapiro, Asst. Labor Attaché — Contents and Classification Approved by: Minister Bond, Minister-Counselor

Clearances:

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members in disputes with the employers, they still remain in a subordinate role, vis-á-vis the State.

The Labor Movement in Brazil has still not recovered from its long experience under the heel of Getulio Vargas' "Estado Novo."

For the Ambassador:

Harold Shapiro
Harold Shapiro

HShapiro:ss
POL

DISTRUBUTION: Mr. Jack Lieboff
American Consulate General
São Paulo

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Enclosure No. 1
Airgram A-279
Page 1
No. of pages 19
Rio de Janeiro

II Inter-State Meeting of
Democratic Syndicalism
(August 18th-19th, 1962, Rio de Janeiro)

Union and association leaders, representing 1,300 organizations linked to the Brazilian Democratic Syndical Movement, present at the II Inter-State Meeting of Democratic Syndicalism, held in Rio de Janeiro, state of Guanabara, on the 18th-19th of August, 1962, decided to approve the following conclusions that represent the real demands of all the free and Democratic workers of Brazil.

1 - LABOR LEGISLATION AND LEGISLATION OF THE LABOR JUSTICE;

Labor Control

a) To present before the Minister of Labor and Social Welfare the providing of urgent studies of how to congregate into one single body and into one single action, the services of controlling Labor and Social Welfare, in order to eliminate the present diversity, that provokes, with this procedure, the fulfilment of the Clause of Article 626 from the Consolidation of the Labor Laws, following the instructions of the Ministerial Decree no. 36 of July 26, 1944.

b) Ask the National Congress to give top priority to the bill no. 4074, pertaining to the re-organization of the Labor Regional Committee: in every state, pointing out their autonomy mainly in reference to their power of Labor control and inspection.

c) To confer on all the legally accredited syndical leaders, the capacity of promoting the control of the work security regulations, completing the partial allowance given by Article no. 631 of Labor Laws Consolidation.

d) The urgent actualization of the fines for transgressing any clauses of the Labor Legislation, in order to establish the basic value of the local minimum-salary to such fines, including the possibility of being multiplied, inside this basis, by the amount of the individual transgressions verified.

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e) To recommend the re-establishment of the agreement between the Nation and the state of São Paulo for cooperative control, using the inspectors who are presently working for the Secretary of Labor, Industry and Commerce of that state, extending this recommendation to every state Government, asking them to study and to examine the matter.

f) Immediate increase in the number of the Ministry of Labor and Social Welfare's inspectors, giving them the possibility of rotation which will enable them to perform an effecient job in whatever branch they may be in charge of, especially in regard to minors.

Syndical Tax Commission

It has been pleaded that the Syndical Leaders themselves must be chosen to work as functionaries for the Regional Branches of the Syndical Tax Commission, due to their capacity on this matter, which enables them to implant in those branches a more adequate character in facing problems or demands of the working class.

Work Contract's Rescission

a) In the Labor Laws Consolidation, Chapter V, we plead to include - by means of a specific bill - a clause stipulating that every worker who breaks his work contract by an indetermined period of time and who has been working for more than five years in the enterprise, must be entitled to receive 50% of the value of the unemployment compensation he was supposed to receive should he have been fired by his employer.

b) We ask the approval of the National Congress of a bill that ensures to the worker who has worked more than ninety days, and is fired with no reasonable cause, that he receive a warning notice and compensation to be paid on the basis of 1/12 of his monthly period of work.

Variable Scale of Salaries

a) To plead to the National Congress, an urgent processing of the bill that establishes in the institu-

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tion a variable scale of salaries.

b) To plead to the Congress to examine the inclusion in that preposition of an article to ensure the participation of the elected representatives to the Worker's Syndical Entities, in the official department of statistics, in order to measure the percentages of the increase in the cost of living.

Right to Strike

a) To air before the Legislative and Executive Powers the thoughts of the National Working Class in order to keep it always inside the limits of either authentic demands or in defense of any postponement of rights, forswearing any manoeuvres that, under any false or unreasonable excuse, may lead to social agitation or the overthrow of the public order, exacerbating, instead of resolving, the problems artificially presented.

b) To express, in addition, that it is only through this principle that the right to strike must become an instrument for the worker's authentic demands and not a weapon for those who take advantage of this right - on the contrary - to try the implantation of a political-ideological regime where strikes are never admitted or even tolerated.

c) At this time, we are favourable to the change of a law of the Bill of Jefferson de Aguiar, being processed by the National Congress, if that proposition satisfies the real interests of the Democratic Workers of the country.

Family Salary

- we petition the Federal Chamber of Representatives, that they follow the constitutional principle, giving top priority to the bill that has been initiated by the Executive Power concerning the institution of the Family Salary, necessary to the present condition of the working class, making this appeal extensive to the Federal Senate and to the Presidency of the Republic, in order to get their collaboration to the change of this law.

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Christmas Surplus

- we publicly support the bill recently presented to the National Chamber of Representatives by Congressman Herbert Levy, concerning the exemption of any duties on the 13th Month-Salary, understanding that this gratification, due to its own objective, does not include itself in an intrinsical salary value, but is a fair contribution for the efforts made during the year by the workers.

Houses for the Workers

a) We plead to the President of the Republic, Prime-Minister and Minister of Labor and Social Welfare: I) to improve and to execute urgently, the purposes of the Federal Dwelling Council, by means of real planning and a real equitable distribution of its resources; II) to determine to the Administrative Councils of all Social-Welfare Institutes, finishing in top priority, the selection of all their policy-holders to be favoured with financings for their houses, considering: a) the losses caused to the taxpayers by a longer adjournment before the ever-increasing prices of the properties; b) the subsequent losses brought about by such adjournment to the achievement of the Plan, with regard to the re-investment of the payments into new financings; III - to stress the necessity - which has been worsened by the serious condition of the dwelling problem - of the execution of the "Union for Progress" plan, whose resources may be used in cooperation with the democratic syndical entities; IV - to anticipate the application of the Federal Dwelling Council program to the workers of the country;

b) We recommend to the democratic syndical entities all over the country to integrate themselves into the above campaign, considering, above all, the organization of the technical services for the use of "Union for Progress" resources.

Labor Justice

a) We ask the creation of a committee to review

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all the subjects in relation to the Labor Justice, in as much as that group is formed by representatives of the employees, employers, and by Labor judges, having as its basic points of study: 1 - the processual regulation, 2 - the creation of some new commissions of conciliation and judgement in all the National territory, showing as a single directive, the density in the number of workers municipally or inter-municipally, not considering the political criterion, 4 - the establishment of jurisdiction courts for ordinary appeals, not allowing them to become either profitable nor protective, due to the constant devaluation of the money, 5 - the establishment of a previous deposit allowed to the appeal on the amount corresponding to the object of the prosecution so that it may be considered and decided upon by the Court President, keeping in sight the approximation of the "quantum" to be collected; no appeal being allowed to that resolution.

b) As a measure to avoid any political interference let it be adopted by the designation of the classist ministers of the Superior Labor Court, by the President of the Republic; the judges and the voters of the Regional Labor Courts, by the presidents of each respective region, considering that these last must be able to judge the value of every candidate; let the judges of the Superior Labor Court be chosen among the judges of the Regional Courts, following the criterion of seniority and merit and classified by the Superior Labor Court.

c) We lend our support to the democratic syndical organizations of the States of São Paulo, Paraná and Mato Grosso, in their efforts at the Federal Senate and the Federal Congress towards: 1 - the urgent approval of the bill concerning the settlement of the staff and the releasing of the available sum for the installment and operation of the twenty courts for conciliation and judgement created in the jurisdiction of the Regional Labor Court of the second region by law no. 3,873 of January 30, 1961. 2 - the urgent release, by the Finance Commission of the National Congress, of the bill relating to the abrogation of funds to the Regional Labor Court of the second Region,

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to transfer its offices to a larger building, insisting on its quick approval by the plenary assembly. 3 - the creation of a Regional Labor Court in the state of Paraná, considering the volume of single and collective discussions, held in that state which is presently suffering from long delays due to the judiciary centralization in the state of São Paulo.

Night Work Additional Salary

- We plead the modification of the specific bill of the legal dispositions about the subject, in order to establish the following: 1 - the workers who work at night, by the system of rotation, must receive the night-work salary (bonus): 2 - night work may be considered all time between 6:00 p.m. and 5:00 a.m. of the following day. 3 - the night-work additional salary, the tax on danger and the health tax must always be calculated as having as a basis the highest pay received by the employee in the enterprise, computated retroactively until the limit of two years from the day when its grade of danger or unhealthfulness had been verified by the proper authority who establishes the amount of the tax.

Vacations

a) We declare ourselves favourable to the approval of the bill which, changing some dispositions of the "Consolidation of Labor Laws," increases the vacation period of the labor class to thirty days, considering the benefit brought by this measure not only to the workers but to the improvement of their productive capacity.

b) We plead the including, in the above mentioned proposition, of either a supplement or an alteration saying that the thirty-day annual vacations must be conceded to those workers who have been at the disposal of their employer during the twelve months of the year, having no more than six non-justified absences of service, enlarging, in that same proposition of the maximum limit, the rest of the period owed to those who, proportionally, have been at the disposal of their employer, and to the proportional vacation themselves, by means of any break of the work contract.

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Retirement of the Employee

- We plead the alteration of the legislation concerning this subject in order to establish that the time during which the employee is retired from his work because of illness or work accident, must be counted as time of effective service at the enterprise, for the purpose of establishing stability and indemnity.

Syndical Organization

- Presenting effective guarantees to the syndical term, we plead the alteration, through a bill, of some dispositions of the Consolidation of Labor Laws, about the Syndical Organization, in order to stabilize: 1 - that the Director of any Syndicate, Federation or Confederation, retired of their functions to look after the services of his entity, following the resolution of an Assembly, must have their period of retirement computed for all the effects of indemnity and stability as if he had normally been working in this effective function in the enterprise. 2 - The provisory stability must be assured him for the commissions he performed, to all the directors of the first and second grade syndical organizations, either the effectives or the substitutes, as well as to all factory delegates; 3 - to grant the same advantages, as if they were effective workers, to the leaders of the syndical entities of first and second grade, in the cases when, through a resolution of their respective assemblies, to all those who may be retired from their jobs due to their syndical commissions. 4 - To give a franchise to all the syndical leaders, effective or substitutes, for all actions legally undertaken because of these conditions.

Special Gratification

- We plead to the Minister of "Viação" (Transports and Constructions) the appointment of some commissions, with representatives having equal authority, in charge of the urgent regulation of the legal disposition on the rights of the workers of

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either maritime, railroad or dock activities, who belong to the industrial enterprises of the state, the payment of a special gratification in regard to the activities that affect any life or health risks.

Domestic Maids

We go on record against the discrimination that has been shown against the work of the domestic maids who arenot covered by the Labor Laws; we plead the extension of the Labor Legislation to this professional group, foreseeing, among others, the following principles: 1- their right to form Unions, counting on the complete protection of the existing syndical legislation; 2- their right to receive a salary in proportion to their professional ability; 3- their right to count on a paid weekly rest, with a 24-hour day off, preferably on Sundays; 4- their right to have a yaarly and remunerated period of vacations; 5- their right to attend classes of instruction on professional improvement; 6- their right to an eight-hour period of work daily, with additional payment for any extra hours worked.

Employment Insurance

- The accomplishment and officialization of the Employment Insurance; in addition to what Article 163 of the Social Welfare Organic Law deals with, supporting objectively the worker who, suffers a forced dismissal caused by the end of his enterprises' activities, having more than 10 years of service and with the minimum age of 45, if he is not able to find a new position, correspondent or similar to his former job, or if he does not qualify within conditions required for his retirement by his working time, this worker should have the right to receive his employment insurance during the remaining period which is necessary for the accomplishment of his retirement including his acquired rights because of his contributions to Social Welfare.

Motherhood Salary

- We plead the payment of a motherhood salary to the women who are dismissed during any period of their

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pregnancy, of the same amount they would have received had they remained in the enterprise until the end of their pregnancy.

Tourism

- To recommend to the National Department of Roads the use of syndicalized workers, linked to the entities who gather all workers in hotel activities or in similar ones, to help work in the planning of building hotels close to the main roads of the country, to be undertaken very soon, under the direction of that Department.

Syndicalization

- To the immediate application of what article 545 of the Consolidation of Labor Laws disposes on, we propose the inclusion of a single clause establishing a fine equivalent to the value of payments that should have been made to the Union by the employer who, in spite of that legal requirement, refused payment and does not register in his payroll the discount of the contributions owed to the Unions.

Participations

- We are favorable to the act of the President of the Republic which establishes the financing of the employee's purchase of participation bonds for the enterprise where he works, through the Federal Economic Banks (Caixas Econômicas Federais).

Revindications

- We resolved to approve the program of revindications assumed during the VIIIth National Congress of Working Circles, for it gathers the highest and the most legitimate desires of the national working class.

Bills

- We resolve to recommend to the Organization Committee of the IInd Inter-State Meeting of Democratic

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Syndicalism, in order to provide the democratic organizations all over the country with detailed information concerning Congressman Floriceno Paixão's Bills which, though making a change in the Labor Legislation, protect the national working class, in order to obtain the support of all such organizations for those bills.

II - SOCIAL WELFARE

S.W. Organical Law

a) We plead, to the National Department for Social Welfare, immediate publishing of measures showing the application of some dispositions of the Organic Law, that depend upon this order.

b) We plead, with relation to the instructions concerning the application of article 47 of the Organic Law - that we consider the system of free choice of doctors, as of the utmost value to the solution of the problems of medical assistance - that we be allowed to participate actively in the guiding of the Institute's Policy-holders, through special certificates given by the Institutes, mainly in places where there are no agency representatives.

c) We plead the immediate application of article 24, clause 6, of the Organic Law, that establishes the payment in advance, by the Institute of Social Welfare, of all expenses with transportation and of three daily wages, each one in the same amount of those daily wages received by the policy-holders as the beneficiary, paying another daily wage for each extra day he happens to remain at the disposal of the Institutions, in cases when the attendance of the policy-holder who still has the wage for illness and happens to be outside his district.

d) We plead a rigid criterion in accord with the social objectives of the Institute, in reference to the understanding of item XV of article 121 from the General Statutes of the Social Welfare, whose construction has given place to several interpretations, in their majority, harmful to the policy-

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holders who report to private hospitals the lack of medical assistance from the agency.

e) We plead the installment of ambulatories and the signature of conventions with private, public or syndical entities and enterprises, following a law of the General Statute.

f) We plead the total fulfilment of the objectives of the medical assistance, mentioned as follows: clinical, surgical, pharmaceutical, and odontological assistance to the policy-holders through ambulatories, hospitals, sanatoruims or in his own residence, including not only the policy-holders from the large centers but, above all, those from the interior, most of whom lack any kind of assistance from the Institutes of Social Welfare, in spite of their contributions being paid in the same proportion.

g) We plead the immediate reformulation of the employee's staffs, mainly in the Regional Departments of the Institutes for the Social Welfare, taking into account that retirement, pensions, aid for invalidity, aids-for-illness, etc., have their payments largely delayed by lack of staff.

H) We present our strong protest against the nominations (4,000) to high positions in the Institutes for Social Welfare, because those nominations brought benefits to the relatives and friends of some leaders of the Social Welfare system.

I) We plan to send samples of this resolution to all the representatives of the workers in all the Institutes for Social Welfare, with the recommendation to strengthen their efforts - honestly showing the revindications of the working class - to obtain the realization of these legitimate revindications of the workers.

Debts

- We strongly protest the decree of the former Prime-Minister, Mr. Tancredo Neves, which allowed the division of the debts of the employers with the Social Welfare Service. That procedure, besides the consequent annulment of the Organic Law of Social Welfare (article 86) contrary to article 4 of the Civil Code, will being heavy losses to the already weak economic situation of those services.

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Surplus

- We warn the Minister of Labor and Social Welfare about the maneuver that is being made to avoid the resolution of the Superior Council of the Social Welfare. It extends the payment of the surplus to all workers who remain on the job for more than 30 years, with no limit of age, and should be submitted for his consideration, giving His Excellency the chance to approve it. It is being kept inside the cabinet of Mr. Dante Pellacani.

Retirement of the Workers of the Railroads, Docks, and Navigation

- We plead the urgent approval of the bills being processed in the National Congress, pointing out the ammendment to the first Clause of article 161 of the Federal Constitution referring to the reduction of 30 years of the working time for retirement to all public functionaires including the workers of the railroads, docks and navigation.

S.A.S.S.E.B. (Service of Assistance and Social Welfare for the Employees and Workers of Banco do Brazil)

- We ask the President of the Republic, the Prime-Minister, the President of the Federal Congress and of the Senate, to promote the creation of S.A.S.S.E.B. following the pretensions of the authorities of the Bank of Brazil's Commission, who for many years has been fighting in this campaign to render that plan concrete and this way, we too give our entire support to the above mentioned Commission and to all the authorities it includes.

Social Welfare

- We ask the Executive Powers about the adoption of some measures destined to eliminate the bureaucratic character of the services of social welfare, simplifying its processes, eliminating the system of political interests, bringing to an end illegal employments and making it easier to get the aids, es-

0498

tablishing as its only objective the effective application of the Organic Law of Social Welfare.

Generalities

- To demand of the Federal Department of Social Welfare, the urgent creation of medical assistance services in the municipality of Ponta Grossa, state of Paraná.

- We plead, with relation to the state of Paraná: 1 - the re-formulation of the Medical Staff of the Institute for the Social Welfare of the Workers in Commerce (I.A.P.C.); 2 - the urgent admission of ophtalmologists - for presently there are no doctors of such speciality; 3 - the instalment of a pharmacy at the medical ambulatory of the I.A.P.C.; 4 - the enlargement of the inspector's staff of the I.A.P.C., due to the lack of fiscalization activities.

- We demand of the SAPS (Service of Feeding and Social Welfare) Administrative Council, the dismissal of its agent at Santa Maria, state of Rio Grande do Sul, where there was a large speculation in the amount of 20 million cruzeiros. Several functionaires were secluded from their positions due to the inquiry being processed investigating the causes and the responsibility for it. The head of the Agency, in spite of being directly involved in this case, remains on his job.

- To recommend to the Democratic Syndical Organizations to give a greater importance to the dispositions of the Organic Law of the Social Welfare and to explain why a large number of them have not yet become absolute, making them feel that, as the contributors, they must criticize and suggest ways to help in the correction of some faults of that legal diploma.

III - RURAL PROBLEMS

- Taking under consideration the several aspects of the bills that intend to establish in our country an agrarian reform, we decided to adopt as our fight symbol, the following revindications:
a - Complete respect of the principles of "Mater et Magistra" Encyclic in reference to agricultural activities and the men from the country.

0499

b - Before the intended agrarian reform the amount of land that still belongs to the country must be considered by the Federal, State, and Municipal Government.
c - The law of the Agrarian Reform must effectively open the possiblilites for the spreading of the familial properties.
d - For the obtainment of the familial property, the public powers shall provide long-term and no-interest financings.
e - A net of silos and warehouses must be built all over the country for the storage of the entire agricultural production.
f - The distribution of the agricultural production in the national market, as well as in the international one, must be facilitated by using every modern way of transport.
g - Cooperation must be stimulated in all senses.
h - There must be an effective control on the intermediary commerce.
i - All technical and economic assistance must be given to those who are in a condition to produce.
j - A free freight in all the Municipal, State, or Union's enterprises of transport must be assumed for the perfect flowing of the agricultural production.
k - Regional Institutes of Research must be organized to aid the examination of the lands.
l - The creation of Agricultural Centers in every municipality of the country to provide distribution of free seeds.
m - Financings through the official or private credit establishments to improve the dwelling conditions of the people.
n - Creation of preliminary, high and professional schools in the agricultural zones with obligatory attendance.
o - Establishment of a National Department of Rural Electrification.

We also support the following resolutions:

- to plead urgent measures of the Federal Government in order to dinamize the "SUDENE" (Superintendency for the Northeast Developement), mainly with reference to the works of improvement of the irrigation of the Nomtheastern lands.



2 - We protest against some of the leaders of the Federation of the Workers in the Industry of Feeding of the State of São Paulo who, irresponsibly and apart from their real activities, have been trying to enlist some of the sugar-cane agriculturists in the Feeding Union.
3 - We plead to the Minister of Labor and Social Welfare's resolution that established, as compulsory, the contribution for the Institute of Social Welfare of the Workers of the Industries for all the rural workers who are directly or indirectly linked to the industry.
4 - We plead to the Legislative Chamber of the state of São Paulo the rejection of the veto of the Governor of that state to the bill that exempts from the tax all transactions with fertilizers or insecticides. At the same time we ask for the adoption of the same procedure to all of the other governors of the states.
5 - For the solution of the North and Northeast's agrarian problems, we commend as a practical measure, the Government's participation with its technical and economical help; the land owner's participation with his land; and the worker's participation with the value of his work, respecting always the principles of Social Justice.
6 - The Brazilian Democratic Syndical Movement must collaborate, actively and efficiently, for the foundation and the syndical officialization of the National Confederation of Rural Workers, as well as of the Federation of the Rural Workers of each state.

IV - GENERAL SUBJECTS

Cost of living

We feel that the cost of living represents the principal agent of popular discontent, being able to lead the people to desperation and to discredit the Democratic institutions. We repudiate the policy of "employism" as a source of voter's regimentation used by out-moded politicians. We are against the Government's policy of issuing paper currency. That is the main cause of the present inflationary process in our country.

0501

Basic Reforms

We urge that whatever the basic reforms may be, they shall never reform or deform the Democratic sense of the National Institutions.

Supply and Foodstuff

We are strongly against demagogy as a solution for all problems that have their origin in the weakness of the system of supply and distribution of foodstuff, and we declare that it is no longer possible to shamefully cheat the people with either vain promises or empty words. We set that responsibility on the heads of the State Governments who, with their attitudes, bring losses to their states and to others. They strangle the agrarian production, provoking with this procedure, the actual crises of the whole country.

Moralization of the Public Administration

We demand urgent and immediate measures to moralize the country's administration, avoiding in this way the misemployment of enormous amounts of lush jobs that are considered unessential. We recommend to competent authorities to give their attention to the budgets that are made in order to bring a better and bigger social balance among men from the several regions of the Nation, looking always into its use, for the attendance of the really necessary revindications of the Brazilian community.

Economic Problems

It is our intention that problems such as: supply and transports; production and consumption; imports and exports; supply and demand; public and political morality, and others, are gathered into one single problem that may be called lack of patriotism in the search for Brazilian solutions for Brazilian problems. We think it not useful to copy the solutions given, in spite of their successes in the United States, as well as those adopted in Moscow or in Cuba. The religious and Democratic character of our people repels these systems.

0502

V - SYNDICAL SUBJECTS

a. Our Syndical Structure

We recommend a clause that impeaches the admission of a non-syndicalized worker in any kind of service or activity to be included in the collective contracts of work.

b. Basic Syndicalism

We need a basic syndicalism, born in the places of work. Towards that end, we reject any solutions or formulas that have not been born through the free will of the workers developed at their proper places of work.

c. Syndical Delegates

The syndical delegates, elected in their respective places of work, must take to the unions the desires and the revindications of the workers as well as bring back the answers and solutions.

d. Enterprise's Syndical Councils

Let us have a campaign to ask the Legislative Power about the approval of a law, giving legal existence to the Syndical Councils of the Enterprises, in order to avoid the simple dismissal of syndical delegates from their jobs.

e. Syndical Authonomy

Let the officialization of the syndical activities, including the syndical elections, be left up to each organism of class, through their respective Statutes, respecting the present constitutional principles.

Objects of the Democratic Syndicalism

a. The authentic syndicalism has for its legitimate object - in the short run - the fight for fair salaries and for the improvement of working conditions, mainly through the use of the collective contract of work.

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b. In the long run, the democratic syndicalism fights for a gradual suppassing of the capitalist regime and proclaims the primacy of the work through the words of Leo XIII: "The only source from which derâves the wealth of the Nations." It is obvious that we are referring to all kinds of work: that which is done by the employees, as well as that done by the employers.

c. That progress in relation to the present capitalism, shall not destroy the democratic regime; on the contrary it shall strengthen it.

III - THE DEMOCRATIC SYNDICALISM AND THE INTERNATIONAL ORGANIZATIONS

a. The Brazilian syndicalism must try to get in touch with the other democratic organizations all over the world. We condemn the relation with non-democratic international organisms who do not protect the authentic interests of the free workers but, exclusively accomplish tasks already selected by dictatorial governments from the left and from the right.

b. We disavow the attempts being made by the factious directions of some National syndical entities, in order to break relations with: I.C.F.T.U.; O.R.I.T.; C.I.S.C.; and C.L.A.S.C., who, in the international panorama, represent almost all of the democratic syndicalism.

IV - DEMOCRATIC SYNDICALISM AND THE DEFENSE OF DEMOCRACY

a. To creat a nation-wide periodical (bulletin or newspaper) for the diffusion of the Brazilian Democratic Syndical Movement;

b. The creation of a nation-wide organism for the coordination of the actions of all the Democratic Syndical Movements existing in the country.

V - PROCLAMATION ON THE PRESENT SITUATION OF OUR SYNDICALISM

We inform the Brazilian people that the syndicalists who are holding a meeting in São Paulo - IV National Syndical Meeting - DO NOT represent even 5% of the Brazilian workers.

Thus we were forced to convene, separately, a meeting of Democratic Syndicalists to show the people

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the authentic way of thinking of the workers.

That same group guided by C.N.T.T. and C.O.N.T.E.C. is now articulating a nation-wide general strike that will not solve any of the problems of the working class but will only worsen them.

In addition, we are sure that, if the authorities come out of their accomodativeness and provide transportation to all those who want to work and protect the physical integrity of the workers of the transport enterprises, they will render useless that attempt to strike, reducing it into what it really is: a farce whose objective hurts the religious and Democratic feeling of the Brazilian people.

We are sure that 95% of the workers repel completely this new general strike that is being organized.

The daring of this group has become possible due to the negligence of the democratic leaders who gave to those bad companions an opportunity to take possession of the C.N.T.I. and C.O.N.T.E.C.'s directions.

As long as we accept our responsibilities, we shall re-conquer the syndical key-positions and then we shall no longer allow the depreciation of our syndicalism.

Thus, it is necessary that the democratic and religious workers lean towards a mass-syndicalization, participating actively in the life of their syndicates and support the democratic leaders in order to obtain, in the shortest possible period of time, our authentic goal: A Brazilian Christian Worker.

Translation by:

Mário de Faria

Edited by:

Harold Shapiro

Distribution: Mr Jack Leibff,
American Consulate General
São Paulo

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2:52 p.m.
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RIO-550

FROM: Rio de Janeiro

TO: Secretary of State

NO: 550, September 6, 8 p.m.

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FOLLOWING REPEATED YOU:

QUOTE

ACTION RIO DE JANEIRO PRIORITY 19, INFORMATION BRASILIA PRIORITY 3 FROM SAO PAULO SEPTEMBER 5, 9 P.M.

Ken Connie

Sao Paulo Metal Workers Federation President Domingoes Alvares today informed labor officer that acting CNTI President Dante Pellacani told Alvares September 1 Goulart marshalling support labor leaders for coup closing congress week September 10 to 15. According recent similar statement to Alvares by Sao Paulo Hotel Workers Federation President Jose Antonio Ribeiro, after coup Goulart plans eliminate Communist influence from government. Pellacani now reported Rio Grande do Sul touring Brazil recruiting union leaders travel Rio September 10 ostensibly press for minimum wage revision but actually support Goulart coup. Labor officer believes Alvares' account Pellacani and Ribeiro statements probably accurate.

Signed Braddock.

UNQUOTE

GORDON

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Control: 7899
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FROM: RIO DE JANEIRO

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TO: Secretary of State

NO: 574, SEPTEMBER 11

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EMBASSY A-211

GENERAL STRIKE COMMISSION (COMANDO GERAL DE GREVE) DECIDED SEPTEMBER 10 TO CALL GENERAL STRIKE IF BY SEPTEMBER 15 FOLLOWING DEMANDS NOT MET:

1. 100 PERCENT INCREASE IN MINIMUM WAGE
2. IMMEDIATE FREEZING PRICES OF BASIC FOODS
3. PLEBISCITE ON OCTOBER 7
4. RADICAL LAND REFORM
5. REVOCATION OF NATIONAL SECURITY LAW
6. REFORM ELECTORAL LAWS--WITHOUT DISCRIMINATION AS TO CANDIDATES AND GRANTING RIGHT TO VOTE TO ILLITERATES AND SOLDIERS
7. APPROVAL OF STRIKE LAW
8. CIVIL SERVICE STATUS FOR ALL PUBLIC EMPLOYEES
9. REJECTION OF BANK REFORM BILL PRESENTLY BEFORE CHAMBER.

GORDON

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DEPARTMENT OF STATE

AIRGRAM

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832.062/9-1262

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TO : Department of State 1962 SEP 17 AM 8 48

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BUREAU OF INTELLIGENCE AND RESEARCH ANALYSES DISTRIBUTION BRANCH

DEPARTMENT OF STATE

FROM : Amcongen, São Paulo, Brazil

DATE: September 12, 1962

SUBJECT : Marathon Cement Workers' Strike Creates Tension in São Paulo

REF :

A strike involving about one thousand workers of the Portland Cement Company factory in nearby Perus is now almost four months old with no immediate prospect of settlement.

The factory forms part of a large Paulista industrial combine owned by PSD Federal Deputy Jose Joao ABDALLA, generally regarded as an unscrupulous businessman and politician. The cement workers union is controlled by the National Labor Front (Frente Nacional do Trabalho - FNT), a small but extremely vociferous and aggressive group sponsored by the "left-wing" of the São Paulo Catholic hierarchy and tied to the leftist faction of the Christian Democratic Party (Partido Democratico Cristão - PDC).

Starting on May 14, the strike began as part of a generalized protest over non-payment of wages since January 1, 1962 in various factories of the Abdalla combine. In addition, the cement workers made several economic demands of their own. These included: 1) twenty percent wage increase; 2) ten percent bonus for unhealthy work; 3) repayment to workers of a five percent payroll deduction withheld from their pay since October 1960 to finance a housing cooperative and allegedly misused by Abdalla; 4) remittance to the Industrial Workers Social Security Institute (IAPI) of the workers' social security payroll deductions allegedly pocketed by Abdalla; 5) payment of a production bonus in accordance with the last wage agreement signed October 1, 1961; 6) hiring of necessary

FORM 4-62 DS-323

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Drafted by: JLiebof:vsgs (9/10/62)

Contents and Classification Approved by:

Clearances:

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personnel to fill numerous vacancies; 7) payment for time spent after working hours in the pay line; and 8) improvement of working conditions.

At the outset of the strike the FNT allied itself with the Communists controlling other unions of Abdalla employees. However, the Communists reached agreement with Abdalla for payment of back salaries and other issues on June 17, which ended the strike in all plants except the cement factory and left the FNT holding the bag. After several unsuccessful attempts at conciliation, the São Paulo Regional Labor Court on July 2 in effect declared the strike illegal by deciding that the union's demands had no lawful basis. By this time the cement workers' original economic demands were largely eclipsed by their growing pressure for State Government expropriation of the factory, to promote the general welfare ("interesse social"). 127 lawyers, including former Foreign Minister Sant Thiago DANTAS, reportedly support expropriation. The FNT claims to have collected sixty thousand signatures on public petitions calling for expropriation. One of the arguments advanced is that the company owes some one-half billion cruzeiros in back taxes to the State. Communist labor leaders have predictably joined the expropriation chorus.

The strike has received widelpcal publicity. There have been several acid press and TV exchanges between Abdalla and his supporter, PSD State Deputy Conceição da Costa NEVES, on one hand, and FNT leader and labor lawyer Mario Carvalho de JESUS, some PDC politicians and various Church officials, including Bishop of Santo Andre Dom Jorge Marcos de OLIVEIRA, on the other. Typical Abdalla maneuvers have included getting pliant workers to request Ministry of Labor intervention of the cement workers union, pressuring stores to cancel the strikers' credit, and causing the police tb harass the strikers and the sympathetic local parish priest.

Several incidents between police and strikers have taken place, but no serious violence has been reported. While the employment of a number of strike-breakers has permitted the factory to maintain limited production, lack of cement has reportedly slowed work on the large COSIPA steel mill under construction in Cubatão. One strike-breaker's death from a heart attack was played up by the

0510

sensationalist press and was attributed by the FNT to overwork. Gubernatorial candidates Jose Bonifacio Nogueira and Janio Quadros have publicly sympathized with the strikers. Local university students have been active in a series of rallies and parades to collect funds for the strikers and to support the campaign for expropriation.

Comment

The strike has already generated a great deal of bitterness and considerable tension, and both Abdalla and the FNT are dug in for a long hard battle. While neither side has completely clean hands, Paulista public opinion holds that Abdalla's are dirtier. The FNT has a local reputation for inciting workers to unnecessary, prolonged and unsucessful strikes, and is regarded by most Paulista labor leaders (Communists and non-Communists alike) as a nuisance. There are indications that Abdalla might even welcome expropriation of his factory as the best way out of a losing proposition. The State Government is in something of a dilemma. While it is desperately currying worker support in the October 7 elections, it is obviously reluctant to set an undesirable precedent by resorting to expropriation to solve a labor dispute not involving a public utility. Some observers feel that the only solution lies in the state's temporarily taking over the factory to collect delinquent taxes. This would probably end the strike and enable the eventual return of the factory to its owner.

Daniel M. Braddock
Minister Consul General

cc: Amembassy Rio de Janeiro - 2 (1 for Labor Attaché)
Amembassy Brasília

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DEPARTMENT OF STATE

AIRGRAM

832.062/9-1262

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TO : DEPARTMENT OF STATE

DEPARTMENT OF STATE SEP 18 AM 8 36

BUREAU OF INTER-AMERICAN AFFAIRS SEP 19 1962

RECORDS ANALYSIS & DISTRIBUTION BRANCH

FROM : Amcongen SÃO PAULO DATE: September 12, 1962

SUBJECT : International Metalworker Federation (IMF) Activities in São Paulo

REF : Congen Airgram No. A-5 of July 11, 1962

RM/R - 7 cc
9/27 - 9 cc

Daniel BENEDICT, International Metalworker Federation (IMF) Interamerican Secretary, left São Paulo on August 24, 1962 for Geneva, Switzerland, where he will take up his new duties as IMF Assistant Secretary General. Before his departure Mr. Benedict informed the Labor Officer that Alberto NIEVES, IMF Representative for the Southern Zone of Latin American and a Uruguayan citizen, would probably shift his base of operations from Montevideo to São Paulo in the near future. Fernando MELGOSA, IMF Representative for the Northern Zone of Latin America and a Mexican citizen, was expected to remain based in Mexico City.

With respect to future IMF plans in Brazil, Mr. Benedict is attempting a feint. He is trying to give the Communists the impression that his next goal is IMF affiliation by the State Federations of Metalworkers in Rio de Janeiro (State) and in the North and Northeast of Brazil, while in fact he intends to concentrate first on obtaining the IMF affiliation of the Minas Gerais, Paraná and Rio Grande do Sul State Federations.

The affiliation of the São Paulo State Federation of Metalworkers to the IMF, reported in the airgram under reference, has now been formalized. According to figures supplied by Mr. Benedict to the Labor Officer, the total number of members for which the 55 local unions of metalworkers in the State of São Paulo pay dues to the State Federation approximates forty thousand. These figures also show

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JLieb of/lfw 9/11/62	
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that the São Paulo City local union of metalworkers (reportedly the largest in Brazil) pays dues to the State Federation on the basis of 12,391 members, out of an estimated total occupational category approaching 200,000. It is symptomatic of the current Brazilian labor scene that the same local union claims to have 90,000 dues-paying members. Mr. Benedict's figures also show that of the five largest (in number of dues-paying members) local unions of metalworkers in the State (São Paulo City, Santos, and the 3 key industrial satellite cities of Santo André, São Bernardo and São Caetano), all but the Santos local is Communist-controlled.

According to Mr. Benedict, Santos is being considered as the site for an IMF Inter-American Conference tentatively planned for 1963.

As of possible interest to the Department of Labor, five copies of the July-August issue (Portuguese version) of "Metal," IMF Latin American periodical, are enclosed.

Comment: During his six months in São Paulo Mr. Benedict consistently collaborated with the Consulate General's Labor Officer. The latter found this collaboration extremely helpful in following the twists and turns of a constantly shifting and remarkably complex local labor scene.

Daniel M. Braddock

Daniel M. Braddock
Minister Consul General

Enclosures:

5 copies of "Metal" July-August 1962 issue.

Distribution:

Amembassy Rio 2 (1 for Mr. Fishburn), Amembassy Brasília, ARA Labor Adviser, Labor Dept. 2 (for Mr. Steinbach OIOA/ILAB and Mr. Bazan ILAB).

0513

METAL

Jornal da Federação Internacional dos Trabalhadores nas Indústrias Metalúrgicas (FITIM), com sede em Genebra, Suíça (27 rue de la Coulouvrenière); publicado pela sua Região Interamericana, com sede no México (Plaza Ferrocarriles 11 - s. 22) e no Brasil, em São Paulo (Rua dos Estudantes, 48).

Diretor responsável: **Sebastião de Paula Coelho**

Redator internacional: **Daniel Benedict**

ANO II | JULHO — AGÔSTO, 1962 | NÚMERO 3

URUGUAI

Seminário Metalúrgico de Educação Sindical

De 13 a 17 de julho celebrou-se na cidade de Montevidéu, capital do Uruguai, um Seminário de Educação Sindical, auspiciado pela Internacional Metalúrgica (FITIM). Os 20 participantes estudaram intensivamente os temas, baseados na vida sindical prática.

O programa foi:

Dia 13 de julho — Instalação do Seminário.
Objetivos e Métodos do Seminário

Dia 14 de julho — **Métodos de Organização — I**
Trabalho em grupo
Métodos de Organização — II
Trabalho em grupo.

Dia 15 de julho — **Contratação Coletiva — I** (Metas e Vantagens)
Trabalho em grupo
Avaliação de Tarefas

Dia 16 de julho — **Contratação — II** (Preparo de Negociadores).
Negociação de Problemas diários na Fábrica.
Trabalho em grupo
Aspécto Administração Sindical (Finanças).
Trabalho em grupo
Problemas Econômico-Sociais.

Dia 17 de julho — **Contratação Coletiva — III** (Participação dos sócios).
Contratação Coletiva — IV (Estísticas Sindicais).
1) Preparo de Relatórios, 2) Apresentação dos Relatórios e 3) Avaliação dos Trabalhos.
Encerramento

Os temas foram apresentados pelos companheiros: Egon Casanova, Martin Ibañez, Alcides Grachot, Edwin Abbott, Alberto Nieves, Emílio Reynal, Lino Cortizo e Daniel Benedict.

O Seminário serviu também para fazer conhecer aos demais participantes os problemas e conquistas dos vários sindicatos do ramo, principalmente nos setores do material elétrico e da construção naval, com especial ênfasis nos Contratos Coletivos conseguidos em cada emprêsa, como base para a generalização das conquistas para benefício de tôda a classe.



NA ALEMANHA, como em muitos outros países, organizaram-se manifestações de Solidariedade com os **GREVISTAS ESPANHOIS.**

Notícias de Volta Redonda

Diretor Operário Sindicalista

Um passo importante a favor da democracia industrial foi a recente nomeação do c. **Athon Reis Fernandes** como diretor operário na Diretoria da Companhia Siderúrgica Nacional. Isso foi anunciado na própria Volta Redonda, pelo Presidente da República, sr. João Goulart.

No ano passado, durante uma votação dos trabalhadores para indicar sua preferência para êsse cargo, na qual figuraram 17 candidatos, o c. Othon recebeu 5.367 votos, muito mais do que todos os demais candidatos juntos, e dez vezes mais do que o segundo colocado. Não obstante, o segundo colocado havia sido nomeado, injustiça que só agora foi reparada.

O c. Othon, veterano lutador sindical, é membro das Diretorias do Sindicato Metalúrgico de Volta Redonda e da Federação do Estado. Em seu labor como Diretor-Operário o c. Othon será guiado pela sua conciência e pelas normas da "Carta do Trabalho" adotada democráticamente em Assembléia do Sindicato. Sua designação — como Diretor dos Serviços Sociais — marca uma etapa importante na intervenção dos trabalhadores nas decisões que afetam seus problemas diários no trabalho. É um passo algo semelhante ao que os companheiros **alemães** procuram fazer com sua participação ativa na **"Co-determinação** das emprêsas, e os **bolivianos** com sua instituição do **"Control obrero"** em cada mina e fundição.

Moralização do "Girafa". Entre as conquistas importantes do Sindicato de Trabalhadores Metalúrgicos de Volta Redonda, juntamente com um contrato coletivo que inclue a "escala móvel" (reajuste automático dos salários segundo o aumento do custo de vida, até 4 vêzes por ano), há uma nova — a decisão justa da participação dos Trabalhadores na "Girafa"

(Continuação da 6.ª página)

SÃO PAULO

FILIAÇÃO A FITIM

Por considerá-la de interêsse geral, e com a permissão de seu autor, transcrevemos a parte essencial da digna carta escrita pelo c. Domingos Álvares (presidente da Federação dos Trabalhadores Metalúrgicos do Estado de São Paulo) ao c. Adolphe Graedel (secretário geral da Federação Internacional dos Trabalhadores nas Indústrias Metalúrgicas — FITIM). Juntamos também extratos das primeiras mensagens que chegaram à Federação Paulista procedentes de vários outros países, sôbre essa filiação.

1. De Domingos Álvares à Adolphe Graedel:

"A Federação dos Trabalhadoes nas Indústrias Metalúrgicas, Mecânicas e de Material Elétrico do Estado de São Paulo (Brasil), por intermédio de seu Pesidente abaixo-assinado, dirige-se a V. Sa. com o elevado propósito de comunicar a resolução aprovada pelo Conselho de Representantes desta entidade, em Assembléia Geral realizada no dia 23 de julho p. passado, relativa à filiação dêste órgão federativo a essa conceituada Federação Internacional dos Trabalhadores nas Indústrias Metalúrgicas (FITIM).

Outrossim, cumpre-nos esclarecer a V. E. que, ao levarmos a propositura à apreciação do Conselho de Representantes, integrado por todos os Sindicatos filiados a esta Federação, o fizemos após minucioso exame procedido em todos os aspéctos e sentidos que envolvem direta ou indiretamente as entidades representativas de trabalhadores no campo das relações internacionais, objetivando como é óbvio, encontrar aquela que pelas suas estruturas básicas pudesse oferecer condições necessárias e indispensáveis para o bem estar do operariado brasileiro.

Daí, termos encontrado na FITIM, a entidade que reune fundamentalmente os predicados essenciais na estrutura da organização sindical capaz de solucionar os problemas que afligem a família operária, bem como, propiciar conhecimentos técnicos para o aprimoramento das relações sindicais nos mais diversos campos de atividades, promovendo em consequência, o bem estar social das classes trabalhadoras.

Por esta razão, esperamos que a filiação desta Federação na FITIM, fortalecerá o sindicalismo internacional, pois, irmanadas no mesmo propósito na luta contra a miséria, contra a fome e em busca de condições de trabalho e de vida, dignas da família operária, num esfôrço comum pelo respeito dos direitos sindicais em geral.

Sem dúvida que, com esta filiação acreditamos termos encontrado a oportunidade de representar e fazer sentir no movimento sindical internacional, os problemas e as verdadeiras aspirações dos trabalhadores metalúrgicos do Brasil.

Nestas condições, esperamos que a FITIM e suas filiadas, representando mais de oito milhões de metalúrgicos, colaboração com esta Federação na tarefa de edificar os movimentos sindicais, tornando-os cada vez mais fortes e democráticos, objetivando salvaguardar os legítimos interêsses dos trabalhadores, em relação ao poder econômico e de empregadores retrogrados".

2. Do Secretário Geral da FITIM a Domingos Álvares:

"Foi com a maior satisfação que recebí sua carta datada em São Paulo a 10 de julho do corrente ano. Dadas as difíceis circunstâncias econômicas, sociais e políticas que êsse grande país atravessa atualmente, a Federação Internacional dos Trabalhadores nas Indústrias Metalúrgicas se sente particularmente feliz em encontrar, no solo brasileiro, uma grande federação de trabalhadores do metal que manifesta seu desejo de cooperar estreitamente com 8 milhões de metalúrgicos do mundo livre para melhorar, em todos os sentidos e sob um regime de liberdade, as condições dos trabalhadores do metal.

Sua adesão à FITIM constituirá, incontestàvelmente, uma fortificação da federação internacional dos metalúrgicos, e permitirá acrescer o apôio de uma parte importante de seus companheiros brasileiros, **na luta contra a miséria, a fome e a exploração dos trabalhadores pelos monopólios capitalistas.**

Por sua parte, a frente dos trabalhadores do metal contra tôdas as ditaduras do mundo, seja qual for a forma que se apresente, encontrar-se-á consolidada pelo respeito das liberdades sindicais e a livre vontade das pessoas que assegurarão uma maior dignidade à família operária'.

(Assinado) - **Adolpho Graedel**

3. Do Sindicato Operário das Indústrias do Ferro, Metais e Manufacturas Compostas da República Mexicana:

"É para mim motivo de justo orgulho, companheiro Domingos Álvares, que a Federação que Você presjde tenha tomado essa resolução de aderir à FITIM, já que devemos empreender de maneira firme que não só é preciso lutar pela unidade dos trabalhadores na América Latina, como também pela independência da mesma, visto que a fôrça dos trabalhadores não só está na união como também essencialmente na liberdade de sua ação e na realização de seus princípios". (A carta faz referência também às piadas do c. Argeu Egydio dos Santos, apreciadas até no México).

(Assinado) **Enrique A. Suzán,** Secretário Geral.

4. Da Federação Norte-Americana dos Trabalhadores na Indústria de Automóveis, Aviões e Implementos Agrícolas (U.A.W.):

"Encantados saber que a Federação dos Trabalhadores Metalúrgicos de São Paulo filiou-se à Federação Internacional Trabalhadores Indústrias Metalúrgicas. Em nome dos membros da UAW lhes dou as boas vindas nas fileiras do sindicalismo internacional. A luta dos sindicatos livres no mundo pela paz, pela justiça, pela liberdade e para um padrão de vida para todos, num nível compatível com nossa técnologia e recursos, fica fortalecida pelo seu ato e apressará o dia em que a tirania, pobreza, fome, doença serão sòmente uma memória. Favor aceitar nossos calorosos e fraternais cumprimentos.

(Assinado): **Walter P. Reuther,** Presidente.

5. Da Federação dos Trabalhadores nas Indústrias Metalúrgicas da Colombia (Fetramecol):

"Foi para nós motivo de júbilo, enterar-nos da determinação tomada pelas Organizações que integram a Federação que V. dignamente preside, — de filiar-se à Federação Internacional dos Trabalhadores nas Indústrias Metalúrgicas F.I.T.I.M..

Nós, Trabalhadores Metalúrgicos Colombianos, entendemos que sòmente mediante o fortalecimento de organizações sindicais livres e democráticas, poderemos derrotar a ignorância e a miséria que prevalecem em países prodigiosamente ricos como os nossos. — Ao felicitá-los por seu ingresso a esta grande família de trabalhadores do mundo, sabemos que boa parte da responsabilidade histórica dos destinos dos trabalhadores do continente, descança em vocês, e que unidos continuaremos na luta para manter e fortalecer a liberdade, a justiça e o progresso dos povos como emblemas da nobre causa que defendemos".

(Assinado): **Marco A. Cordoba,** Presidente.

6. Do Sindicato dos Trabalhadores na Indústria de Ferro, Transformação e Manufatura de Metais da cidade de México:

"A Diretoria desta organização manda seus parabéns calorosos a Vocês pela decisão de filiar-se à FITIM, vindo com ela fortalecer as fileiras do sindicalismo metalúrgico democrático em sua luta por melhores salários e condições de vida e de trabalho, em favor dos nossos associados".

Assinado): **Luis Rivera,** Secretário Geral.

A FITIM no Congresso Siderúgico Latino - Americano da ILAFA

A "I.L.A.F.A.", Instituto Latino-Americano do Ferro e Aço, celebrou em julho (de 17 a 21) sua terceira Assembléia e o II Congresso Siderúrgico Latino-Americano. Trata-se de uma organização composta de representantes das emprêsas — particulares e nacionalizadas —, e dos govêrnos e organismos inter-governamentais (agências das Nações Unidas, etc.).

O Congresso esta vez teve participar importância, devido à discussão programada sôbre os aspéctos econômicos da expansão da indústria e da integração de seu mercado, através de passos para um mercado comum latino-americano.

Pela primeira vez, a ILAFA convidou o movimento sindical a observar e tomar parte nos debates, na pessoa de Daniel Benedict, secretário interamericano da FITIM. O c. Benedict, que foi nomeado membro da mesa diretiva da plenária para aquêle dia, interveio na discussão para fazer patente a posição sindical. Falou depois dos discursos importantes dos senhores Bruno Leuchner, presidente para a Argentina do Fundo Especial das Nações Unidas e representante da Comissão Econômica para a América Latina, e Fernando Aguirre Tupper, do Chile, secretário geral da ILAFA.

Discorrendo sobre o desenvolvimento industrial, o representante da FITIM frizou a urgência da participação dos trabalhadores nos frutos dêsse progresso. Outros fizeram referência ao baixo nível da produtividade; êle fez presente a impossibilidade de esperar a melhor aplicação das novas técnicas modernas (que se discutiram nos outros dias do Congresso — como a utilização na América Latina do sistêma austríaco LD de sopro de oxigênio), com altas taxas de produtividade, por operários tão mal pagos, tão mal alimentados e tão mal alojados, como são na maioria dos casos na América Latina.

Desemprêgo e Política Social

Aqui mencionou também o desejo de criar novas fontes de trabalho e de proteger a estabilidade dos trabalhadores, frente ao aumento rápido da população no continente e frente a crises nacionais como a que atravessa neste momento a Argentina.

A "integração" do mercado siderúrgico, e metalúrgico em geral, da América Latina é um passo muito provável. Porém, advertiu Benedict, os sindicatos lutariam — e com justiça — contra os que pretendessem fazer essa integração a custa dos trabalhadores. "Estamos estudando também as lições das experiências do Mercado Comum Europeu, e da ação sindical nos seus organismos. Já há índices na América do Sul de uma atitude patronal de ameaçar os operários, quando vêm negociar melhorias necessárias nas suas condições, dizendo que "a indústria não vai poder competir com os países vizinhos que pagam menos". A classe operária compreende a "nivelação" dos custos salariais e condições de trabalho e de vida, mas **só através da generalização das conquistas — e nunca através de sua destruição!** Os "planejadores" e técnicos dos países presentes têm que compreender isso se esperam a compreensão e o apôio dos povos.

Um "Mercado Comum" que se limita a pôr juntos pequenos mercados nacionais de pouco consumo, não serve. Precisa-se de uma política consciente de expansão: da técnica, da indústria e, sobretudo, do poder aquisitivo das grandes massas do povo. Isso implica na necessidade de uma política não só econômica como também social, de um melhor nível de vida — fazendo entrar como freguêses no mercado os milhões de desprivilegiados, especialmente no campo —, com a participação dos trabalhadores no progresso econômico e técnico, e também nas decisões que afetam sua vida na fábrica e na nação".

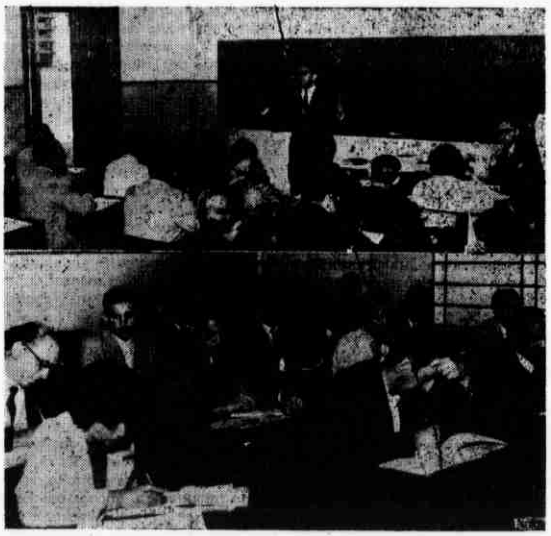
CHILE

Novas conquistas na indústria do aço

O Sindicato de Trabalhadores da Usina Siderúrgica de Huachipato (a maior da costa do Pacífico na América do Sul), acaba de assinar um novo Contrato Coletivo para seus 4000 associados. O novo acôrdo inclui um aumento geral de 14% (contra um aumento de 9% no índice oficial do custo de vida), com um salário básico médio de 600 pesos chilenos por hora (aproximadamente 180,00 cruzeiros). Há também várias melhorias nos benefícios suplementares para os trabalhadores, cujo valor monetário faz chegar o total a 17,8%.

Desta vez o acôrdo foi conseguido sem greve, a emprêsa não tendo esquecido a fôrça solidária mostrada pelos trabalhadores na greve do ano de 1961.

Os benefícios adicionais incluem o Abono de Natal de 600 horas de salário base; o Abono de Páscoa de 10,560 pesos (3.200,00 cruzeiros) por operário, mais 10,560 pesos para cada encargo de famlia; o Salário Família de 10,560 pesos (3.200,00 cruzeiros) por mês para cada encargo de família; o Auxílio de Aluguel de 6000 pesos (1.800,00 cruzeiros) por mês para cada operário casado e de 3000 pesos (900,00 cruzeiros) para solteiros; o Abono Natalidade de 30,000 pesos (9.000,00 cruzeiros) para cada criança; O Abono Matrimonial de 30,000 pesos (9.000,00 cruzeiros) cada vez que se casa; e muitos outros. Entre as cláusulas novas desse acôrdo, há o "Prêmio de Tempo de Serviço", fixando de maneira objetiva e sem favoritismo patronal, um aumento obrigatório para todos os trabalhadores segundo o número de anos de serviço.



SEMINÁRIO SINDICAL PAULISTA. Durante uma das aulas do Seminário Metalúrgico em São José dos Campos, em junho. Fala o c. Armando Martins de Azevedo.

Chamado do setor Automotor da "FITIM" - "Ação eficaz frente as grandes empresas internacionais"

Walter P. Reuther, dinâmico Presidente do Setor Automotor da FITIM (setor dos trabalhadores de automóveis, caminhões, tratores e máquinas agrícolas), fêz um chamado a todos os sindicatos que incluam trabalhadores dêsse setor para participarem de uma nova campanha de ação.

"As grandes concentrações capitalistas — como são a Ford, General Motors, FIAT, Volkswagen, Kaiser-Willys, etc. — estão se fortalecendo pela cooperação entre si, não sòmente dentro de cada país, mas especialmente — e em proporção crescente — entre suas filiais em diferentes países. Aproveitam-se de cada fraqueza sindical, possibilidade de dar salários mais baixos, e falta de proteção das condições ou estabilidade do trabalho, bem como usam de tôda tática patronal que mostre ser eficaz em outros lugares.

"É tempo que fechemos as nossas fileiras e que frente à concentração capitalista internacional façamos intervir a solidariedade internacional obreira".

(O c. Walter Reuther, que é também presidente da Federação dos Trabalhadores do Automóvel dos Estados Unidos e Canadá, quasi perdeu um braço em 1948 num dos ataques brutais que sofreu por parte dos gangsteres patronais. Seu irmão Victor, diretor de relações internacionais da mesma federação, perdeu um ôlho da mesma maneira, em 1949).

Walter Reuther encerrou seu apêlo, pedindo a tôdas as organizações sindicais filiadas ou cooperando com a FITIM, que tomem três **medidas práticas imediatas:**

1. Cooperar com o Setor Automotor da FITIM na organização dos dados sôbre a atividade de cada uma das grandes emprêsas automobilísticas em todos os países onde têm fábricas Êsses dados seriam de dois tipos: a) dados sôbre operações, produção, prêços, lucros, etc. de cada emprêsa, e b) dados sôbre o modo de agir de cada emprêsa e cada fábrica em relação aos trabalhadores e seus sindicatos.

2. Cooperar na divulgação junto aos sindicatos dêsse setor nos demais países, de todos os problemas, lutas, conquistas, táticas e reivindicações sindicais face às mencionadas emprêsas.

3. Participar da próxima organização por parte do Setor Automotor da FITIM de Conselhos Internacionais, cada um formado pelos sindicalistas dos vários países que trabalham em fábricas da mesma emprêsa.

O escritório Interamericano da FITIM pede a todos os sindicalistas deste setor no continente que participem desta atividade prática de defesa e incremento dos interêsses da classe metalúrgica.

VII CONGRESSO DA CIOSL

Em Berlim Ocidental de 5 a 13 de Julho, celebrou-se o VII Congresso Mundial da Confederação Internacional de Organizações Sindicais Livres (CIOSL). Concorreram 223 delegados de 93 organizações em 73 países, representando 55 milhões de trabalhadores. Compareceram também 30 delegados fraternais e assessores em nome dos Secretariados Profissionais Internacionais (inclusive a FITIM).

O c. Arne Geijer (metalúrgico sueco) foi re-eleito Presidente da CIOSL e o c. Omer Becu (marítimo belga), Secretário Geral. Entre os 9 vice-presidentes figuram os cc. Fidel Velazquez, secretário geral da CTM do México; George Meany e Walter Reuther, dos Estados Unidos; Mohamed Khatib, do Paquistão; Ahmed Tlili, da Tunisia; Robert Bothereau, da França; Willy Richter da Alemanha; George Woodcock, da Inglaterra e Einar Jensen da Dinamarca. Para o Comitê Executivo, desta vez, foram eleitos sindicalistas latino-americanos do México, Brasil e Colombia como titulares, com suplentes de Porto Rico, Chilé e Uruguai, e outros de Salvador, Perú e Argentina.

O c. Alfonso Sanchez Madariaga fez um importante discurso principal, saudando o Congresso em nome dos trabalhadores da América Latina e salientando a necessidade duma luta enérgica contra o desemprêgo e o sub-emprêgo nos países a caminho de desenvolvimento. Nessa ocasião frizou a urgência da Reforma Agrária na América Latina, como também de medidas para assegurar mercados estáveis e prêços justos para seus produtos.

CHILE:

Melhorias para os Eletro - Metalúrgicos

Os Sindicatos dos trabalhadores da RCA-Victor, Philips e Standard Electric acabam de assinar novos contratos coletivos com suas emprêsas.

Segundo José Rosende, Salvador Castro e outros dirigentes dêsse ramo, a assinatura dos contratos foi facilitada de maneira importante, pela evidência de apôio internacional que receberam, tanto da FITIM como de sua filial norte-americana, a I.U.E. (Federação de Trabalhadores do Material Elétrico, Rádio e Maquinária). Os novos contratos conseguem aumentos de 10% para a Standard-Electric, 15% para a Philips.

O contrato Philips inclue 16 outros pontos além dos aumentos salariais, e vale a pena mencioná-los: Ajuda por falecimento de pessoa da família ajuda-natalidade, compensação por despezas de transporte confórme o meio utilizado, auxílio mensal durante o Serviço Militar, licença sindical paga de 24 horas, mensais, indenização adicional por acidente do trabalho, abono por matrimônio, ajuda mortuária à família do trabalhador que morrer, colação gratuita entre 17:30 e 20 horas, inversão de multas por atraso em obras sociais, dois macacões ou aventais de trabalho por ano gratuitamente, condições durante as quais não se perde o direito ao domingo remunerado, abonos por Festa Nacional e pelo Natal, almoços a prêços baixos e indenização quando não funcionar o restaurante (ou cantina) da fábrica, ração de leite (até um litro) para operários em determinados trabalhos e indenização por dispensa do trabalho de acôrdo com os anos de serviço.

O contrato da RCA-Victor trata muitos dêsses mesmos pontos. Cumpre mencionar, entretanto, duas cláusulas especialmente interessantes: Uma cláusula da Antiguidade, já adotada o ano passado, e ampliada este ano, proteje os trabalhadores com 5 anos de serviço, não apenas contra demissão, como também nas transferências, oportunidades de ascesso e substituição e quanto ao trabalho noturno. Outra cláusula, por óra muito nova na América Latina, fixa uma "Averiguação de Queixas", que estabelece "sub-comissões" compostas de 1 delegado eleito pelos trabalhadores e o "Chefe de Oficina' 'caso essa não chegue a um acôrdo dentro de 48 horas, arranja-se uma "Comissão de Queixas", etapa superior composta de 2 pessoas da Emprêsa e duas do Sindicato (dado importante: têm direito a verificar todos os antecedentes do caso).

Os trabalhadores do material elétrico utilizaram as mensagens de solidariedade e a notícia de ajuda material enviada pelo c. James B. Carey, presidente da IUE para mostrar que não estavam sózinhos frente a essas emprêsas internacionais. Afixaram cópias dos telegramas que receberam nos "quadros" das fábricas. Dêste fortaleciam a determinação dos trabalhadores, e forçaram os gerentes das emprêsas a mostrar mais receptividade para com as reivindicações operárias.

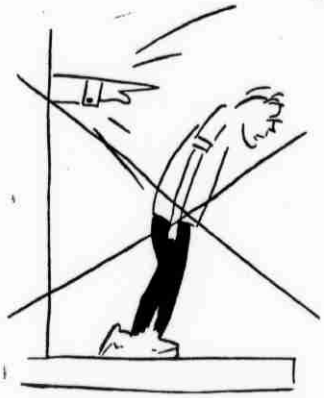


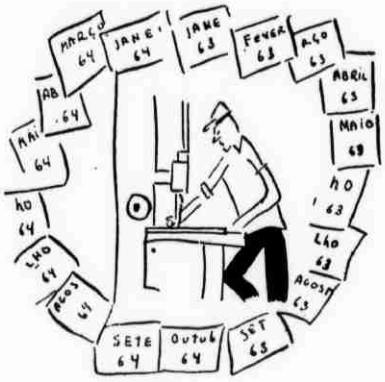


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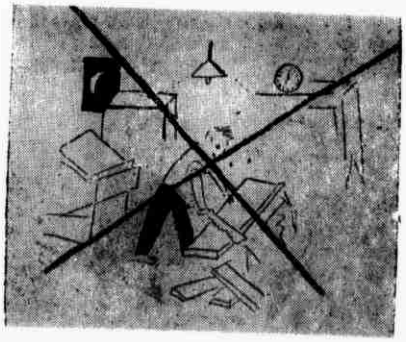
PARA GANHAR... MAIS SALÁRIOS...

ESTABILIDADE NO TRABALHO...





E MELHORES CONDIÇÕES.





Associa-se ao Sind. dos Trabalhadores Metalúrgicos!

Este impresso é um suplemento do jornal "METAL" publicado pela Federação Internacional dos Trabalhadores nas Indústrias Metalúrgicas (FITIM), distribuido no Brasil como modesta contribuição para a Campanha de Sindicalização para fortalecer os Sindicatos e Federações da classe. Desejando mais cópias, escrever à FITIM rua dos Estudantes, 48 — 2.º andar — São Paulo.

0518

No Norte e Nordeste, Metalúrgicos Informam A FITIM Sobre Problemas Urgentes

Dirigentes dos sindicatos dos trabalhadores metalúrgicos de Salvador (Bahia), Recife (Pernambuco) e Fortaleza (Ceará) receberam no mês de agôsto a visita do secretário interamericano da FITIM, Daniel Benedict, que os procurou com o fim de conhecer seus problemas e aspirações, como base do trabalho da FITIM no Brasil.

Em **Salvador**, o sindicato metalúrgico está empenhado numa luta para um novo acôrdo salarial. O presidente **João Ribeiro dos Passos** e outros dirigentes locais disseram que os dois problemas principais são a corrida atrás do aumento vertiginoso do custo de vida e a aplicação da taxa da insalubridade. Os 6000 trabalhadores da classe precisam de um grande aumento no salário mínimo (e nos salários profissionais) para proteger apenas seu poder de compra. Ainda segundo as cifras do govêrno da **Bahia**, o custo de vida em Salvador em julho de 1962 atinge quase o dobro do que era na primeira parte de 1961.

Em **Recife**, foi o c. **José Viana da Silva**, enérgico e veterano presidente do sindicato, quem recebeu a visita da FITIM. Êle e o secretário geral **José Calixto Ramos** encabeçaram o chapa que foi eleita a 31 de julho recente. Pôde entrar também na diretoria, que foi aumentada, o vereador Miguel Batista, acompanhando os cc. Dionízio Alfredo de Lira, Josias Cavalcante de Albuquerque, Severino Mery da Cunha e Severino Siqueira Campos.

Os patrões pernambucanos, que aceitaram a 31 de maio aumentou de 30% sôbre o mínimo para operários profissionais e 20% para tarefeiros e ajudantes, recusam a reivindicação do sindicato de estender os aumentos aos empregados de escritórios, serventes e menores. A assembléia de 22 de julho decidiu um dissídio coletivo.

Como em outras partes do Brasil, o problema da insalubridade é de grande importância, com a variante interessante de que em Recife certo delegado do govêrno procura desculpar sua inatividade na fixação de taxas de insalubridade, alegando que lhe falta o **"aparelho mágico"** para fixá-la. Preocupa também ao sindicato (que está em campanha para construir sede própria) a necessidade da **proteção dos delegados sindicais**, como elemento essencial para o fortalecimento da organização operária frente às represálias patronais. Outro elemento importante, já conseguido em Recife, mas por demais raro no Brasil (muito comum, porém, em certos outros países como o México, Estados Unidos, Chile, etc.) é o **desconto em fôlha de pagamento**. O c. Benedict, além de visitar o sindicato metalúrgico, quis também averiguar as condições de vida, que são bastante penosas, em alguns bairros de Recife, como o são nos **"mucambos"** de Santo Amaro.

Em **Fortaleza** o dirigente Pedro Barbosa Filho, está ocupado em muitas frentes. Deixou Fortaleza, no último dia da visita de Benedict, com a missão de organizar sindicatos no norte do Estado do Ceará. Salientou as dificuldades que encontra em interessar mais que uma pequena parte da classe na atividade de seu sindicato. O c. Pedro Barbosa, durante muitos anos presidente do sindicato, é agora secretário geral, tendo deixado a presidência ao c. José Barbosa. Apesar do alto custo de vida, o salário mínimo em Fortaleza é apenas Cr$ 8.288,00 por mês, e pensa-se promover uma campanha para aumentá-la, junto a Comissão do Salário Mínimo.

No mês de Julho, vários sindicatos participaram duma **Conferência Metalúrgica do Norte e Nordeste**, em **São Luiz** (Maranhão) onde foi estudada uma lista de problemas e reivindicações da classe. A FITIM, convidada a essa Conferência, mandou uma mensagem e se fez representar pelo companheiro que também representou a Federação Metalúrgica de São Paulo, **Vitelbino Ferreira de Souza.**

URUGUAI

SINDICATOS VOTAM FILIAÇÃO À FITIM

Nos últimos dias de julho reuniram-se delegados de vários sindicatos metalúrgicos, particularmente dos setôres do material elétrico e da construção naval. Organizaram um Comitê Coordenador. Um dos primeiros atos do novo Comitê foi a decisão unânime de solicitar sua filiação à Internacional Metalúrgica, a FITIM.

Na reunião da formação do Comitê Coordenador, se teve a eficiente colaboração do companheiro Washington Abreu, secretário geral do sindicato Regusei y Voulminot, a maior emprêsa de contrução do país e de cujas fileiras vem o representante Aberto Nieves. Tomou parte importante na decisão da afiliação a FITIM, o sindicato de Ferrosmalt, (uma das maiores emprêsas eletro-metalúrcas do país).

A formação do Comitê representa a nova tendência na metalúrgica uruguáia, de organizar os operários em cada emprêsa, com contratos coletivos vantajosos para os trabalhadores, e a rejeição do velho método de contar com os pequenos aumentos salariais outorgados pela Comissão oficial de salários.

SECRETARIADO DA FITIM

No mês de agôsto, reuniram-se em São Paulo, para estudar detalhes das atividades da FITIM no continente americano, os companheiros Daniel Benedict (secretário interamericano), Fernando Melgosa (representante para a zona Norte da America Latina) e Alberto Nieves (representante para a zona Sul). Entre outras coisas, considerou-se a possibilidade de mudar o escritório sul do Uruguai para o Brasil.

VENEZUELA

SIDERÚRGICOS ELABORAM PRIMEIRO CONTRATO COLETIVO

A Associação Profissional de Trabalhadores Siderúrgicos de Orinoco, que acaba de eleger uma nova Junta Diretiva, encabeçada pelo companheiro José Meléndez, terminou recentemente, com a colaboração da FITIM, de elaborar o projeto da primeira convenção coletiva de trabalho que será apresentada a Corporação Venezuelana de Guayana para sua discussão.

O projeto inclui aumento do salário básico e dos salários correspondentes as distintas classificações, programa da casa própria, subsídio de transporte, educação e formação profissional, 20 dias de férias e consideráveis benefícios em matéria de segurança social e industrial, prêmios, bonificações, etc.

A FITIM facilitou aos companheiros venezuelanos o serviço do companheiro Edwin Abbott, um técnico sindical em engenharia industrial para assessorá-los no aspécto de avaliação de tarefas. Ademais o companheiro Fernando Melgosa permaneceu na Venezuela nas primeiras semanas de agôsto colaborando de forma permanente com o companheiro Meléndez, particularmente na confecção da lista de reivindicações mencionada.

"SEM PARTICIPAÇÃO OPERARIA NÃO SE PODEM SUPERAR TENSÕES", DIZ SINDICALISTA NORTE-AMERICANO NA BAHIA

Salvador — Bahia...

Pat Greathouse, Vice-Presidente da Federação Norte-Americana dos Trabalhadores na Indústria de Automóveis, Aviões e Implementos Agrícolas (filiadas à FITIM) fez declarações importantes na Conferência Internacional sôbre Tensões no Desenvolvimento no Hemisfério Ocidental, celebrada nesta cidade de 6 a 11 de agôsto.

O c. Greathouse frizou a importância da participação do povo, e, particularmente, dos trabalhadores na elaboração dos planos econômicos e no contrôle de sua aplicação. Estranhou a ausência de representantes sindicais sul-americanos e, especialmente, do Brasil — nessa importante Conferência, afirmando que não é possível esperar a confiança e entusiasmo popular para programas de desenvolvimento quando os trabalhadores são excluídos da vida política e econômica.

Muitos participantes latino-americanos e norte-americanos mencionaram a resistência de camadas retrogradas em muitos países às modificações básicas tais como a reforma agrária e a tributária, resistência essa que põe obstáculos à aplicação progressista de qualquer programa de grande escala, seja a "Aliança para o Progresso", seja a "Operação Pan-Americana" ou outra.

Entre as personalidades importantes das esféras políticas, econômicas e acadêmicas presentes à Conferência, haviam mais duas (além do c. Greathouse) relacionadas ao movimento operário. Foram o Padre Roger Vekemans, da Universidade Católica de Chile, e o sr. Luis Alberto Monge, deputado e antigo dirigente sindical, de Costa Rica. O c. Monge apresentou um relatório importante sôbre o papel dos sindicatos no desenvolvimento econômico.

Com os que lutam

O c. Greathouse, nas suas intervenções, insistiu em que a sua Federação (que participa ativamente na vida sindical internacional) considera importante o desenvolvimento dos países novos. "Queremos ver a Reforma Agrária e a mecanização da produção agrícola, mas também a industrialização sã" foram suas palavras. "Não queremos apenas vender tratores feitos por operários associados a nossa Federação. É mais importante que o Brasil e outros países sul-americanos consigam desenvolver sua indústria e produzam seus próprios implementos agrícolas e façam com que os trabalhadores participem dos frutos do progresso. Preferimos ter que enfrentar a concorrência de produtos mecânicos, — quando são fabricados por operários que vivem e comem decentemente — a viver num mundo de fome e miséria. Minha Federação, como organização sindical nos Estados Unidos, e como parte da Internacional Metalúrgica, a FITIM, **está ao lado dos que lutam em pról das aspirações revolucionárias e democráticas do povo.** Todos os que dizem crer no progresso devem se postar dêsse lado também. Mas o façam ou não, os demais fatôres da sociedade, inclusive os govêrnos, nós o faremos".

Durante sua estadia no Brasil, o c. Pat Greathouse falou também com o secretário da FITIM, Daniel Benedict, sôbre o programa de ação da organização internacional neste país e no continente, indicando o grande interêsse a apoio da Federação do Automóvel para com êsse programa.

"DELEGAÇÃO SINDICAL BOLIVIANA NA EUROPA"

Em princípios de julho, voltou da Europa para a Bolívia um grupo de dirigentes mineiros metálicos nacionais e locais.

A delegação foi composta de: Luis Koncar, e Mario Pinto, da Diretoria Nacional da Federação Mineira (FSTMB); Corsino Pereyra, controle obreiro das Minas de Kami e Pedro Medina, secretário geral do Sindicato de Mineiros de Santa Fé. Foram acompanhados na viagem por Albert Kemetmüller, delegado especial da FITIM e um dos secretários da Federação Austríaca de Metalúrgicos e Mineiros.

Os delegados bolivianos visitaram a Áustria, Alemanha e Suíça. Na Áustria, participaram do Congresso da Federação Austríaca (ver artigo sôbre a Áustria neste mesmo número). Após o Congresso essa delegação fez uma viagem de estudos à várias minas, refinações e usinas metalúrgicas **nacionalizadas** e também à sedes, escolas e colonias de férias dos sindicatos da Áustria. Depois da Áustria, os sindicalistas bolivianos seguiram para a Alemanha, onde visitaram a Federação Metalúrgica (I. G. Metall) e compararam suas experiências, especialmente no campo da participação obreira na **Co-determinação na indústria**, com os companheiros alemães Na Alemanha também visitaram sindicalistas locais em suas sedes de trabalho e de atividade sindical.

Antes de voltar para a Bolívia, a delegação foi para Genebra, Suíça, onde visitou as sedes da **Organização Internacional do Trabalho** (O. I. T. — órgão especializado das Nações Unidas), e da **FITIM,** onde teve entrevistas com seu Secretário Geral, o dirigente metalúrgico **suíço Adolphe Gradel.**

NOTICIAS DE VOLTA REDONDA

(Conclusão da 1.ª pág.)

(distribuição de parte dos lucros da emprêsa CNS); Este ano, pela primeira vez foi eliminado o aspéto de favoritismo, injustiça e descontentamento para com os trabalhadores, e todos — serventes ou engenheiros — receberam 130% dum mês de salário.

Relatórios Anuais

O c. **Samuel de Paula Reis,** enérgico Presidente do Sindicato de Volta Redonda informa que o Relatório do Sindicato para o ano de 1961 foi impresso, na forma de um Jornal que foi distribuido a todos os trabalhadores. O relatório menciona várias conquistas do Sindicato, e as lutas dos trabalhadores metalúrgicos. Tem anexo um folheto importante contendo o Relatório do Banco Popular de Volta Redonda, cooperativa realizada pelos esforços do mesmo Sindicato, com um ativo de 50 milhões de cruzeiros.

O quadro de Associados do Sindicato segue aumentando, já tendo 11.986 sócios em 31 de dezembro de 1961. Com isso o Sindicato pôde terminar o ano de 1961 com Cr$ 25.390.482,00 de Receita ,dos quais só Cr$ 9.500.000,00 são provenientes do Impôsto Sindical, e quasi 16 milhões de Renda Própria (inclusive mais 14 milhões de Mensalidades).

Avaliação das Tarefas

Há tempo que a emprêsa CSN fala de uma próxima "Avaliação das Tarefas", para fixar categorias e salários profissionais na Usina. O Sindicato vem lutando para a participação operária nessas determinações, importantes demais para deixá-las em mão de técnicos e chefes patronais. Um primeiro passo importante foi dado em junho, quando a Emprêsa aceitou a idéia que cada grupo de trabalhadores cujas tarefas vão ser "avaliadas" elegerão um delegado na comissão de avaliação.

O Sindicato terá a grande tarefa de oferecer cooperação e ajuda aos delegados eleitos pelos trabalhadores, para a máxima defesa dos interêsses dos seus companheiros:

Viagem à Europa

O c. **Waldyr Amaral Bedê,** Diretor-Secretária do Sindicato de Volta Redonda, regressou de sua viagem à Europa. (Relatório da viagem foi publicado extensamente no número precedente de **"METAL"**). Além de informar diretamente seus companheiros, Waldyr fez 4 relatórios de 13 minutos cada um pelo rádio, no programa transmitido pelo Sindicato a todos os trabalhadores da região. Deu também uma longa entrevista ao jornal "ULTIMA HORA".

Frizou o c. Waldyr a importancia do que notou na Alemanha sôbre a participação efetiva dos sindicatos nas decisões das emprêsas, e; especialmente, àquelas que afetam as condições de trabalho.

UM JULGAMENTO TRABALHISTA DE INTERESSE

Publicamos aqui pelo seu interêsse especial para sindicalistas que têm a responsabilidade de defender os direitos de operários que trabalham como **tarefeiros** ou com premios de incentivo, o seguinte julgamento: importante: **"Tarefeiro. Direito ao salário mínimo legal.** No julgamento do agr. instr. 36.411, rel. o ministro Nunes Leal (2.ª T., por unanimidade) o Supremo determinou fôsse paga ao reclamante o salário mínimo integral conquanto fôsse o empregado tarefeiro e se lhe imputasse improdutividade. Trata-se de decisão importante pois a Justiça do Trabalho continua vacilando em seus julgados, entre os quais, a respeito, assinalam-se neste mesmo sentido acórdão do TST em Tribunal Pleno nos procs. 2.250-57, rel. ministro Lo. A. França; 2.897-57, rel ministro Delio Maranhão; 2.537-57, rel ministro Costa Monteiro, e 2.171-58, rel ministro Delio Maranhão. Em contrário: T. Pleno, procs. 1.394-57, rel. ministro Jonas de Carvalho; 1.715-56, rel. ministro Tostes Malta e 4.314-68, rel. ministro Romulo Cardim. Aliás, o ac..rdão do Supremo reafirma sua própria jurisprudência, prevalente quanto à garantia do salário mínimo ao tarefeiro improdutivo das suas duas turmas: agr. instr. 22.167, rel. o ministro Ary Franco e rec. extr. 43.450, rel. o ministro Lafayette de Andrade.

NOVAS DIRETORIAS

Estado de Minas Gerais: Efetivos: Humberto Canhoni, Geraldo Ponciano Gomes, Reginaldo V. de Souza, Geraldo Oscar Menezes, Oswaldo Gomes de Resende, Onofre Martins Barbosa. Suplentes: Gilberti Mesquita Rego, Sebastião Francisco dos Santos, João de Deus, José Leandro, José Alves Cruz, Francisco Fidelis da Silva.

É a terceira vez que o c. Humberto Canhoni, destacado presidente da Federação e figura importante no sindicalismo brasileiro, conduz a sua chapa à vitoria. Desta vez, nem houve oposição. A FITIM faz votos para o êxito da distinta Diretoria mineira em pró dos interêsses da classe metalúrgica do Estado.

São Caetano, SP. Presidente Angelo Segatti, Vice-Presidente Antonio Cândido Lindolpho, Sec. Geral José Pedro Pinto, 1.º Sec. Odair Chaparim, 2.o Sec. Caio Garcia, 1.º Tes. Benedito da Silva, 2.o Tes. João Batista Vieira.

A FITIM, que já apreciou o bom senso do c. Lindolpho durante as recentes negociações de acôrdo salarial estadual, faz votos para novas conquistas dos metalúrgicos de São Caetano.

COOPERAÇÃO COM SINDICATOS JAPONEZES

Logo após sua chegada de uma visita ao Japão, James B. Carey, Presidente da Federação Norte-Americana de Trabalhadores do Material Elétrico (IUE), disse aos reporteres que êle está esperançoso de que meio milhão de trabalhadores metalúrgicos irão se afiliar à Federação Internacional de Trabalhadores nas Indústrias Metalúrgicas.

Carey falou na 10.ª Convenção Anual de Denki Roren, Federação de Sindicatos de Trabalhadores em Material Elétrico que abrange todo o Japão. Essa organização faz parte de um agrupameneto de sindicatos independentes. Ela e os sindicatos que aderiram a Sohyo e Zenro, formaram um comitê coordenador com o fim de estudar uma afiliação conjunta à "FITIM". (Sohyo e Zenro são as duas mais importantes confederações de trabalhadores.

O dirigente da IUE fez notar em sua conferência à imprensa que os trabalhadores japonêzes e norte-americanos têm empregadores comuns, através de investimentos norte-americanos no Japão, ou de acôrdos industriais.

COLOMBIA
CONGRESSO DA "UTRAMETALCO"

Depois de uma viagem de organização de 10 dias, que foi realizada no interior da Colombia por uma missão integrada por três dirigentes siderúrgicos de Paz del Rio, juntos com o Representante da FITIM na Zona Norte da America Latina (Fernando Melgosa), convocou-se o III Congresso da "União dos Trabalhadores Metalúrgicos da Colombia" (Utrametalco), primeira filiada da FITIM na America Latina, para os dias 30 e 31 de agôsto e 1.º de setembro, em Bogotá.

O Congresso marcará a reestruturação de Utrametalco e a sua extensão em todas as regiões do país, com trabalho permanente em favor dos metalúrgicos colombianos. Participaram mais de 40 sindicatos, com 16.000 sócios nos setores da indústria.

NOVA DIRETORIA DA FTI METALÚRGICOS DA GUANABARA E RIO DE JANEIRO

Nas eleições realizadas na Federação nas Indústrias Meta úrgicas, Mecânicas e do Material Elétrico dos Estados da Guanabara e Rio de Janeiro, foi eleita e empossada a seguinte Diretoria, para o biênio 62/64:

Presidente — José Nicolau Braz — Petrópolis;

Vice-Presidente — Ari Gonçalves Pereira — S. Gonçalo;

1.º Secretário — Mario Mateus de Lourdo — Guanabara;

2.º — Secretário — Carlos Rufino — N. Friburgo;

Tesoureiro — Othon Reis Fernandes — V. Redonda.

O c. Danie! Benedict da FITIM visitou a Federação em Niterói e expressou nossa esperança nas futuras atividades da mesma, no interêsse da classe.



GREVE NA MAFERSA. Os companheiros Argeu Egydio dos Santos (Vice-presidente da Federação Metalúrgica do Estado de São Paulo), Alberto Nieves (da FITIM) e José Domingues da Silva Sobrinho (presidente do Sindicato de S. José dos Campos), com os grevistas em Caçapava. A FITIM fez uma contribuição simbólica para o fundo de greve dos companheiros de Caçapava — e outra para os grevistas da MAFERSA da cidade de São Paulo.

A FITIM CONDENA GOLPE MILITAR NO PERU

Diante do Golpe de Estado dos militares no Perú, foi publicad auma declaração de repúdio pelo secretário interamericano da FITIM, Daniel Benedict.

Declarações e resoluções semelhantes foram emitidas por várias organizações operárias nacionais e intercionais. Entre as que conhecemos, estão: A Confederação de Trabalhadores da Venezuela, a Central Obreira Boliviana e sua Federação Mineira, a CIOSL (Confederação Internacional de Organizações Livres) e sua organização regional, a ORIT, a Federação Internacional de Trabalhadores Petroleiros, a AFLCIO (dos Estados Unidos) e a Internacional de Correios, Telégrafos e Telefones.

A declaração da FITIM diz:

"La Paz, 22 de julho.

Apôio internacional à decisão dos Mineiros da Bolívia, de repúdio ao golpe militar no Perú, foi manifestado hoje pela Federação Internacional dos Trabalhadores nas Indústrias Metalúrgicas. (FITIM).

Acabá de chegar a La Paz, procedente de Lima, o Secretário Interamericano da FITIM, Daniel Benedict. Foi informado aqui da atitude adotada ontem pela diretoria da Federação de Trabalhadores Mineiros da Bolívia, de "repudiar o golpe de estado, ocorrido no Perú, que constitue um bárbaro atentado contra a vontade popular".

Comentando a situação grave do país vizinho, O sr. Benedict disse: "No curto lapso de tempo que estive em Lima, eu pude me inteirar da séria preocupação do povo peruano com o renascimento da intervenção militar na vida política do país. Ainda mais, em tôda a América Latina, o povo trabalhador vê com justificada angustia os ensáios crescentes por parte das jerarquias militares, de arrogar-se o direito de tomar decisões vitais para a nação. Essa tendência nefasta, que procura destruir décadas de conquistas sociais alcançadas com imensos sacrifícios, provoca — e tem que provocar — a oposição total de tôda organização democrática.

"É sintomático que as primeiras greves de oposição ao golpe militar estalarem entre os milhares de trabalhadores das grandes fazendas do Norte ainda antes de que os dirigentes sindicais em Lima tenham decretado a greve nacional. A reação de trabalhadores de outros países, como os da Bolívia, é uma reação normal de solidariedade operária e democrática.

"A FITIM", acrescentou Benedict, "está firmemente ao lado dos que lutam contra a arrogância retrograda de certas castas militares e sobretudo em favor da afirmação e defesa dos direitos democráticos do povo e da implantação urgente de programas de Reforma Agrária e desenvolvimento econômico, estreitamente ligados às necessidades e aspirações dos trabalhadores".

ÚLTIMA HORA

No momento de ir para o prélo, recebemos a seguinte notícia:

Oslo — O Comitê Central da FITIM (equivalente a um Conselho de representantes no sindicalismo brasileiro) em sessão de 8 a 10 de agôsto na capital da Noruéga, discutiu muito detalhadamente a situação na América Latina, aprovando o Relatório e o Programa de Ação da FITIM nesta Região. Entre outras decisões (que daremos na íntegra no próximo número de "Metal") contam-se a aprovação dos pedidos de filiação da Federação de Trabalhadores Metalúrgicos do Estado de São Paulo, e de organizações no Uruguai e no Caribe, e a seleção de Daniel Benedict como Secretário Geral Adjunto da FITIM. O c. Benedict terá que se mudar para Genébra nas próximas semanas, porém continuará sendo responsável pelo trabalho da FITIM no continente americano, contando sempre com a colaboração dos representantes zonais — Fernando Melgosa (Norte) e Alberto Nieves (Sul) — e das organizações filiadas à FITIM.

AUSTRIA

GREVE, CONQUISTAS E CONGRESSO SINDICAL

Após 4 dias de gréve total em maio, os 210.000 metalúrgicos e 75.000 mineiros que compõem os fileiros da Federação Austríaca de Metalúrgicos e Mineiros (filiada à FITIM), voltaram vitoriosos ao trabalho com um Contrato Coletivo.

Ganharam um aumento salarial de 8% ou mais; eliminação de tarifas discriminatórias para trabalhadores; eliminação de vários aspétos prejudiciais nos prêmios de incentivo e inclusão dos salários mínimos profissionais como base dêsses prêmios. Os salários mínimos foram aumentados de 9 a 12% e também foi aumentada a importância paga a cada trabalhador como gratificação na ocasião das férias (adicional ao salário do tempo em que estiver de férias — para lhe permitir gozar de bôas férias com a família).

Pouco depois da gréve, a Federação analisou seus resultados (de 24 a 26 de maio) em seu Congresso Nacional, onde **Arthur Gailly**, veterano dirigente dos metalúrgicos da **Bélnica**, falou em nome da FITIM. O Congresso marcou a aposentadoria do veterano presidente da sua Federação, Karl Meisel e a eleição em seu lugar de Anton Benya, um dos principais dirigentes da mencionada gréve e deputado federal (do Partido Socialista). De especial interêsse foi a presença no Congresso de uma delegação de 4 dirigentes da **Federação de Mineiros da Bolívia** (FSTMB). (Ver artigo sôbre **"Delegação Siridical Boliviana na Europa"**).

NO CARIBE
CONGRESSO DA FEDERAÇÃO DA BAUXITA E ALUMINIO

Em julho celebrou-se em Porto Espanha, na Ilha da Trindade, o Congresso da Federaç..o dos Trabalhadores da Bauxita e Alumínio. Essa Federação conta ocm sindicatos filiados na própria Trindade, na Jamaica e na Guiana Inglêsa, nas minas de bauxita e nas fundições de transformação da bauxita em alumina e alumínio.

O c. Michael Manley, da Jamaica, foi re-eleito presidente. O Congresso votou por unanimidade uma resolução autorizada a nova Diretoria a escrever à FITIM, solicitando sua afiliação a essa Internacional Metalúrgica, o que foi feito.

Apesar de não ter podido mandar um representante ao mencionado Congresso, a FITIM felicita os companheiros do Caribe por seu grande desempenho sindical, especialmente nos campos da organização e da contratação coletiva.

METAL

Jornal da Federação Internacional dos Trabalhadores nas Indústrias Metalúrgicas (F I T I M), com sede em Genebra ,Suiça (27 rue de la Coulouvrenière); publicado pela sua Região Interamericana, com sede na México (Plaza Ferrocarriles 11, s/ 22) e endereço no Brasil, em São Paulo (Rua dos Estudantes, 48)

Diretor responsável: SEBASTIÃO DE PAULA COELHO

Redator internacional: DANIEL BENEDICT

Solicita-se intercâmbio de publicação

Autoriza-se a reprodução, com menção da FITIM.

Assinatura anual: 200 cruzeiros no Brasil; 1 dolar o seu equivalente nos demais países.

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FROM : Amcongen SÃO PAULO

DATE: September 12, 1962

SUBJECT : Third National Convention of Bank Workers, São Paulo, August 14-16

REF :

The Communist-controlled National Confederation of Workers in Credit Institutions (Confederação Nacional dos Trabalhadores nas Empresas de Crédito -- CONTEC) held its Third National Convention in São Paulo on August 14-16. Some three hundred delegates representing bank workers and insurance company employees from all parts of Brazil reportedly attended. The opening and closing plenary session were chaired by Huberto Menezes PINHEIRO, fellow-travelling CONTEC President. Uruguayan Carlos APARICIO, representing the Communist-front WFTU, was apparently the only international labor representative in attendance.

Agenda

The published agenda of the Convention was as follows:

I. Report presented by the CONTEC Directorate (for excerpts see Enclosure 1).

II. Resolutions: (for excerpts see Enclosure 2)

1. regarding program of action (salaries, working conditions, social security, etc.).

2. regarding the national political situation (basic reforms, October elections, economic and social emancipation of the country, etc.).

FILED
SEP 24 1962

FORM DS-323

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Drafted by: JLiebof/lfw 9/11/62

Contents and Classification Approved by:

Clearances:

0523

3. regarding structure of the labor movement (organization, policy of concentration, finances, and labor press).

III. Position of the bank workers and insurance company employees at the Fourth National Labor Meeting in São Paulo on August 17-19).

CONTEC Report

Pertinent excerpts from the rather lengthy CONTEC report are found in Enclosure 1. While the sections on the international situation and Latin America are relatively moderate in tone, the Communist influence is readily apparent. The section on the national situation parrots the current Communist "soft," nationalistic, "reform," "democratic" line. Perhaps more revealing is the section on organic structure of the labor movement, which affords a glimpse of Communist strategy aiming at structural changes which will make CONTEC a more effective arm of political agitation.

Closing Session

An estimated 150 persons attended the closing session the evening of August 15. Prominent guests included WFTU representative Carlos Aparicio, São Paulo Communist City Councilman Rio Branco PARANHOS, and Regional Labor Delegate Mario Romeo DE LUCA representing the Ministry of Labor. Apparently no mention was made of any representative of President GOULART. Notably absent was São Paulo PTB Federal Deputy Salvador Romano LOSSACO, Communist former President of the São Paulo Local Union of Bank Workers, the São Paulo State Federation of Bank Workers and the São Paulo Inter-Union Unity Pact. Pedro Francisco IOVINE, Communist President of the São Paulo Local Union of Bank Workers and current President of the Inter-Union Unity Pact, and Armando ZILLER, Communist President of the Minas Gerais State Federation of Bank Workers and WFTU Executive Committee member, gave speeches in the usual Brazilian Communist vein, including lavish praise for the Cuban revolution and attacks on foreign monopolies and trusts.

Resolutions

Excerpts from some of the more revealing resolutions on salaries, the national political situation, finances, labor press, labor movement structure and political courses for union leaders are given in Enclosure 2. The resolutions on the latter two topics are of especial interest as indicative of Communist objectives. The unification of contract expiration dates for bank workers in the entire country would give the Communist-controlled CONTEC



a potent weapon with which to paralyze the Brazilian financial establishment. CONTEC's position on the infamous union tax (imposto sindical) is typical Communist double-talk: righteous disapproval in principle but seemingly reluctant (whole-hearted in reality) acceptance in practice, so as not to lose one of the principal sources of Communist strength in the Brazilian labor movement. Surprisingly enough there were apparently no resolutions touching on the five-day week, one of the major economic demands of the bank workers, which in fact was discussed at the convention. Other topics discussed but not found among the resolutions were CONTEC support for the Communist-dominated Fourth National Labor Meeting in São Paulo on August 17-19, and for the Communist-front Latin American Trade Union Conference in Santiago, Chile on September 9, and a proposed Latin American Bank Workers Congress. The Convention's resolutions were not published by the local press.

Finances

The extent of any Brazilian Federal Government's financial support for the Convention is not known.

Comment

The Third Convention was predictably a Communist show. It received relatively little attention in the press, being largely overshadowed by the immediately following Fourth National Labor Meeting. What local news coverage there was overlooked the Convention's predominantly Communist character. Due in large part to the Communists' efficient rigging of the Convention proceedings, there was no evidence of any significant dissent from the over-all Communist orientation by any of the several non-Communist local unions of bank workers from the interior of São Paulo. A careful reading of the enclosures will indicate the Communists' plans for increasing CONTEC's agitation potential. As expected, economic issues played a subservient role to political considerations.

Daniel M. Braddock

Daniel M. Braddock
Minister Consul General

Enclosures:
1. Informal English Translation of Excerpts from CONTEC Report to Third Convention (Unclassified)

2. Informal English Translation of Excerpts from Resolutions Approved by the Convention (Unclassified)

Distribution: Amembassy Rio 2 (1 for Mr. Fishburn), Amembassy Brasília, ARA Labor Adviser, Labor Dept. 2 (for Mr. Steinbach and Mr. Bazan)

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Informal Translation of Excerpts from Report Presented by the CONTEC Directorate to the Third National Convention in São Paulo on August 14-16, 1962.

Dear Brothers:

On the occasion of the Third National Convention of Workers in Credit Institutions, we present for our colleagues' consideration this report on the general situation and the specific background in which our campaigns have developed, as a point of departure for the study and analysis of the determining causes of the problems afflicting the Brazilian people and therefore the bank workers and insurance company employees.....

PART II - INTERNAL SITUATION

At the end of the Second World War with the military defeat of Fascism which had dominated principally Germany, Italy and Japan and with the victory of the United Nations led by France, England, United States and the Soviet Union, humanity entertained great and justified hopes. The prospects of lasting peace, of great accomplishments in the fields of so-called eternal problems, were aspirations dear to all peoples in search of a peaceful and happy life. However, in many countries the people were prevented from fulfilling this gratifying desire by an archaic economic structure which made impossible this progressive manifestation and by imperialist and colonial exploitation by other nations. These nations, exploiters of other people's labor, see in the liberation and development of the enslaved countries a threat to their privileged positions which they try to maintain even to the extent of employing the hateful recourse of armed intervention. For this purpose they even try to prevent less powerful semi-independent nations from helping each other or maintaining relations with other nations not to the liking of the exploiters.

We see thus that the peoples militarily defeated Fascism but they did not completely eliminate its economic manifestation. This situation led former allies, a couple of years after the end of the war, to have a falling out, facing humanity with the danger of a new war which now would be fought with extremely powerful weapons.



In our country, within the geographic borders of one of the antagonistic camps of international politics, the immediate results of this situation were quite negative, with unions under intervention and workers prevented from making demands, and the restriction on freedom of thought and profession of political creeds contrary to the powerful interests of that time. It was not a mere coincidence nor can we be surprised at what happened. The need of the international trusts and monopolies to maintain their privileges made them impose these regressive measures on their internal agents, seeking to maintain the people ignorant of enlightening ideas.

However, the military victory against Fascism gave a new awareness to the peoples of the world, including the Brazilian people.

Since then we have seen the birth of various independent nations in Asia and Africa, many of which adopted political and administrative methods diametrically opposed to the interests of the countries which formerly dominated them. With the overthrow of the colonial system, we see that many peoples are also freeing themselves from the domination of the economic trusts which subjugated them. All these events are inter-dependent and influence the struggle of other peoples. To the extent that politically and economically independent nations advance toward progress, their victories reflect on humanity as a whole.

The conclusion which we workers should draw from these events is that we must do everything to preserve the peace between nations, a just not passive peace by which the self-determination of peoples is respected. The workers have a decisive and leading role in the struggle for peace, and if we know how to meet our responsibilities, nations will be prevented from enslaving other nations, entire populations will be spared, and human labor as well as enormous sums spent on arms will be applied to the material and cultural benefit of humanity.

The Brazilian bank workers and insurance company employees must also keep up with international events and debate with their colleagues and other workers the fundamental causes of rivalries between the governments of various nations and the real motivations which lead them

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to declare wars. Similarly our program should be to demand that the Brazilian government always move in the direction of an independent international policy, not subordinating itself to any blocs and trying to broaden more and more its political, economic and cultural relations with all countries without distinction. Furthermore, the union organizations should perfect their relations with similar entities of other countries within the principle of independence, always striving for the union of the workers behind a program which brings together the working masses of the entire world.

PART III - LATIN AMERICA

The struggles of the Latin American peoples have common characteristics, given their situation of inhabitants of generally under-developed countries, with an archaic agrarian structure in which the latifundio predominates, with incipient industrialization or industrialization accomplished through concessions to foreign capital and the domination of international markets by imperialist consortiums.

Despite this, or even because of this, a large common front is growing here comprising all those who desire a situation of peace and progress for this part of the world. In all of Latin America, the workers are struggling for better salaries and against the exploitation of the international trusts, allied in this struggle with the national independent industry suffering from the competition and pressure of foreign capital, and all the other patriotic sectors which desire the progress of the country; the peasants struggle to liberate themselves from semi-feudal exploitation and to receive land; the agricultural workers struggle for better working conditions and for protective labor and social security legislation; the students, allied with the urban and rural workers have played an outstanding part in all these struggles. Since the struggles of all peoples have mutual reflections, this is also evident in this region. Given identical background, similar customs and external pressures of the same origin, the tendency is to an increasingly greater union of the Latin American peoples in the common struggle for economic and political independence, for liberty and democracy, to overcome under-development and for general progress.



National liberation movements arose in the past, as in the case of Guatemala, where they were immediately stifled by mercenaries at the service of the United Fruit Company, an American enterprise whose large land-holding interests had been prejudiced by the government which had taken office; and as in the cases of Venezuela, Ecuador and Argentina, stifled by military coups.

These emancipating movements tend to grow and the recent case of the Cuban nation is proof that the Latin American peoples already understand that their struggle is a common one and the solidarity movements have been highly successful, despite all the counter-propaganda of the ex-masters of Cuba who have not yet accepted the new situation.

In Cuba the people really won, and steps were taken in defense of its people's economy, such as agrarian reform, urban reform, campaign against illiteracy, expropriation of foreign companies and nationalization of industries, banks, etc.

We believe the debate of these matters among the entire membership to be highly desirable, so that the members can really understand the importance of the Cuban people's conquest from the point of view of the interests of the Latin American peoples, and so that the solidarity with that brave sister nation will not remain restricted to the pronouncements of the top union leaders.

PART IV - NATIONAL SITUATION

In this panorama Brazil appears as the Latin American country with the largest geographic area and the largest economic potential in a dormant state. Our situation is also that of an under-developed country, if we take into consideration our over-all aspect which is dominated by the latifundio, cause of the misery which afflicts the contryside, and by the exploitation of foreign capital, a true suction pump of our economy. This situation blocks the country's march toward progress, makes the Brazilian people's development difficult and increases from day to day the people's sacrifices, notably among the salaried workers.

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Brazil must guide itself by a new economic-financial policy aiming at improvement of the people's situation and contributing to the country's progress and emancipation. Such a policy would be diametrically opposed to the policy now followed by the government whose external and internal harmful aspects were accentuated after the appearance of Instruction 204. The economic policy applied during recent years, with the exception of some opposition more in form than in substance, is characterized by frequent concessions and capitulations to the foreign monopolies and to the most regressive sectors of the national economy (large coffee planters, important bankers, principal exporters and importers and certain private monopolistic industries subsidized by the state). It is also characterized by the departure from the line of development planned and begun by Getulio Vargas which consisted in opening the way through State-owned enterprises (Volta Redonda, Fabrica Nacional de Motores, Vale do Rio Doce, Hidroelétrica São Francisco, Petrobras, etc.) for essential industries in the sectors of electrical energy, steel, petroleum, etc. This departure involves the abandonment of the advantages represented by the existence of State-owned enterprises in fundamental sectors of economy with the adoption of solutions such as GEIA, GEICON, etc. based on concessions to foreign capital.

The national economy is today threatened with collapse. The lack of concrete and courageous measures is contributing to the daily increase of the people's sacrifices, notably of the salaried workers, with similar results in the middle classes and even in the national bourgeoisie. At the same time the most powerful internal and external economic groups maintain their privileges and are given new concessions.

The foregoing makes imperative the measures prescribed by the workers in their recent statements during the struggle for the formation of a new Cabinet, contained in the following items:

1 - Concrete and efficient struggle against inflation and the high cost of living, mobilizing all means of transportation to ship essential food items from the production centers to the consumers; even including, if necessary, the confiscation of existing stocks;



2 - Radical agrarian reform and immediate recognition of rural workers unions;

3 - Urban reform as the only solution for the housing problem;

4 - Bank reform with nationalization of deposits;

5 - Electoral reform with the right to vote extended to illiterates, corporals and soldiers of the armed forces and the institution of the single ballot for the October elections;

6 - University reform and representation for the students to the extent of one third on the governing boards, departmental councils and university councils;

7 - Broadening of the present Brazilian foreign policy through the conquest of new markets, defense of peace, total disarmament and self-determination of peoples;

8 - Rejection and unmasking of the financial policy of the International Monetary Fund;

9 - Approval of the law which guarantees the right to strike, along the lines of the draft approved by the Federal Chamber of Deputies with the amendments proposed and already approved by the workers in their meetings and congresses;

10 - Expropriation after official inventory of all the foreign companies which exploit public utilities;

11 - Control of the foreign capital investment in the conntry and limitation of profit remittances;

12 - Sharing in company profits by workers;

13 - Revocation of all and any agreement harmful to the national interest;

14 - Strengthening of Petrobras through State monopoly of the importation of crude oil, of the wholesale distribution of by-products, and of the petrochemical industry; and the expropriation of private refineries;



15 - Concrete and efficient measures for the functioning of Eletrobras;

16 - Creation of Aerobras instituting a State monopoly in commercial aviation;

17 - Maintaining the present independent government agencies which direct maritime transport assuring 50% of the import and export cargoes to Brazilian merchant ships.

These measures, however, can only be carried out to the extent that the workers, peasants, students, intellectuals and other sectors of the population interested in our development pressure through broad movements the Brazilian Government demanding that the Government rise to the importance of the historical times in which we live. However, we cannot lose sight of the fact that this struggle will only be crowned with success to the extent that the government's composition embodies the Brazilian people's sentiments of emancipation and to the extent that it really represents the nationalistic and democratic government that the nation demands.

PART V - THE BRAZILIAN LABOR MOVEMENT

..... Our people's political awareness is achieving greater depth and perfection as a result of the evolution of the Brazilian people's political struggles, accentuated by the difficulties created by our country's present social and economical structure.

The last presidential election played a preponderant role in this greater clarification of the problems which affect the workers, the people and the Brazilian nation.

In the crisis of August-September 1961 there was a clear and irrefutable demonstration of the workers' and the people's willingness to struggle against an attempted military coup with clearly reactionary anti-popular characteristics. Already at that time labor organizations representing several sectors of our occupational category played an active role in the victory of the "movement for constitutional legality".

Some bank workers were even imprisoned precisely for their participation in this important struggle of our Fatherland's progressive forces.



And this struggle had a preponderant role in the advancement of the workers' and people's political awareness as well as in contributing to the understanding of the role of massive public opinion movements, especially of that organized part of the people represented by the workers.

From this there resulted an understanding of the necessities of the struggle for basic reforms and for a government capable of executing them, of the defense and broadening of our independent foreign policy representing the real interests of the people and the Brazilian nation. A foreign policy of broad political, cultural and economic relations with all the countries of the world, having in mind the national development and the preservation of peace through worldwide disarmament and the defense of the principles of self-determination andnon-intervention in the internal affairs of other nations. At the Punta del Este and the Geneva disarmament conferences the position of the Brazilian delegation already constituted firm steps in this direction.

The political crisis linked to the composition of the new parliamentary cabinet, when the workers carried out the memorable and unprecedented national general strike of July 5 of this year, was further superb proof of the evolution and advancement of this nationalistic and democratic political orientation of the workers and the people in general and of the independence and unanimity of action of the labor movement in our land.

Therefore, the advancement of the political awareness of the workers and of the people in general is a characteristic trait of the times in which we live.

There stood out also a greater disposition of the rural and urban workers to fight for their demands, their greater unity of action and the beginning of their affirmation as an independent social and political force.

Each occupational category's conquests in this period, if we analyse them, were considerably superior to those of the past and many of the conquests were achieved through strikes and active movements in each field. .....

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PART VIII - IN THE FIELD OF ORGANIC STRUCTURE

Based on the understanding outlined in this report and the elaboration of a program of action which shows us the road to be followed, it is necessary to examine our organic structure so as to adapt it to the new tasks which we drew up. It must be recognized that the union structure created by the Estado Novo orientation is no longer in accord with the times in which we live. However, to seek modifications in the laws, in addition to the disadvantages of delay and of the composition of Congress which does not insure that our interests will be fulfilled, would lead to improvising forms untested in practice and therefore subject to similar disadvantages. In this way we must seek modifications in our organic or financial structure through assemblies and decisions of the workers, carrying out initially those which do not go against explicit legal prohibitions and discarding those others which have been made obsolete by legal evolution. We must also pay attention to the training of leaders of all levels in order to keep up with the accelerating growth of the labor movement; we must seek progressively broader and more democratic forms of organization in order to guarantee a greater participation of the members in the resolutions and in the execution of the proposals adopted by the union organizations; we must initiate new methods of leadership in order to effectively guarantee collective leadership and the planning and control of established programming; finally, we must take into account the need for continually analysing our activities in order to point out faults and imperfections and guarantee their complete correction.....

Without pretending to present a perfect report but having devoted our best efforts to it, we hope and trust that, with the modifications and additions made in its discussion in the meetings and assemblies of the various union organizations, there will result a clearer and more precise position of our occupational category in the Third National Convention of Workers in Credit Institutions.

Signed: CONTEC

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THIRD NATIONAL CONVENTION OF WORKERS IN CREDIT INSTITUTIONS

São Paulo, August 14-16,1962

Informal English Translation of Excerpts from Resolutions

PROGRAM OF ACTION

Salaries

1 - The formulation of the demands should preferably originate in the companies (where the bank workers should meet to discuss and approve their points of view, passing them on to the local union or association), with the debate and verification of the proposals extended if possible to the level of Federation and Confederation.

2 - In the study and debate of the proposals to be formulated (by the workers) in each company or union organization, each bank worker must act so as not to aggravate the conflicts of interest within the occupational category (of which the bank owners always take advantage) caused by the diversity in salaries and benefits won. Preferably the objective will be the adoption of an agreement for solidarity of the entire category in the struggle, so that colleagues who are better off will aim at the progressive rise to their levels of the rest of the bank workers, while the latter must understand that it is natural that the salary readjustment will result in a larger increase for the former.

3 - Revision of wage contracts, unifying when possible their terms and periods of validity aiming toward making all contracts effective September 1 and expiring six months later.

NATIONAL POLITICAL SITUATION

Political, Economic and Social Emancipation of the Country

1 - Struggle for a nationalistic and democratic government having in mind the execution of a governmental program based on the seventeen points of the program approved by labor organizations, which frees the

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the urban and rural workers, the people and the nation from misery, illiteracy, sickness, economic and political dependency upon foreign trusts and large land-holders, in the framework of a democratic regime which assures the right to public and trade union liberty.

UNION STRUCTURE

Organization

The Third National Convention of Workers in Credit Institutions in Sao Paulo on August 14-16, 1962 .....

Resolves:

I - With regard to organic structure:

1 - That CONTEC, Federations and affiliated local unions within 120 days will hold general assemblies for the modification of their statutes in order to assure, when possible,

a) the elimination of impositions and concepts contained in the statutes which no longer conform with the legal precepts and current necessities of the labor movement;

b) the broadening and increasing flexibility of the executive bodies of the organizations and guarantee for the exercise of collective leadership;

c) the structuring of the deliberative or consultative bodies, intermediaries between the directorate and the assembly, such as councils of office delegates, consultative councils, etc. in accordance with the organization's characteristics and the number of members which it represents;

d) the institution of workers' delegates or commissions in the companies when possible by means of elections simultaneous with those for other executive bodies of the organization;



e) the authorization for the installation of delegates' offices in those states, counties, cities, districts, or locations where they may be necessary, with their directors, when possible, being elected directly by the members they represent;

Additional Clause: Creation of inter-union organizations similar to those existing in various regions of the country such as the CPOS - Comissao Permanente de Organizaçoes Sindicais (Permanent Committee of Union Organizations) of the State of Guanabara, the Forum Sindical de Debates in the city of Santos, etc., in accordance with local peculiarities and conditions.

.....

CENTRALIZATION POLICY

1 - The CONTEC shall base its action on the national scene on the following order of importance of the states:
a) Guanabara, São Paulo, Minas Gerais;
b) Rio Grande do Sul, Paraná, Brasília;
c) the other states.

2 - Within 120 days the federations shall meet with the affiliated local unions and with them draw up a centralization policy, keeping in mind the characteristics of the region represented, the population density, the regional peculiarities and other factors of importance, so that its execution will reinforce the labor movement and enable it to rise to the level of its responsibilities. In this work, which must be reported to CONTEC, the degree of importance (from the point of view of the union structure) of the various affiliated local unions should be established.

3 - The federations should proceed to study their territorial jurisdiction to decide where new local unions should be created, where the territorial jurisdiction of existing local unions should be extended, where federation or local union delegates' offices should be created and where already existing local unions should be fused, etc.

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4 - The local unions should examine their jurisdiction, establishing within 180 days a criteria of priority and importance of the work in each county, city, district and above all in each company. On the basis of this study they should draw up plans to create delegates' or representatives' offices, local commissions or union representatives in each of the sectors, principally observing the criteria of importance. To determine this criteria of importance, which must be reported to the respective federation and to CONTEC, not only should the demographic aspects be taken into account, but also the political importance (of the locality or of the company) on the local, regional and national scene, and the role played by the company in the struggle for freedom of the Brazilian people, as well as other relevant factors.

5 - The National Federation of Insurance Company Employees within 120 days shall make a study of the location of the existing local unions in relation to the national demographic distribution of insurance company employees, aiming at the creation of new local unions where necessary, the broadening of the jurisdiction of existing unions, as well as the possibility or utility of transformation of the present national federation into at least three regional federations. .....

FINANCES

1 - The local unions will institute the system of monthly dues based on a percentage of salaries. Such dues will be equalized on the basis of 1% of the salary actually received by the member, up to a maximum of two times the highest current minimum salary for workers in credit institutions (rounded to the nearest ten cruzeiros).

2 - The federations will institute the system of percentage dues for the affiliated local unions. Such dues will be equalized on the basis of 3% of the total dues received by the local union and may be collected monthly, semi-annually or annually, as the organizations may decide .

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3 - The CONTEC will institute the system of percentage dues for its affiliated federations. Such dues will be assessed on the basis of 20% of the receipts of the federations and may be collected monthly, semi-annually or annually as decided.

4 - When possible and necessary, extraordinary financial levies should be planned, principally linked to economic gains obtained by the labor organizations. In such cases the federations and CONTEC will receive their shares according to the percentage agreed upon above.

ADDENDUM: Position of the workers with respect to the imposto sindical (union tax) - We are in principle opposed to such tax which originated under the regime of the Estado Novo which created local unions under its control with strictly recreational and social welfare objectives and not as a means of struggling for economic-social gains. However, we cannot accept its abrupt abolition which would eliminate the 74% of the union tax received by the labor organizations. This abolition is preached by those who aim at weakening the workers' struggle, by means of competition among unions subsidized by organizations paid and oriented by economic forces interested in dividing the labor movement. We should fight first to have the entire union tax turned over to the labor organizations, suppressing the Fundo Social Sindical (Union Social Service Fund), used for tourist trips by politicians' cronies.

LABOR PRESS

1 - The CONTEC should issue a monthly newspaper setting forth its programs. This publication should make known to the entire country the orientation and experiences of the labor movement. It is also important to reserve sections of this newspaper's columns for publishing the most important news of the affiliated federations.

2 - The federations in turn should strive to create their own press also in monthly editions, as well as the customary bulletins. These publications should reflect the characteristics and tendencies



of the bank workers of the region, state and country.

3 - The local unions should also follow the same line of orientation, attempting within their possibilities to publish newspapers or bulletins containing news and future programs.

4 - Copies of all these publications should be sent to CONTEC and to the federations and when possible to the local unions and associations.

COURSES OF POLITICAL LABOR TRAINING

The CONTEC assisted by the Federations shall promote the organization of theoretical and practical courses in political-labor training of an intensive nature.

These courses will last from seven to fifteen days and will be administered to union activists with some experience selected by the federations and local unions. They will be held in the state of Guanabara and the trainees will take leave from their work in the bank and dedicate their full time to the courses.

As far as possible CONTEC together with the federations shall organize courses in the various states giving priority to the localities which show a lower degree of union development.

In order to reach the largest possible number of bank workers the CONTEC should organize correspondence courses to complement the intensive courses.

The federations, local unions and associations shall organize as far as possible courses which reach the largest number of union activists, utilizing as instructors colleagues which participated in the intensive courses.

The selection of colleagues to participate in the intensive courses shall afford priority to the activists in localities or regions of lesser union development.

NATIONAL CONFEDERATION OF WORKERS IN CREDIT INSTITUTIONS

Signed: Huberto Menezes Pinheiro
President



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FROM: Sao Paulo

TO: Secretary of State

INFO:

RM/R FILES

NO: 47, September 12, 6 p.m.

PRIORITY

ACTION DEPARTMENT 47, RIO DE JANEIRO PRIORITY 20, SANTOS UNNUMBERED, INFORMATION BRASILIA PRIORITY 4.

Apparent failure Communist-led general strike September 12 Santos greatly diminishes chances success there of general strike threatened nation-wide September 15. Of all Sao Paulo cities Santos normally most susceptible Communists-led strikes. Santos Communists apparently jumped gun and weakened position. State government's strong support Santos mayor's anti-strike stand lessens prospects successful general strike elsewhere Sao Paulo state.

BRADDOCK

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SAO PAULO 47

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NUMBERED
Control: 9806
Rec'd: SEPTEMBER 13, 1962
2:11 P.M.

FROM: SANTOS

TO: Secretary of State

NO: 5, SEPTEMBER 12

FILED
OCT 15 1962

ACTION
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RM/R FILES

ACTION RIO DE JANEIRO 3, INFORMATION DEPARTMENT 5, BRASILIA 4, SAO PAULO UNNUMBERED.

ARRIVAL FOCA PUBLICA (STATE MILITIA) DESPATCHED BY SAO PAULO TEMPORARY GOVERNOR SYLOS CINTRA PURSUANT REQUEST BY SANTOS MAYOR JOSE GOMES PLUS STRONG SUPPORT SANTOS POLICE AND RANKING LOCAL ARMY COMMANDER, COLONEL MOUTINHO DA COSTA, AS WELL AS IMPRISONMENT LEADERS FORUM SINDICAL DE DEBATES (CITY LABOR CENTRAL CONSISTING 56 UNIONS) DISRUPTED GENERAL STRIKE ADVOCATED BY EXTREME LEFT WING ELEMENTS IN FSD SCHEDULED 12.01 A.. TWELFTH. STRIKE ONLY PARTIALLY SUCCESSFUL MORE THAN 10 UNIONS REFUSED PARTICIPATE. SOME SHIPS LOADING AND DISCHARGING. STORES OPEN OFFICES GENERALY MANNED. PERSONNEL SANTOS JUNDIAI RAILROAD ON STRIKE FORCING CLOSING COMPANHIA SIDERURGICA PAULISTA: STEEL MILL UNDER CONSTRUCTION NEARBY CUBATAO SINCE WORKERS LACKED TRANSPORTATION. STREETCARS OPERATED BY SANTOS CITY FIREMEN BUSES BY CIVIL POLICE AND SOLDIERS ON NEAR NORMAL SCHEDULE. TROOPS ARMED SUBMACHINE GUNS PATROLLING RAILWAY AND BUS STATIONS TO SAO PAULO AND A TRIBUNA LOCAL NEWSPAPER WHICH DENOUNCED STRIKE. NO INCIDENTS REPORTED.

COLONEL COSTA AVERRED GENERAL STRIKE ILLEGAL BECAUSE DIRECTED BY ENEMIES CITY WHO ARE ANTI-SOCIAL ANTI-POPULAR ANTI-NATIONAL AND ANTI-DEMOCRATIC" SANTOS BISHOP SOARES PUBLICLY CONDEMNED STRIKE AS DID MANY CITY OFFICIALS. LOCAL RADIO STATIONS APPEALED TO WORKERS EVERY HALF HOUR EVENING ELEVENTH TO IGNORE STRIKE CALL. MAYOR GOMES SENT TELEGRAM TO PRESIDENT GOULART ELEVENTH ASKING HIM TO APPEAL TO LEADERS OF FSD NOT TO STRIKE.

WHILE GENERAL STRIKE WAS OSTENSIBLY [illegible] SUPPORT OF STREET CAR MOTORMEN

SANTOS 5 832.05/9-1262

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MOTORMEN AND CONDUCTORS WHO HAVE BEEN STRIKING AGAINST MUNICIPALLY OWNED STREET CAR COMPANY SINCE FIFTH FOR 57 PERCENT WAGE INCREASE PLUS FRINGE BENEFITS (45 PERCENT WAS OFFERED) FSD ISSUED MANIFEST STATING STRIKE WAS ALSO 1) DIRECTED AGAINST "INCREASE ON COST OF LIVING" WHICH MAYOR GOMES PROPOSED AGGRAVATE BY INCREASING STREET CAR FARES TO COMPENSATE FOR SALARY INCREASE 2) THAT INCREASED FARES COULD BE AVOIDED BY BUYING OIL FROM GOVERNMENT OWNED OIL MONOPOLY PETROBRAS RATHER THAN FROM "FOREGIN OWNED ELECTRIC LIGHT COMPANY" (NO MENTION MADE OF HOW BUSSES WOULD BE OBTAINED) 3) TO PRESERVE LABOR UNION UNITY AGAINST ATTEMPTS BY THE DEMOCRATIC LABOR MOVEMENT AND ORGANIZATION IN THE "SERVICE OF INTERNATIONAL ECONOMIC GROUPS AND POLITICAL PARTIES UNDER DOMCNATION OF RULING CLASSES" 4) TO INSURE THE IMMEDIATE CONSTITITUION OF "DEMOCRATIC AND NATIONALIST GOVERNMENT WHICH WOULD INCLUDE THE PROLETARIAT"

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ORIGIN/ACTION

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DEPARTMENT OF STATE

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TO : DEPARTMENT OF STATE

FROM : Amcongen SÃO PAULO DATE: September 12, 1962

SUBJECT : International Metalworker Federation (IMF) Activities in São Paulo

REF : Congen Airgram No. A-5 of July 11, 1962

Daniel BENEDICT, International Metalworker Federation (IMF) Interamerican Secretary, left São Paulo on August 24, 1962 for Geneva, Switzerland, where he will take up his new duties as IMF Assistant Secretary General. Before his departure Mr. Benedict informed the Labor Officer that Alberto NIEVES, IMF Representative for the Southern Zone of Latin American and a Uruguayan citizen, would probably shift his base of operations from Montevideo to São Paulo in the near future. Fernando MELGOSA, IMF Representative for the Northern Zone of Latin America and a Mexican citizen, was expected to remain based in Mexico City.

With respect to future IMF plans in Brazil, Mr. Benedict is attempting a feint. He is trying to give the Communists the impression that his next goal is IMF affiliation by the State Federations of Metalworkers in Rio de Janeiro (State) and in the North and Northeast of Brazil, while in fact he intends to concentrate first on obtaining the IMF affiliation of the Minas Gerais, Paraná and Rio Grande do Sul State Federations.

The affiliation of the São Paulo State Federation of Metalworkers to the IMF, reported in the airgram under reference, has now been formalized. According to figures supplied by Mr. Benedict to the Labor Officer, the total number of members for which the 25 local unions of metalworkers in the State of São Paulo pay dues to the State Federation approximates forty thousand. These figures also show

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Drafted by: JLiebof/lfw 9/11/62

Cleared by:

Classified by:

Subject to GDS Classification Approved by:

0544

that the São Paulo City local union of metalworkers (reportedly the largest in Brazil) pays dues to the State Federation on the basis of 12,391 members, out of an estimated total occupational category approaching 200,000. It is symptomatic of the current Brazilian labor scene that the same local union claims to have 90,000 dues-paying members. Mr. Benedict's figures also show that of the five largest (in number of dues-paying members) local unions of metalworkers in the State (São Paulo City, Santos, and the 3 key industrial satellite cities of Santo André, São Bernardo and São Caetano), all but the Santos local is Communist-controlled.

According to Mr. Benedict, Santos is being considered as the site for an IMF Inter-American Conference tentatively planned for 1963.

As of possible interest to the Department of Labor, five copies of the July-August issue (Portuguese version) of "Metal," IMF Latin American periodical, are enclosed.

Comment: During his six months in São Paulo Mr. Benedict consistently collaborated with the Consulate General's Labor Officer. The latter found this collaboration extremely helpful in following the twists and turns of a constantly shifting and remarkably complex local labor scene.

Daniel M. Braddock
Minister Consul General

Enclosures:

5 copies of "Metal" July-August 1962 issue.

Distribution:

Amembassy Rio 2 (1 for Mr. Friedburg), Amembassy Brasília, ARA Labor Adviser, Labor Dept. 2 (for Mr. Steinbach OIOA/ILAB and Mr. Bazan ILAB).

0545

ACTION COPY

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RIO 607

43

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Control: 10192

Rec'd: September 13, 1962 7:34 p.m.

Action
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INFO:
RM/R FILES

FROM: Rio de Janeiro

TO: Secretary of State

NO: 607, September 13, 7 p.m.

In public statement issued September 12 Goulart expressed understanding "uneasiness of labor," sympathy their "afflictions" but asked "working classes...maintain order... respecting democratic institutions." Meanwhile, general strike commission softened earlier strike threat by announcing same day that labor's position "depends on conduct of Congress" and since "anything capable precipitating decision...there no longer date set for anything."

Possibility not to be discounted Goulart statement reflects fears counterproductive effect general strike threat or loss personal control as seems to have occurred early July general strike. More likely, however, both announcements designed by Goulart reassure public while maintaining pressure on Congress vote plebiscite.

GORDON

LM:CT

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Control: 9836
Rec'd: September 13, 1962
2:25 p.m.

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FROM: Santos

TO: Secretary of State

NO: 7, September 13

ACTION RIO-DE-JANEIRO 5, INFORMATION DEPARTMENT 7, BRASILIA 6, SAO PAULO UNNUMBERED.

Ominous pall overhangs Santos on second day general strike which still only partially effective. Wage agreement signed by striking motormen and conductors 13th but workers did not return work today. Port shut down. Number of arrests of second string labor leaders but only one ring-leader Antonio Guarnieri Vice President Forum Sindical de Debates Imprisonad. Geraldo Silvino de Oliveira reputed Communist President FSD and eight others similar still at large and underground. Outside influences, particularly from Rio reportedly influencing course event here. City tense and quiet no incidents.

PYLE

DMJ

SANTOS 7

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OCT 15 1962

332.062/9-1362

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Control: 11355
Rec'd: SEPTEMBER 14, 1962
7:28 PM

FROM: SANTOS

TO: Secretary of State

NO: 8, SEPTEMBER 13, 2 PM

ACTION
INFO:
RM/R FILES

ACTION RIO DE JANEIRO 6, INFORMATION DEPARTMENT 8, BRASILIA 7, SAO PAULO UNNUMBERED.

CONTEL 4.

CONSULATE INFORMED BY CHARLES EDWARD DIRECTOR AGENCIA MARITIMA DICKENSON THAT WALKOUT STEVEDORES WHICH CLOSED PORT TODAY RESULT INSTRUCTIONS RECEIVED UNIONS NATIONAL HEADQUARTERS RIO LUCIONO LEPERA COMMUNIST SAO PAULO PTB STATE DEPUTY IN SANTOS AGITATING WORKERS STRIKE INFERRING IF NOT ACTUALLY SAYING SO STRIKE HAS BLESSING GOULART PORT TIEUP REPORTEDLY PRELUDE NATIONWIDE STRIKE FIFTEENTH 70 PEOPLE NOW UNDER ARREST SITUATION DETERIORATING.

ALTHOUGH APPARENTLY NOT RELATED STRIKE BUT PERHAPS OF SIGNIFICANCE IS FACT THAT RETIRED ARMY COLONEL VISITED R. HANSFORD PRESIDENT SANTOS LIGHT COMPANY ON 11TH REQUESTING LIST PERSONS CONSIDERED COMMUNISTS BY COMPANY EXHIBITED DOCUMENTS ATTESTING FACT MISSION AUTHORIZED BY SECOND ARMY COMMAND SAO PAULO COMMENT LATTER MAY INDICATE ARMY ROUNDUP READS SHOULD MILITARY INTERVENE RESULT FUTURE BREAKDOWN LAW AND ORDER.

PYLE

FKG/23

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SANTOS 8
732.00/9-1362

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OCT 15 1962

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0548

INCOMING TELEGRAM *Department of State* ACTION COPY PERMANENT RECORD COPY

43 M — LIMITED OFFICIAL USE — NUMBERED

Action — Control: 13081
Rec'd: September 17, 1962
9:55 p.m.

ARA Info

FROM: Sao Paulo

TO: Secretary of State

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NO: 48, September 15, 1 p.m.

PRIORITY

ACTION DEPARTMENT 48, INFORMATION RIO DE JANEIRO 21, BRASILIA 5

General strike having no apparent significant success so far Sao Paulo city. Committee attempt paralyze urban transport failed. Commerce and most industry normal, situation calm. No known important stoppages other cities this state except Santos, where port, most industry, and railroads remain closed.

State police maintaining order and preventing picketing. No violence reported. Army declares support law and order but not active. Governor continues on leave of absence for electoral campaign; apparently does not believe situation sufficiently serious require return to office.

BRADDOCK

LM:RB

SAO PAULO 48 832.00/9-1562

FILED
SEP 1 1962

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0549

ORIGIN / ACTION		
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RM/R 2	REP 1	AF
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AGR	COM 10	FRB
INT	LAB 6	TAR
TR	TMB	AIR
ARMY	CIA 10	NAVY
OSD	USIA 8	NSA 3
RMR/AN-MCG 1		

DEPARTMENT OF STATE

AIRGRAM

832.062/9-1762

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66 NO. — OFFICIAL USE ONLY — HANDLING INDICATOR

TO : DEPARTMENT OF STATE

INFO: RIO DE JANEIRO

DEPARTMENT OF STATE
BUREAU OF
INTER-AMERICAN AFFAIRS
SEP 25 1962

FROM : Amcon SÃO PAULO

DATE: September 17, 1962

SUBJECT: Plans of New President of Federation of Industries

REF :

File-Km 12
9/18-Jww

MEMORANDUM OF CONVERSATION

DATE: September 14, 1962

PLACE: Federation of Industries of the State of São Paulo

PARTICIPANTS: Sr. Rafael NOSCHESE, President-Elect of Federation
Consul Richard C. DESMOND, AmConGen, São Paulo
Vice Consul David P. MANN, AmConGen, São Paulo

Copies To: Minister Daniel M. Braddock
AmEmbassy, Rio de Janeiro
ARA (lcc) by Pouch
INR (lcc) by Pouch

Consul Desmond and Vice Consul Mann called upon Sr. Noschese in view of his recent election to the presidency of the Federation of Industries of the State of São Paulo (FIESP) for a two year term commencing September 26, 1962. Sr. Nochese, an engineer, is a manufacturer of bathroom fixtures. He studied engineering at New York University.

Asked about his plans for the Federation during his presidency, Sr. Noschese said that he is determined to wage an active and continuous publicity campaign in behalf of private enterprise. He said he believes that socialistic theories and the idea that the Government can somehow operate

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FORM DS-323

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Drafted by: ECON/DPMann/cz 9/17/62

Contents and Classification Approved by:

Clearances:

0550

São Paulo
A-66
9/17/62

enterprises more effectively than private owners are widespread among university professors, students, labor leaders, and many politicians, in spite of the poor results and deficits which are typical of most Government corporations in Brazil. He indicated his belief that the campaign must present serious and persuasive arguments and, in this connection, agreed with Mr. Mann's observation that a recent series of "singing commercials" for free enterprise broadcast on some São Paulo radio stations may be too superficial to have much impact.

Sr. Noschese spoke favorably of the Alliance for Progress. He said he plans soon to seek an interview with Minister Braddock in order to submit some suggestions on how the Alliance could spend some funds on vocational education projects in the State of São Paulo. Regarding his qualifications to make suggestions about vocational education, he said he is a former director of SENAI, the national organization financed by industry for vocational and apprentice training. He said he thinks the Alliance could be especially effective in the field of education and that he disagreed with the recently expressed view of ex-President Kubitschek's principal adviser on economic development to the effect that the Alliance should concentrate entirely on big projects in basic industries.

Sr. Noschese said he regards the forthcoming election as "terribly important," and indicated that FIESP is not limiting its campaign contributions solely to candidates in the State of São Paulo. Among other political objectives, he said he hopes that the more restrictive features of the Remittance of Profits Law, especially the several "Celso Brant" provisions reinserted by the Chamber of Deputies into the Mem de Sá bill (Congen A-40, August 22, 1962) will soon be modified.

For the Minister Consul General:

Richard C. Desmond

Richard C. Desmond
Consul

0551

INCOMING TELEGRAM **Department of State** PERMANENT RECORD COPY

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Control: 13656
Rec'd: September 18, 1962
12:12 P. M.

36-H Action
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FROM: Rio de Janeiro

TO: Secretary of State

NO: 637, September 17, 5 P. M.

PRIORITY.

Following from Brasilia.

Embassy telegram 629.

(1) As anticipated (Embassy telegram 554) Congress has approved however reluctantly legislation meeting President's demand for early plebiscite (January 6, 1963) which now signed by President thus bringing political crisis to end. This solution to political crisis, unless court declares it unconstitutional (not likely) should lead eventual settlement of what grew to be institutional crisis created by President's determination force return of Presidential system of government, which goal it generally conceded he has now all but reached.

(2) Way now opened for peaceful elections on October 7 which factor was foremost in minds of most legislators who voted January 6 referendum.

(3) Unexpected development was fall of Brochado Da Rocha cabinet which became inevitable when apparent that so-called eminent constitutional layer was sold bill of goods (August 17 agreement - Embassy telegram 586 and 587) by shrewder politicians and that he was temperamentally unfit for rough and tumble of Brazilian politics and thus of no further use to President.

(4) President's victory was achieved by exercise military and labor pressure which brought in its wake breakdown of PSD-UDN / working

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RIO 637

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Control: 136559
Rec'd: September 18, 1962
12:38 p.m.
INFO:
RM/R FILES

FROM: Rio de Janeiro

TO: Secretary of State

NO: 635, September 18, 11 a.m.

ACTION DEPARTMENT 635, INFORMATION POLAD CINCARIB 6

Though some stoppages occurred, general strike called midnight September 14 by Comando Genal dos Trabalhadores essentially failed. Telephone workers, gas and light, professional driver, bank clerks, and other groups reported for work as usual. Industry reported almost 100 percent attendance September 15 Rio. Cecil Borer, tough anti-communist professional police official named by Lacerda to head special strike squad, arrested more than 400 strike leaders and pickets as violating national security law. Policemen attempting arrest members supreme strike command September 15 as well as Raimundo Almeida, director Brizzola-owned radio station Mayrink Veiga, were prevented from doing so by troops First Army. Nationwide reports indicate strike largely unsuccessful throughout Brazil.

Strike command announced termination stoppage for 5:00 PM September 17. Though leaders termed strike "victorious" its obvious failure raises serious doubts political efficacy Goulart's labor arm.

GORDON

LTR/6

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ORIGIN/ACTION: ARA-4

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OSD	USIA	NSA 3

32

81

DEPARTMENT OF STATE

AIRGRAM

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CA-3008 NO.

CONFIDENTIAL HANDLING INDICATOR

TO : Amembassy, RIO DE JANEIRO

Info: Amcongen, RECIFE

SEP 19 10 56 AM '62

FROM : Department of State DATE: September 7, 1962

SUBJECT : Assistance to Rural Labor Unions in the Brazilian Northeast

REF : Recife's A-15 August 13, 1962 532.002

Desire your comments on Recife's recommendations with regard to assistance to democratic rural labor unions in the Brazilian Northeast. If you concur, would you suggest specific ways of implementing any or all of these recommendations.

RUSK

Circular CA-3008

532.062/9-1962

Declassified by NARA

(1)

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FORM DS-323 4-62

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Drafted by: ARA:EST/B:[illegible]:alc 9-7-62

Contents and Classification Approved by: ARA:EST - Mr. Wellman

Clearances: RPA: Mr. Rowell [illegible] CU - Mr. Boerner

AID: Mr. Scherbak

0554

ORIGIN ARA-4

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DEPARTMENT OF STATE

AIRGRAM

832.062/10-362

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A-386 — CONFIDENTIAL — HANDLING INDICATOR

TO : Department of State

Info: Amcongen, RECIFE and pass to USAID

Distribution: São Paulo

FROM : Amembassy, RIO DE JANEIRO DATE: October 3, 1962

SUBJECT : Assistance to Rural Labor Unions in the Brazilian Northeast

REF : CA 3008

Embassy and USAID are contemplating grass roots workers educational program for Brazil. (See activity 512-AE-41-AG-5)

Program will include in country training of rural leaders and workers also possible establishment of appropriate co-ops. Plan to utilize, through accredited agencies, distribution of food for labor. (See AIDTO CIRCULAR LA 55, Section 3)

Discussions will be carried out with Consulate General of Recife and USAID Recife to determine ways of implementing program in the Northeast.

For the Ambassador:

Harold Shapiro
Harold Shapiro
Asst. Labor Attaché

FILE
No Action
ARA:LA/BR
R. Burton
AUG - 5 1963

HShapiro:ss
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FORM DS-323 4-62

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Drafted by: Harold Shapiro, Asst. Labor Att.

Foreign and Classification Approved by: Niles W. Bond, Minister-Counselor

Clearances:
AID: Ramon Solana

0555

ORIGIN/ACTION: ARA-4

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OSD	USIA 8	NSA 3

PM/A-E-1

DEPARTMENT OF STATE

AIRGRAM

832.062/10-2662

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A-38 NO. CONFIDENTIAL

1962 NOV 9 AM 8 39

XR-811.00-32 HANDLING INDICATOR

TO : DEPARTMENT OF STATE

INFO: RIO DE JANEIRO

R/PAM ANALYSIS & DISTRIBUTION BRANCH

FROM : Amconsul RECIFE

DATE: October 26, 1962

SUBJECT : Aid to Rural Labor Unions (832.062/XR-811.323)

REF : ARA- Deptel 927, Rptd Info Recife 147

A Stan Russell 11/20

JOINT CONSULATE GENERAL/USAID MESSAGE.

The Consulate General and USAID/NE believe that rural labor unions could be strengthened effectively through a program of loan assistance for the purpose of initiating self-help housing construction projects and creating production and marketing cooperatives. The establishment of union-run trade schools seemingly would conflict with other USAID efforts in the field of vocational training and therefore is not recommended.

If the Department and the Embassy concur, the Consulate General and USAID/NE will undertake to discuss this possibility with union leaders in Rio Grande do Norte, the State in which the union movement is most advanced, with a view toward initiating a pilot program there in early FY-1964. Assuming the success of the pilot program, similar assistance could be planned for unions in other states for FY-1965.

Paul C. Kilday, Jr.

D. Eugene Delgado-Arias
American Consul General

FILE

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No Action
ARA:LA/BR
R. Burton
AUG - 5 1963

FORM DS-323 4-62

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Drafted by:	Contents and Classification Approved by:
Kilday:ag	E.Delgado-Arias
Clearances:	John C. Dieffenbach

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DEPARTMENT OF STATE

AIRGRAM

832.062/11-662

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A-46 NO. | UNCLASSIFIED | 1962 NOV 13 AM 8 27 HANDLING INDICATOR

TO : DEPARTMENT OF STATE

INFO: RIO DE JANEIRO, BRASILIA

RECORDS ANALYSIS & DISTRIBUTION BRANCH

FROM : Amconsul RECIFE DATE: November 6, 1962

SUBJECT : Brazilian Rural Labor Unions

REF :

LM/R-Hall
RB - 11/20

The attached table, which was compiled on the basis of information furnished by MARIA JULIETA COSTA CAIAZANS of Rio Grande do Norte, may be of interest to the Department. The table indicates the number and location of the rural labor unions already recognized by the Ministry of Labor as well as the number and location of those organized but not yet conceded recognition. The table also indicates the estimated number of union members in each of the various states.

Lowell C. Kilday
American Vice Consul

Enclosure:

1. Table of Rural Labor Unions.

DEPARTMENT OF STATE
BUREAU OF INTER-AMERICAN AFFAIRS
NOV 14 1962
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FORM 4-62 DS-323

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Drafted by: LCKilday:ag	Contents and Classification Approved by:
Clearances:	

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NUMBER AND LOCATION OF RURAL LABOR UNIONS IN BRAZIL***

STATE	NUMBER OF RECOGNIZED UNIONS	ORGANIZED BUT NOT YET RECOGNIZED	TOTAL NUMBER OF MEMBERS (ESTIMATED)
Piauí	1	--	2,000
Ceará	5	3	1,200
Rio Grande do Norte	8	18	30,000
Paraiba	5	3	3,000
Pernambuco	6	7	28,000
Sergipe	6	7	3,500
Rio de Janeiro	--	16	15,000
Sao Paulo	10	35	50,000
Rio Grande do Sul	16	56	80,000
	57	145	212,700

*** As of July 15, 1962.



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Control: 17765
Rec'd: September 27, 1962
4:30 p.m.

ACTION: ROME
INFO:
RM/R FILES

9/24/62

Recife 148

FROM: Recife

TO: Secretary of State

NO: 148, September 21, 5 p.m.

ACTION RIO DE JANEIRO 158, INFORMATION DEPARTMENT 148.

Pernambuco state government employees strike called today so far not generally obeyed. Port, which operated by state, closed for seventh time this year. Employees of water works, state highway department and some office workers struck. Possibility employees power company, formerly Pernambuco Tramways, will also walk off.

Ostensible issue is wage increase. Employees want reorganization civil service system with accompanying 70 to 80 percent increase, while Governor Sampaio refusing budge from offer 40 percent bonus. Bonus plan already presented state legislature, but as majority deputies out campaigning legislative action unlikely until after elections. At any rate workers have already refused proposal.

More realistic motivations behind strike of political nature. Primary aim seems to be embarrass Governor Sampaio and gubernatorial candidate Cleofas, at crucial point in campaign. Leftist ULTIMA HORA giving story big play. In addition, leaders association state employees, Batista de Souza, candidate for state deputy, apparently seeking publicity in role defender workers rights to ensure election.

DELGADORARIAS

HC

Note: Message delayed in transmission.

(2)

832.062/9-2162 XR 732.00

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OCT 1 1962

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ORIGIN/ACTION

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TR	EMB	AIR
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DOD	USIA 8	NSA 9
		NSC 7

(3)

DEPARTMENT OF STATE

AIRGRAM

832.062/10-562

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KK832.061
HANDLING INDICATOR

732.00

TO : DEPARTMENT OF STATE

INFO: RIO DE JANEIRO

DEPARTMENT OF STATE
BUREAU OF
INTER-AMERICAN AFFAIRS
OCT 12 1962

FROM : Amcon SÃO PAULO

DATE: October 5, 1962

SUBJECT: President of Federation of Industries of State of São Paulo Takes Office for Two Years

REF : CERP, D

RM/R-Yuri 10/15/62 JWW

(Begin UNCLASSIFIED)

Under the presidency of Rafael NOSCHESE, the new slate of directors of the Federation and Center of Industries of the State of São Paulo (FIESP-CIESP) took office for a two-year term commencing September 26. The event is of some importance on two counts: 1. FIESP-CIESP is the major trade association in the State of São Paulo, and the opinions of its leaders carry considerable weight in São Paulo's political, financial, and business circles, while its influence at times is felt on the national political-economic scene; and 2. This is the first time that FIESP-CIESP elects a new president in ten years, inasmuch as, for five consecutive terms, no candidate ran against the solidly entrenched incumbent, Antonio DEVISATE, since his election in September 1952.

The speech Mr. Noschese gave at the FIESP inaugural ceremonies on September 26 carefully avoided reference to political figures or parties. It expressed some interesting views, including some of the opinions expressed a few days earlier to officers of this Consulate General (see Airgram A-66 of September 17), on the role Brazilian industry should play in the country's economic and social development.

Mr. Noschese stressed that private enterprise and a democratic regime offer the most favorable conditions for economic development and social progress. He advocated urgent measures to reduce the inflationary spiral through the establishment of an adequate credit policy, the stabilization

FORM DS-323

FILED
Contents and Classification Approved
OCT 15 1962

Typed by: Ventura

ECON/ADVentura/cz 10/4/62

Clearances:

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In Out

0560

A-90
10/5/62
São Paulo

of federal spending, and a closer rein on periodic wage increases to workers to be maintained at levels not exceeding the rise in cost-of-living (in this connection he was critical of the high wages paid to workers of such government-run operations as the railroad system, ports, and the merchant marine, which are completely out of proportion to average wage scales).

The FIESP president expressed the opinion that the industrial boom of the past fifteen years is due, in part, to efforts of industry to manufacture locally a wide range of products, including production goods, that had been imported in the past. As the first edge of public demand wears off in a few years, so will the dynamic development of Brazilian industry, unless unstinting efforts are now made to expand local consumer markets and aggressively open and develop new export markets to absorb some of the products which have not traditionally been supplied by Brazil.

Mr. Noschese indicated his support of the SUDENE[1]/ in its efforts to close the economic and social gap between Northeast Brazil and the rest of the country and urged that the São Paulo State Government and local investors continue to extend financial assistance, and set up industrial facilities in that area.

The speaker strongly attacked those forces which "under the mask of nationalism . . . prey on the patriotic spirit of the people, and try today to turn the regime of free enterprise into a tyranny of the State, where there exists but one political party."

Mr. Noschese concluded his speech by pointing out that one million new jobs must be created every year, and that neither the State nor the nationalization of economic activities can achieve this aim. He alluded to the failure of the Government to operate efficiently in areas of activity running parallel to those of private enterprise, and blamed political pressure and bureaucratic "red-tape" as the major negative factors. He emphasized that demographic growth is above 3 percent per annum in Brazil, and that this phenomenon merits the continued attention of the local industry which must provide ever increasing investments to offer new jobs for the people. Finally, Mr. Noschese expressed the hope that State intervention in economic life would be limited to a strict minimum, thus giving adequate incentive to private enterprise. (End UNCLASSIFIED)

(Begin OFFICIAL USE ONLY) Comment: Mr. Rafael Noschese, 52, is a sober, reputable, businessman of liberal tendencies. Together with members of his family, he runs S. A. Comércio e Indústria Souza Noschese (manufacturers of bathroom fixtures) and Metalurgica Ferrotil S. A. (a medium-sized metalurgy whose



A-90
10/5/62
Sao Paulo

products are sold in large part to the former company).

The election of Rafael Noschese is the result of a tug-of-war between the more conservative members of the Federation of Industries, who wanted to maintain Mr. Antonio Devisate president of FIESP for another two years, and the younger, more radical, emotional and aggressive group of industrialists, led by Fernando GASPARIAN 2/, who wanted a more "nationalistic" president who would back more vigorously demands for the extinction of privileges extended to foreign companies to import machinery and equipment without exchange cover, and a legislation regulating the remittance abroad of profits amassed by these companies. Several months ago, a stalemate developed, with neither group accepting the name of any of the candidates suggested by the other group. It is reported that the faction led by Mr. Gasparian finally relented and accepted the nomination of Mr. Noschese, in order to avoid that news of the split between important members of FIESP should become public.

Mr. Noschese will probably follow a middle-of-the-road policy. He has numerous friends in both the conservative and radical factions of FIESP, and it is believed his term of office will be an easier one than the last term of Mr. Devisate. FIESP's former president was the constant aim of the attacks led by the Gasparian group in the past two years, and in effect finally gave up his mandate in all but in name a few months ago when he travelled to Europe on a pretext of poor health. (End OFFICIAL USE ONLY)

For the Minister Consul General:

Richard C. Desmond

Richard C. Desmond
Consul

1/ Superintendency for the Development of the North East.

2/ Known for his continued opposition to SUMOC instruction 113, which authorized foreign companies to import machinery and equipment without exchange coverage as part of their investment, Mr. Fernando Gasparian is the brilliant younger member of a wealthy São Paulo family which owns one of the largest textile enterprises in Brazil. During the July political crisis, his name was rumored in São Paulo circles as being President Goulart's choice for Federal Minister of Industry and Trade, a post to which he was not named however.

0562

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OUTGOING TELEGRAM Department of State

INDICATE: ☐ COLLECT ☐ CHARGE TO

CONFIDENTIAL
Classification

Origin

ACTION: Amembassy, Rio de Janeiro 927

Info:

INFO: Recife 147

JOINT STATE/AID MESSAGE

832.062

Expedite cable reply Dept CA-3008.

Specifically do you recommend leader grant for Father Crespo under exchange program as first step? If so, submit required information and indicate timing.

Also would appreciate your views possibilities eventual loans to rural unions for such purposes as (a) union-sponsored savings and loan associations for housing where major self help element could consist of self help construction with perhaps commitment to help in construction of houses for other members of association as partial repayment, (b) production cooperatives and (c) trade schools.

This message coordinated with Fishburn.

END

RUSK

RIO 927

832.062/10-1062

Determined by RMR

(3)

Drafted by: ARA:EST/B:JWWilson:alc 10/9/62

Telegraphic transmission and classification approved by: EST - Mr. Wellman

Clearances: RPA - Mr. Rowell
AID - Mr. Tragen
CU - Mr. Mulligan (in substance)
Mr. Fishburn (substance)
AID - Mr. Burton

CONFIDENTIAL
Classification

FORM S-61 DS-322

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0563

ORIGIN/ACTION		
ARA-9		
RM/R 2	REP 1	AF
ARA	EUR	FE
NEA	CU 3	INR 5
E 9	P	IO 2
L	FBO	AID 11
AGR	COM	FRB
INT	LAB 6	TAR
TR	XMB	AIR
ARMY	CIA 10	NAVY
OSD	USIA	NSA 3

DEPARTMENT OF STATE

AIRGRAM

832.062/10-2562

FOR RM USE ONLY

A-37 NO. | CONFIDENTIAL | HANDLING INDICATOR

TO : DEPARTMENT OF STATE

1962 OCT 29 AM 9:00

DEPARTMENT OF STATE BUREAU OF INTER-AMERICAN AFFAIRS OCT 31 1962

INFO: RIO DE JANEIRO

RM/R ANALYSIS & DISTRIBUTION BRANCH

FROM : Amconsul RECIFE

DATE: October 25, 1962

SUBJECT : Rural Labor Unions

REF : Recife's A-6, Dept.'s CA-1231, Recife Tel 152, Dept. Tel 927 to Rio, Rptd. Info 147 to Recife.

The desirability of inviting certain rural labor union leaders to the United States has been discussed with Padre PAULO CRESPO of Pernambuco, Auxiliary Archbishop Dom EUGENIO SALES of Rio Grande do Norte and Miss MARIA JULIETA COSTA CALAZANS, also of Rio Grande do Norte. All are key leaders of the rural union movement in this area and, in varying degree, all are involved in the effort to establish a national confederation of rural labor unions.

The three agreed that it would be eminently desirable to establish contact with the American labor movement and, possibly, with the National Catholic Welfare Conference. The immediate purpose of such contact would be to request assistance. They felt that the visit to the United States of one or two persons involved in the leadership of the movement would serve well to establish this contact, and to this end Miss Calazans furnished the list of leaders which is enclosed herewith.

It is the belief of the Consulate General that Miss Costa Calazans is probably the person most qualified to speak for the union movement in Rio Grande do Norte and the developing national confederation. (Padre Paulo Crespo of Pernambuco would likewise be an effective spokesman but it is doubtful that he would be able to accept an invitation to visit the United States now due to his preoccupation with the problem of leader training in Pernambuco.) Accordingly, the Consulate General nominated Miss Calazans for a Leader Grant in Contel 152. The other persons named on the enclosed list all hold positions of influence within the movement and might be considered for Leader Grants at a later date. For the present, however, it is recommended that a Leader Grant invitation be extended only to Miss Calazans.

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Drafted by: L.C.Friday:ag | Contents and Classification Approved by:

Clearances:

0564

CONFIDENTIAL

Eugene Delgado-Arias

Eugene Delgado-Arias
American Consul General

Enclosure: as: WDP

Partial List of Leaders in Rural Labor
Union Movement.

CONFIDENTIAL

NCL

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CONFIDENTIAL

PARTIAL LIST OF LEADERS IN RURAL LABOR UNION MOVEMENT

Pernambuco:	Joao Moura Tavares Rua Esperanto, 436 Recife
	Padre Paulo Crespo Jaboatão
	Manoel Goncalves Ferreira President, Pernambuco Federation of Rural Syndicates Povoado São Lázaro Panelas
Piauí	Manoel Emilio Bulamarqui de Oliveira Rua Lizandra Nogueira 1309 Terezinha
Rio Grande do Norte	Maria Julieta Costa Calazans Rua Areia Preta 854 Natal
	José Rodrigues Sobrinho President, Rio Grande do Norte Federation of Rural Syndicates Praca Pio X 335 Natal
Rio de Janeiro	Padre Antonio de Costa Carvalho Avenida Amaral Peixoto 450, Sala 401 Niteroi
São Paulo	Francisco Antonio de Oliveira President, São Paulo Federation of Rural Syndicates, Rua Regente Feijo, 1421 Campinas
Sergipe	Joaquim Acioly da Silva Praca Olimpio Campos, 228 Aracaju
	Joaquim Batista Sobrinho President, Sergipe Federation of Rural Syndicates Fundacão Manoel Cruz Avenida Joao Ribeiro,, 846 Aracaju

0566

This list includes only four persons who are actually members of rural syndicates. However, the other six persons on the list are probably more important to the movement than the top union members, since it is they who furnish the real leadership and guidance, and it is they who are primarily responsible for the development of the movement.

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INCOMING TELEGRAM *Department of State*

ACTION COPY
PERMANENT RECORD COPY

55-L SECRET

Action ARA

Control: 19268
Rec'd: October 27, 1962
3 P.M.

Info SS G SP L SAL EUR IO P IOP SCA INR RMR

FROM: Rio de Janeiro
TO: Secretary of State
NO: 899, October 27, 2 p.m.

INFO: RPA 001
RM/R FILES 6

File w/ RPA 1514

NIACT

LIMIT DISTRIBUTION

President Goulart called me to Palace 11 a.m. Saturday to discuss various aspects Cuban problem.

On stevedore union threat strike handling American ships, which Acting Labor Attache had taken up Friday with Gilberto Crockett, Goulart said he had called in union leaders Friday night, told them Brazil officially supporting blockade, and ordered them not to begin private war with US contrary GOB policy. Said they concurred and would issue official order today disclaiming intention strike.

Goulart then showed me letter just received from Tito of Yugoslavia asking GOB support in UN for suspension blockage in exchange Soviet promise stop sending arms to Cuba. I said difficulty this proposal was that Soviets had just demonstrated their untrustworthiness by introducing offensive arms in Cuba in face categorical assurances to contrary by both Khrushchev and Gromyko. Continuing blockage necessary until missile bases dismantled. Goulart appeared accept this argument noting that text Tito letter implicitly admitted Soviet offensive arms shipment. (Khrushchev public statement on Cuba and Turkey not available at time of conversation) Goulart then asked whether I saw any possibility UN taking over responsibility for blockade. I replied, that, apart from political aspects, this seemed to me technically very difficult. UN had had gravest difficulties organizing ground forces, and blockade was major naval operation for which very few countries equipped. I also

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(2)

• This copy must be returned to RM/Secretariat files with notations as to action taken
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ACTION ASSIGNED TO	ARA	ACTION TAKEN		DIRECTIONS TO RM/R	file
NAME OF OFFICER & OFFICE SYMBOL	BARTO	DATE OF ACTION			

GPO 930 906

0568

ORIGINATOR

ARA 4

RM/R	REP	AF
1	1	
ARA	EUR	FE
NEA	CU	INR 5
E	P 1	IO 2
L	FBO	AID 12
AGR	COM	FRB
INT	LAB 6	TAR
TR	XMB	AIR
ARMY	CIA 10	NAVY
OSD	USIA 8	NSA 3

RMR-E-1

DEPARTMENT OF STATE

AIRGRAM

900.062/10-2962
XR 811.062
FOR RM USE ONLY

A-478 NO. | OFFICIAL USE ONLY | AIR POUCH HANDLING INDICATOR

TO : Department of State 9 22 XR 832.062

FROM : Amembassy RIO DE JANEIRO DATE: October 29, 1962

SUBJECT : Visit of Representatives of International Longshoremen's and Warehousemen's Unions to Rio de Janeiro.

REF :

On October 25, 1962, three representatives of the International Longshoremen's and Warehousemen's Unions of the U.S. came to the Embassy on a courtesy visit, and spoke with the Consul General. The Embassy had no previous knowledge of the visit of these men to Brazil or to Rio de Janeiro. The Consul General arranged for the men to pay a visit to the Assistant Labor Attaché on the afternoon of October 26.

When the visitors spoke with the Assistant Labor Attaché, they stated that they had gone to the wharfs of Rio de Janeiro that morning and that they had encountered there considerable hostility and danger. Their interpreter apparently was not able to handle the crowd which surrounded them in the wharf area and it appears that they were regarded as American spies. Apparently neither the group nor their Union had made specific advance preparations for their reception with any local labor groups here in Rio. Somehow they finally managed to break the circle of hostility and misunderstanding sufficiently to meet with some unidentified representatives of one of the unions of stevedores or wharf workers. They apparently did not meet the individual they wished to see, who they were reluctant to identify to the Assistant Labor Attaché. The strong Communist influence in the local dock-workers' and stevedores' unions might have been thought to be enough to create a propitius atmosphere for the visitors, and it might have been enough, had advance preparations been made with sufficient care.

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FORM DS-323 4-62

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Drafted by: LA:JTFishburn:HShapiro:cmj

Contents and Classification Approved by: DCM - Miles W. Bond

Clearances:

0569

The visitors informed the Assistant Labor Attaché that they were very disappointed with the lack of interest of the Brazilian labor unions in the promotion of high productivity in dock work and the Assistant Labor Attaché used this to contrast the attitude of American unions with those headed by the Communists in Brazil.

The group stated that they were going next to São Paulo and the Assistant Labor Attaché suggested that they visit Santos, a lively port.

The visitors stated that their group is one of three which is visiting various areas of the world: they did not indicate the present locations of the other two groups. They stated that they planned to return to the U.S. upon leaving Brazil. The visitors were:

Francisco Laborre, P.O. Box 179, Olaa, Hawaii, (Sugar Workers).

Guy Rook, 245 Scott Street, San Francisco 2, California, (Warehousemen).

Darold McCrary, 4534 Hope Street, Ventura, California, (Longshoremen).

James M. Lawler, a political officer of the Embassy, participated in the discussion.

On October 29 in a telephone conversation, the Assistant Labor Attaché informed the São Paulo Consulate of the group's background. The delegation had just arrived at the Consulate and had asked that appointments be made with São Paulo labor leaders. The Assistant Labor Attaché also suggested that a meeting be arranged for the group with the ORIT representative in São Paulo.

For the Ambassador:

John T. Fishburn
Labor Attaché

DISTRIBUTION: São Paulo, Brasília, POL.

0570

ORIGIN/ACTION

EUR-12

AMB	RCB 1	AF
ARA 3	EUR	FE
NEA	CU	INR 5
E 4	P	IO
-	FBO	AID 11
AGR 10	CON	MAD 3
INT 7	LAB 6	TAR 1
TR 2	XMB 4	AIR
NAVY 5	CIA 8	NASA 5
OSD	USIA	FRB 3

DEPARTMENT OF STATE

AIRGRAM

832.3932/
FOR RM USE ONLY
11762

A-124
NO.

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HANDLING INDICATOR
XR 832.3/36
832.007

TO : DEPARTMENT OF STATE

INFO: RIO DE JANEIRO

FROM : Amconsul, SÃO PAULO

DATE: November 1, 1962

SUBJECT: Little Change in Situation of Cubatão American Petrochemical Companies

REF : CERP- D-14, A-101, October 17, 1962

Still uncertain is the outcome of the current problems experienced by the American petrochemical companies in the Cubatão area, namely, wage negotiations and adjustment of supply contracts. Officers of at least two of the companies, however, are reasonably optimistic that acceptable solutions will be found to the wage problem.

Wage Negotiations

Although the wage contracts of the four companies expired on October 31, no new contracts have yet been signed. Officers of COPEBRAS and Union Carbide say they believe that without making exaggerated concessions they will be able to reach agreement with the union. Terms of the contract they have in mind, they say, compare reasonably well with the contract made by PETROBRAS in the course of October, lower rates for some categories being approximately compensated by higher rates for others. The reporting officer has not been able to communicate in recent days with officers of Estireno or Alba. The latter will probably be more pinched by increases than the others and is reported to have made a lower offer. The opinion has been expressed by an informed observer, however, that both these firms will be willing to make necessary adjustments. The officers of COPEBRAS and Union Carbide, at least, are hopeful that, barring unforeseen developments, contracts will be renewed without a strike.

FORM DS-323
A-32

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Drafted by: ECON/RC Desmond 11/1/62

Clearances: ip

Comments in Classifying and Disposing Office by:

0571

São Paulo
A-124
11/1/62

Supply Contracts

No further developments have occurred with respect to supply contracts. The manager of Union Carbide, in the conversation with Francisco Mangabeira mentioned in A-101, was told he might expect a letter from PETROBRAS requesting new price negotiations within 15 days. Since no such communication was forthcoming, Union Carbide, with a view towards building documentation in case of future difficulties, has sent another informal letter to PETROBRAS expressing the company's willingness to discuss price adjustments.

For the Minister Consul General:

Richard C. Desmond
Consul

0572

ORIG. IN (OR)

ARA:4

RM/R	REP	AF
1	1	
ARA	EUR	FE
NEA	CU	INR 5
E 4	P	IO 2
L	FBO	AID 12
AGR	COM 10	FRB
INT	LAB 6	TAR
TR 2	XMB	AIR
ARMY 5	CIA 10	NAVY 5
OSD	USIA 8	NSA 3
	FMC 2	

bm/A-E-1

DEPARTMENT OF STATE

AIRGRAM

832.062/11-962

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A-532 NO. | CONFIDENTIAL | AIR POUCH HANDLING INDICATOR

XR 911.73

432.1112

TO : Department of State

DEPARTMENT OF STATE 1962 NOV 16 AM 8 53
BUREAU OF INTER-AMERICAN AFFAIRS NOV 19 1962
RECEIVED ANALYSIS & DISTRIBUTION BRANCH

FROM : Amembassy RIO DE JANEIRO DATE: November 9, 1962

SUBJECT : Communist-Led Boycott of US Shipping over Cuban Crisis Averted

REF :

RM/R - Yale
11/20 - LB

On the morning of October 26, 1962 the Embassy's First Secretary in charge of shipping and transportation, in the Economic Section, was called by an official of the Moore-McCormack shipping company. The latter stated that the Union of Dockworkers of Brazil (Communist-controlled) had voted not to work American ships as a result of the US blockade of Cuba and that the Union had informed the shipowners' association in writing of that decision. The stevedores' (also Communist-controlled) informally notified the shipowners that they would continue to work and the warehousemen's union (democratically-led) later publicly announced its opposition to any such boycott. The US Naval Attaché was similarly informed of the dockworkers' strike threat.

The principal portion of the Resolution of the Dockworkers, dated October 25, 1962, follows:

> "Considering that the war measures taken by President Kennedy threaten the world with nuclear war, which opposes the aspirations of the countries of all peoples; with the general desire of finding a peaceful solution for international problems, giving our support to our government so that it may take a position opposed to such irresponsible and monstruous measures of blockade which threaten the peace and the destiny of humanity; so that Hiroshima and Nagasaki where thousands upon thousands of workers' families, women and children were burned and carbonized by

FILED 1962 NOV 20 AM 8:53

CONFIDENTIAL

FORM 4-62 DS-323

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Drafted by: LA:JTFishburn:HShapiro

Contents and Classification Approved by: DCM - Niles W. Bond

Clearances:

0573

the atomic bomb and by the war shall not be repeated; so that differences shall be resolved by understandings and not by aggression."

"The Dockworkers resolve to boycott the loading and unloading of ships of the United States of America."

This threat received little attention in the press. The Correio da Manha for October 26 stated only that the "Unity and Action Pact" (Communist-led), which includes the stevedores and dock-workers, had announced the approval of a manifesto which threatened that such a boycott would be considered by the local unions which are members of the Pact. The manifesto also asked the Brazilian government to oppose the US blockade, stating that "the government will understand that the workers and the people do not accept cooperation so that Cuba can be occupied today and Brazil tomorrow". After other anti-US statements, the manifesto called for the "immediate suspension of the Cuban blockade". The text of the resolution of the Dockworkers' Union is not known to have appeared in any public paper or journal. The pro-Communist Ultima Hora is not known to have mentioned the threat.

After discussing the above information with the Ambassador, the Assistant Labor Attaché requested President Goulart's special labor advisor, Mr. Gilberto Crockatt da Sá to contact him at the Embassy. Mr. Crockatt da Sá arrived at the Embassy at 5:45 PM and the Assistant Labor Attaché stated that he could not understand how, in spite of the action taken by Brazil at the Punta del Este conference and at the OAS and in face of the Rio Pact, Brazil could act one way at these meetings and talk out of the other side of its mouth, taking a contrary position internally in Brazil. With respect to the threatened boycott of US ships including wheat shipments, the Assistant Labor Attaché stated, "I have deferred sending a report on this threatened action to the US until I had an opportunity to talk with you. You and I both know that you have great influence with these unions and I assure you that if these unions carry out this threat, I am confident that the unions that work on the docks in the US will retaliate and that not one pound of sugar, coffee, cocoa, etc., will be unloaded in the US". Mr. Crockatt da Sá then replied that US wheat shipments would be unloaded, that there would not be any trouble on the waterfront and that if the Communists gave any trouble, he had other means at his command to cope with the situation.

The Assistant Labor Attaché then drove Mr. Crockatt da Sá to the Presidential Palace and returned to the Embassy to inform the Ambassador. On the following morning, October 27, the Ambassador was assured by President Goulart that the action threatened by the

0574

leftist unions to boycott US ships and cargo would not be carried out.

The boycott was, in fact, never attempted and the assurances of Mr. Crockatt da Sá and President Goulart were accurate, Mr. Crockatt da Sá made a special trip to Santos to keep a boycott from developing there, as he informed the Labor Attaché (who returned to Brazil at midnight, October 26) on October 29, following his return from Santos.

According to O Globo of October 29, the office of the Presidency distributed a press release dated October 27, which stated: "The Advisor of the President of the Republic has stated that the maritime unions, in direct agreement with the advisors of the President of the Republic, have accepted the thinking of Mr. João Goulart that there shall be no interruption in the loading or unloading of ships of any origin or nation that reach the ports of Brazil". The article in O Globo goes on to state that, "There has not been, nevertheless, any communication to this effect, from the Unity and Action Pact ..... even though the boycott was not initiated".

As stated in O Globo, despite the failure of the strike threat for the reasons indicated above, no public renunciation of the boycott threat by its Communist leaders has yet been made. As reported in A-479, the Communist-led Unity and Action Pact on October 25 held a public demonstration opposing the US blockade of Cuba. Far from publicly withdrawing the threat, the Unity and Action Pact on October 27 approved a reiteration of the threat, but setting no date. In this document, published in Correio da Manha of October 30, the Pact states: "We will determine the day, hour and duration of the work stoppage on US ships in case the blockade of the Cuban people is not suspended". "We await the decision of the Pact to take the necessary measures to coordinate the dockworkers and stevedores, aided by the railway and maritime workers". This resolution is a face-saving retreat for the Communists. However, it is equally a continuing threat of what the Unity and Action Pact would attempt were its power or influence with the government sufficient to permit such action, without endangering the overall current pro-Communist orientation of the government in the labor field.

For the Ambassador:

John T. Fishburn

John T. Fishburn
Labor Attaché

DISTRIBUTION: All Consulates in Brazil, CAS, POL-Brasília.

0575

ORIGIN/ACTION

ARA-4

RM/R	REP	AF
1	1	
ARA	EUR	FE
NEA	CU	INR 5
E	P 1	IO 2
L	FBO	AID 12
AGR	COM	FRB
INT	LAB 6	TAR
TR	XMB	AIR
ARMY	CIA 10	NAVY
OSD	USIA 8	NSA 3

RM/R-E-1

DEPARTMENT OF STATE

AIRGRAM

800.062/11-1462
FOR RM USE ONLY

A-141 NO.

OFFICIAL USE ONLY

AIR POUCH

HANDLING INDICATOR

XR-811.062
832.062

TO : DEPARTMENT OF STATE

INFO: RIO DE JANEIRO, BRASILIA [illegible] UNION

FROM : Ancongen, SÃO PAULO

DATE: November 14,1962

SUBJECT: Visit to São Paulo by Representatives of the International Longshoremen's and Warehousemen's Union

REF : Amembassy Rio de Janeiro A-478 of Oct. 29, 1962 — ARA 800.062

The three representatives of the International Longshoremen's and Warehousemen's Union (ILWU) mentioned in the Embassy's Airgram under reference visited São Paulo from October 29 to November 1, 1962.

Sugar worker Francisco LAFORET, warehouseman Guy ROOK (and Mrs. Rook), and longshoreman Darold McCRARY (and Mrs. McCrary) called at the Consulate General on October 29. Since the Labor Officer was out of town, they were received by Political Officer Datus C. Proper. The ILWU group requested that the Consulate General assist them in arranging meetings with local labor leaders. The Consulate General had received no advance notice of the group's visit to São Paulo.

After asking the advice of the Assistant Labor Attaché, American Embassy, Rio de Janeiro, the Consulate General put the visitors in contact with Jorge SIERRA, ORIT representative in São Paulo, and with Alberto NIEVES, International Metalworkers Federation Representative for the Southern Zone of Latin America, currently in São Paulo. Messrs. Sierra and Nieves then arranged (and themselves attended) meetings between the visitors and local non-Communist labor leaders, including Raimundo Soares VASCONCELOS, recently deposed anti-Communist President of the Santos Local Union of Stevedores. On the afternoon of October 31 the ILWU group visited Santos unaccompanied. They previously indicated that they intended the Santos visit to be a tourist trip and did not expect to contact union leaders there. The Consulate

FORM DS-323 4-62

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Drafted by: [illegible]:vsrs 11/13/62

Contents and Classification Approved by:

Clearances:

0576

General is not aware of any labor activities in Santos by the ILWU group, which left São Paulo for Porto Alegre on November 1. The group said it planned to also visit Montevideo before returning to the U.S. None of the visitors spoke Portuguese or Spanish.

On the Labor Officer's return to duty in São Paulo on November 5, he was informed of the ILWU group's visit by Messrs. Proper, Sierra, Nieves and others. According to the accounts, there was no indication that the ILWU representatives at any time in their São Paulo visit made pro-Communist or anti-American statements. Most of their questions concerned salaries, fringe benefits, and working and living conditions of Brazilian workers in general and Brazilian dock workers in particular. They also displayed an interest in the degree of automation of Brazilian port facilities. Politics were apparently not discussed. The visitors gave a long-winded, evasive reply to a local labor leader's question as to why the ILWU was not affiliated to the AFL-CIO or to the International Transport Workers Federation. On more than one occasion the group expressed their dissatisfaction with the rather brusque treatment they received in Rio from Oswaldo PACHECO DA SILVA, Communist President of the National Federation of Stevedores. As far as the Consulate General is aware, there was no local press coverage of this visit.

Comment

Judging by all reports received by the Labor Officer, the ILWU group showed no Communist tendencies and left an impression of relatively unsophisticated rank and file union members with no knowledge or background in Latin America. They seemed interested primarily in the tourist aspect of their trip and gave the appearance of going through the motions of delving into local labor matters so as to be able to make some sort of report to their union upon their return.

Daniel M. Braddock
Minister Consul General

Distribution: Labor Attaché, Amembassy, Rio de Janeiro; ARA Labor Advisor; Latin American Area Specialist, Bureau of Labor International Labor Affairs, Department of Labor.

0577

DEPARTMENT OF STATE

AIRGRAM

832-3932/11-1462
XR832-3936
XR832-062
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CLASSIFICATION: CONFIDENTIAL USE ONLY

HANDLING INDICATOR

A-140
NO.

TO : DEPARTMENT OF STATE [illegible] 150

INFO: RIO DE JANEIRO
BRASILIA
SANTOS
[illegible] MUNICH

FROM : Consulgen, SAO PAULO

DATE: November 14, 1962

SUBJECT: New Wage Contracts for Cubatão American Petrochemical Companies.

REF : Refer to A-123 of November 1, 1962 COM

Three of the four American petrochemical companies in the Cubatão area signed independent but virtually identical wage contracts on November 8 with the Cubatão Local Union of Chemical Workers. The three companies involved were Union Carbide, Companhia Brasileira de Estireno and Alba. Copebras, the fourth company, signed a similar contract November 9.

The new wage contracts provide for a 65% wage increase over October 31, 1961 wage levels, with a cost-of-living increase after six months based on an average of three Brazilian cost of living indexes. As far as the Consulate General is aware, this is the first time a wage contract in the Sao Paulo area contains a formula for calculating future cost of living increases. The new contracts also set the family bonus for wives and dependent minor children at Cr$2,500 per month, and establish a 40-hour week, paid lunch hours and 20-day annual vacations with double pay including fringe benefits.

Union Carbide and Estireno executives expressed satisfaction with the new wage contracts and said that the final results were just about what they expected. In this connection it should be noted that the Cubatão Petrobras oil refinery workers in October 1962 received a 25% increase over wage levels six months previous, and a family bonus of Cr$2,500 per month. As has been pointed out in earlier reports, the refinery workers' wage contracts tend to set the pattern for the petrochemical workers contracts. The petrochemical negotiations were conducted in a relatively harmonious fashion without strike threats

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FORM DS-323
4-62

Drafted by: [illegible] 11/14/62

Contents and Classification Approved by:

Clearances:

ACTION: COM-12

RMR	REP	AF
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ARA	EUR	FE
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NEA	CU	INR
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0578

São Paulo
A-140
11/14/62

as contrasted with the strike-marred negotiations in April and May 1962. The union also apparently considers the new contracts to represent a significant victory.

Comment: The new contracts are quite liberal by local standards and their signing should contribute to a reduction at least in the near future in the intensity of Communist and leftist-nationalist demands for expropriation of the petrochemical companies by the Brasilian Federal Government.

Daniel M. Braddock
Minister Consul General

cc: Labor Attaché
Amembassy
Rio de Janeiro

1/

0579

INCOMING TELEGRAM *Department of State* ACTION COPY PERMANENT RECORD COPY

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CONFIDENTIAL NUMBERED

Control: 6003
Rec'd: November 16, 1962
3:21 p.m.

FROM: Rio de Janeiro

TO: Secretary of State

INFO
RM/R FILES

NO: 967, November 16, 4 p.m.

Mario Lopes de Oliveira, President Land Transport Workers Confederation Brazil will arrive Washington November 19 for planned fluayueks.* Embassy recommends Department officials see him for details and evaluation increasing communist attacks on democratic unions. He well informed government assistance commies labor field. Future democratic control his confederation menaced by recent developments. Continued existence viable democratic labor movement here in serious jeopardy. Oliveira one of few top democratic labor leaders potential national stature with courage and prudence.

GORDON

LTR/14

* As received, will be serviced upon request.

NOTE: Mr. Shields (ARA) notified 11/16/62 CWO-M

RIO 967

832.062/11-1662

(2)

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

0580

ACTION

ARA-4

RM/R	REP	AF
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DEPARTMENT OF STATE

AIRGRAM

22

832.062/11-1662
XR 511.323

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A-48 NO. | LIMITED OFFICIAL USE — HANDLING INDICATOR

TO : DEPARTMENT OF STATE

INFO: RIO DE JANEIRO, BRASILIA

1962 NOV 21 PM 2 45 DEPARTMENT OF STATE BUREAU OF INTER-AMERICAN AFFAIRS NOV 23 1962

RECORDS ANALYSIS & DISTRIBUTION BRANCH

FROM : Amconsul RECIFE

DATE: November 16, 1962

SUBJECT : Assistance to Rural Labor Federation of Rio Grande do Norte

REF :

927

The Consulate General is gratified by the Department's understanding of the importance of aiding rural labor unions as reflected in Deptel 147. Nevertheless, the Consulate General wishes to point out again that the unions most urgent need for assistance is in the field of leader training. Unless a sufficient number of leaders can be trained sufficiently well and provided with a sound political and social orientation, the democratic character of the entire movement will be threatened.

The Consulate General urges that the United States Government participate in the training of leaders on a state-wide basis at the present time. Later, when a national confederation has been created and is firmly established, U.S. assistance in the training of leaders can be undertaken on a nation-wide basis.

A recent visit to the Federation of Rural Syndicates of Rio Grande do Norte uncovered a means by which effective assistance in leader training can be rendered to that state movement at a minimal cost to the United States Government. Such a program of assistance, if proven successful, could establish a pattern for U.S. participation in this field in cooperation with other state movements or a national confederation.

The rural labor union movement in Rio Grande do

FILE

FILE
No Action
ARA/LA/BR
R. Burton
NOV - 5 1962

LIMITED OFFICIAL USE

FORM DS-323 4-62

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Drafted by: LCKilday:ag

Contents and Classification Approved by:

Clearances: OD Dieffenderfer -USAID
Frizzell

0581

Norte is the oldest consolidated movement of this type in Brazil. It is also the best organized. Under the dynamic leadership of Auxiliary Archbishop Dom EUGENIO SALES, and with the able assistance of lay workers, the movement has grown to include somewhat over 30,000 members of approximately 25 different unions, at least fourteen of which have been granted recognition by the Ministry of Labor.

Rural syndicates in Rio Grande do Norte are Church-stimulated, though the unions themselves are in no way tied to the Church. Dom Eugenio has created a Rural Assistance Service which operates to a limited extent in the fields of rural syndicalization, basic education by radio, rural cooperatives, agricultural extension, and health and hygiene. In addition, the Rural Assistance Service has established a Rural Leader Training Center primarily to train potential union leaders. The Center is staffed on a part-time basis by members of the faculty of the School of Social Work of the University of Rio Grande do Norte, according to the terms of a contract between the School of Social Work and the Rural Assistance Service. Prospective leaders from around the state are selected to undergo an intensive two-week, expenses-paid, training course at the Center, and then return to their homes to form part of the leadership of the union movement. The Center has trained close to 700 leaders in this manner.

The Center's prospects for continued existence are bleak. State Government funds to meet the Center's expenses have been cut-off as of January 1, 1963, and unless a new source of financial support is located, the Center will be forced to a drastic reduction of its activities if not to a complete halt.

The amount needed to continue the Center's work is not great. Since the Center already has a small farm near Natal to use as a training site, funds are needed only to defray the costs of administration (including teachers' salaries and teaching materials) and maintainance of the students and their families during the two-week period that they are away from home and unable to provide the basics. It is estimated that the total cost of training forty leaders for two weeks would not exceed $3,500. For $14,000 one hundred and sixty leaders could be trained.

It is recommended that the United States Government, through USAID, enter into a contract with the Rural Assistance Service and the School of Social Service of the University of Rio Grande do Norte to provide for the training of prospective leaders of rural labor unions commencing January 1, 1963. In the event that

0582

SUDENE does not give ready approval to the project, thus allowing it to be financed out of the $131 million already earmarked for the Northeast it is suggested that recourse be had to other country funds.

Lowell C. Kilday
American Vice Consul

0583

INCOMING TELEGRAM

Department of State

ACTION COPY

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42

CONFIDENTIAL

Control: 8399

Rec'd: November 22, 1962
4:27 PM

Action
ARA

Info
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FROM: Rio de Janeiro

TO: Secretary of State

NO: 996, November 22, 2 PM

no action 11/26/62 de Barros violating privately leaves. make own arrangements. FDR

ACTION DEPARTMENT 996, INFORMATION SAO PAULO 31

Despite previous poor labor record of Adhemar de Barros, Magaldi and Dominguez Alvarez labor groups indicated to Labor Attache and Sao Paulo assistant their interest in further contacts with him. Adhemar has already seen Alvarez group. Embassy and CONGEN recommend, if possible, Adhemar see leaders AFL-CIO, and ILGWU or Algamated* while in New York City. He could well use better democratic labor contacts and knowledge democratic labor movements.

Presidency also putting out feelers with non-Communist labor groups in Rio de Janeiro and Sao Paulo: Purposes and likely results uncertain, especially in view failure follow through such intentions previously expressed to Ambassador and Labor Attache.

GORDON

COI/18

(1)

* As received, will service upon request.

Reconfirmed by RM/R

RIO 996

832.062/11-2262

JAN 7 11 22 AM '63

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

0584

32

OUTGOING TELEGRAM **Department of State**

05401

INDICATE: ☐ COLLECT ☐ CHARGE TO

CONFIDENTIAL
Classification

Nov 23 7 27 PM '62

Origin

ACTION: Amembassy RIO DE JANEIRO 1174 PRIORITY

Info

INFO: Amconsul RECIFE 172

JOINT STATE/AID MESSAGE 832.062 5/11-2336

REF: (a) Deptel 927; (b) CA-3008; (c) Recife A-38.

Need reply to paragraph three of ref. (a), sent October 10. Please expedite.

Would appreciate fuller reply, if available, than Rio A-386 to ref (b). 832.062

End.

RUSK

Classified by [illegible]

Drafted by: AID/LA/B:AMenefield:am 11/23/62

Telegraphic transmission and classification approved by: ARA:EST - Mr. Wellman

Clearances: ARA:EST/B - R. B[illegible]
ARA:EST/L - R. R[illegible]
ARA - W. Rosa

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Classification

FORM DS-322

Rec'd 11174

832.062/11-2336

0585

ORIGIN/ACTION: ARA:JT

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DEPARTMENT OF STATE

AIRGRAM

832.062/11-2362
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A-586 NO. | CONFIDENTIAL | AIR POUCH HANDLING INDICATOR

1962 NOV 29 AM 8 12

RECEIVED
FOREIGN ANALYSIS & DISTRIBUTION BRANCH

TO : Department of State

FROM : Amembassy RIO DE JANEIRO DATE: November 23, 1962

SUBJECT : Government and Communists Collaborate in Intervention in National Federation of Street Car Employees

REF :

Early in the morning of November 12, 1962 the headquarters of the National Federation of Street Car Employees, located in Rio de Janeiro, was invaded by a band of approximately twenty men, many of whom were armed with revolvers. Until then, the Federation had been run by democratic, anti-Communist elements, who had been successfully resisting Communist attempts to take over the Federation. In July, 1962, the democratic leadership had won the bi-annual election of officers by a five to four vote -- despite some attempts by the Communists to change the legality of one of the votes. The Ministry of Labor had ruled in favor of the incumbent, democratic administration, against the Communist challenge.

When Mr. Antonio Vasconcelos, Federation President, and Mr. Odilio Nascimento da Gama, Federation Secretary, arrived at the headquarters on the morning of November 12, they found the headquarters in the hands of the armed band mentioned above. The armed men would not let them use the telephone or leave the headquarters. The two officers were finally escorted to the Ministry of Labor. There they reached the Director of the National Department of Labor, Mr. Benjamin Cruz, and the Director of the Division of Union Organization and Assistance, Mr. Nilo Braga Campinho, both of whom accompanied the officers and their armed escorts back to the Federation headquarters.

FEB 11 1963

CONFIDENTIAL

FORM 4-62 DS-323

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Drafted by: LA:JTFishburn:cmj

Contents and Classification Approved by: DCM - Niles W. Bond

Clearances:

0586

According to the story received from Mr. Mario Lopes de Oliveira, democratic President of the CNTTT (National Confederation of Land Transport Workers) the two high officials of the Labor Ministry sided with the armed band in an attempt to influence the two incumbent, democratic officers to sign a joint declaration setting aside the elected Board of Directors of the Federation, replacing it with a temporary group of four leaders including Vasconcelos, da Gama, and two of the armed group. The Federation officials are reported to have resisted such pressures during most of the day. However, when they were not allowed to leave the headquarters again nor to telephone their colleagues, under the pressures of the armed band and the Ministry officials, they finally succumbed. Around 10:00 PM they signed a written document setting aside their own Board of Directors, replacing it with the four officials suggested, and calling for new elections early in 1963. The two officials designated from the pro-Communist group of armed men to act as members of the new directive body are Geraldo Soares, of the Guanabara Union of Street Car Workers and Communist Party member, and Timoteo Spindola, President of the São Paulo Union of Street Car Workers, former Communist Party member and still their ally.

The significance of this development is easy to determine. The Federation of Street Car Workers is one of the five member Federations composing the CNTTT. The parent Confederation will hold its bi-annual elections in July 1963. At the moment the Communists control one of the five Federations with one Federation in doubt. The democratic slate controlled three of the five votes including the National Federation of Street Car Employees. Mr. Mario Lopes de Oliveira expects that the doubtful vote will follow a democratic leadership if the other three democratic votes can be held. However, he believes that if the Street Car Federation vote is lost to the Communist camp that the government and Communists will put enough pressure upon the doubtful Federation of São Paulo Bus Drivers to support the Communist candidate also. If this were to happen, the CNTTT would then be lost to the democratic component and become the fourth of five Brazilian labor confederations to be dominated by the Communists. Mr. Oliveira is therefore planning to do everything possible to maintain democratic control of the National Federation of Street Car Employees. He criticizes the

Federation's

0587

Federation's officers for succumbing to the agreement reached on November 12 but recognizes that, considering the powerful role the government exercises in the Brazilian labor field, it is difficult to criticize the Federation leaders strongly for having weakened.

For the Ambassador:

John T. Fishburn

John T. Fishburn
Labor Attaché

DISTRIBUTION: All Consulates, Brasília, CAS, POL, LABOR, CF (3).

0588

ORIGIN/ACTION

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DEPARTMENT OF STATE

AIRGRAM

832.062/11-2662

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A-597 NO. | CONFIDENTIAL | AIR POUCH HANDLING INDICATOR

TO : Department of State 1962 NOV 30 AM 10 35

DEPARTMENT OF STATE
REPORTS
ANALYSIS & DISTRIBUTION
BRANCH
NOV 30 1962

FROM : Amembassy RIO DE JANEIRO DATE: November 26, 1962

SUBJECT: Invitation to Brazilian Labor Leaders to Visit US.

REF :

The Department will remember that the despatches from the Embassy have been mentioning irregularly during the past five years that President Goulart and his chief Labor Advisor, Gilberto Crockatt da Sá, have been suggesting that Point IV invitations be given to leftist labor leaders of Brazil to visit the US. Partly as a result of such suggestions, the Embassy included in one of its Point IV labor groups that visited the US, Mr. Clodtsmidt Riani, now the President of the CNTI (National Confederation of Industrial Workers). The results of Mr. Riani's trip, as the Department will remember, are mixed. While he made only favorable personal references to the US during and immediately following his trip, he has continued to support and follow the Communist line on significant domestic and international issues.

It will also be remembered that while President Goulart was in the US in February of this year Mr. Riani, who accompanied the President, was invited to return to the US with other leaders of the CNTI. This "return" has never occurred because of the problem of Communist leadership within the CNTI, the specific pro-Communist position which the CNTI leaders took at the ICFTU Congress in Berlin in July 1962, and the effects which such an invitation would have upon the democratic labor leaders of Brazil.

Recently the same type of idea has been again brought to the attention of the Embassy. During the absence of the Labor Attaché from Brazil while on home leave, two officials of the Foreign Office visited the Embassy and made a similar suggestion

CONFIDENTIAL

FORM DS-323 4-62

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Drafted by: LA:JTFishburn:cmj

Contents and Classification Approved by: DCM - Niles W. Bond

Clearances:

0589

to the Administrative Counselor and the Assistant Labor Attaché. They proposed that the Minister of Labor, Mr. João Pinheiro Neto, and the following labor leaders should be invited to the US.

Dante Pellacani
Osvaldo Pacheco
Benedicto Cerqueira
Hercules Corrêa dos Reis

Still more recently, the Labor Attaché received from the Minister of Labor himself a similar suggestion but with a slightly different set of names. In addition to himself, the Minister suggested the inclusion of:

Humberto Menezes
Dante Pellacani
Osvaldo Pacheco
Clodtsmidt Riani
Minister Afonso Texeira Filho

The Labor Attaché questioned the wisdom of including Mr. Riani since the latter has twice visited the US and since one of the main purposes which the Minister had mentioned for the trip was to acquaint the leaders with our country. The Minister was unaware that Mr. Riani had visited the US and upon hearing this information withdrew his name. The Labor Attaché also remarked that it would be impossible to include Mr. Pacheco since the latter had led the proposed Brazilian boycott of US shipping as a result of our quarantine of Cuba. (Mr. Pacheco is an alternate member of the National Directory of the Communist Party of Brazil). The Minister also withdrew this name upon hearing the above information.

Mr. Humberto Menezes, a Communist Party member, has been President of CONTEC (National Confederation of Workers in Credit Institutions - Banks) since its foundation. He is not himself a forceful leader and could be dumped at any moment by the Communists, should they decide to do so, without any danger to them. The Labor Attaché believes that there would be absolutely no point in inviting him to the US.

As the Department is aware, Dante Pellacani is an admitted former Communist who claims to have left the party several years ago. However, at all times he has cooperated with the party on some issues, though for a period he opposed some Communist positions.

0590

Since his election as Vice President of the CNTI in December 1961 he has played a consistently pro-Communist role. He is believed to be very ambitious. The degree to which he is now a sincere Communist is unknown.

Mr. Benedicto Cerqueira, First Secretary of the CNTI and member of the General Council of the WFTU (World Federation of Trade Unions) has long denied being a Communist Party member, but has nearly always followed the Party line in recent years. At one time he was considered for a Point IV labor leader exchange grant.

Mr. Hercules Corrêa dos Reis is President of the Union of Spinning and Weaving Workers of the State of Guanabara. He is also an alternate member of the National Directorate of the Communist Party of Brazil and a full member of the National Labor Committee of the Communist Party.

Mr. Osvaldo Pacheco is President of the National Federation of Stevedores, alternative member of the National Directorate of the Communist Party of Brazil, as well as President of the Unity Pact (Communist-dominated) and a leader of the proposed boycott of US ships in connection with our blockade of Cuba.

There would be no objection to inviting Minister Afonso Texeira Filho, a pro-democratic judge on the Superior Labor Court, and former President of the São Paulo Federation of Bus Drivers, to visit the US.

If possible, even more serious than individual activities of the persons suggested, as an obstacle to proceeding with such an invitation at this time, is the general pro-Communist orientation of the CNTI and the government. Reference is made to A-479 which lists Pellacani, Pacheco, Cerqueira and Menezes as signers of a strong anti-US, pro-Communist declaration favoring Fidel Castro in connection with the US quarantine of Cuba. One might also mention the approval by the fourth labor encounter in São Paulo in September 1962 of a declaration favoring the establishment of a new Latin American confederation of workers. As for the government, one should refer to President Goulart's invaluable assistance in helping the Communists gain control of the CNTI in December 1961. One should also refer to the government's interference in the Santos Stevedores' Union (see comment below §) and to the government's setting aside the recent election in the Rio Bakers' Union, which had been won by the democratic elements.

§ - Report being prepared by São Paulo.

0591

In his conversation with the Minister of Labor mentioned above, the Labor Attaché postponed any direct answer to the suggested trip. He mentioned the difficulties regarding Riani and Pacheco and succeeded in eliminating their names. Apart from this, he contented himself with saying that the feasibility of such a trip would depend in large measure upon the individuals proposed. It is likely that the Labor Attaché will be seeing the Minister of Labor again in the near future. If the subject arises, he plans to tell the Minister that the idea of such a trip appeals to the US Government, if it can be handled properly. He then plans to indicate that it would be most unfortunate if the group selected did not encounter a friendly reception from the AFL-CIO, which represents the vast bulk of the American labor movement. He then plans to refer to the concern which exists within the AFL-CIO over apparent Communist infiltration of the Brazilian labor scene, with the help of the government. He plans to refer specifically to the action of the CNTI delegation at the ICFTU Congress in Brussels, the resolution mentioned above favoring establishment of a new Latin American confederation of workers, the proposed boycott of US shipping as a result of our Cuban blockade, the forceful intervention in the Santos Stevedores' Union and the intervention in the Rio de Janeiro Bakers' Union. He then will suggest that in order that the trip might be a success it be postponed for a considerable period of time during which the Brazilian labor movement would have a chance to take a different position from those mentioned above. This would also give the Brazilian government a chance to change its position.

(On November 26, 1962 the Labor Attaché again saw the Minister of Labor. Upon this occasion the Minister reported that he had decided to visit the US alone, in the sole company of his wife. He stated that the problem of selection of Brazilian labor leaders to accompany him is too difficult. Other observations made during the conversation seem to indicate that he is fast becoming aware of the danger of Communist domination of the Brazilian labor movement.)

Any further significant developments on this front will be reported separately.

For the Ambassador:

John T. Fishburn
Labor Attaché

DISTRIBUTION: All Consulates, São Paulo, Brasília, CAS.

0592

ORIGIN/ACTION		
ARA-4		
RM/R 1	REP 1	AF
ARA	EUR	FE
NEA	CU	INR 5
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AGR	COM 10	FRB
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ARMY 5	CIA 10	NAVY 5
OSD	USIA 8	NSA 3

DEPARTMENT OF STATE

AIRGRAM

832.062/11-2862

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A-39 NO. — OFFICIAL USE ONLY — HANDLING INDICATOR

TO : DEPARTMENT OF STATE

1962 DEC 14 AM 9 17

ANALYSIS & DISTRIBUTION BRANCH

FROM : Amconsul BELEM, PARA

DATE: 28 November 1962

SUBJECT : Labor--Strike of SNAPP Employees

REF :

File
ARA/EST/B
no action
12/28/62
R. Burton

On November 20, 1962, the maritime personnel of the Serviços de Navigação da Amazônia e Administração do Pará (SNAPP) went on strike, paralyzing all sectors of activities of the port of Belém. Nine maritime unions and three other unions of administrative personnel are taking part in the strike.

The strikers are demanding the following delayed payments before they will go back to work: Salary increase which has been in effect since December 1961, length of service benefits, family-salary payments, unemployment compensation for the period July to December 1961, benefits to widows up to December 1961, and salary differentials to pilots, stewards, and radio-telegraph operaters. Additional demands are that a personnel organization plan submitted by the Office Workers Union be approved and that 29 non-permanent positions considered illegal by and prejudicial to maritime personnel be cancelled.

The General-Director of SNAPP, Commander Talma Castelo Branco has announced that he is acting together with the Minister of Transportation and Public Works and the President of the Republic to release the funds necessary to make the back payments. It has also been announced that Armando CARNEIRO, federal deputy-elect from Para, has taken up the matter with President Goulart in an attempt to have the necessary funds released. However, there is no concrete evidence that the matter will be quickly solved.

To the present, the strike has been pacific; no minor incidents have occurred. However, pressure is increasing to the effect that a task force of stevedors be assigned to unload foodstuffs, needed in Belém, from the ships stalled in the port. Should be unions refuse to grant this concession to the public, a good deal of trouble is foreseeable.

cc:Rio

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DEC 1962 Out

FORM DS-323 4-62

Robert W. Mashek
American Vice Consul

Drafted by: Robert W. Mashek:pfs

Contents and Classification Approved by: ROBERT W. MASHEK

Clearances:

0593

ORIGIN/ACTION

RM/R	REP	AF
1	1	
ARA	EUR	FE
NEA	CU	INR 5
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TR	XMB	AIR
ARMY	CIA 16	NAVY
OSD	USIA 5	NSA 3

DEPARTMENT OF STATE

AIRGRAM

832.062/11-2862

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A-609 NO. | CONFIDENTIAL | AIR POUCH HANDLING INDICATOR

TO : Department of State 1962 DEC 3 PM 1 05

INTER-ANALYSIS & DISTRIBUTION BRANCH

DEPARTMENT OF STATE BUREAU OF INTELLIGENCE AND RESEARCH DEC 1 1962

FROM : Amembassy RIO DE JANEIRO DATE: November 28, 1962

SUBJECT : Legal Procedures for Establishment of Unions for Agricultural Workers Approved

REF :

After months of delay the Ministry of Labor has finally, formally published a decree establishing regulations to control the creation of unions, federations and a confederation of agricultural workers. The "National Confederation of Agricultural Workers" will be the highest organization in this field. It will cover the entire country and will correspond with the National Confederation of Workers in Industry, Commerce, Land Transport, etc. As with other confederations, this confederation will only be established when it can be composed of at least three federations of agricultural workers, each of which will be established for a state or regional area. The federations in turn will be composed of at least five unions ("sindicatos") of agricultural workers. Each union must have fifty members in order to obtain provisional recognition and must obtain a membership of at least two hundred members within two years in order to obtain full recognition. As in other fields, no more than one union will be recognized to represent the same class or category of agricultural workers in a given territory or area. Following the requirements of unions in general, the unions in this field have to file with the Ministry of Labor copies of their statutes, initial acts of assembly, names of officers, etc., and will have to obtain formal recognition from the Ministry. The purposes for which unions are to be organized, according to the decree, are "the study, the defense and the coordination of the economic and social interests" of the agricultural workers.

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AX'A 16 ST/a
12/19/62 - S J Burton

CONFIDENTIAL

FORM 4-62 DS-323

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Drafted by: LA:JTFishburn:cmj

Contents and Classification Approved by: DCM - Niles W. Bond

Clearances: AA - Ford M. Milam

0594

Separate from the organizations for agricultural workers, a parallel confederation, federation, and union structure is provided for agricultural employers. This parallel worker-employer structure is also followed in all lines of union organizations in Brazil.

The principal lines of organization activity which are separately mentioned are:

(1) Farm-hands.

(2) Workers employed in fisheries and similar activities.

(3) Workers employed in rural extractive activities (not further defined as yet).

(4) Independent small landlords, renters and independent workers.

No provisions are made for the collection of the "Imposto Sindical" (union tax) from farm workers. No means of financing the rural unions, federations or confederation has been established, though the "union fund" of the government could be used. Since rural workers receive very low wages their ability to pay any significant amount of monthly dues will be severly limited.

In talking with Mr. Dante Pellacani, Vice President of the CNTI (National Confederation of Industrial Workers), on November 27, the Labor Attaché was informed that the CNTI plans immediately to begin organizing agricultural workers. Mr. Pellacani explained that the organization of such workers could not be left to the priests, who have been the only active force in this field thus far. The Labor Attaché then mentioned that Mr. Francisco Julião had also been organizing in this field. When the Attaché asked Mr. Pellacani about the financing of such unions the latter stated that no provisions had been made for such unions to receive anything from the "Imposto Sindical" and added that the farm workers would only be able to pay very low dues. He then volunteered the obvious conclusion that these organizations are apt to be instruments of the groups which organize them and support them financially.

In theory, agricultural workers' unions could be organized by any type of force or politically motivated group. Considering the difficulties which have confronted efforts to organize agricultural workers in other countries, current Brazilian agricultural conditions, and the existing union environment in Brazil, in which

0595

the Communists are receiving the open assistance of the government, it is difficult to see how one may anticipate overall desirable developments in this field. The efforts of the democratic labor forces to organize rural unions are likely to be handicapped by lack of funds and leadership and by obstructive tactics within the Ministry of Labor as well as by the difficulty of developing adequate programs for such unions.

In Rio de Janeiro, on November 27, 1962, the Minister of Labor discussed the new regulations covering the establishment of unions of agricultural workers. In so doing he also indicated that the minimum wage, annual vacations, dismissal notice, weekly rest and other portions of the labor code, not previously applied to agricultural workers, would be applied. He did not say how or when. He spoke of the changes which will come in the rural scene, mentioning specifically the breakup of large estates. He stated that 86% of the farmland of Brazil is now owned by 300,000 persons or only 16% of the landlords of the country. He indicated that he expects large, widespread and numerous basic changes in the rural working and social conditions in Brazil in the near future. He is likely to be correct if the government goes ahead with anything like the speed indicated and the inadequate program thus far considered. Unfortunately the changes are more likely to increase the already profound problems of producing enough products for the urban inhabitants. Existing agricultural owners will be discouraged from increasing production or improving processes, while whatever new system is expected to replace the existing one will evolve very slowly and faultily.

For the Ambassador:

John T. Fishburn

John T. Fishburn
Labor Attaché

DISTRIBUTION: All Consulates, São Paulo (2), Brasília (2), POL II (2), CAS (1), Agricultural Attaché (1).

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INCOMING TELEGRAM *Department of State*

Rio 1074

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CONFIDENTIAL

Control: 1138
Rec'd: December 3, 1962
11:54 p.m.

FROM: Rio de Janeiro

TO: Secretary of State

NO: 1074, December 3, 10 p.m.

ACTION DEPARTMENT 1074, INFORMATION RECIFE 113.

Department telegram 1174.

Fishburn plans visit Recife early January check with AID officials, Father Crespo and other local labor and Catholic officials re leader grants and union programs this field, with hope that useful suggestions will ensue.

Will check with national officials Catholic workers circles in Rio de Janeiro before departure. Trip will be coordinated with NE/AID officials.

BOND

MEM

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DEPARTMENT OF STATE

AIRGRAM

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A-170 NO. LIMITED OFFICIAL USE DEPARTMENT OF STATE INDICATOR

DEPARTMENT OF STATE
BUREAU OF
INTER-AMERICAN AFFAIRS
DEC 7 1962

TO : DEPARTMENT OF STATE

INFO: RIO DE JANEIRO
BRASILIA

FROM : Amcongen, São Paulo DATE: December 5, 1962

SUBJECT : Relation Between Brazilian Federal Government and Federation of Industries of the State of São Paulo.

REF : CERP, D; ConGen A-90, October 5, 1962, ConGen A-158 of November 29, 1962.

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12-10-62
Joseph Burton

Enclosed is a memorandum of conversations with leaders of the Federation of Industries of the State of São Paulo and the President of the Commercial Association of São Paulo, in which they expressed strong misgivings concerning the Federal Government and gave insight into the internal workings of the Federation and Association, with particular reference to their ineffectiveness in influencing the Federal administration at present.

For the Minister Consul General:

Scott C Lyon

Scott C. Lyon
Consul

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Dec 11 4 18 PM '62

FORM 4-62 DS-323

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Drafted by: POL:SCLyon:ip	Contents and Classification Approved by:
Clearances:	

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MEMORANDUM OF CONVERSATION

DATE: November 29, 1962

PLACE: Auto Club and American Chamber of Commerce, São Paulo

SUBJECT: Relations between Brazilian Federal Government and Federation of Industries of the State of São Paulo.

PARTICIPANTS: Rafael NOSCHESE, President of the Federation of Industries of the State of São Paulo
Dr. Paulo de Almeida BARBOSA, President of the Commercial Association of São Paulo
Scott C. Lyon, Acting Principal Officer, American Consulate General, São Paulo

Copies To: Amembassy, Rio de Janeiro (2cc)
Amembassy, Brasilia (1cc)
ARA (1cc)
INR (2cc)
Central Files (2cc)

Sr. Noschese was the guest of honor at the luncheon meeting of the American Chamber of Commerce on November 29, 1962. In pre-luncheon conversation, he told with satisfaction of the meeting he and other officers of the Federation had a few days ago with Minister Niles BOND at the American Embassy at Rio de Janeiro, in which the Federation officials had presented proposals for Alliance for Progress activities under Federation sponsorship.

Sr. Noschese also told of a meeting of Federation officials with Hugo de FARIA, Chief of the Civil Household of the President of the Republic, on November 28, 1962, at the Federation headquarters in São Paulo. The meeting had been called at the urgent request of Federal authorities, but the Federation officials had been disappointed to find out that Faria had come merely to solicit Federation backing for the campaign to get out the vote for the plebescite in January 1963. Faria came "hat in hand," according to Noschese, to ask that Federation members furnish transportation to the polls and encourage their employees and others to vote. He indicated that the Federal administration fears a massive abstention

0599

from the polls, with perhaps only three million votes cat in all Brazil. Federation members received the appeal without enthusiasm, according to Sr. Noschese.

Sr. Noschese made it clear that he is a vigorous supporter of free enterprise and has strong misgivings about the present Federal Government. Both in private conversation and in his subsequent speech at the Chamber luncheon, he came out clearly for closer collaboration between his Federation and the U.S. Chamber.

Sr. Noschese and his fellow Federation official, Humberto REIS COSTA, spoke privately of the high cost of representational activities at Brasília. Reis Costa told of sitting in a restaurant at Brasília with a Deputy, who called many friends to join them. At the end of a long discussion, Sr. Reis Costa was left with a hefty bill for drinks, which he had to pay from his own pocket since the Federation does not reimburse such expenses. After many such occurrences he lost enthusiasm for lobbying. He and Noschese advocated asking American firms to contribute to representational expenses.

Lyon talked later with Dr. Paulo de Almeida BARBOSA, President of the Commercial Association of São Paulo, who gave an apparently frank appraisal of the internal politics of the Federation and its effectiveness in influencing the Federal Government. Barbosa regarded Noschese as a compromise choice for President of the Federation, agreed to by the insurgents headed by José Ermírio de MORAES Filho, Jorge Souza REZENDE, and others who opposed the faction supporting Antônio DEVISATE, the superannuated former President. (ConGen A-90, October 5, 1962.) Barbosa predicted that Noschese would be replaced in two years by Moraes or one of his group.

However, the power behind the scenes in the Federation is Nadir Dias de FIGUEIREDO, according to Barbosa. Figueiredo, a prominent São Paulo industrialist, is a former President of the Federation and owes his influence to prestige and connections acquired inthis office and high Government offices he has held. He is from Minas Gerais, and follows the tactics for which people from that State are famous of operating quietly behind the scenes. He was active and effective in defending the interests of the "class" in the past. At one time the Federation paid out five million cruzeiros a month to members of the staff of the President of the Republic.[1] However, the Federation is much less effective in

1/ This was during the Kubitschek administration, judging from the context of the remark, when the exchange rate was roughly 100 to 200 cruzeiros to the U.S. dollar.

LIMITED OFFICIAL USE

influencing the Federal administration nowadays, in Sr. Barbosa's opinion. This is primarily because President GOULART has surrounded himself with advisers who are leftists and advocates of increased governmental control of the economy. The only "free enterprise" man high in the administration is Renato da COSTA LIMA, Minister of Agriculture -- and Barbosa has doubts even concerning him.

Barbosa gave the impression that the Commercial Association which he heads makes relatively little effort to influence the Federal Government, compared with the Federation of Industries. He said his Association has a budget of only 300 billion cruzeiros a year, 2/ largely derived from fees paid by its voluntary membership for credit information and other services. The Federation of Industries on the other hand, has compulsory membership required by law, and with the closely associated Center of Industries of the State of São Paulo, has billions of cruzeiros at its disposal for a wide range of social projects, which provide jobs and patronage. In contrast, the Commercial Association is separate from the Federation of Commerce in São Paulo. It is the latter which controls expenditure of funds for social projects. Its president, Sr. Brasílio MACHADO Neto (whom Barbosa evidently does not like) wastes these funds on "pelegismo" (patronage). Officials of many of the smaller syndicates which belong to the Federation depend on the patronage controlled by the President of the Federation, and support him.

Comment: The information reported herein jibes with that from other sources.

It is significant that Noschese, the new President of the Federation, is publicly advocating closer cooperation between the Federation and the U.S. Chamber. This may indicate a victory over the "nationalist" elements in the Federation, who have the reputation of opposing foreign enterprise in Brazil. The question arises whether this policy of cooperation will suffer if Noschese is eventually replaced by José Ermírio de Moraes Filho or one of his group. There are divergent opinions concerning Moraes Filho, whose father, José Ermírio de MORAES (Senior) recently campaigned for Federal Senator on a strongly nationalistic platform. Moraes Filho is a much less redoubtable person than his father, and has the reputation of blurring his nationalisttendencies in order to get along with more conservative elements in the Federation -- and

2/ The current rate of exchange on the free (uncontrolled) market is around 725 cruzeiros per U.S. dollar.

0601

perhaps also to keep from being overshadowed by Fernando GASPARIAN, said to be the leader of the strongly nationalist faction. Interestingly, Barbosa did not mention Gasparian as a likely next president of the Federation.

There are numerous indications that the Federation intends to increase its efforts to influence the Federal Government and Congress. Its apparent policy of cooperation with American business interests indicates understanding of the common peril from government encroachment on private enterprise, and supports the hope that American enterprise in Brazil will have a strong defender in the Federation. Nevertheless, there are nationalistic elements within the Federation which may work secretly against the interests of foreign enterprises, probably not so much for ideological reasons as to knife dangerous competitors. To weaken the influence of these elements, American firms might well give thought to promoting good relations with Brazilian competitors, to strengthen understanding among the less nationalistic elements of the Federation concerning the necessity for cooperating in the common interest. Proof of the benefits of such a policy are clear in the current cooperation among pharmaceutical manufacturers in São Paulo in their struggle with government encroachment. (ConGen A-158 of November 29, 1962.)

[redacted]

[redacted]

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INCOMING TELEGRAM *Department of State*

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Control: 2600
Rec'd: December 6, 1962
1:26 a.m.

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FROM: Rio de Janeiro

TO: Secretary of State

NO: 1085, December 5, 8 p.m.

PRIORITY

Embassy Telegram 1083

In press interview held December 4 Prime Minister announced dismissal Labor Minister Pinheiro and replacement by Benjamin Eurico Cruz, currently Director National Department of Labor within Labor Ministry. Emphasized decision his own responsibility.

According CORREIO DA MANHA, some hours prior announcement dismissal of Pinheiro, President Goulart made it clear he agreed with "youthful and hard-working Minister". Again, President and Prime Minister managing play both sides.

CGT and CNTI have publicly blamed "IMF-imposed" policies for Brazil's economic and financial ills and declared solidarity with Pinheiro, calling for mass meeting at 1800 December 5. Strike threats not repeated and labor not likely go to battle over issue.

Cruz career lawyer Labor Department. In recent talk with Labor Attache who had raised issue Communist influence Brazilian Unions, he stated he not politician and did not understand politics. This convenient cover. He is believed to be non-Communist but unwilling oppose them and President. He played key role Communist breakup Democratic National Federation Street Car Employees (A-586 November 23). Weak person, will be tool of President if he accepts position.

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Control: 4267
Rec'd: December 8, 1962
9:41 a.m.

FROM: Rio de Janeiro

TO: Secretary of State

NO: 1114, December 7, 9 p.m.

MARTIN, ARA FOR AMBASSADOR GORDON

One-day strike bank workers, December 6, against Bank reform bill and bill that would deny additional 13th month bonus to workers already, in effect, receiving thirteenth month "suspended" last night. Action taken upon reported promise Goulart A) would see to it (presumably through PTB deputies and personal influence) that both bank reform bill and bill amending thirteenth month legislation could be removed from order of day of Chamber of Deputies and B) that special working group would be established with participation representatives both bankers and bank workers in order to achieve "a better formulation of bank reform project."

These commitments, if carried out by Goulart, appear end any chances early passage bank reform bill which Faraco has been urgently pushing in this session of Congress (bill summarized in Embassy A-324). Bank strike strongly backed, and probably inspired by Bank of Brazil management which saw imminent danger to its interests in Faraco bill, which provides establishment separate Central Bank and transfer to it of profitable bank reserve and Treasury deposits from Bank of Brazil. Not certain where Goulart personally stood with regard Farasco bill, but at least may have welcomed opportunity of bank strike to avoid any drastic bank reform now which might considerably reduce possibilities use Bank Of Brazil for political purposes. This connection, Bulhoes commented to Embassy officer that many in government did not want Faraco type bank reform and that strike concocted as convenient excuse kill measure.

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NAME OF OFFICER & OFFICE SYMBOL: ARA- R. Burton	DATE OF ACTION: 12-11-62	DIRECTIONS TO RM/R: File

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Control: 5171
Rec'd: December 10, 1962
9:34 p.m.

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FROM: Rio de Janeiro

TO: Secretary of State

NO: 1123, December 10, 7 p.m. (SECTION I OF III)

PRIORITY

ASSISTANT SECRETARY MARTIN FOR GORDON

Developments past few days here have remained within general framework previous Embassy reporting. Confused, fluid situation and atmosphere at least mild alarm some participants, however, noteworthy in themselves and best illustrated by reporting some of events, statements and rumors. Most of this useful merely as background, although information contained in paragraphs 10 and 17 could have operational significance.

One caution which in previous reporting we perhaps have not made sufficiently explicit for uninitiated readers is that conflicts inside PTB and allied groups illustrated by current events should by no means be interpreted as fight between "good guys and bad guys", and that tactical nature Goulart's equivocal but currently mildly "conservative" course should be kept always in mind. We at least would not be at all surprised if disciplined elements of Communist movement here were in accord current Goulart policy.

Goulart, moreover, undoubtedly does not mind some atmosphere of crisis on eve plebiscite since this stirs voter interest and may enlarge his subsequent opportunities to expand own powers. This, however, is subject his ability maintain control which has appeared less than perfect last few days. Current situation, in addition, especially financial and with regard relations with United States, leaves him less than accustomed room for maneuver.

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ACTION ASSIGNED TO: RM/R	ACTION TAKEN: None		
NAME OF OFFICER & OFFICE SYMBOL: WHP-Mr. Bruta	DATE OF ACTION: 12-13-62	DIRECTIONS TO RM/R: File	

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Control: 7332
Rec'd: December 13, 1962
9:29 p.m.

FROM: Rio de Janeiro

TO: Secretary of State

NO: 1134, December 13, 6 p.m.

PRIORITY

FOR ASSISTANT SECRETARY MARTIN

Following is continuation situation reporting intended take up where Embassy telegram 1123 left off. Other than Rio Grande du Sul request for removal all Peace Corps volunteers from state (reported Embassy telegram TOPEC 55) most significant developments as follows:

1. Protest movement (paragraph 12 Embassy telegram 1123) among naval officers at award of Navy Medal of Merit to Brizzola, Aragao, Raul Ryff etc., has grown. By now 19 retired admirals (including ex-Minister Sylvio Heck and former CNO Ary dos Santos Rongel), two vice admirals and five Rear Admirals (members latter groups are active but unassigned) and eight captains (all active) have returned their previously awarded medals to Navy Minister Suzano. Latter has publicly stated he will take disciplinary and legal action against all Naval officers returning decoration. (Further details available in Naval Attache messages 11 December 1800Z and 13 December 1515Z). Award ceremony taking place December 13.

2. Very large group generals called on Kruel yesterday to express support for him as Minister of War. Purpose clearly was to attempt influence Goulart keep Kruel on in post-plebiscite government and based on thought he was anti-Communist and best available under circumstances. A few known anti-Communist generals were not among group presumably on basis Kruel too close to Jango, while Osvino attended presumably to avoid isolation.

3. Emergency rice

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Control: 14097
Rec'd: December 27, 1962
4:54 p.m.

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FROM: Sao Paulo

TO: Secretary of State

NO: 81, December 27.

ACTION DEPARTMENT 81, INFORMATION RIO DE JANEIRO 46.

Discharge of worker for just cause provoked strike beginning December 24 at Alba Plant in Cubatao. Union insists on payment of indemnity while company considers worker ineligible. Although willing to pay, if labor court so rules, union has threatened to spread strike to other American petro chemical plants in Cubatao but some doubt this will occur. Labor court judge expected to attempt mediation with first meeting today. Further details in A-196.

BRADDOCK

FKG/18

SAO PAULO 81

832.062/12-2762

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OSD 12	USIA	NSA 3

DEPARTMENT OF STATE

AIRGRAM

832.062/12-2862

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XM-832.3937

A-196 NO. | OFFICIAL USE ONLY | HANDLING INDICATOR

832.0511

TO : DEPARTMENT OF STATE AM 3 AM 10-23

INFO: RIO DE JANEIRO

DEPARTMENT OF STATE BUREAU OF INTER-AMERICAN AFFAIRS ANALYSIS & DISTRIBUTION BRANCH JAN 7 1963

FROM : Amcongen, SÃO PAULO DATE: December 28, 1962

SUBJECT: Strike Breaks Out at Alba Petrochemical Plant in Cubatao -com

REF : Congen A-184 of Dec. 19, 1962; Congen A-157 of Nov. 28, 1962 and previous -com

CERP, D-17

file 9-2/ARPAK 1/8/63

Discharge of an employee "for just cause" provoked a walk-out at the Cubatao petrochemical plant of the American-owned company Alba, S.A. beginning on the morning of December 24. The issue is liability of the company for payment of termination indemnity. The union has threatened to spread the strike to the other three American-connected petrochemical plants in Cubatao. A labor court judge is expected to attempt to mediate the conflict with an initial meeting December 27.

On December 24 an employee of the resin department of the Alba plant in Cubatao was discharged "for just cause." On the previous day he had through gross carelessness ruined several tons of product. The man was a repeated offender and had as recently as December 6 been given a written reprimand for carelessness that resulted in the loss of eight ton of resin.

According to the company's interpretation of labor laws, an employee fired "for just cause" is not eligible to receive termination indemnity. The union threatened an immediate strike unless the indemnity were paid. The company, while expressing willingness to accept and execute the decision of a labor court on this question, refused to meet the union's demand for immediate payment. The walk-out followed.

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FORM 4-62 DS-323

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File reaction ARA to ST/P & L J Burton 1/10/63

Drafted by: econ RCDesmond:lc 12/28/62

Contents and Classification Approved by:

Clearances:

0608

São Paulo 17-196

The union has threatened to carry the strike to the other American-connected petrochemical plants in Cubatao, and reportedly has asked at least some of them to urge Alba to meet the union's demands.

The São Paulo labor court is not in session at present and so not available to render a decision on the basic issue. The President of the court, however, held a conciliatory meeting to attempt mediation on December 27. He suggested, as a conciliatory gesture, payment of half the indemnity. This the company rejected since it considers it would lead to more trouble later. In other respects the judge expressed unofficial opinions favorable to the company's position. A formal court hearing is now scheduled for January 2.

The union held a general meeting after the conciliation session. What action the meeting may lead to is not known.

The Alba plant is not entirely closed by the strike, but is operating partially with supervisery personnel.

A manager of another Cubatao company (COPEBRAS) has expressed to the Consulate General guarded optimism that the strike will not spread since labor relations have recently been better than they ever were before. He expressed the opinion that Alba will win the case, but thought that company had not been wise to raise the issue that created the conflict, particularly when labor tension was high in some sectors, including one affecting workers in near-by Santos.

For the Minister Consul General

Richard C. Desmond
Richard C. Desmond
Consul

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Control: 1263
Rec'd: January 3, 1963
1"05 p.m.

FROM: Rio de Janeiro

TO: Secretary of State

NO: 1247, January 3

PRIORITY

Striking officers, engineers and commissary workers have been replaced by Brazilian Navy personnel on many Brazilian ships. Unconfirmed report from usually reliable source indicates one Brazilian ship is due in U.S. in near future manned by Brazilian Navy crew. Report further states American unions may boycott Brazilian ship. Such action would have unfavorable repercussions here since it would be in open opposition to official act of Brazilian Government and would also be offensive to Brazilian Navy. Request department investigate and if report true attempt head off proposed boycott.

GORDON

ebc

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OUTGOING TELEGRAM Department of State

02033

INDICATE: ☐ COLLECT ☐ CHARGE TO

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Classification

JAN 7 6 19 PM '63

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ACTION: Amembassy, RIO DE JANEIRO 1370

Info.

Your ~~BRAZILIREL~~ 1217, ~~Rpttelegram~~ 833.062/1-363

Department has discussed subject reference telegram with union official who informs no appeal received from Brazilian unions for US maritime workers boycott Brazilian ships. In any event US unions will not rpt not work any commercial cargo while strike in effect whether vessel manned by civilian or navy crew. If US maritime strike ends and Brazilian unions appeal to US dockworkers unions boycott vessels in support Brazilian maritime strike US/may be stronger expected to honor such appeal, unless we can show/~~strong~~ reasons in terms of trade union interest for not supporting, such as strengthening communist leadership.

Department contemplates no further action, unless you have additional information justifying appeal to union on political grounds.

END

BALL

(1)

Verified by WH/1

Drafted by: ARA/EST/B~~:RCrane~~md 1/7/63

Telegraphic transmission and classification approved by: ARA/EST- Mr. Wellman

Clearances:
RPA-Mr. E.J.Rowell
EST/B-Mr.Burton RB

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Classification

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FORM 5-61 DS-322

RIO DE JANEIRO 1370

833.062/1-363

0611

ORIGIN/ACTION

ARA-4

RM/R	REP	AF
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ARA	EUR	FE
NEA	CU	INR
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L	FBO	AID
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ARA/ESTA
Burton
1/11/63

(25)

DEPARTMENT OF STATE

AIRGRAM

832.062/1-463
XR-892.3932

FOR RM USE ONLY

A-204 NO. — OFFICIAL USE ONLY — HANDLING INDICATOR

TO : DEPARTMENT OF STATE

1963 JAN 9 PM 1 48

INFO: RIO DE JANEIRO

ANALYSIS & DISTRIBUTION BRANCH

FROM : Amcongen, SÃO PAULO DATE: January 4, 1963

SUBJECT : Strike at Alba Petrochemical Plant Ends

REF : Congen A-196; CERP, D-17

A ten-day work stoppage at the Alba petrochemical plant ended on January 3. The union requested pay for time on strike and a commitment to refrain from punishment of any worker for strike activities. The compay refused to pay for strike time and reserved the right to impose punishment for strike activities. The union has not dropped these issues, but for the present at least work at the plant has resumed.

The decision of the union to go back to work followed a hearing on January 2 of the São Paulo Labor Tribunal. At this hearing the tribunal refused to take cognizance of the case, saying it was a matter for the Santos labor court. The Tribunal referred the strike, however, as illegal, and took the union to task for abuse of the strike weapon. Threats of the union to carry the strike to other Cubatão plants were not carried out, apparently for lack of support among workers in other plants.

The original issue of liability of the company for payment of termination indemnity to the dismissed employee may still be taken by the employee, or the union, to the Santos labor court.

For the Minister Consul General

Richard C. Desmond

Richard C. Desmond
Consul

JAN 14 1963

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FORM 4-62 DS-323

Drafted by: RCDesmond:lc ECON 1/4/63

Contents and Classification Approved by:

Clearances:

0612

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40-48

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Action ARA
Info SS SR G SP CAP E AID P USIA NSC INR CIA NSA OSD ARMY NAVY AIR COM LAB RMR

Control: 4510
Rec'd: JANUARY 9, 1963 5:35 AM

FROM: BUENOS AIRES

TO: Secretary of State

NO: 1582, JANUARY 8, 6 PM

REFERENCE: DEPTEL 1531. 833.062

IN REPLY SPECIFIC POINTS REFTEL:

(1) UNIONS INVOLVED ARE "INDEPENDENTS" WITH STRONG PERONIST ELEMENTS ESPECIALLY IN FERROVIARIOS.

(2) BELIEVE BASIS GOVERNMENT REFUSAL ENTER DISCUSSIONS RESULTED COMPLEX (A) LACK OF AGREEMENT WITHIN GOVERNMENT AS TO HOW AND WHEN FUNDS TO BE RAISED, (B) BREAKDOWN IN GOVT/LABOR COMMUNICATIONS AS RESULT OF PUENTE/CGT FEUD, (C) DESIRE SOME ELEMENTS MAINTAIN GOVT "HARD" LINE ON LABOR.

(3) GOVERNMENT POSTURE THIS CASE SHOULD NOT BE TAKEN AS DECISIVE INDICATOR LABOR LINE PRESENT REGIME. TALKS HAVE BEEN HELD AND WHILE PROBLEMS NOT RESOLVED, TENSIONS SOMEWHAT LOWER AND 24-HOUR RAIL STRIKE SCHEDULED JANUARY 7 POSTPONED. LABOR ELEMENTS HAVE MET WITH VARIOUS GOVERNMENT OFFICIALS INCLUDING MINISTERS ECONOMY AND INTERIOR. CGT SOURCES SAY PRESS REPORTS FORTHCOMING MEETING CGT OFFICIALS WITH PRESIDENT GUIDO ARE TRUE. GOVERNMENT LINE ON LABOR SOMEWHAT SOFTER THAN PREVIOUSLY BUT NOT COMPLETE REVERSAL. DIRECTION LINE WILL TAKE IN SHORT-RUN FUTURE PROBABLY DEPENDS MORE ON REACTION PERONIST LABOR LEADERS TO FORTHCOMING PRESIDENTIAL ANNOUNCEMENT OF ELECTIONS WITH PROBABLE CLEAR PROSCRIPTION PERONIST PARTIES THAN ANY OTHER SINGLE FACTOR.

(4) PUENTE HAD GAINED CONFIDENCE VARIOUS ANTI-PERONIST ELEMENTS INCLUDING ELEMENTS OF MILITARY AND SEEMINGLY RETAINED AS ASSURANCE TO THESE ELEMENTS NEW ECONOMIC TEAM TO CONTINUE FIRM

LABOR

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ACTION ASSIGNED TO:	ACTION TAKEN		
NAME OF OFFICER & OFFICE SYMBOL ESTH-Anderson	DATE OF ACTION 2/6/63	DIRECTIONS TO RM/R	FILE

GPO 930 500

BUENOS AIRES-1582 833.062/1-863 LABOR 13 U.S.C.

0613

LABOR POLICY. HOWEVER, CURRENT MEETINGS OF OTHER CABINET MEMBERS WITH LABOR LEADERS UNDERMINING HIS POSITION, NEVERTHELESS, PUENTE STILL HAS SUPPORT SOME MILITARY AND UNION INDUSTRIAL LEADERS. ADDITIONALLY, COURTS RECENTLY RULED ILLEGAL PUENTE ACTION REVOKING LEGAL STATUS OF GRAPHIC WORKERS. IF PRESENT EFFORTS RECONSTITUTE CGT SUCCESSFUL, PROBABLE PUENTE WILL BE REPLACED TO PROVIDE NEW START IN RELATIONS BETWEEN GOVERNMENT AND LABOR.

McCLINTOCK

WJH/22

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Action

CONFIDENTIAL

Control: 7189 AM 5 46

Rec'd: January 12, 1963

11:02 a.m.

INFO:

RM/R FILES

Rio DE JANEIRO - 1304

ARA
Info
G
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FROM: Rio-de-Janeiro

TO: Secretary of State

NO: 1304, January 11, 6 p.m.

file CR/RPA 1/15/63

ACTION DEPARTMENT 1304, INFORMATION PANAMA CITY 13.

FOR ROWELL

Rio ltr

Mario Lopes informed Fishburn will vent displeasure at ORIT meeting Panama over ORIT support for current directors CNTI when latter include Communists and have consistently aided Communists since taking office January 1962. Fishburn concurs entirely with Lopes' position. Suggest Romualdi be informed.

GORDON

DMJ/14

Hotel Lafayette

Romualdi — rec'd. — CNTI

837.062/1-1163

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JAN 14 1963

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ACTION ASSIGNED TO: ARA/RPA/L	ACTION TAKEN: CONFIDENTIAL Telegram sent to Embassy	REPRODUCTION FROM THIS COPY IS PROHIBITED UNLESS "UNCLASSIFIED"
NAME OF OFFICER & OFFICE SYMBOL: E J Powell	DATE OF ACTION: 1/16/63	DIRECTIONS TO RM/R: file

GPO 9 30 500

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95

OUTGOING TELEGRAM **Department of State**

06667

Rio de Janeiro 1401

CONFIDENTIAL
Classification

Jan 16 4 58 PM '63

ACTION: AmEmbassy, RIO DE JANEIRO 1401

EMBTEL 1304

ORIT denies having sanctioned or given moral or material support to CNTI. Status of CNTI is on agenda of Panama meeting where ORIT expects to determine formal posture in light Magaldi and Lopes reports.

END

RUSK

832.062/1-1163

D

Paraphrased by EM/R

Drafted by: ARA:RPA:EJRowell:ecb 1/16/63

Telegraphic transmission and classification approved by: EST - Harvey R. Wellman

Clearances: EST/B - Mr. Burton RB

CONFIDENTIAL
Classification

FORM DS-322

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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 #: 25

1 / 5 / S /

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BOX: 2417

ACCESS RESTRICTED

The item identified below has been withdrawn from this file:

Folder Title: 832.062/9-662

Document Date: 17/01/63

Document Ser#:

AGRAM A-814 FR RIO DE JANEIRO TO STAT DEPT

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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NND: 949516

WITHDRAWN: 02/27/95 by: CJM

FOIA RETRIEVAL #: 949516 02417 00025



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INCOMING TELEGRAM *Department of State* **PERMANENT RECORD COPY**

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43-W
Action
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RMR

Control: 16735
Rec'd: January 25, 1963
10:29 p.m.

FROM: Rio de Janeiro

TO: Secretary of State

NO: 1409, January 25, 6 p.m.

PRIORITY

Following from Brasilia:

Ameral Peixoto did not take office with other Cabinet nominees stating he wants to consult PSD parliamentary group early next week. His hesitations probably attributable to one or more following factors. Goulart gave two Cabinet posts to PSD not five as he reportedly had promised before plebiscite, withdrawing Foreign Ministry from Renato Archer at last minute. Goulart apparently developed reserve about PSD proposed administrative reform bill, execution of which Peixoto was to oversee.

Distribution of sub-Cabinet positions not yet official nor apparently in some cases made. No announcements yet on Bank of Brazil or BNDE with retention of incumbent likely in first place and unlikely in second. Under Bank of Brazil Carteira de Redescontes apparently being given Hugo de Faria and (Cacez) to Miguel Osorio de Almeida.

(3) We understand few if any changes being made in staff President's military household. Sub-Chefe for Naval Affairs getting routine transfer to Tokyo as Naval Attache. Luis Arraujo apparently leaving first sub-Chefe of Civil Household. Raul Ryff reportedly being replaced as President's press secretary by Luiz (Alberto Bahia) (national editor of VISAO magazine). Incidentally, former Prime Minister's office in Planalto and residence (Ipe) are, we understand, being taken by (Evandro Lins,) new Chief of Casa Civil, disposition which was apparently status quo /anteparliamentarism

RIC DE JANEIRO - 1409 732.00/1-2563 XR 733.13

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ACTION ASSIGNED TO	ACTION TAKEN	DIRECTIONS TO RM/R
NAME OF OFFICER & OFFICE SYMBOL: A.R.A/Est/B J. Burton	DATE OF ACTION: 2/19/63	file

GPO 930 906

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Air Priority
PRIORITY

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(Security Classification)

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932.6211/2-2761
XR 832.062

FOREIGN SERVICE DESPATCH

FROM : Amconsul, Recife

38
DESP. NO.

TO : THE DEPARTMENT OF STATE, WASHINGTON.

February 27, 1961
DATE

REF :

20 For Dept. Use Only	ACTION	DEPT.
	REC'D 3-6-61	INFO: RM/R-2 INR-7 P.3 IO-4 INTEL-4 SY-2 Com-6 OTHER: CIA-10 LAB-6 USIA-10 FBI-1 NSA-4 OSD-5 ARMY-4 NAVY-4 AIR-6

DEPARTMENT OF STATE
BUREAU OF INTER-AMERICAN AFFAIRS
3 20 61

SUBJECT: FRANCISCO JULIAO/LIGAS CAMPONESAS: On the Threshold of Fame

(1)

Francisco Juliao, leader of the Ligas Camponesas, has been playing the part of the gracious host to American newsmen during the past 10 days. A reporter-photographer team (Leonard Gross and Douglas Jones) of Look Magazine has accompanied the Ligas leader during the past two weekends on extended tours of the Pernambuco and Paraiba countrysides. The regional correspondent of the U.S. News and World Report (Dick Richardson) was granted a two hour interview on February 22 with an additional hour of photographing the following morning. In January, Juliao had given his first interview to William Ryan, touring news analyst of the Associated Press. Scheduled for a month's stay, starting next week, is an A.B.C. television news team visit to the Brazilian Northeast. The A.B.C. correspondent has already requested permission from State Deputy Juliao to film Ligas activities. It would appear that Francisco Juliao and his Ligas Camponesas are on the eve of becoming famous, or at least well publicized, in the U.S. and elsewhere in the world otherx than in Pernambuco. Deputy Juliao has already shown consulate officials a letter from one would-be partisan from Chicago who has volunteered to join the struggle to better the peasants' lot in life in Brazil.

Dr. Juliao has been impeccable in his role as the hospitable host for these "member of the international press corps"(as he introduces them at the various rallies - calling attention to the increasing fame of their organization). Since his original interview with Ryan, Dr. Juliao has modified his description of the aims and methods of the Ligas Camponesas. There is no longer any mention of reform by force; bloodshed is to be avoided at all costs. Some of his lieutenants, however, expressed the need for a more forceful type of action. Juliao denied at all times that he is a Communist; he did state that he hopes that the PSB (the Socialists-his party), the PTB (workers party),and the PCB (Communist Party) will work together to bring about peaceful agrarian reform. When reminded of the bellicose nature of communism, he told Richardson that "communism in Brazil is different."

At times, he was contradictory. With Richardson, he noted that the example of Cuba was not the solution for Brazil because Cuba had had a dictatorship whereas Brazil is a democracy. During one of his

ETWalters:etw
REPORTER

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032.6211/2-2761



speeches, however, the interpreter for the Look team heard him call for action of the Cuban type. At all other times he maintained the role of the preacher of peace and reform. His fellow speechmakers sometimes slipped into more powerful petitions.

The Goals of the Ligas

Dr. Juliao emphasized the following goals for which the Ligas are working:

1. Democratization of the agricultural system, which means liberation of the peasant from the feudal system, strongarm tactics and the company store.
2. Unionization of the rural workers, but with the continuation of private ownership of the land.
3. Legislation of a social and economic nature to assist the rural areas.
4. Formation of cooperatives to help in the production, harvesting and marketing of the crops.
5. Votes for the illiterates. Enfranchising of those unable to sign their names will increase the number of Brazilian voters from 15 million to 35 million.

Methods

The tools of the Ligas are to spread influence (pressure?) among the voters and the political leaders and to develop an awareness of the peasants' life in Brazil today. "The peasant has been sleeping for centuries," and he is excluded from society. Juliao hopes to use the political parties - PSB, PTB, and PCB - as agents in this campaign.

Numbers

To one journalist, Juliao said he had no idea of how many members belonged to the Ligas. He estimated that there might be 35 Ligas in Pernambuco. With another journalist, as they watched the members of a Paraiba Liga pay their monthly Cr$40 dues and receive their receipts, he remarked that he hopes to have 200,000 enrolled in the Ligas in 1962. A national congress of the Ligas will be held in November or December of this year. The crowds who came to hear Juliao speak ranged from 500 to 1,500 in the rural communities.

Engenho Galilea

Although he did not elaborate, Dr. Juliao remarked that the Ligas take-over of the Engenho Galilea, a run-down Pernambuco sugar plantation, had been a mistake and had happened against his wishes. He stated that the present State plan of land reform should not be the pattern for future reform, because - for one reason - the State could not afford the financing of such a program. Journalist Richardson believed that Juliao fears that the State's action in initiating its land reform program was too successful a counter-measure to the

0620

initial move of the Ligas.

Impressions

The journalists were disappointed and/or puzzled by Juliao's adoption of the Mohandas K. Gandhi-type philosophy for action in the Northeast. (Juliao's ideals: Jesus Christ, Gandhi, Abraham Lincoln, Mao Tse Tung, and Fidel Castro. Large portraits of Castro, Recife communist Mayor Miguel Arraes, and Juliao himself adorn the walls of his Recife office.) Some comparisons were drawn between Juliao and General Naguib of Egypt and some other liberal leaders of India who had been controlled and guided by their more radical advisers while they remained as the figureheads of the popular movements.

COMMENT:

The American journalists have been in an excellent position to study the man, Francisco Juliao, and his movement, the Ligas Camponesas. They have also had an opportunity to meet some of his key staff members and, perhaps, his wife (a member of the PCB and a strong influence upon Juliao). Their completed articles should be educational for anyone interested in this area. To this reporter and to certain local Brazilian officials, Dr. Juliao's ability to portray himself as the advocate of non-violence and peaceful reform lends a chameleon quality to his known demogogic abilities and makes him, if anything, more of a threat than ever to the political and social stability of the area.

For Ernest J. Cuadrama
American Consul

GMC

0621

AIR POUCH
PRIORITY

UNCLASSIFIED
(Security Classification)

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XR832.03

FOREIGN SERVICE DESPATCH

FROM : Amembassy, Rio de Janeiro — 1253 DESP. NO.

TO : THE DEPARTMENT OF STATE, WASHINGTON. — June 27, 1960 DATE

REF : CERP, Section B, Item D-1

For Dept. Use Only	ACTION	DEPT.
	HEW-2	REP-1 IO-4 IRC-7 ARA-4 ICA-11 CU-5
	REC'D 7/2	INFO OTHER LAB-6 USIA-10 CIA-10 TR-3 AG-8

SUBJECT: Social Security Nutrition Service

This Document must be returned to the RM/R Central Files

Summary

The Social Security Nutrition Service (generally referred to as SAPS) is one of the component parts of Brazil's social security system. SAPS operates a chain of 55 low-cost restaurants for workers, aids many private companies to operate employee cafeterias, conducts research in the science and technology of nutrition, and seeks to publicise the principles of nutrition and essential elements of a healthful and balanced diet. This year SAPS will receive approximately two billion cruzeiros to finance its various activities.

This is the first of several planned despatches to describe Brazil's social security system.

The Social Security Institutes

Nearly four million urban workers in Brazil are covered by "Social Security Institutes". As the families of insured workers are eligible for certain benefits, it is estimated that a total of nearly 15 million persons enjoy some degree of coverage.

The social security system consists of six pension and welfare funds for workers in various sectors of the economy. Workers, employers, and the Federal Government are required by law to contribute to the funds. In practice, some employers contribute only after considerable delay, if at all, and the Government is far in arrears in its contributions. The six funds are administered by Social Security Institutes, each of which is independent from the others, but all of them come under the general supervision and control of the Ministry of Labor, Commerce and Industry. Employees of the Federal Government contribute to a separate, seventh, pension institute, and most state governments also have pension funds for their employees.

Information about the Social Security Institutes will be submitted in subsequent despatches; the foregoing brief description of them is included in this despatch in order to make meaningful the statement that SAPS is a joint undertaking of the Institutes.

832.072/6-2760

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DPMann/mel
REPORTER

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Purpose of SAPS

The Social Security Nutrition Service (Serviço de Alimentação da Previdencia Social) was established by President Getulio Vargas in 1940 as a joint undertaking of the Social Security Institutes. Various decrees governing the operations of SAPS were consolidated into one comprehensive decree-law on September 29, 1959 (Decree no. 40,912). Its text appeared in the Diario Oficial of December 21, 1959.

The broad goals of SAPS, as stated in Decree No. 40,912, are to furnish nutritional aid to workers, and to disseminate among Brazilians knowledge of scientific nutrition. In pursuit of these goals, SAPS operates low-cost workers restaurants, aids private firms to operate their employees restaurants, carries on research in the science and technology of nutrition, trains specialists in nutrition, and seeks to publicize by radio, posters, pamphlets, lectures, and films the principles of nutrition and the essential elements of a healthful and balanced diet.

Source of SAPS Funds

The six social security institutes are supposed to pay SAPS 2% each year of their income from employer and employee contributions. An additional 3% of these contributions should be held in reserve by the Institutes for use by SAPS. Still another source of funds is participation in the allocation of the Institute's income from other sources, apparently meaning contributions from the Federal Government and returns from investments, although the exact percentage of such income which should go to SAPS is not specified in the basic decree-law. According to the Assistant to the Director-General of SAPS, budget planning in recent years has been complicated by a lack of stable predictability of the actual amounts the Institutes will turn over, but he cited the figure of two billion cruzeiros as the approximate amount that will be paid to SAPS this year (at current rates of exchange, this would be approximately eleven million dollars). It is not surprising that SAPS is unsure from year to year of how much it will receive, as the Institutes are in financial difficulties (Embassy Despatch 1059, May 3, 1960) and what they are supposed to pay SAPS, according to the law, and what they actually pay are not the same thing.

Low Cost Cafeterias

SAPS operates 55 low cost cafeterias in major cities throughout Brazil. The ones here in Rio serve about 18,000 meals per day, for which they presently charge 25 cruzeiros per meal. This charge represents less than half of the actual cost to SAPS of the meal.

The Labor Attache and the reporting officer recently visited one of the SAPS cafeterias. Supposedly the cafeterias are only for contributors to one of the Institutes, but no proof of such status was requested. The line of persons waiting to enter the cafeteria was not very long, but it used to be longer before a recent price increase went into effect. For the standard charge of 25 cruzeiros we received a substantital meal consisting of bean soup, boiled rice, roast meat, a squash-type vegetable, tomato and cucumber salad, bread, peanut butter, jam, milk, and coffee. A similar meal in a commercial restaurant would probably cost four times as much. The sanitary condition of the cafeteria appeared acceptable

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and the milk and coffee were both served in disposable paper cups. Separate plates were not used; all of the meal was served on a stainless steel tray divided into several compartments, one for each of the items of the meal. After eating, all customers carried their own trays to the point where they were being washed. The customers, nearly all of whom were men, appeared to be lower-paid commercial workers (the SAPS Cafeteria we visited is located in the central business district of Rio). A beggar was sitting near the exit asking for donations.

In addition to the 55 cafeterias which it operates directly, SAPS provides varying degrees of aid to several hundred employee cafeterias operated by private firms. Large companies in Brazil are required by law to maintain an employee cafeteria, and if they wish to have SAPS plan the menus and furnish the food, SAPS will do so at a charge which covers the cost without profit. As SAPS' food buyers purchase large amounts of food for its own cafeterias, they can often get food at lower prices than could the companies. Furthermore, SAPS' officials can calculate more accurately how much food will be needed for a specific number of meals and advise the companies accordingly, thus avoiding excess purchasing and consequent spoilage.

According to the Assistant to the Director-General of SAPS, the cafeterias may be the best known of the various SAPS activities, but some of the officers of the organization strongly believe that the nutrition research and educational programs are more important than the cafeterias in terms of long-range benefits to the entire public.

Educational Activities

SAPS operates a college-level school in Rio which graduates about 25 trained nutritionists per year. Most of the graduates are employed immediately by hospitals, boarding schools, or welfare agencies, according to the Director of the school. In addition to their teaching duties, the faculty members conduct research, usually with the aid of the advanced students. SAPS also furnishes the instruction in nutrition to prospective "home economics" teachers at normal schools in Belo Horizonte and Fortaleza. At the popular level, SAPS conducts short courses in cooking and meal planning for housewives of Rio de Janeiro, and enrollment is open to anyone.

SAPS has furnished the Embassy with copies of some of its pamphlets and books intended to instruct the public in sound nutrition. For children there is a colorfully illustrated booklet entitled "Little Ruth Goes to the Fountain of Health"; a pamphlet entitled "Nutrition Guidance for Pregnant Women"; another pamphlet entitled "Nutritional Formulas for Children"; and a series of 14 pamphlets entitled "Health and Nutrition". More serious works include a number of technical publications for professional nutritionists, as well as the following books of more general interest: "Nutrition and Progress", "Nutrition and Culture", and "Hygiene, Nourishment, and Crime". Anyone who would like to receive the foregoing publications is invited to write to the reporting officer. All of the publications are in Portuguese.

0624

International Cooperation

SAPS aids several of the least developed countries of South America through a program of scholarships to foreign students to attend its nutrition school in Rio. There are usually four or five foreign students in each graduating class, mostly from Paraguay, Bolivia, or Ecuador. Scientific training comparable to that offered at the SAPS school is said to be unavailable in those countries. SAPS is also responsible for the scientific and technical aspects of Brazilian participation in the Food and Agriculture Organization with headquarters in Rome (FAO).

For the Chargé d'Affaires,a.i.:

David P. Mann
Assistant Labor Attaché

Approved by:

John T. Fishburn
Labor Attaché

Philip Raine
Counselor of Embassy for
Political Affairs

Distribution: Pol, Econ, ConGen, S.P.(Labor Officer)

0625

PRIORITY

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FOREIGN SERVICE DESPATCH

FROM : American Embassy, Rio de Janeiro — 230 DESP. NO.

TO : THE DEPARTMENT OF STATE, WASHINGTON. — September 15,1960 DATE SEP 17 1960

REF : CERP, Section B, IV, Item D

For Dept. Use Only	ACTION REC'D	INFO	DEPT. / OTHER
25	New-5		Rep-1. 90-4 IRC-7 ara-4 ICA-11
	9-21	O	Lab-3 USIA-10 Cin-10 TR-3

SUBJECT: SOCIAL SECURITY IN BRAZIL

THIS DOCUMENT MUST BE RETURNED TO RM/R CENTRAL FILES

832.072/9-1560

Summary

This despatch describes the Pension Institutes, the Government agencies which administer the seven major pension and welfare funds into which nearly all urban workers contribute 8% of their monthly wages. Employers and the Federal Government are required by law to match workers' contributions with equal amounts. In practice, some employers contribute only after considerable delay, if at all, and the Government is far in arrears in its contributions. Recently the President announced his Administration's intention to make a substantial contribution to the Institutes in the form of stock in some government-owned corporations. There is, however, some doubt as to the legality of such a transfer, and whether it will be implemented remains to be seen.

Nearly four million workers are insured by the Pension Institutes. As the families of insured workers are eligible for certain benefits, it is estimated that approximately 15 million persons enjoy some degreee of coverage.

Benefits granted by the Institutes include old-age and survivors insurance, sickness and disability payments, a maternity benefit, hospital and surgical care, and burial benefit. To a limited extent, the hospital and surgical care is also furnished to the dependents of an insured worker. Last year the Industrial Workers Pension Institute (IAPI), whihh insures about half of the total number of covered workers, paid out about 16 billion cruzeiros in benefits and IAPI officials estimate that this year the figure will rise to about 21 billion cruzeiros. The total payments of all the other Institutes may be about equal to the payments of IAPI.

Social security has received considerable attention in the press throughout the past year, mainly due to the financial difficulties of most of the Institutes, the movement though the legistative process of what is frequently described as the "Social Security Reform Bill" (referred to in this despatch as the Social Security Act of 1960), and statements by candidates in the forthcoming election of their views and intentions regarding social security.

The financial problems of the Institutes have their origin in the granting of benefits for motives of political popularity, without due regard for ability to pay; high administrative costs caused by the padding of the Institutes' payrolls

LWS

DPMann/lw REPORTER

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with excess employees who are given jobs as political rewards; low returns on invested capital; and the failure of the Federal Government to pay its share to the Institutes. The Social Security Act of 1960 signed by President Kubitschek on August 23, provides for bringing representatives of organized labor and employer associations into the top management of the Institutes, but the extent to which this will improve the situation of the Institutes remains to be seen.

The Social Security Act of 1960 also made uniform the benefits of the various Institutes, each of which was founded on a different date and developed under different legistative acts and executive orders. Railway workers were the first group to win social security benefits, under an act passed in 1923. Coverage to one and then another additional group was granted during the ensuing years, especially after Getulio Vargas became President. The extension of social security to industrial workers in 1938 brought the system to its present stage of development, and no further groups have been insured since that time. Thus farm laborers, who consitute a little more than half of the total labor force, are not covered, and domestic employees are also a fairly sizeable group not insured.

The remainder of this despatch is divided into three sections: Administration of Social Security; Social Security Benefits; and Financial Problems.

This is the second in a series of despatches describing social security in Brazil. The first described the "Social Security Nutrition Service" (Embassy Despatch 1253 of June 27, 1960). It is planned that the third will describe the health and educational benefits furnished by labor unions, which are largely paid for with tax money (the "union tax").

I-ADMINISTRATION OF SOCIAL SECURITY

The four million urban workers who are insured under Brazil's social security system pay 8% of their monthly wages into pension and welfare funds for industrial, commercial, railway and public utility, transport and cargo, maritime, and bank workers. There also exists a separate, seventh, fund for employees of the Federal Government, and most state and local governments have pension funds for their employees. These funds are administered by Pension Institutes, each of which is independent from the others, but all of them come under the general supervision of Ministry of Labor.

The first group of workers in Brazil for whom a pension fund was established was railway workers, under the "Eloy Chaves Act" of 1923. This act was named after the São Paulo congressman who introduced it in the Federal Chamber of Deputies. Chaves is sometimes referred to as the "father" of social security in Brazil. During the remainder of that decade several additional pension funds for one or another group of workers were established. Following the modest start which was made toward a social security system during the 1920's, the real growth of the system occurred during the 1930's under the sponsorship of President Getulio Vargas. Funds were established for each of the groups indicated above, with the founding of the Industrial Workers Pension Institute (IAPI) in 1938 completing the system. No major group of workers has been granted coverage since

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that date, with the result that agricultural laborers, who still constitute a slight majority of the total labor force, do not benefit from social security. Domestic employees are a second, smaller, group not covered.

Questions of jurisdiction (i.e., to which of the Institutes an employer should pay his own and his employees' contributions) are resolved by the Ministry of Labor. The Ministry's decisions in this regard are in agreement with its decisions as to whether employees in a given firm should pertain to an industrial workers labor union, a commercial workers union, or bank workers, etc.

The basic building block of an Institute's organizational structure is the local agency to which an individual insured worker goes to submit a claim. IAPI, the largest of the Institutes, has a local agency in all urban centers of any importance in Brazil. Often separate from the local claim agencies, but also of basic importance, are the local medical offices, where there is a physician to examine claimants for medical benefits and pass upon their eligibility from a medical point of view. In the case of IAPI, the physicians are sometimes direct employees; more commonly they are physicians who devote part of their time to this work, receiving remuneration according to a table of fees established in a contract between the physician and the Institute. A regional office coordinates and supervises the work of the local agencies. IAPI has a regional office in the capital city of nearly all states. The national headquarters of each Institute have in the past been located in Rio de Janeiro, but the move to Brasilia, the new capital, is getting underway. In the case of IAPI, the highest policy making officials and an appropriate staff for them will go to Brasilia, while the bulk of the routine work will continue to be performed in Rio. The total number of employees of IAPI is reported to be approximately 12,000 (this is probably a conservative figure).

The highest ranking officer of each of the Institutes has the title of "President". He is appointed by the President of the Republic. During the present administration, President Kubitschek has accepted the advice of Vice President Goulart in regard to appointments of Presidents of the various Institutes, pursuant to an electoral agreement of 1955 which divided Federal patronage between the Social Democratic Party or PSD (the President's party) and the Brazilian Labor Party or PTB (the Vice President's party). Thus political control over all of the Institutes is exercised by the Vice President Goulart and his PTB.

One of the major changes in the administration of the Institutes for which provision is made in the Social Security Act 1960 is the establishment of a joing labor-management committee in each of them. These committees will give both organized labor and employer associations a voice in the management of the Institutes. Presumably the Presidents of the Institutes will consult the committees regarding major decisions, and the attainment of this role in the management of the Institutes was one of the major causes of organized labor's support of the Social Security bill during the several years of its movement through the legislative process. The committees have not yet been formed and thus the

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ways and degree to which they will influence the future actions of the Institutes remains to be seen.

In addition to considering claims and paying benefits, each of the Institutes administers a considerable number of housing projects which make up, together with land and stocks, its invested capital. A minimum period of one year of insured employment was required of a worker prior to his becoming eligible for any type of benefit from IAPI, and in the case of some of the other Institutes the initial period of contributions without benefits was a little longer. Thus all of an Institute's income for at least its first year was available for investment purposes. Afterwards some benefit payments commenced, but normally income exceeded expenditures for at least several years. In the case of IAPI, more than half of each year's total income was put into investments until the mid-1940's. It was never the policy of IAPI to buy stock in private business firms. Most of its money went into real estate, although shares were purchased in some government-owned enterprises such as railroads and public utilities. During the past few years, all of the Institutes have put nearly all of their available investment funds into housing projects in Brasilia. By and large, the present returns to the Institutes from their investments are disappointing, due mainly to government controls on rents and on the charges to consumers of the services of public utilities. There are, however, a few bright spots in the picture. For example, a large tract of land near São Paulo purchased by IAPI twenty years ago has, with the growth of that city, increased many times in value.

All of the Institutes contribute toward the cost of two social security agencies which are operated as joint undertakings. The first of these is the Social Security Nutrition Service of SAPS, to which each Institute is supposed to allocate 5% of its total revenues from employer and employee contributions, plus a share of its income from other sources (see Embassy Despatch 1253, June 27, 1960). The second is the Emergency Home Medical Aid Service (Servico de Assistencia Medica Domiciliar Urgencia or SAMDU) which is limited mainly to the two cities of Rio de Janeiro and São Paulo, although plans have been announced for the immediate extension of this service to a number of cities and towns throughout the state of São Paulo. SAMDU provides ambulance service and first aid medical treatment.

II. SOCIAL SECURITY BENEFITS

Starting in 1923 with a pension fund for railway employees and gradually expanding until 1938 when industrial workers were granted coverage, Brazil's social security system developed under a series of legislative acts or executive orders which usually applied only to a single Institute. Therefore the benefits paid by the separate Institutes were not identical, although fairly similar. Under the Social Security Act of 1960 benefits were made uniform, and are as follows:

The "Ordinary Old Age Pension" is the heart of the social security program. It is calculated on the basis of the average monthly wage during the 12 months (it was 36 months before the 1960 Act) prior to retirement, and to be eligible

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for it a worker must have been employed for at least 35 years and be at least 55 years of age. If he reahhes the age of 55 but has been employed for only 30 years, he may retire but he will receive only 80% of his average monthly wage. On the other hand, if he elects to continue working his retirement benefit will increase by 4% per year, reaching the full benefit after five additional years of employment.

The present specification of 55 years as the youngest age at which the "ordinary old-age pension" may be claimed is one of the new provisions in the Act of 1960. In this connection, however, it should be noted that in recent years not many workers who were in good health elected to retire as soon as they reached the minimum qualifying age. This is because of the rapid inflation which has characterized the Brazilian economy during recent years, with annual increases of one-third, or even more, being customary. In a fairly stable economy, there would not be a substantial difference between the present monthly wage of a worker and his average monthly wage over the preceeding three years; in Brazil, there is a sharp difference between the two, with the result that workers have been tending to stay at their jobs and postpone retirement for as long as possible. Now the Act of 1960 has changed the basis of calculation of this benefit from the average monthly wage during the past 36 months to the average for the preceding 12 months; but to encourage a worker to continue at his job the new Act stipulates that when he become eligible for a full pension by virtue of age and years of employment, but elects to continue working, he shall be paid 25% of his pension during his additional years of employment, with the full pension commencing once he retires. Previously no retirement benefit was paid unless active employment had ceased.

The "Special Old Age Pension" is for workers who reach the age of 65 (60 for women) but who can not qualify for the "ordinary pension" because of having worked for less than 30 years. One example of such a worker might be a widow who was supported during most of her life by her husband and only commenced to work when she was, say, 50 years of age. This pension amounts to 70% of the average monthly wage during the preceeding 12 months.

The Survivor's Pension: When a retired worker dies before his spouse, the surviving spouse continues to receive a pension, but it is only 50% of the amount which was being paid to the retired worker prior to his death. An additional 10% is added, however, for each child under 18 years of age. Thus should a deceased worker leave a wife and five or more children under 18 years of age, his full pension would continue to be paid to his survivors. This pension was liberalized considerably under the Act of 1960 as the previous practive of most of the Institutes had been to pay only 50% of a deceased worker's pension, regardless of whether or not there were any minor children among the survivors. Should a surviving spouse die prior to the time a child or children of the deceased worker reach the age of 18, her pension is continued, with the guardian of the children as the new recipient. The age limit of 18 does not apply to an unmarried daughter of a deceased worker; her mother (or her guardian, if both parents are deceased) will continue to receive money for the girl's support until she marries.



The monetary levels of each of the pensions described above have been raised several times during the past 15 years, usually soon after increases in the legal minimum wage. These occasional general increases in pensions were indispensible unless they were to become utterly inadequate because of inflation, as demonstrated by the fact that the Getulio Vargas Foundation's cost of living index for Rio de Janeiro rose from 58 in 1944 to 728 in June of 1960 (1948 equals 100).

Assistance During Illness: Assistance to an insured worker during periods of illness falls into two categories - financial assistance and hospital and surgical benefits. In cases of illnesses up to 15 days in length, an employer has the obligation under the Brazilian labor laws to continue paying an employee's full wages. The financial assistance of the Institutes commences when the employer's obligation ends. A worker must have been a contributor to an Institute for a minimum period of one year to be eligible for sickness benefits, which in the past have been approximately two-thirds or a little more, depending upon the Institute, of the worker's monthly wage. Under the Act of 1960, the minimum sickness benefit will be 70% of the regular monthly wage, plus additional increments calculated on the basis of length of service in insured employment.

After one year of insured employment, a worker is entitled to hospitalization and surgery at the expense of his Institute. Some of the Institutes own and operate their own hospitals in some cities. For example, IAPI has hospitals in Recife and Salvador (Bahia). It hopes to construct and put into operation within a few years additional hospitals in Belo Horizante, Rio de Janeiro, São Paulo, and Fortaleza. The Commercial Workers Pension Institute also owns several hospitals, including one in Rio de Janeiro. In cities in which an Institute does not own its own hospital, it places its beneficiaries in hospitals with which it has contracts.

With varying degrees of success, depending upon the Institute, there has been an effort during the past ten years to extend hospital and surgical benefits to the dependents of an insured worker. IAPI, for example, now grants these benefits to dependents in the cities of Rio de Janeiro, Petropolis, and Juiz de Fora; elsewhere medical care paid for by this Institute is still limited to the insured workers only.

The IAPI program of medical aid was started in 1949 and is thus newer than the old-age and survivors insurance program. From its beginning, IAPI's medical aid program was strongly opposed by employer associations, and other Institutes encountered similar opposition. Employers said that medical care would be too heavy a financial burden upon industry, and usually refused to pay the additional 1% payroll tax which was levied to finance the program. They took their objections to the program into the Federal Courts, where they argued that it was unconstitutional, and the litigation (with various appeals and counter-appeals) continued for nearly ten years, with the final decision against the employer associations. Partly as a result of this opposition, the program of medical assistance was developed and expanded at a much slower pace than many of its advocates had hoped, but the Social Security Act of 1960 appears to open the way for further expansion. In fact, the Act states that all of the Institutes shall grant hospital and surgical aid to all insured workers and all members of their families. It is

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the estimate of a career official of IAPI, however, that this provision in the new Act amounts to little more than a statement of intentions (designed mainly to impress voters in the forthcoming elections) as the funds for immediate and nation-wide implementation of the provision are not available.

A Disability Pension is granted when illness permanently incapacitates a worker for any type of employment. Under the Act of 1960, sickness benefits may be paid up to a maximum period to two years, with a shift to a disability pension taking place at that time. This pension is calculated on the basis of 70% of the average monthly salary during the year immediately prior to disablement. A new type of program for the Institutes, related to the disability pension, is envisioned in the 1960 Act; it directs the Institutes to establish vocational rehabilitation training courses for the benefit of workers who have become disabled for their usual and customary occupations, but who nevertheless may be able to pursue some other occupation if given the proper training.

A Maternity Benefit is paid to an insured worker when his wife gives birth to a child. When the insured worker is a female, the maternity benefit is paid directly to her. This benefit has in recent years been equal in amount to the current legal minimum wage in the locality of residence of the insured worker, but the new Act directs that it shall in the future be double the legal minimum (unless free hospitalization is furnished, in which case the amount shall be equal to the monthly minimum wage). In the state of Guanabara, which has the highest legal minimum wage, the present legal minimum is 6,000 cruzeiros per month; in some areas of northern Brazil the figure is less than half as much.

The maternity benefit is also paid in the cities where the Institutes have been able to extend hospitalization to insured workers' families. Thus an insured industrial worker in the city of Rio de Janeiro may take his wife to a hospital for the birth of a child, at no cost to himself, and collect 6,000 cruzeiros as well. On the other hand, an insured worker in the north would have to pay the hospital bill himself if his wife went to a hospital for the birth of a child, and the payment to him of twice the legal minimum wage might be less than 6,000 cruzeiros.

Benefit for Prisoner's Family: The family of an insured worker sentenced to prison will be entitled to a monthly benefit under the new Act. In the past only the Bankworkers Pension Institute has paid a benefit of this type.

A Burial Benefit is paid to the spouse of an insured worker when he dies. In instances when someone other than the spouse takes charge of burial arrangements, the benefit is paid to that person instead of the spouse. In the past, this benefit was an amount equal to the legal minimum wage, but the 1960 Act provided that it shall be twice the legal minimum.

III - FINANCIAL PROBLEMS

Throughout the past year numerous newspaper articles have reported the complaints of one or another group of retired workers or other social security

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beneficiaries to the effect that they had not received the payments which were due them. In some instances, they complained of long delays in receiving their money, while in other instances they said that they had received only a partial payment - less than the full amount due them. In May of this year Vice President Goulart, whose Brazilian Labor Party controls the Pension Institutes, publicly conceded that in some regions of the country benefit payments by some of the Institutes were as far as eight months in arrears. It appears that the Maritime Workers Institute and the Transport and Cargo Workers Institute are the two which are encountering the most difficulty in keeping up with their obligations, although the financial condition of most of the other Institutes is reportedly weak. The Bankworker's Institute is believed to have the strongest position.

Experts on Brazilian social security believe that the various legislative acts and executive orders which have governed the growth of the Institutes have frequently granted benefits, usually for political motives, which were over-generous in terms of the prospects for being able to pay for them. A possible example of this is the recent announcement that some seventy new first aid clinics and ambulance posts (SAMDU), each with 25 employees, would soon be opened in cities throughout the state of São Paulo. Newspapers apposed to the administration were quick to claim that the sudden expansion of SAMDU at this time in São Paulo was motivated by the desire to win votes in that key state in the forthcoming elections. Another example of the extension of benefits without due consideration of the problem of costs is found in the provision of the Social Security Act of 1960 directing the Institutes to grant hospital and surgical care to the dependents of insured workers throughout the country. As indicated in Part II above, it will not be possible for the Institutes to implement this provision, except on a gradual and long-term basis.

The weak returns to the Institutes from their older housing projects, due to rent control, and from their stock in certain government-owned companies, due to unrealistically low rates, has already been discussed. Nearly all of the investment funds of the Institutes during the past few years have gone into apartment buildings in Brasilia. It remains a possibility that the Brasilia investments might prove profitable, but the primary reasons for the investments were political in nature. It is now reported that the Government wishes to purchase their Brasilia projects from the Institutes, and if this is indeed the Administration's desire, the Institutes might be under heavy political pressure to sell, in spite of the fact that the Government already owes them large sums of money. It has not yet been reported in the press what price the Government may offer or the proposed terms of payment.

The Institutes have top-heavy administrative costs. For example, at least 25% of IAPI's employees are supernumeraries who do little more than collect their pay, according a career official of IAPI. They hold their jobs as political rewards granted in return for services to the Brazilian Labor Party (PTB).

The major cause of the financial weakness of the Institutes is that for at least ten years the Federal Government has neglected to pay its share.

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Under the law, workers contribute 8% of their monthly wages to social security and both employers and the Federal Government have the legal obligation to match workers' contributions with equal amounts. The Government's debt to the Institutes now reaches approximately eighty billion cruzeiros. On July 28, however, President Kubitschek signed a decree ordering that government-owned stock in certain mixed enterprises, such as the national steel plant, be turned over to the Institutes within 60 days, in partial payment of the Government's debt to them. The value of the stock to be transferred to the Institutes is reported to be about 40 billion cruzeiros. When signing the decree, the President said that no stock in deficit enterprises, such as the government-owned railroads, would be included in the transfer, apparently in an effort to allay the fears that have been expressed in some labor circles that the Government might pay the Institutes with stock of little or no value. The other half of the Government's debt to the Institutes is to be paid at the rate of one billion cruzeiros per year, according to a provision in the Social Security Act of 1960.

According to a source in IAPI, some officials there have a cautious attitude toward the stock transfer. They note that under the provisions of the transfer the Institutes can not sell the stock, and that the Federal Treasury still holds a controlling interest in the companies whose stock was transferred. Through its controlling interest the Government can decide what amount in dividends, if any, shall be paid to the Institutes. In this connection, a recent article in O Estado de São Paulo commented that the main interest of the Institutes would necessarily be in maximum dividends, whereas the main interest of the Government would presumably continue to be the growth of the companies through reinvestment of earnings, as part of the overall economic growth of the country. Furthermore, after the decree ordering the stock transfer had been signed, some doubts arose in Government circles as to whether the transfer would be legal, and thus the implementation of the decree is problematical.

Prior to the Social Security Act of 1960, the income of the Institutes was derived solely from the worker-employer-government contributions, all three of which are calculated as 8% of a worker's monthly wage - and with the Government consistently failing to pay its share. When it liberalized benefit payments under the Act of 1960, the Congress did not ignore the resulting necessity for additional sources of funds, although whether the added income provided for in the Act will be adequate to pay the liberalized benefits remains to be seen. The added sources of income for the Institutes under the new Act are: (1) 5% of all money wagered at race tracks; (2) 5% of the profits to the Government from sales of tickets in the National Lottery; and (3) 5% of the revenue to the Government from the corporate income tax. In the future the Federal Government is supposed to turn over to the Institutes these three sums, in addition to its matching of total worker contributions with an equal amount.

In spite of their financial problems, the Institutes do manage to pay increasing amounts in benefits every year. In 1959 IAPI paid out about 16 billion cruzeiros in benefits, and expects to pay 21 billion during 1960. As IAPI insures about half of the total number of covered workers, it may be that the combined payments of the other Institutes are approximately equal to IAPI's payments.

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~~UNCLASSIFIED~~ 10 Rio de Janeiro
Desp.230

Sources: Much of the information in this despatch was furnished by Mr. Wilson Carrozzino, a career official of the Industrial Workers Pension Institute who has been with that organization throughout the 22 years of its existence. Mr. Carrozzino was very generous of his time in answering the reporting officer's many questions. Likewise, Mr. Ney Gerhardt, Regional Director of IAPI for the state of Rio Grande do Sul, explained some of the provisions of the new Social Security Act. The pamphlet "Decinalia - A Previdencia Social no Brasil" by Moacyr Velloso Cardoso de Oliveria contains useful information. It was published in Rio in 1959 by the Ministry of Education and Culture. Newspaper articles about Social Security have appeared frequently in recent months. One of the most useful was "Principal Aspects of The New Social Security Law" which appeared in O Estado de São Paulo on July 21, 1960.

For the Ambassador:

David P.Mann
Assistant Labor Attache'

Approved:

Philip Raine
Counselor of Embassy
for Political Affairs

Distribution: Pol, Econ, Congen, São Paulo

Enclosures:
1) Chart - Comparison of Benefits
2) List of Pension Institutes

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Encl. No. 1
Desp. No. 230
From: Rio de Janeiro

COMPARISON OF BENEFITS UNDER SOCIAL SECURITY ACT OF 1960

WITH IAPI BENEFITS JUST PRIOR TO NEW LAW

(Under the new Act all Institutes will pay equal benefits; previously no two Institutes paid identical benefits.)

Benefits	Under IAPI Regulations	Under 1960 Act
Maximum Retirement Benefit	Average monthly wage for last 36 months	Average monthly wage for last 12 months
Minimum Retirement Benefit	80% of maximum benefit	80% of maximum benefit
Requirements for Maximum Retirement Benefit	60 years old 35 years of employment 5 years uninterrupted contributions	55 years old 35 years of employment ------
Requirements for Minimum Retirement Benefit	55 years old 30 years of employment	55 years old 30 years of employment
Survivors Benefit	50% of deceased worker's retirement benefit	50% of deceased worker's retirement benefit, plus 10% more for each child under 18 years of age
Maternity and Burial Benefits	Amount equal to legal minimum monthly wage	Amount double the legal minimum monthly wage
Benefit for Family of Worker Sentenced to Prison	None	50% of monthly wage during preceeding 12 months, plus 10% for each minor child (up to 5 minor children)
Sickness Benefit	66% of monthly wage	70% of monthly wage, plus 1% for each year of insured employment
Permanent Disability Benefit	66% of monthly wage	70% of monthly wage, plus 1% more for each year of insured employment
Hospital and Surgical Care for Dependents	Available only in Rio de Janeiro and two small cities nearby	Supposed to be nation-wide
Worker's Contribution	8% of monthly wage, up to 3 times minimum legal wage	8% of monthly wage, up to 5 times minimum legal wage

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Enclosure No.: 2
Desp. No.: 230
Page No.: 1
From: Rio de Janeiro

THE SOCIAL SECURITY INSTITUTES

(In the order in which they were founded)

(1) Instituto de Aposentadoria e Pensões dos Ferroviários e Empregados em Serviços Públicos (Railway and Public Utility Workers Retirement and Pension Institute). The Social Security Act of 1960 changed the name of this Institute, but it is still usually referred to as CAPFESP, initials derived from its previous name. Founded in 1923 as a railway workers' retirement fund, with public utility workers (including airline workers) added in 1931.

(2) Instituto de Aposentadoria e Pensões dos Marítimos (Maritime Workers Retirement and Pension Institute). Referred to as IAPM, Predecessor organization was established in 1925; present Institute organized in 1933.

(3) Instituto de Previdência e Assistência dos Servidores do Estado (Government Employees Social Security and Assistance Institute). Referred to as IPASE. Created in 1926; reorganized under present name in 1938.

(4) Instituto de Aposentadoria e Pensões dos Empregados em Transportes e Cargas (Transportation and Cargo Workers Retirement and Pension Institute). Founded in 1934 as a coffee warehouse workers pension fund, and later expanded to cover all warehouse workers, cargo handlers, and road transport workers. Referred to as IAPTEC.

(5) Instituto de Aposentadoria e Pensões dos Bancarios (Bankworkers Retirement and Pension Institute). Referred to as IAPB. Established in 1934.

(6) Instituto de Aposentadoria e Pensões dos Comerciarios (Commercial Workers Retirement and Pension Institute). Referred to as IAPC. Started functioning in 1935.

(7) Instituto de Aposentadoria e Pensões dos Industriarios (Industrial Workers Retirement and Pension Institute). Referred to as IAPI. Started functioning in 1938.

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FW832.072/9-1560

FOREIGN SERVICE DESPATCH

FROM : AmEmbassy, Rio de Janeiro — 250 DESP. NO.

TO : THE DEPARTMENT OF STATE, WASHINGTON. — September 21,1960 DATE

REF : Embassy's Despatch 230, September 15,1960

For Dept. Use Only	ACTION RECD	DEPT. (AVSC/USIA)	OTHER
2	RMR 9/27	-0 REP-1 IO-4 INR-7 ARA-4 ICA-11	HEW-5 LAB-3 USIA-10 CIA-10 TR-3

SUBJECT: Change In Classification

Please change the classification of the reference despatch from "Unclassified" to "Official Use Only."

John M. Cabot

John M. Cabot

FW-832.072/9-1560

Dist: Pol, Econ, ConGen S.P.

David P. Mann/lw
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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FW/832.072/9-1560



SCS

IN REPLY REFER TO

FILE NO. 11:CP:B

DEPARTMENT OF
HEALTH, EDUCATION, AND WELFARE
SOCIAL SECURITY ADMINISTRATION
BALTIMORE 35, MARYLAND

BUREAU OF OLD-AGE AND SURVIVORS INSURANCE

April 20, 1962

Office of Special Consular Services
Department of State
Room 915-B
1901 Pennsylvania Avenue, NW.
Washington 25, D.C.

Attention: Mrs. Katherine Ramsey

Gentlemen:

The Commissioner of Social Security has determined that Brazil and the Ivory Coast have social insurance systems which meet the requirements of Section 202(t)(2) of the Social Security Act.

Section 202(t)(2) provides that benefits will not be withheld from aliens who become eligible to benefits after December 1956 and who are absent from the United States for more than 6 consecutive calendar months, if they are citizens of a country which has in effect a social insurance or pension system of general application which pays periodic benefits to citizens of the United States, otherwise eligible, when they leave that country.

As a result of the Commissioner's determinations, the social security benefits to which an alien beneficiary who is a citizen or national of Brazil or the Ivory Coast is otherwise entitled will be payable to him, despite any extended absence from the United States, and even though he is living in a foreign country other than Brazil or the Ivory Coast.

We should appreciate your transmitting to Brazil and the Ivory Coast the Commissioner's decision in respect of the social insurance systems of those countries, and sending us a copy of your correspondence on this matter.

Sincerely yours,

Thomas C. Parrott
Assistant Director

(3)
4-27-62

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The Secretary of State presents his compliments to His Excellency the Ambassador of Brazil and has the honor to refer to Section 202(t)(2) of the United States Social Security Act, as amended. This section provides that benefits will not be withheld from aliens who become eligible to benefits after December 1956 and who are absent from the United States for more than six consecutive calendar months if they are alien of a country which has in effect a social insurance or pension system of general application which pays periodic benefits to citizens of the United States, otherwise eligible, when they leave that country.

The Commissioner of Social Security of the United States, on the basis of information made available to him, has determined that Brazil has a social insurance system which meets the criteria set forth in the law.

As a

SCA:SCS:KRamsey

832.10/5-360

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(Security Classification)

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FOREIGN SERVICE DESPATCH

FROM : AMEMBASSY, Rio de Janeiro — 1060 (DESP. NO.)

TO : THE DEPARTMENT OF STATE, WASHINGTON. — May 3, 1960 (DATE)

REF : Embassy Despatch 1002, April 13, 1960

MAY 11 1960

For Dept. Use Only	ACTION	DEPT.
	ARA-3	RAIR-2 REP-1 IRC-8 E-3 ICA-11
	REC'D 5-19	INFO OTHER CIA-10 COM-8 TR-3 IRS-2 NAB-4

SUBJECT: Official Transactions in Convertible Currencies During 1959 and Projected Transactions During 1960

The preliminary report of the Exchange Department of the Bank of Brazil covering official exchange transactions in 1959 and 1960 was discussed in the reference despatch. As promised in that despatch, the ten tables appended to the Bank's report have now been duplicated and are enclosed herewith.

For the Ambassador:

Herbert K. May

Herbert K. May
Treasury Attaché

832.10/5-360

Coordinated:

William A. Fowler

William A. Fowler
Counselor of Embassy
for Economic Affairs

Enclosure: As stated

DEPARTMENT OF STATE
BUREAU OF
INTER-AMERICAN AFFAIRS
MAY 23 1960
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Page 1
Enclosure 1
Despatch 1060
Rio de Janeiro

CONFIDENTIAL

DEBT POSITION, 1955-1961
(In Convertible Currencies)

In US$ Millions

SPECIFICATION	12/31/55	12/31/56	+ or - 1956/55	12/31/57	+ or - 1957/56	12/31/58	+ or - 1957/58
I - CURRENT TRANSACTIONS	1,103.1	1,308.1	+205.0	1,513.0	+204.9	1,832.6	+319.6
-Imports	366.3	431.2	+ 64.9	518.3	+87.1	477.6	- 40.7
-Commitments, with and without exchange priority (capital & interest).....	480.4	631.7	+151.3	782.5	+150.8	1,109.0	+326.5
-IT&T, Bond & Share and Light & Power (interest contracted or approved through SUMOC).....	-	3.9	+ 3.9	7.0	+ 3.1	42.0	+ 35.0
-EXIMBANK(importation of wheat) CCC	6.7	6.7	-	6.7	-	6.7	-
-Public External Debt 3/	190.5	165.3	-25.2	142.9	- 22.4	120.7	- 22.2
-Other interest on compensatory loans	59.2	69.3	+ 10.1	55.6	- 13.7	76.6	+21.0
II - COMPENSATORY LOANS	795.4	691.4	-104.0	677.6	- 13.8	830.9	+153.3
-EXIMBANK - US$300 million loan (capital)	245.0	203.0	- 42.0	159.3	- 43.7	113.7	- 45.6
-EXIMBANK - US45 million loan (capital)	45.0	45.0	-	45.0	-	45.0	-
-EXIMBANK - US$100 million loan (capital)	-	-	-	o -	-	100.0	+100.0
-Consortium of U.S. banks - US$200 mil. gold-guaranteed loan (capital)	200.0	200.0	-	200.0	-	200.0	-
-Consortium of U.S. banks - US$58 mil. loan (capital)...	-	-	-	-	-	58.0	+58.0
-Credit lines with American banks	-	-	-	16.0	+ 16.0	52.7	+ 36.7
-Special credit lines with European banks	18.0	12.8	- 5.2	3.6	- 9.2	-	- 3.6

The footnotes applicable to Pages 1, 2 and 3 of this enclosure appear on Page 4.

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DEBT POSITION, 1955-1961 (Continued)
(In Convertible Currencies)

In US$ Millions

SPECIFICATION	12/31/55	12/31/56	+ or - 1956/55	12/31/57	+ or - 1957/56	12/31/58	+ or - 1957/58
-International Monetary Fund..	65.5	37.5	- 28.0	75.0	+ 37.5	112.5	+ 37.5
-Commercial Arrearages in £ ..	87.8	69.8	- 18.0	44.3	- 25.5	33.4	- 10.9
-"SWAPS" (US$/CR$ and ACL/Cr$)	134.1	123.3	- 10.8	134.4	+111.1	115.6	+ 18.8
-Deficit (provisional) for 1960	-	-	-	-	-	-	-
-Deficit (provisional) for 1961	-	-	-	-	-	-	-
TOTAL (I + II)	1,898.5	1,999.5	+101.0	2,190.6	+191.1	2,663.5	+472.9

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DEBT POSITION, 1955-1961 (Continued)
(In Convertible Currencies)

In US$ Millions

SPECIFICATION	12/31/59	+ or - 1959/58	12/31/60	+ or - 1960/59	12/31/61	+ or - 1961/60
I - CURRENT TRANSACTIONS	1,811.2	- 21.4	1,738.2	- 73.0	1,673.7	- 64.5
-Imports	376.8	100.8	347.1	- 29.7	347.1	-
-Commitments, with and without exchange priority (capital and interest)	1,240.6	1/+131.6	1,240.6	2/ -	1,240.6	-
-IT&T, Bond & Share and Light and Power (interest contracted or approved through SUMOC	26.6	- 15.4	26.1	- 0.5	--	- 26.1
-Eximbank (importation of wheat,CCC).	6.7	-	6.7	-	6.7	-
-Public External Debt - 3/	103.9	- 16.8	80.1	- 23.8	56.3	- 23.8
-Other interest on compensatory loans	56.6	- 20.0	37.6	- 19.0	23.0	- 14.6
II - COMPENSATORY LOANS	808.8	- 22.1	954.4	+145.6	1,047.5	+ 93.1
-Eximbank - US$300 mil. loan (capital)	74.1	- 33.6	25.5	-48.6	-	- 25.5
-Eximbank - US$45 mil. loan (capital)	45.0	-	45.0	-	21.7	- 23.3
-Eximbank - US$100 mil. loan (capital)	100.0	-	100.0	-	100.0	-
-Consortium of U.S. banks, US$200 mil. gold-guaranteed loan (capital)	200.0	-	175.0	- 25.0	125.0	- 50.0
-Consortium of U.S. banks, US$58 mil. loan (capital)	38.6	- 19.4	19.3	- 19.3	-	- 19.3
-Credit lines with American banks	28.5	- 24.2	24.5	-	28.5	-
-Special credit lines with European banks	-	-	-	-	-	-
-International Monetary Fund	92.3	- 20.2	92.3	-	37.5	- 54.8
-Commercial Arrearages in £	16.4	- 17.0	-	- 16.4	-	-
-SWAPS (US$/Cr$ and ACL/Cr$)	213.9	4/+ 98.3	213.9	-	213.9	-
-Deficit (provisional) for 1960	-	-	254.9	+254.9	254.9	5/ -
-Deficit (provisional) for 1961	-	-	-	-	266.0	+266.0
TOTAL (I + II)	2,620.0	- 43.5	2,692.6	+ 72.6	2,721.2	+ 28.6

The footnotes applicable to Pages 1, 2 and 3 of this enclosure appear on Page 4.

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DEBT POSITION; 1955-1961 (Continued)
(In Convertible Currencies)

Footnotes that follow are applicable to Pages 1, 2 and 3 of this enclosure.

1/ Does not include certificates which, also emitted in L, refer to imports from Japan. The sale of those certificates amounted to US$174.5 million as of December 31, 1959.

2/ The same amount is assumed for the end of 1960 as for the end of 1959, on the assumption that new obligations will be registered during 1960 only up to the amount of the liquidations effected during that period.

3/ Includes only obligations maturing up to 1976.

4/ There are excluded those swaps with foreign exchange values equivalent to US$18.8 million which are to be sold to the Bank of Brazil in the free exchange market; and there are included US$7.5 million of the Deutsche Bundesbank.

5/ The deficit for 1959 is also assumed for 1960 on the assumption that it will be covered by compensatory loans, including swap operations.

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EXCHANGE OPERATIONS - FY 1959
COMPARATIVE CHART OF IMPLEMENTATION AND BUDGET
OF RECEIPTS AND PAYMENTS
(Convertible Currencies) In US$ Millions

SPECIFICATION	ACTUAL			Budgeted	+ or - Actual Over Budgeted
	US$	ACL	Total		
RECEIPTS	696.3	260.0	956.3	873.2	+ 83.1
-Exports (including Free Market)	678.0	253.1	931.1	840.0	+ 91.1
-Transfers of Free Market (net from operations)	8.8	6.4	15.2	7.2	+ 8.0
-FURNAS Electric (reimbursements)	4.7	-	4.7	4.1	+ 0.6
-International Monetary Fund	-	-	-	20.2	- 20.2
-Loan to Finland - amortization	1.8	-	1.8	1.7	+ 0.1
-Others	3.0	0.5	3.5	-	+ 3.5
EXPENDITURES	753.7	309.9	1,063.6	1,179.2	- 115.6
I M P O R T S	498.3	237.7	736.0	853.4	- 117.4
-Petroleum and derivatives	210.8	24.0	234.8	243.9	- 9.1
-"Petrobras" - excluding crude oil	11.3	18.5	29.8	27.0	+ 2.8
-Railroads	2.4	1.2	3.6	10.0	- 6.4
-Ministry of Air	3.2	-	3.2	10.8	- 7.6
-Ministry of Navy	4.6	5.8	10.4	13.2	- 2.8
-Newsprint and paper for books	4.7	2.6	7.3	12.1	- 4.8
-Books, newspapers and magazines	2.4	2.8	5.2	3.8	+ 1.4
-Rubber	13.3	4.4	17.7	20.0	- 2.3
-Wheat (including freight)	14.4	0.1	14.5	3.3	+ 11.2
-Automobile Industry (GEIA)	33.7	42.4	76.1	76.1	-
-Agricultural machinery	4.7	5.1	9.8	9.8	-
-Air Navigation Enterprises	10.5	-	10.5	12.0	- 1.5
-LIGHT group (mach. and equip.)	8.7	1.7	10.4	12.0	- 1.6
-National Steel Company	9.3	9.6	18.9	10.0	+ 8.9
-Government entities and public service concessionaires	25.8	11.1	36.9	38.6	- 1.7
-Others (subject to Stock Exchange License)	138.5	108.4	246.9	350.8	- 103.9

... Continued

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EXCHANGE OPERATIONS - FY 1959
COMPARATIVE CHART OF IMPLEMENTATION AND BUDGET
OF RECEIPTS AND PAYMENTS
(Convertible Currencies)

In US$ Millions

SPECIFICATION	ACTUAL US$	ACTUAL ACL	ACTUAL Total	Budgeted	+ or - Actual Over Budgeted
FINANCIAL TRANSACTIONS	175.8	54.9	230.7	221.5	+ 9.2
-Eximbank - interest on US$300, US$45 and US$100 million loans	9.2	-	9.2	9.1	+ 0.1
-Consortium of banks, interest on US$200 million loan	8.8	-	8.8	9.0	- 0.2
-Consortium of banks, interest on US$58 million loan	2.8	-	2.8	2.4	+ 0.4
-International Monetary Fund	1.5	-	1.5	-	+ 1.5
-External Public Debt	8.9	9.3	18.2	24.2	- 6.0
-Bond & Share, Light & Power, IT&T	20.7	0.2	20.9	22.3	- 1.4
-Certificates with and without exchange priority	79.8	44.0	123.8	122.3	+ 1.5
-Treasury Delegation in New York (Braz.).	17.1	-	17.1	18.0	- 0.9
-Interest to Bankers	3.5	0.5	4.0	4.2	- 0.2
-"Petrobras" - Technical Service	9.9	0.7	10.6	10.0	+ 0.6
-Others	13.6	0.2	13.8	-	+ 13.8
COMPENSATORY LOANS	79.6	17.3	96.9	104.3	- 7.4
-Eximbank - amortization of US$300 million loan	39.3	-	39.3	47.2	- 7.9
-Consortium of Banks, amortization of US$58 million loan	19.4	-	19.4	19.4	-
-The Chase Manhattan Bank	0.7	-	0.7	0.7	-
-International Monetary Fund	20.2	-	20.2	20.2	-
-Commercial arrearages in L	-	17.3	17.3	16.8	+ 0.5
D E F I C I T	57.4	49.9	107.3	306.0	- 198.7

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TABLE II

EXCHANGE OPERATIONS, - 1959

ANALYSIS OF THE DEFICIT IN CONVERTIBLE CURRENCIES

In US$ Millions

SPECIFICATION	Old US$ Area	Old ACL Area	TOTAL
DEFICIT FOR 1959	57.4	49.9	107.3
Financed by:			
-Swaps (liquidated)	92.5	20.1	112.6
-Credit Lines	-23.5	3.6	-19.9
-Variation of total commercial credits executed	- 5.2	7.2	2.0
-Arbitrage	-11.0	3.0	- 8.0 1/
CASH VARIATIONS	- 4.6	-16.0	-20.6
Demonstrated:			
Balance of Cash: 12/31/58	17.4	16.0	33.4
12/31/59	11.7	3.1	14.8
	- 5.7	-12.9	-18.6
Transitory items, errors and omissions	+ 1.1	- 3.1	- 2.0
CASH VARIATIONS	-4.6	-16.0	-20.6

January, 1960

1/ Refers to £ received from Japan, included in normal receipts, but applied to payments to that country.

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EXCHANGE BUDGET FOR 1960
Receipts and Expenses in Convertible Currencies
(Old US$ and ACL Areas)

US$1,000,000

	Old U.S. Area			Old A.C.L. Area			T o t a l		
	1st Sem.	2nd Sem.	Total	1st Sem.	2nd Sem.	Total	1st Sem.	2nd Sem.	Grand Total
1 RECEIPTS	304.7	304.6	609.3	133.3	133.4	266.7	438.0	438.0	876.0
1.1 EXPORTS	302.2	302.2	604.4	131.8	131.8	263.6	434.0	434.0	868.0
1.1.1 Coffee	225.0	225.0	450.0	75.0	75.0	150.0	300.0	300.0	600.0
1.1.2 Cocoa	22.0	22.0	44.0	20.5	20.5	41.0	42.5	42.5	85.0
1.1.3 Petroleum	16.5	16.5	33.0	-.-	-.-	-.-	16.5	16.5	33.0
1.1.4 Other products, negotiable in the Free Market Rate	38.7	38.7	77.4	36.3	36.3	72.6	75.0	75.0	150.0
1.2 FINANCIAL TRANSACTIONS	2.5	2.4	4.9	1.5	1.6	3.1	4.0	4.0	8.0
1.2.1 Amortization & interest on loan to Finland	0.9	0.9	1.8	-.-	-.-	-.-	0.9	0.9	1.8
1.2.2 Other	1.6	1.5	3.1	1.5	1.6	3.1	3.1	3.1	6.2
2 EXPENSES	379.6	433.8	813.4	161.1	156.4	317.5	540.7	590.2	1,130.9
2.1 COMMITMENTS ALREADY ASSUMED	274.0	170.9	444.9	122.4	63.6	186.0	396.4	234.5	630.9
2.1.1 IMPORTS	165.4	36.4	201.8	83.9	21.0	104.9	249.3	57.4	306.7
2.1.1.1 Petroleum & derivatives	60.4	-.-	60.4	6.3	-.-	6.3	66.7	-.-	66.7
2.1.1.2 PVCs & Exchange Contracts	62.3	6.5	68.8	44.8	3.6	48.4	107.1	10.1	117.2
2.1.1.3 Newsprint & paper for books	2.8	2.0	4.8	1.6	1.4	3.0	4.4	3.4	7.8
2.1.1.4 Rubber	11.3	-.-	11.3	4.8	-.-	4.8	16.1	-.-	16.1
2.1.1.5 Automobile Industry (GEIA)	28.6	27.9	56.5	26.4	16.0	42.4	55.0	43.9	98.9

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Cont'd

EXCHANGE BUDGET FOR 1960
Receipts and Expenses in Convertible Currencies
(Old US$ and ACL Areas)
US$1,000,000

	Old U.S. Area			Old A.C.L. Area			Total		
	1st Sem.	2nd Sem.	Total	1st Sem.	2nd Sem.	Total	1st Sem.	2nd Sem.	Grand Total
2.1.2 **FINANCIAL TRANSACTIONS**	75.0	75.2	150.2	30.4	34.3	64.7	105.4	109.5	214.9
2.1.2.1 EXIMBANK - Interest on US$300, $45 & $100 million loans	4.5	4.1	8.6	-.-	-.-	-.-	4.5	4.1	8.6
2.1.2.2 Bankers Loan - interest on $200 million loan	4.5	4.5	9.0	-.-	-.-	-.-	4.5	4.5	9.0
2.1.2.3 - Bankers Loan - interest on $58 million loan	0.8	0.6	1.4	-.-	-.-	-.-	0.8	0.6	1.4
2.1.2.4 Foreign Loan	6.0	6.0	12.0	5.9	5.9	11.8	11.9	11.9	23.8
2.1.2.5 Bond & Share, Light & Power, I T & T	13.4	13.2	26.6	-.-	-.-	-.-	13.4	13.2	26.6
2.1.2.6 Certificates with or without Exchange Priority	45.8	46.8	92.6	24.5	28.4	52.9	70.3	75.2	145.5
2.1.3 **COMPENSATORY LOANS**	33.6	59.3	92.9	8.1	8.3	16.4	41.7	67.6	109.3
2.1.3.1 EXIMBANK - Amortization of $300 million loan	24.0	24.6	48.6	-.-	-.-	-.-	24.0	24.6	48.6
2.1.3.2 U.S. Bankers - Amortization of $58 million loan	9.6	9.7	19.3	-.-	-.-	-.-	9.6	9.7	19.3
2.1.3.3 U.S. Bankers - Amortization of$200 million loan with gold pledge	-.-	25.0	25.0	-.-	-.-	-.-	-.-	25.0	25.0
2.1.3.4 Commercial Backlog in L	-.-	-.-	-.-	8.1	8.3	16.4	8.1	8.3	16.4

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EXCHANGE BUDGET FOR 1960

Receipts and Expenses in Convertible Currencies

(Old US$ and ACL Areas)

(Cont'd)

US$1,000,000

	Old U.S. Area			Old A.C.L. Area			T o t a l		
	1st Sem.	2nd Sem.	Total	1st Sem.	2nd Sem.	Total	1st Sem.	2nd Sem.	Grand Total
2.2 COMMITMENTS TO BE ASSUMED	105.6	262.9	368.5	38.7	92.8	131.5	144.3	355.7	500.0
2.2.1 IMPORTS	88.5	245.9	334.4	37.7	91.7	129.4	126.2	337.6	463.8
2.2.1.1 Petroleum & derivatives	33.0	99.0	132.0	7.0	21.0	28.0	40.0	120.0	160.0
2.2.1.2 "PETROBRAS" - except crude oil	7.0	16.0	23.0	-.-	-.-	-.-	7.0	16.0	23.0
2.2.1.3 Railroads - Equipment	1.7	5.0	6.7	-.-	-.-	-.-	1.7	5.0	6.7
2.2.1.4 Ministry of Aeronautics	1.4	3.9	5.3	-.-	-.-	-.-	1.4	3.9	5.3
2.2.1.5 Ministry of Navy	-.-	-.-	-1-	6.6	-.-	6.6	6.6	-.-	6.6
2.2.1.6 Airlines	3.0	8.0	11.0	-.-	-.-	-.-	3.0	8.0	11.0
2.2.1.7 Books, newspapers & magazines	1.0	0.9	1.9	0.9	1.0	1.9	1.9	1.9	3.8
2.2.1.8 Light Group (Coal & equip.).	1.7	5.0	6.7	-.-	-.-	-.-	1.7	5.0	6.7
2.2.1.9 National Steel Co.	1.7	5.0	6.7	-.-	-.-	-.-	1.7	5.0	6.7
2.2.1.10 Vale do Rio Doce	0.2	0.5	0.7	-.-	-.-	-.-	0.2	0.5	0.7
2.2.1.11 - Rubber	4.4	13.1	17.5	1.6	4.9	6.5	6.0	18.0	24.0
2.2.1.12 Government entities and concessionaries of public services	1.7	5.0	6.7	-.-	-.-	-.-	1.7	5.0	6.7
2.2.1.13 Exchange auction	26.4	79.2	105.6	21.6	64.8	86.4	48.0	144.0	192.0
2.2.1.14 Wheat - including freight .	5.3	5.3	10.6	-.-	-.-	-.-	5.3	5.3	10.6
2.2.2 FINANCIAL TRANSACTIONS	17.1	17.0	34.1	1.0	1.1	2.1	18.1	18.1	36.2
2.2.2.1 Treasury delegation in NY ..	9.0	9.0	18.0	-.-	-.-	-.-	9.0	9.0	18.0
2.2.2.2 Interest to Bankers	1.1	1.0	2.1	1.0	1.1	2.1	2.1	2.1	4.2
2.2.2.3 "PETROBRAS" - Technical services	7.0	7.0	14.0	-.-	-.-	-.-	7.0	7.0	14.0
D E F I C I T	74.9	129.2	204.1	27.8	23.0	50.8	102.7	152.2	254.9

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TABLE V

RECEIPTS AND PAYMENTS REALIZED IN 1959
COMPARED WITH THE PROJECTED BUDGET FOR 1960

(Convertible Currencies)

In US$ Millions

SPECIFICATION	1959 ACTUAL	1960 BUDGETED	+ or - 1960 over 1959
RECEIPTS	956.3	876.0	-80.3
-Exports	931.1	868.0	-63.1
-Others	25.2	8.0	-17.2
EXPENDITURES	1,063.6	1,130.9	+67.3
IMPORTS	722.4	770.5	+48.1
-Rubber	17.7	40.1	+22.1
-"GEIA"	76.1	98.9	+22.8
-Others	628.6	631.5	+ 2.9
FINANCIAL TRANSFERS	244.3	251.1	+ 6.8
-Certificates with and without exchange priority	123.8	145.5	+21.7
-External Public Debt	18.2	23.8	+5.6
-Bond and Share, Light & Power & IT & T	20.9	26.6	+ 5.7
-Others	81.4	55.2	-26.2
COMPENSATORY LOANS	96.9	109.3	+12.4
-Eximbank, amortization of US$300 million loan	39.3	48.6	+ 9.3
-Consortium of banks - amortization of US$200 million loan	-	25.0	+25.0
-International Monetary Fund	20.2	-	-20.2
-Others	37.4	35.7	- 1.9
DEFICIT	107.3	254.9	+147.6

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PROJECTION OF RECEIPTS AND PAYMENTS
1961
(Convertible Currencies)

In US$ Millions

SPECIFICATION	Amount
RECEIPTS	900.0
IMPORTS	892.0
-Coffee	600.0
-Cacao	85.0
-Petroleum	40.0
-Other products, negotiated at free market rate	167.0
FINANCIAL TRANSACTIONS	8.0
-Difference	8.0
PAYMENTS	1,157.5
IMPORTS	737.4
-Petroleum and derivitaves	240.0
-"Petrobras", excluding crude oil ...	25.0
-Newsprint and paper for books	7.8
-Rubber	36.0
-Automobile Industry (GEIA)	35.9
-Estradas de Ferro (Railway equip) ..	6.7
-Ministry of Air	5.3
-Air Navigation Enterparises	11.0
-Books, Newspapers and Magazines	3.8
-"Light" Group	6.7
-National Steel Company	13.3
-Companhia Vale do Rio Doce	0.7
-Government entities and concessionaires and public services	6.7
-Wheat - including freight	10.6
-PVC and exchange contracts	135.9
-Exchange auctions	192.0

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PROJECTION OF RECEIPTS AND PAYMENTS (Cont'd)

SPECIFICATION	AMOUNT
FINANCIAL TRANSACTIONS	247.2
-Eximbank - Interest on US$300, US$45 and US$100 million loans	6.9
-Consortium of banks, interest on US$200 million loan	7.3
-Consortium of banks, interest on US58 million loan	0.4
-Public External Debt	23.8
-Bond and Share, Light & Power I T & T	26.1
-Certificates with and without exchange priority	148.5
-Brazilian Treasury Delegation in N. Y.	18.0
-Interest to Bankers	4.2
-"Petrobras" - technical services	12.0
COMPENSATORY LOANS	
-Eximbank, Amortization of US$300 million loan	25.5
-Consortium of banks, amortization of US$200 million loan with gold guarantee	50.0
-Consortium of banks, amortization of US$58 million loan	19.3
-Eximbank - amortization of US$45 million loan	23.3
-International Monetary Fund	54.8
D E F I C I T	257.5

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EXCHANGE OPERATIONS -- 1960

PROJECTED RECEIPTS AND PAYMENTS IN OLD US$ CURRENCY

In US$ millions

SPECIFICATION	Jan.	Feb.	Mar.	Apr.	May	Jun.	1st Semester
RECEIPTS	50.7	50.8	50.8	50.8	50.8	50.8	304.7
EXPORTS	50.3	50.4	50.3	50.4	50.4	50.4	302.2
-Coffee	37.5	37.5	37.5	37.5	37.5	37.5	225.0
-Cacao	3.6	3.7	3.6	3.7	3.7	3.7	22.0
-Petroleum	2.7	2.8	2.7	2.8	2.7	2.8	16.5
-Other products, negotiated on the free market	6.5	6.4	6.5	6.4	6.5	6.4	38.7
FINANCIAL TRANSACTIONS	0.4	0.4	0.5	0.4	0.4	0.4	2.5
-Amortization of loan to Finland	0.1	0.1	0.2	0.2	0.2	0.1	0.9
-Others	0.3	0.3	0.3	0.2	0.2	0.3	1.6
PAYMENTS	67.4	54.6	51.6	58.0	69.9	78.1	379.6
IMPORTS	41.8	30.2	35.4	37.1	55.5	53.9	253.9
-Petroleum and derivatives	15.9	15.5	15.5	15.5	15.5	15.5	93.4
-"Petrobras" (excluding crude oil)	-	-	-	-	3.5	3.5	7.0
-Railways - equipment	-	-	-	-	0.9	0.8	1.7
-Ministry of Air	-	-	-	-	0.7	0.7	1.4
-Air Navigation Enterprises	-	-	-	-	1.5	1.5	3.0
-Books, Newspapers and Magazines	0.1	0.2	0.2	0.2	0.2	0.1	1.0
-LIGHT group	-	-	-	-	0.9	0.8	1.7
-National Steel Company	-	-	-	-	0.8	0.9	1.7
-Companhia Vale do Rio Doce	-	-	-	-	0.1	0.1	0.2
-Newsprint and paper for books	0.5	0.5	0.5	0.5	0.4	0.4	2.8
-Rubber	2.5	1.4	2.1	2.2	3.5	4.0	15.7
-Wheat (incl. freight)	0.9	0.9	0.9	0.9	0.9	0.8	5.3
-Automobile Industry (GEIA)	7.8	1.8	6.0	2.6	4.3	6.1	28.6
-Govt. Entities and Public Service Concessionaires	-	-	-	-	0.8	0.9	1.7
-Exchange Contracts and PVC's	14.1	9.1	10.2	15.2	8.3	4.6	62.3
-Exchange Auctions	-	-	-	-	13.2	13.2	26.4

Continued

CONFIDENTIAL

EXCHANGE OPERATIONS - 1960 (Continued)

In US$ Millions

	Jan.	Feb.	Mar.	Apr.	May	Jun.	1st Semester
FINANCIAL TRANSFERS	21.6	10.8	12.2	16.9	10.4	20.2	92.1
-Eximbank - Interest on US$300, US$45 and US$100 million loans	2.7	0.2	0.6	0.2	0.2	0.6	4.5
-Consortium of Bankers, interest on US$200 million loan	2.3	-	-	2.2	-	-	4.5
-Consortium of Bankers,, interest on US$58 million loan	-	0.4	-	-	0.4	-	0.8
-External Public Debt	0.4	0.2	0.2	1.1	0.1	4.0	6.0
-Bond and Share, Light and Power and IT&T (interest)	2.2	2.2	2.2	2.3	2.2	2.3	13.4
-Certificates with and without exchange priority	11.2	4.9	6.3	8.2	4.7	10.5	45.8
-Brazilian Treasury Delegation in New York ...	1.5	1.5	1.5	1.5	1.5	1.5	9.0
-Interest to Bankers	0.1	0.2	0.2	0.2	0.2	0.2	1.1
-"Petrobras" technical services	1.2	1.2	1.2	1.2	1.1	1.1	7.0
COMPENSATORY LOANS	4.0	13.6	4.0	4.0	4.0	4.0	33.6
-Eximbank - amortization of US$300 million loan	4.0	4.0	4.0	4.0	4.0	4.0	24.0
-Consortium of Bankers, amortization of US$200 million loan	-	-	-	-	-	-	-
-Consortium of Bankers, amortization of US$58 million loan	-	9.6	-	-	-	-	9.6
D E F I C I T	16.7	3.8	0.8	7.2	19.1	27.3	74.9

January, 1960

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EXCHANGE OPERATIONS -- 1960

PROJECTED RECEIPTS AND PAYMENTS IN OLD US$ CURRENCY

In US$ millions

SPECIFICATION	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	2nd Semester	Total
RECEIPTS	50.7	50.8	50.7	50.8	50.8	50.8	304.6	609.3
EXPORTS	50.3	50.4	50.3	50.4	50.4	50.4	302.2	604.4
Coffee	37.5	37.5	37.5	37.5	37.5	37.5	225.0	450.0
-Cacao	3.6	3.7	3.6	3.7	3.7	3.7	22.0	44.0
-Petroleum	2.7	2.8	2.7	2.8	2.7	2.8	16.5	33.0
-Other products, negotiated in the free market	6.5	6.4	6.5	6.4	6.5	6.4	38.7	77.4
FINANCIAL TRANSACTIONS	0.4	0.4	0.4	0.4	0.4	0.4	2.4	4.9
-Amortization of loan to Finland	0.1	0.1	0.2	0.2	0.2	0.1	0.9	1.8
-Others	0.3	0.3	0.2	0.2	0.2	0.3	1.5	3.1
PAYMENTS	73.5	68.9	63.9	93.4	63.2	70.9	433.8	813.4
IMPORTS	47.2	45.3	46.9	48.8	49.4	44.7	282.3	536.2
Petroleum and Derivatives	16.5	16.5	16.5	16.5	16.5	16.5	99.0	192.4
-"Petrobras" (except crude oil)	2.6	2.6	2.7	2.7	2.7	2.7	16.0	23.0
-Railways - equipment	0.9	0.9	0.8	0.8	0.8	0.8	5.0	6.7
-Ministry of Air	0.6	0.6	0.6	0.7	0.7	0.7	3.9	5.3
-Air Navigation Enterprises	1.4	1.4	1.3	1.3	1.3	1.3	8.0	11.0
-Books, Newspapers and Magazines	0.1	0.1	0.1	0.2	0.2	0.2	0.9	1.9
-LIGHT Group	0.9	0.9	0.8	0.8	0.8	0.8	5.0	6.7
-National Steel Company	0.8	0.8	0.8	0.8	0.9	0.9	5.0	6.7
-Companhia Vale do Rio Doce	-	0.1	0.1	0.1	0.1	0.1	0.5	0.5
-Newsprint and Paper for Books	0.4	0.4	0.3	0.3	0.3	0.3	2.0	4.8
-Rubber	2.1	2.2	2.2	2.2	2.2	2.2	13.1	28.8
-Wheat (incl. freight)	0.9	0.9	0.9	0.9	0.9	0.8	5.3	10.6
-Automobile Industry - GEIA	2.7	3.1	5.8	6.7	6.5	3.1	27.9	56.5
-Government entities and concessionaires of public service	0.9	0.9	0.8	0.8	0.8	0.8	5.0	6.7
-Exchange Contracts and PVC's	3.2	0.7	-	0.8	1.5	0.3	6.5	68.8
-Exchange Auctions	13.2	13.2	13.2	13.2	13.2	13.2	79.2	105.6

Continued

EXCHANGE OPERATIONS - 1960 (Continued)

SPECIFICATION	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	2nd Semester	Total
FINANCIAL TRANSACTIONS	22.2	9.8	12.9	15.5	9.7	22.1	92.2	184.3
-Eximbank - Interest on US$300, US$45 and US$100 million loans	2.6	0.1	0.6	0.1	0.1	0.6	4.1	8.6
-Consortium of Bankers, interest on US$200 million loan	2.3	-	-	2.2	-	-	4.5	9.0
-Consortium of Bankers, interest on US$58 million loan	-	0.3	-	-	0.3	-	0.6	1.4
-External Public Debt	0.4	0.2	0.2	1.1	0.1	4.0	6.0	12.0
-Bond and Share, Light and Power and I T & T (interest)	2.2	2.2	2.2	2.2	2.2	2.2	13.2	26.6
-Certificates with and without exchange priority	11.9	4.2	7.0	7.0	4.2	12.5	46.8	92.6
-Brazilian Treasury Delegation in N.Y..	1.5	1.5	1.5	1.5	1.5	1.5	9.0	18.0
-Interest to Bankers	0.1	0.1	0.2	0.2	0.2	0.2	1.0	2.1
-"Petrobras" - technical services	1.2	1.2	1.2	1.2	1.1	1.1	7.0	14.0
COMPENSATORY LOANS	4.1	13.8	4.1	29.1	4.1	4.1	59.3	92.9
-Eximbank, amortization of US$300 million loan	4.1	4.1	4.1	4.1	4.1	4.1	24.6	48.6
-Consortium of Bankers, amortization of US$200 million loan	-	-	-	25.0	-	-	25.0	25.0
-Consortium of Bankers, amortization of US$58 million loan	-	9.7	-	-	-	-	9.7	19.3
D E F I C I T	22.8	18.1	13.2	42.6	12.4	20.1	129.2	204.1

January, 1960

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EXCHANGE OPERATIONS - 1960

Projection of Receipts and Expenses of old "ACL" Currencies — US$1,000,000

	Jan.	Feb.	Mar.	Apr.	May	June	1st Semester
RECEIPTS	22.2	22.2	22.3	22.2	22.2	22.2	133.3
Exports	21.9	21.9	22.0	22.0	22.0	22.0	131.8
Coffee	12.5	12.5	12.5	12.5	12.5	12.5	75.0
Cocoa	3.4	3.4	3.5	3.4	3.4	3.4	20.5
Other Products negotiable in the Free Market Rate	6.0	6.0	6.0	6.1	6.1	6.1	36.3
FINANCIAL TRANSACTIONS	0.3	0.3	0.3	0.2	0.2	0.2	1.5
EXPENSES	25.0	22.9	22.7	27.4	31.8	31.3	161.1
Imports	16.5	18.0	19.0	19.4	26.7	22.0	121.6
Petroleum & derivatives	2.3	2.2	2.2	2.2	2.2	2.2	13.3
Ministry of Navy	-.-	3.3	-.-	-.-	3.3	-.-	6.6
Books, newspapers & magazines	0.1	0.2	0.1	0.2	0.1	0.2	0.9
Newsprint and paper for books	0.3	0.3	0.3	0.3	0.2	0.2	1.6
Rubber	1.0	1.0	1.0	1.0	1.2	1.2	6.4
Automobile Industry - GEIA	0.4	2.1	7.2	8.3	4.7	3.7	26.4
Exchange contracts & PVCs	12.4	8.9	8.2	7.4	4.2	3.7	44.8
Exchange Auction	-.-	-.-	-.-	-.-	10.8	10.8	21.6
FINANCIAL TRANSFERS	7.2	3.5	2.4	6.6	3.8	7.9	31.4
Foreign Debt	1.4	0.6	0.5	2.0	0.3	1.1	5.9
Certificates with or without exchange prior.	5.6	2.7	1.8	4.4	3.3	6.7	24.5
Interest to Bankers	0.2	0.2	0.1	0.2	0.2	0.1	1.0
COMPENSATORY LOANS	1.3	1.4	1.3	1.4	1.3	1.4	8.1
Backlog in $	1.3	1.4	1.3	1.4	1.3	1.4	8.1
DEFICIT	2.8	0.7	0.4	5.2	9.6	9.1	27.8

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EXCHANGE OPERATIONS - 1960

Projection of Receipts and Expenses of old "ACL" Currencies — US$1,000,000

	July	Aug.	Sep.	Oct.	Nov.	Dec.	2nd Sem.	T o t a l
R E C E I P T S	22.2	22.2	22.2	22.2	22.3	22.3	133.4	266.7
Exports	21.9	21.9	21.9	22.0	22.0	22.1	131.8	263.6
Coffee	12.5	12.5	12.5	12.5	12.5	12.5	75.0	150.0
Cocoa	3.4	3.4	3.4	3.4	3.4	3.5	20.5	41.0
Other products, negotiable in the Free Market Rate	6.0	6.0	6.0	6.1	6.1	6.1	36.3	72.6
FINANCIAL TRANSACTIONS	0.3	0.3	0.3	0.2	0.3	0.2	1.6	3.1
E X P E N S E S	31.4	22.2	25.5	26.2	24.8	26.3	156.4	317.5
Imports	17.9	16.5	20.8	18.8	21.1	17.6	112.7	234.3
Petroleum & derivatives	3.5	3.5	3.5	3.5	3.5	3.5	21.0	34.3
Ministry of the Navy	-.-	-.-	-.-	-.-	-.-	-.-	-.-	6.6
Books, newspapers and magazines	0.1	0.2	0.1	0.2	0.2	0.2	1.0	1.9
Newsprint & paper for books	0.3	0.2	0.3	0.2	0.2	0.2	1.4	3.0
Rubber	0.8	0.8	0.8	0.8	0.8	0.9	4.9	11.3
Automobile Industry - GEIA	0.4	-.-	4.7	3.3	5.6	2.0	16.0	42.4
Exchange contracts & PVCs	2.0	1.0	0.6	-.-	-.-	-.-	3.6	48.4
Exchange Auctions	10.8	10.8	10.8	10.8	10.8	10.8	64.8	86.4
FINANCIAL TRANSFERS	11.4	3.6	2.6	5.4	3.7	8.7	35.4	66.8
Foreign Debt	1.4	0.6	0.5	2.0	0.3	1.1	5.9	11.8
Certificates with & without exge.prior.	9.8	2.8	1.9	3.2	3.2	7.5	28.4	52.9
Interest to Bankers	0.2	0.2	0.2	0.2	0.2	0.1	1.1	2.1
COMPENSATORY LOANS	2.1	2.1	2.1	2.0	-.-	-.-	8.3	16.4
Backlog in %	2.1	2.1	2.1	2.0	-.-	-.-	8.3	16.4
D E F I C I T	9.2	-.-	3.3	4.0	2.5	4.0	23.0	50.8

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832.10/5-360

FOREIGN SERVICE DESPATCH

FROM : AMEMBASSY, RIO DE JANEIRO

1062
DESP. NO.

XR 411.3241

TO : THE DEPARTMENT OF STATE, WASHINGTON.

May 3, 1960
DATE

REF : Embtel 1670, April 29; Embtel 1681, April 30; Embdes 988, April 11 and Embdes 1002, April 13. Department's Airgram G-91 dated April 26, 1960

MAY 9 1960

This Document must be Returned to the RM/R Central Files

	ACTION	DEPT.
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	REC'D 5/13	OTHER CIA-10 COM-8 TR-3 FAO-2 XMB-4 AG-8

SUBJECT: Possible New Approach for Balance of Payments Loan and Discussion of Certain PL 480 Problems

There is transmitted herewith a memorandum summarizing a conversation on May 3 with Ambassador Barbosa da Silva and Sr. Paulo Poock Correa. The major portion of that conversation consisted of a dialogue between Ambassador Barbosa da Silva and Sr. Poock Correa concerning the question of whether balance of payments help should be sought by going first to the IMF or by approaching the U.S. Government directly. Sr. Poock Correa did not express any definite conclusion at the end of that discussion, but Ambassador Barbosa da Silva expressed the opinion that a direct approach should be made to the U. S. Government, inasmuch as the IMF would probably require commitments which President Kubitschek would be unable or unwilling to make. The reporting officer carefully avoided offering any opinions at all on this matter. No definite conclusions were reached with respect to the PL 480 matters which were discussed later during the meeting, although the reporting officer was led to believe that some progress is being made towards resolution of certain outstanding problems under the present Agreement.

832.10/5-360

For the Ambassador:

Herbert K. May

Herbert K. May
Treasury Attaché

CAA

Coordinated:

William A. Fowler

William A. Fowler
Counselor of Embassy
for Economic Affairs

Enclosure: As stated

HKMay|dh
REPORTER

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Memorandum of Conversation with Ambassador Barbosa da Silva and Sr. Paulo Poock Correa, 11:30 a.m., May 3, 1960 1/

1. In spite of the fact that Barbosa da Silva and Poock Correa had made several requests that I participate in the meeting, I found that almost all of the discussion during the meeting consisted of a dialogue between Barbosa da Silva and Poock Correa, and I was not asked to make any comments as to the points of view or subject matter discussed. They went back and forth over the same ground, namely, whether the Brazilian Government should seek first to obtain a drawing of $47.5 million from the International Monetary Fund and then approach the Eximbank for an additional balance of payments loan, or whether they should approach only the Eximbank. They appeared ultimately to be in agreement that they should not try to obtain an IMF drawing. Barbosa da Silva put it this way: "The IMF would probably want the Brazilian Government to make some commitment as to a stabilization program, which would involve not only this Administration but the next Administration. Obviously, however, this Administration can not bind the next one. Accordingly, the IMF would doubtless insist upon a very strong stabilization program during the remainder of this Administration's term, but it is almost certain that President Kubitschek would not want to commit himself to such a stabilization program, and it is doubtful, anyhow, that the IMF would believe him even if he did make such a commitment."

Barbosa da Silva expressed his understanding that the Brazilian Government must anticipate a convertible currency deficit of $255 million during 1960, of which $155 million has no foreseeable source of financing, but that the $155 million may be further reduced to $110 million by a previously-unexpected saving of $20 million on petroleum imports and by swaps of perhaps $20-$25 million more than had previously been assumed by Poock Correa.

1/ This meeting was held at the Ministry of Foreign Affairs in Rio. Ambassador Barbosa da Silva and Sr. Poock Correa had requested on May 27 that the meeting be held in Brasilia, and I had agreed to meet with them there. Later, however, they had transferred the locale of the meeting to Rio, evidently because Ambassador Barbosa da Silva felt that he did not want to spend more than one day, May 4, in Brasilia and that he did not have enough time in that day for our meeting.

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Poock Correa replied that the estimate of $110 million might have been reasonable if it were not for the fact that supplementary sales of dollars for importation pursuant to SUMOC Instruction 193 will involve unbudgeted expenditures, somewhat beyond the saving of $25 million which will be obtained as a result of the prolongation of the maturity of PVC's to 150 days. He stated that the Exchange Department of the Bank is preparing some new projections and will have completed them by May 5, at which time he will make copies available to Barbosa da Silva and to me.

Barbosa da Silva raised the question of whether the Bank of Brazil would not be able to mortgage another $50 million of gold, and Poock Correa stated that he considered it pointless to talk about such mortgaging inasmuch as President Kubitschek would undoubtedly refuse to do so, particularly because the gold would have to be shipped out of Brazil and would thereby incur political attention. He agreed with Barbosa da Silva, however, that the Bank of Brazil could save approximately $50 million during the rest of this year if it could reschedule its indebtedness to the Eximbank.

While it is probable that Barbosa da Silva and Poock Correa were hoping that I would volunteer some comments during this part of our meeting, I sat quietly and said nothing whatsoever until the occasion arose for the following two comments: (a) In response to a question from Barbosa da Silva, I stated that the Embassy had not yet received any word from Washington as to whether, or when, an Eximbank mission was coming to Brazil. In that connection, Poock Correa stated that Finance Minister Paes de Almeida was expecting a telephone call today from Ambassador Moreira Salles reporting upon the possible arrival of an Eximbank mission. (b) While Barbosa da Silva was making a telephone call on another subject (discussed below), I commented to Poock Correa upon the fact that the Bank of Brazil evidently seems determined to pursue its decision of allowing $169.6 million of export proceeds to move into the free market as a means of influencing the rate of exchange. He stated that this was a basic policy decision which he did not expect to see changed. He added that, "If we decide to try to capture that foreign exchange, there might be some pressure also to curtail the remittances abroad of the earnings and royalties on foreign investments in Brazil". I pointed out that to curtail such remittances abroad would not accomplish much in view of their relatively small volume, and that such action would have unfavorable consequences on the inflow of private investment. He agreed, but added that decisions on such matters were based more on political than on economic considerations. I did not pursue the matter.

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2. I showed Barbosa da Silva the letter, dated April 27, 1960, from Admiral Lúcio Meira, President of the BNDE, in response to the letter of November 16, 1959, from Minister Cottam, concerning PL 480 funds deposited at the BNDE. I pointed out that Lúcio Meira's letter did not even refer to that portion of Minister Cottam's letter stating that USOM is "ready to disburse the sum of Cr$1,560,911,882.12, once the customary letter from you requests this advance against the loan". Barbosa da Silva expressed surprise that Lúcio Meira had not commented on this subject. He then went to the telephone and called someone, apparently on this matter, although I did not hear the conversation. When he returned, he stated that the difficulty with the BNDE derives from the fact that that institution is reluctant to borrow the cruzeiros from the Eximbank, pursuant to the PL 480 Agreement, because the rates of exchange have moved so sharply and that the amount of cruzeiros that would have to be repaid would be very burdensome. I stated that I understood this point of view, but that the PL 480 Agreement is quite specific, and that the Brazilian Government should realize that failure to live up to the existing Agreement would badly handicap negotiation of a new Agreement. I stated that one of the factors irritating some U. S. Government officials is the fact that, while the BNDE is reluctant to "borrow" the cruzeiros, those cruzeiros continue to be deposited with the BNDE, which canuse them as it wishes, even without going through a formal loan procedure. Barbosa da Silva denied that the cruzeiros were being used, saying that they were being kept in the idle cash reserves of the BNDE. I expressed my understanding that the cash reserves of the BNDE were in fact maintained at the Bank of Brazil, where they were earning interest for the BNDE. Barbosa da Silva asked Poock Correa if this was correct, and the latter expressed the opinion that the BNDE was in fact earning interest on such deposits at the Bank of Brazil, although the interest rate might only be 2 percent per annum. Barbosa da Silva stated at that point that he understood the question of principle that is disturbing the U.S. Government, although he did not know how to resolve it. I then suggested that during the period while the Brazilian Government is making up its mind as to whether or not to ask the U. S. Government for a loan out of the 85 percent portion of the PL 480 cruzeiros which had accrued to the U. S. Government, the Brazilian Government might transfer all such cruzeiros from the BNDE to the Bank of Brazil, while still holding them in the name of the U. S. Government so that we could at least earn the interest on those cruzeiros. Barbosa da Silva seized upon this suggestion and said that it seemed to him to be a desirable way of handling the dilemma of the Brazilian Government, at least for an interim

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period until the basic question can be resolved of whether the BNDE is to borrow those cruzeiros through a formal request. He said that he would discuss this suggestion with Lúcio Meira in Brasilia on May 4.

3. I pointed out, as an additional PL 480 problem, that the Brazilian Government has not yet deposited, with respect to the 15 percent U. S. uses portion, an amount of cruzeiros equivalent to the difference between the old deposit rates of 92 and 100, on the one hand, and the free market rates actually prevailing at the time of shipment, on the other hand. Barbosa da Silva expressed surprise that those supplementary deposits had not yet been made and stated to Poock Correa that he thought that the latter had taken care of this subject. Poock Correa stated that he had initiated action on this matter and thought that it had been resolved. He said that he would make a telephone call to ascertain the status of this matter, upon which I interrupted to ask that he be sure that when the payments were made they be made according to the prevailing Stock Exchange free rates, "inasmuch as they reflect the actual rates of exchange", rather than the "artificial" Bank of Brazil free rate. After some discussion of this matter, he agreed that the Stock Exchange rates would be the appropriate rates. He then made his telephone call, following which he told us that the papers which he had initiated were moving along and that supplementary payments would be made "soon", using the Stock Exchange free rates.

Herbert K. May
Treasury Attaché

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INCOMING AIRGRAM **Department of State**

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Date Sent: May 9, 1960
Rec'd: 1960 MAY 13 AM 6

FROM: Amembassy RIO DE JANEIRO

TO: Secretary of State

NO: G- 154

Newton Paiva, Financial Director Rede Ferroviaria Federal (RFF) and Felix Rabstein, RFF executor foreign credits, plan depart Rio VARIG Tuesday May 10 or Thursday May 12 for financial talks New York and Washington and study tour manufacturing plants in other parts US. Intend discuss in New York final arrangements for $8 million credit for RFF from Swiss Bank and proceed to Washington about May 16 for talks with Eximbank on utilization remaining portion $100 million credit. Emb understands from Rabstein Eximbank fully informed plans and itinerary.

In connection Washington talks Eben Hall ACF Director Sales informs Emb he intends recommend his principals raise with Eximbank report current status competitive struggle between ACF and Budd Co. for RFF contract to build rail diesel cars with Exim financing. Hall states he has previously provided Patten Eximbank full details ACF actions and views on this problem. Hall very disturbed by decision taken April 26 by Rede Board Directors accept Budd bid on all cars in stainless steel although according Hall ACF bid completely met specifications and was considerably below Budd price. Apr 26 action followed Apr 12 decision reduce original order (as set forth Mar 25 revised submission to Eximbank) from 8 broad gauge and 28 meter gauge cars to 4 and 19 respectively.

Putting together statements by Hall and Rabstein, Emb understands April 26 vote showed Paiva absent, Works Director Lemos Amaral not voting, Operations Director Zenesi and Legal Director Bulhões Pedreira in favor ACF participation in meter gauge construction, Vice Pres Moura and Commercial Director Mascarenhas in favor Budd for entire order and President

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Rosaldo Leitão casting tie-breaking vote in favor Budd. Zenesi had presented technical report recommending acquisition 4 stainless broad gauge units from Budd and others in low alloy high tension steel from ACF; Bulhões supported this solution. According Hall, Paiva subsequently sent Rosaldo Leitão letter stating that if he had attended he would have voted for Zenesi solution. Rosaldo said to be very annoyed by Paiva action.

During conversation which Rabstein sought with Emb officer, latter had occasion refer subject and stated that, although he could not of course discuss merits of two proposals or speak for Eximbank, possibility existed in view ACF keen interest Bank might inquire concerning technical and financial considerations affecting Board decision. Rabstein said he had nothing to do with Board decision and would mention possibility Exim interest to Paiva, although Paiva not really equipped discuss technical aspects. Added personal opinion that Rede should avoid including in Exim loan such controversial items as RDC's when Rede's needs for equipment on which there was no disagreement were so great.

Hall informs Emb confidentially he has evidence indicating Budd has improperly influenced members Board. Adds ACF had been approached concerning financial arrangements which might be made to ensure vote favorable ACF interests.

Hall states he cannot predict nature ACF approach Eximbank and points out company must take into account, among other things, interest in future business with Rede.

CABOT

JHCrimmins'mt W. A. Fowler

cc: Mr. May

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832.10/5-1160
XR 832.131

FOREIGN SERVICE DESPATCH

FROM : AMEMBASSY, Rio de Janeiro

1097
DESP. NO.

TO : THE DEPARTMENT OF STATE, WASHINGTON.

May 11, 1960
DATE

REF : Embdes 988, April 11, 1960 and Embdes 1002, April 13, 1960

MAY 11

For Dept. Use Only	ACTION	DEPT.
	REC'D 5/19	INFO OTHER RMR-2 REP-1 IRC-5 E-7 ICA-11 COM-5 CIA-10 FRB-3 TR-3 XMB-3 AG-5

SUBJECT: Revised Estimate of 1960 Payments Deficit

Sr. Paulo Poock Correa, Director of the Exchange Department of the Bank of Brazil, departed for Germany on May 8, expecting to return to Brazil on May 20. Before his departure, he and the reporting officer had a conversation during the course of which Sr. Poock Correa revealed that the Bank of Brazil now expects that the official payments deficit for 1960, in convertible currencies, will aggregate $281.6 million, instead of $254.9 million as earlier estimated. He revealed also that General Foods has concluded a contract with the Brazilian Coffee Institute pursuant to which an advance payment of $20 million would shortly be made to the Bank of Brazil by the Chase Manhattan Bank. A memorandum summarizing that conversation in more detail is enclosed herewith.

832.10/5-1160

For the Ambassador:

Herbert K. May

Herbert K. May
Treasury Attaché

CAA

Coordinated:

William A. Fowler

William A. Fowler
Counselor of Embassy
For Economic Affairs

Enclosre: As stated

DEPARTMENT OF STATE
BUREAU OF
INTER-AMERICAN AFFAIRS
MAY 23 1960

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Memorandum of Conversation with Sr. Paulo Poock Correa, May 6, 1960

1. We discussed briefly certain data pertaining to official market foreign exchange transactions in convertible currencies actually effected during the first three months of 1960 and to the estimated transactions for the remainder of 1960. Sr. Poock Correa's data (which had been prepared in rough draft but had not yet been duplicated) indicated that the realized deficit during the first three months of 1960 aggregated $53.0 million, as compared with the budgeted deficit for that period of $25.8 million. That is, the deficit during the first quarter of 1960 exceeded the expected deficit for that period by $27.2 million in spite of the fact that the Bank of Brazil "saved" $8 million during this period by taking advantage of its option to defer payments of $4.0 million monthly to the Export-Import Bank whenever the dollar earnings of the Bank of Brazil fall below certain specified figures.

Sr. Poock Correa stated that the Bank of Brazil accordingly now expects that the deficit in convertible currencies for the full year, 1960, will total $281.6 million as compared with the earlier estimate of $254.9 million. He stated, in that connection, that he has been disappointed in his hope that petroleum imports might be reduced by $20 million from the total earlier budgeted for 1960; he stated that he has learned that when the National Petroleum Council told him that they would be able to reduce their imports by $20 million, ~~that~~ they were refering to their own internal estimates rather than to the estimates of the Bank of Brazil, and that the National Petroleum Council estimate now coincides with the earlier estimate of the Bank of Brazil. Sr. Poock Correa stated also that he has carefully reviewed the foreign exchange obligations of Brazil which are falling due during 1960 and that he is more convinced than ever that it will not be possible to postpone more than approximately $35 million of those payment obligations to 1961 or beyond.

2. Sr. Poock Correa told me that the IBC (Brazilian Coffee Institute) has negotiated a contract with General Foods, pursuant to which General Foods will purchase 1.5 million bags of coffee. He said that pursuant to that contract, the IBC will supply General Foods with 759,000 bags of coffee, suitable for the preparation of soluble coffee, out of its existing stocks. The coffee is to be

0670

shipped over the three-month period, July-September. The value of that coffee is set at approximately $30 million, $20 million of which is to be advanced to the Bank of Brazil by Chase Manhattan Bank "within the next day or so". The $20 million is to be in the nature of advance payment, to be liquidated as the coffee is shipped.

Herbert K. May
Treasury Attaché

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INCOMING TELEGRAM *Department of State* CSD ACTION COPY

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Control: 10165
Rec'd: May 13, 1960
6:29 p.m.

Action
E

Info

FROM: Rio de Janeiro

TO: Secretary of State

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NO: 1767, May 13, 5 p.m.

Embassy telegram 1776, Department telegram 1430 and ICATO A-1337.

Lucio Meira, President BNDE, told Cottam and May at meeting today that (1) BNDE asked Brazilian Embassy Washington "a few days ago" to ask EXIMBANK correct "two minor errors" in draft promissory note which was handed to that Embassy by EXIMBANK January 21, and that (2) as soon as BNDE receives corrected promissory note, he will sign it and will at same time formally request by letter loan to BNDE of over five billion cruzeiros (see 104G) now on deposit at BNDE. (We saw on a paper he held CR $5,168,140,222 which checks with Embassy records.)

Cottam introduced subject by pointing to difficulty for US Government consider any new PL-480 proposal, which Barbosa da Silva said GOB preparing to make, while present agreement not being implemented. Referred to fact Lucio Meira's letter of April 27 failed respond to second paragraph Cottam's letter of November 16, 1959. Lucio Meira implied his failure provide full reply to Cottam's letter was only an oversight. Said nothing about problem for BNDE of assuming liability repay cruzeiros at more burdensome exchange rate than that at which cruzeiros borrowed. Also nothing was said about earlier suggestion 104G cruzeiros be deposited at Bank of Brazil while BNDE studying way resolve this problem.

Separate telegram will be sent early next week asking supplementary allotment 104G funds for loan to BNDE. Embassy/USOM urge quick action on that request as well as on possible modification EXIMBANK promissory note.

E MESSAGE CENTER CONTROL MAY 16 1960 IN OUT

CABOT

ME:LM:11

5-11-60 no reply

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OUTGOING TELEGRAM Department of State

INDICATE: ☐ COLLECT
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20 JUL 7 PM 3[illegible]

P 311

Origin

Info

SENT TO: Amembassy RIO DE JANEIRO 34

Embtels 31, and 1767 of May 13 - 832.10/5-1360

Eximbank made minor change requested by Brazilians and returned revised draft promissory note to Brazilian Embassy end of June.

Dillon
ACTING
(mrw)

DILLON

832.10/5-1360

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RM/R
Anal. RR
Rev.
Cat.

Drafted by: OFD:FN:HHMasse:mln 7/7/60

Telegraphic transmission and classification approved by: OFD:FN M. L. Milne

Clearances:
EST - Mr. Hemba
EXIM - Mr. Briggs
ICA - Mr. Sullivan
ED - Mr. Randall

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XR 832.13

PRIORITY

FOREIGN SERVICE DESPATCH

FROM : AMEMBASSY, RIO DE JANEIRO — 1120 DESP. NO.

TO : THE DEPARTMENT OF STATE, WASHINGTON. — May 16, 1960 DATE

REF : Embdes. 1002, Apr. 13, 1960; 1060, May 3, 1960; and 1097, May 11, 1960

MAY 16 1960

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ACTION * ARA-3 REC'D 5/20

INFO DEPT: RMR-2 REP-1 IRC*-8 E-7 ICA-11

INFO OTHER: CIA-10 COM*-8 TR*-3 FRB-2 XMB-4 AG-8

SUBJECT: Revised Estimate of 1960 Payments Deficit; Free Market Transactions, January-March, 1960

As reported in Despatch 1097, the Exchange Department of the Bank of Brazil now estimates that the 1960 official payments deficit will aggregate $281.6 million in convertible currencies. The Embassy herewith transmits, as separate enclosures, various tables prepared by the Exchange Department, bearing on this subject.

As shown in Enclosure 1, the estimated official payments in all convertible currencies during the first quarter of 1960 totalled $53.0 million, as compared with the "budgeted" deficit of $25.8 million. The extra deficit of $27.2 million is accounted for primarily by the facts that (1) official market export receipts totalled $28.7 million less than had been budgeted, although this was partially compensated by "extra" purchases by the Bank of Brazil in the free market totalling $15.6 million; and (2) official market payments in excess of budgeted payments, totalling $13.7 million for freight (predominantly for petroleum imports) and $22.3 million representing a greater demand for fulfillment of outstanding exchange sales contracts than had been anticipated. The deficit incurred during that period would have totalled an additional $8.0 million had it not been for the fact that the Bank of Brazil exercised its option (pursuant to its agreement of July, 1956, as amended, with the Export-Import Bank) to defer payments of $4.0 million monthly in January and February. The Bank of Brazil also failed to make the scheduled payment, equivalent to $4.0 million, which it was [redacted] to have made during that quarter on its British commercial arrears; the Embassy has not yet been informed as to the circumstances surrounding the failure of the Bank to make that payment.

As shown in Enclosure 2, the $53.0 million deficit incurred during January-March, 1960, was financed primarily by drawing on commercial bank credit lines ($39.4 million) and by net additional swaps ($26.8 million).

Enclosures 3 - 5 reveal an estimated official payments deficit during April-December, 1960, aggregating $228.6 million, of which $170.9 million is estimated for U.S. dollars, Canadian dollars and

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Swiss francs, and $57.7 million is estimated for other convertible currencies. These tables show little change from those reported in Despatches 1002 and 1060.

Enclosure 6 provides a summary of transactions in the free exchange market by the Bank of Brazil and by other banks during the first quarter of 1960. It will be noted that the Bank of Brazil purchased $53.0 million in the free market (export proceeds of $44.6 million and "others" -- exclusive of "regularization" operations -- totalling $8.4 million) while selling $17.6 million, of which, however, $14.7 million represented only symbolic free market sales since they were destined for payment of freight (predominantly, on petroleum) pursuant to SUMOC Instruction 181. Purchases in the free market by other banks totalled $89.6 million ($32.4 million of which were the proceeds of exports, saleable in the free market pursuant to SUMOC Instruction 192).

For the Chargé d'Affaires, a.i.:

Herbert K. May

Herbert K. May
Treasury Attaché

Coordinated:

William A. Fowler

William A. Fowler
Counselor of Embassy
for Economic Affairs

Enclosures: As stated

RW

0678

- OPERAÇÕES DE CÂMBIO - 1º TRIMESTRE DE 1960 -

COMPARATIVO da EXECUÇÃO à ORÇAMENTO da RECEITA à DESPESA

- MOEDAS CONVERSÍVEIS -

A RA Copy 1 Encl 1 Desp 1120 Rio de Janeiro

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(Unidade: US$ 1 000 000)

ESPECIFICAÇÃO	US$ - CA$ - SW FR			DEMAIS MOEDAS 1/			TÔDAS AS MOEDAS			ORÇADO para o TRIMESTRE	+ OU - realizado sôbre o ORÇADO
	Jan e Fev	Mar	TOTAL	Jan e Fev	Mar	TOTAL	JAN e FEV	MAR	TOTAL		
RECEITA	101,7	60,6	162,3	29,6	15,6	45,2	131,3	76,2	207,5	221,4	- 13,9
EXPORTAÇÕES	94,7	58,6	153,3	29,1	15,3	44,4	123,8	73,9	197,7	219,2	- 21,5
-através do Mercado Oficial	70,2	44,0	114,2	22,2	12,7	34,9	92,4	56,7	149,1	181,8	- 32,7
- " " Mercado Livre	20,5	14,6	35,1	6,9	2,6	9,5	27,4	17,2	44,6	37,4	+ 7,2
TRANSAÇÕES FINANCEIRAS	7,0	2,0	9,0	0,5	0,3	0,8	7,5	2,3	9,8	2,2	+ 7,6
-através do Mercado Oficial	0,4	0,9	1,3	-	0,1	0,1	0,4	1,0	1,4	2,2	- 0,8
- " " Mercado Livre	6,6	1,1	7,7	0,5	0,2	0,7	7,1	1,3	8,4	-	+ 8,4
DESPESA	119,4	64,9	184,3	46,6	29,6	76,2	166,0	94,5	260,5	267,2	+ 13,3
IMPORTAÇÕES	74,3	46,9	121,2	39,0	25,8	64,8	113,3	72,7	186,0	163,8	+ 22,2
-Petróleo & derivados	28,8	17,1	45,9	3,2	2,4	5,6	32,0	19,5	51,5	53,6	- 2,1
-"PETROBRÁS" - exceto óleo cru	1,3	1,5	2,8	5,9	0,4	6,3	7,2	1,9	9,1	9,1	-
-Estradas de Ferro - equipamentos	0,1	0,1	0,2	0,1	0,3	0,4	0,2	0,4	0,6	0,6	-
-Ministério da Aeronáutica	1,2	-	1,2	1,7	0,5	2,2	2,9	0,5	3,4	3,4	-
-Ministério da Marinha	-	-	-	-	-	-	-	-	-	3,5	- 3,5
-Emprêsas de Navegação Aérea	1,7	0,5	2,2	-	0,1	0,1	1,7	0,6	2,3	2,3	-
-Livros, Jornais & Revistas	0,2	0,2	0,4	0,2	0,2	0,4	0,4	0,4	0,8	0,9	- 0,1
-Grupo LIGHT - carvão & equipamento	0,7	0,6	1,3	0,1	0,1	0,2	0,8	0,7	1,5	1,5	-
-Companhia Siderúrgica Nacional	1,5	0,3	1,8	-	-	-	1,5	0,3	1,8	1,8	-
-Imprensa & Papel para Livros	0,4	0,4	0,8	0,4	1,1	1,5	0,8	1,5	2,3	3,3	- 1,0
-Borracha	2,5	0,1	2,6	0,5	0,5	1,0	3,0	0,6	3,6	9,0	- 5,4
-Trigo - inclusive Frete	0,1	0,1	0,2	-	-	-	0,1	0,1	0,2	2,7	- 2,5
-Indústria Automobilística - "GEIA"	4,4	6,8	11,2	7,7	7,8	15,5	12,1	14,6	26,7	26,1	+ 0,6
-Entidades Governamentais & Concessionárias de Serviços Públicos	1,0	0,7	1,7	0,9	0,7	1,6	1,9	1,4	3,3	3,3	-
-Maquinaria Agrícola	1,0	0,4	1,4	0,3	0,1	0,4	1,3	0,5	1,8	1,8	-
-Outras - inclusive oriundas de Leilão em [illegible]	21,7	12,1	33,8	17,5	11,1	28,6	39,2	23,2	62,4	40,1	+ 22,3
-Frete	7,7	6,0	13,7	0,5	0,5	1,0	8,2	6,5	14,7	1,0	+ 13,7
TRANSAÇÕES FINANCEIRAS	35,5	14,0	49,5	7,6	3,8	11,4	43,1	17,8	60,9	57,8	+ 3,1
-EXIMBANK - Juros dos empréstimos de US$ 300, US$ 45 e US$ 100 milhões	2,9	0,7	3,6	-	-	-	2,9	0,7	3,6	3,5	+ 0,1
-Consórcio de Banqueiros - juros do empréstimo de US$ 200 milhões	2,3	-	2,3	-	-	-	2,3	-	2,3	2,3	-
- " " " " - juros do empréstimo de US$ 58 milhões	0,2	0,4	0,6	-	-	-	0,2	0,4	0,6	0,4	+ 0,2
-Dívida Pública Externa	-	1,3	1,3	1,6	0,1	1,7	1,6	1,4	3,0	3,3	- 0,3
-Bond & Share, Light & Power, I T & T - juros	0,4	0,4	0,8	0,1	-	0,1	0,5	0,4	0,9	2,6	- 1,7
-Certificados com e sem Prioridade Cambial	14,7	7,7	22,4	5,5	3,2	8,7	20,2	10,9	31,1	32,5	- 1,4
-Delegacia do Tesouro Brasileiro em New York	2,6	-	2,6	-	-	-	2,6	-	2,6	4,5	- 1,9
-Juros a Banqueiros	1,1	0,3	1,4	-	0,1	0,1	1,1	0,4	1,5	1,0	+ 0,5
-"PETROBRÁS" - Serviços Técnicos	2,1	0,4	2,5	0,1	0,2	0,3	2,2	0,6	2,8	3,6	- 0,8
-Outras { no Mercado Oficial	3,1	2,1	5,2	0,5	0,2	0,5	3,4	2,3	5,7	0,1	+ 5,6
-Outras { no Mercado Livre	2,1	0,7	2,8	-	-	-	2,1	0,7	2,8	-	+ 2,8
EMPRÉSTIMOS COMPENSATÓRIOS	9,6	4,0	13,6	-	-	-	9,6	4,0	13,6	25,6	- 12,0
-EXIMBANK - amortização do empréstimo de US$ 300 milhões	-	4,0	4,0	-	-	-	-	4,0	4,0	12,0	- 8,0
-Consórcio de Banqueiros - amortização do empréstimo de US$ 58 milhões	9,6	-	9,6	-	-	-	9,6	-	9,6	9,6	-
-Atrasados Comerciais em £	-	-	-	-	-	-	-	-	-	4,0	- 4,0
DEFICIT	17,7	4,3	22,0	17,0	14,0	31,0	34,7	18,3	53,0	25,8	+ 27,2

1/ - Os £, tornada arbitrável a partir de 1/2/60, está incluída no movimento de MARÇO.

-Abril, 1960-

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Rio de Janeiro

- OPERAÇÕES DE CÂMBIO - 1º TRIMESTRE DE 1960 -

ANÁLISE DO DEFICIT em MOEDAS CONVERSÍVEIS

(Unidade: US$ 1 000 000)

ESPECIFICAÇÃO	antiga área do US$	antiga área do ACL	TOTAL
DEFICIT DO 1º TRIMESTRE DE 1960	22,0	31,0	53,0
Financiado por:			
-"SWAPS" (líquido)	+ 22,3	+ 4,5	+ 26,8
-Linhas de Crédito	+ 31,8	+ 7,6	+ 39,4
-Variação do total dos creditos comerciais a executar	- 6,7	- 1,9	- 8,6
-Deutsche Bundesbank - Crédito Especial . .	-	- 7,5	- 7,5
-Arbitragens	- 27,2	+ 27,0	- 0,2
VARIAÇÃO DA CAIXA	- 1,8	- 1,3	- 3,1
P r o v a :			
Saldo de Caixa: em 31/12/59	11,7	3,1	14,8
em 31/3/60	9,5	1,1	10,6
	- 2,2	- 2,0	- 4,2
Verbas em trânsito, erros ou omissões	+ 0,4	+ 0,7	+ 1,1
VARIAÇÃO DA CAIXA	- 1,8	- 1,3	- 3,1

-Abril, 1960-

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Desp. 1120 Rio de Janeiro

– OPERAÇÕES DE CÂMBIO – PERÍODO DE ABR / DEZ DE 1960 –

PROJEÇÃO de RECEITA e DESPESA em MOEDAS CONVERSÍVEIS

(Unidade: US$ 1 000 000)

ESPECIFICAÇÃO	ABRIL	MAIO	JUNHO	2º TRIMESTRE	JULHO	AGOSTO	SETEMBRO	OUTUBRO	NOVEMBRO	DEZEMBRO	2º SEMESTRE	TOTAL
RECEITA	72,8	72,7	74,9	219,4	72,8	72,9	72,7	72,8	73,8	73,0	438,0	657,4
EXPORTAÇÕES	72,4	72,4	72,4	217,2	72,2	72,3	72,2	72,4	72,4	72,5	430,0	647,2
-Café	50,0	50,0	50,0	150,0	50,0	50,0	50,0	50,0	50,0	50,0	300,0	450,0
-Cacau	7,1	7,1	7,1	21,3	7,0	7,1	7,0	7,1	7,1	7,2	42,5	63,8
-Petróleo	2,8	2,7	2,8	8,3	2,7	2,8	2,7	2,8	2,7	2,8	16,5	24,8
-Outros produtos, negociáveis no Mercado de Taxa Livre	12,5	12,6	12,5	37,6	12,5	12,4	12,5	12,5	12,6	12,5	75,0	112,6
TRANSAÇÕES FINANCEIRAS	0,4	1,3	0,5	2,2	0,6	0,6	0,5	0,4	1,4	0,5	4,0	6,2
-Amortização de empréstimo à Finlândia	-	0,9	-	0,9	-	-	-	-	0,9	-	0,9	1,8
-Outros	0,4	0,4	0,5	1,3	0,6	0,6	0,5	0,4	0,5	0,5	3,1	4,4
DESPESA	86,9	85,6	97,0	269,5	108,2	77,5	108,3	128,8	93,3	106,4	622,5	886,0
IMPORTAÇÕES	45,4	44,4	63,1	182,9	63,6	56,9	75,7	74,7	75,2	68,9	435,0	597,9
-Petróleo e derivados	15,9	17,8	16,8	50,5	25,2	15,3	20,0	20,0	20,0	20,0	118,5	169,0
-"PETROBRÁS" (exceto óleo cru)	-	3,5	3,5	7,0	2,6	2,6	2,7	2,7	2,7	2,7	16,0	23,0
-Estradas de Ferro - equipamentos	-	0,9	0,8	1,7	0,9	0,9	0,8	0,8	0,8	0,8	5,0	6,7
-Ministério da Aeronáutica	-	0,7	0,7	1,4	0,6	0,6	0,6	0,7	0,7	0,7	3,9	5,3
- " " Marinha	-	3,3	-	3,3	-	3,3	-	-	-	-	3,3	6,6
-Emprêsas de Navegação Aérea	0,9	1,1	1,1	3,1	1,3	1,3	1,3	1,3	1,3	0,9	7,4	10,5
-Livros, Jornais & Revistas	0,3	0,3	0,3	1,0	0,2	0,3	0,2	0,4	0,4	0,4	1,9	2,9
-Grupo LIGHT - carvão & equipamentos	0,8	0,8	0,8	2,4	0,8	0,8	0,8	0,8	0,8	0,8	4,8	7,2
-Companhia Siderúrgica Nacional	-	0,8	0,9	1,7	0,8	0,8	0,8	0,8	0,9	0,9	5,0	6,7
-Companhia Vale do Rio Doce	-	0,1	0,1	0,2	-	0,1	0,1	0,2	0,2	0,1	0,5	0,7
-Imprensa & Papel para Livros	0,8	0,6	0,6	2,0	0,7	0,6	0,6	0,5	0,5	0,5	3,4	5,4
-Borracha	0,6	0,6	0,5	1,7	0,4	0,4	0,4	0,4	0,4	0,4	2,4	4,1
-Trigo (inclusive frete)	2,6	3,4	4,5	9,9	5,1	2,4	-	5,0	5,0	5,0	19,5	29,4
-Indústria Automobilística - "GEIA"	0,9	0,9	0,8	2,6	0,9	0,9	0,9	0,9	0,9	0,8	5,3	7,9
-Superintendência do Desenvolvimento do Nordeste - "SUDENE"	5,5	6,9	9,2	21,6	2,5	2,9	9,7	8,5	10,3	4,1	38,0	59,6
-Entidades Governamentais & Concessionárias de Serviços Públicos & de Economia Mista	-	0,7	0,3	1,0	0,1	0,2	0,1	0,2	0,2	0,2	1,0	2,0
-Câmbio Contratado à FEC	-	0,8	0,9	1,7	0,9	0,9	0,8	0,8	0,8	0,8	5,0	6,7
-Leilão em Bôlsa	29,2	21,5	23,0	73,4	23,0	23,0	4,5	4,4	3,0	3,4	61,3	132,7
	-	-	-	-	-	-	28,8	28,8	28,8	28,8	115,2	115,2
TRANSAÇÕES FINANCEIRAS	23,2	14,9	27,6	65,7	38,3	14,2	16,5	22,6	14,0	33,4	139,0	204,7
-"EXIMBANK" - juros dos empréstimos de US$ 300, US$ 45 e US$ 100 milhões	0,2	0,2	0,6	1,0	2,7	0,2	0,7	0,1	0,1	1,6	4,4	5,4
-Consórcio de Banqueiros - juros do empréstimo de US$ 200 milhões	2,2	-	-	2,2	2,3	-	-	2,2	-	-	4,5	6,7
- " " " - juros do empréstimo de US$ 58 milhões	-	0,4	-	0,4	-	0,3	-	-	0,3	-	0,6	1,0
-Dívida Pública Externa	3,2	0,4	5,1	8,6	1,8	0,8	0,7	3,1	0,4	5,1	11,9	20,5
-Bond & Share, Light & Power, I T & T (juros)	2,3	2,2	2,3	6,8	2,2	2,2	2,2	2,2	2,2	2,2	13,2	20,0
-Certificados com a Sua Prioridade Cambial	12,5	8,6	16,5	37,4	26,2	7,6	9,7	11,9	7,9	22,4	85,7	123,1
-Delegacia do Tesouro Brasileiro em New York	1,5	1,5	1,5	4,5	1,5	1,5	1,5	1,5	1,5	1,5	9,0	13,5
-Juros a Banqueiros	0,7	0,7	0,7	2,1	0,7	0,7	0,8	0,7	0,7	0,7	4,3	6,4
-"PETROBRÁS" - Serviços Técnicos	0,9	0,9	0,9	2,7	0,9	0,9	0,9	0,9	0,9	0,9	5,4	8,1
EMPRÉSTIMOS COMPENSATÓRIOS	7,5	6,3	6,3	20,9	6,3	6,4	16,3	31,5	4,1	4,1	68,5	89,4
-"EXIMBANK" - amortização do empréstimo de US$ 300 milhões	-	2,5	4,4	8,0	4,0	4,0	4,0	4,1	4,1	4,1	24,3	32,3
-Consórcio de Banqueiros - amortização do empréstimo de US$ 200 milhões	-	-	-	-	-	-	-	25,0	-	-	25,0	25,0
- " " " - amortização do empréstimo de US$ 58 milhões	-	-	-	-	-	-	9,7	-	-	-	9,7	9,7
-Atrasados Comerciais em £	2,3	2,3	2,3	6,9	2,3	2,4	2,4	2,4	-	-	9,5	16,4
DEFICIT	8,1	11,9	24,1	44,1	35,4	4,6	35,6	56,0	19,5	33,4	184,5	228,6

-Abril. 1960-



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- OPERAÇÕES DE CÂMBIO - PERÍODO DE ABR / DEZ DE 1960 -

PROJEÇÃO DA RECEITA E DESPESA em US$ - CAMB - SW FR

(Unidade: US$ 1 000 000)

E S P E C I F I C A Ç Ã O	A ABRIL	MAIO	J JUN	2º TRIMESTRE	J JUL	A AGO	S SET	O OUT	N NOV	D DEZ	2º SEMESTRE	TOTAL
R E C E I T A	50,6	51,5	50,7	152,8	50,6	50,7	50,5	50,6	51,5	50,7	304,6	457,4
EXPORTAÇÕES	50,4	50,4	50,4	151,2	50,3	50,4	50,3	50,4	50,4	50,4	302,2	453,4
-Café	37,5	37,5	37,5	112,5	37,5	37,5	37,5	37,5	37,5	37,5	225,0	337,5
-Cacau	3,7	3,7	3,7	11,1	3,6	3,7	3,6	3,7	3,7	3,7	22,0	33,1
-Petróleo	2,8	2,7	2,8	8,3	2,7	2,8	2,7	2,8	2,7	2,8	16,5	24,8
-Outros produtos, negociáveis no Mercado de Taxa Livre	6,4	6,5	6,4	19,3	6,5	6,4	6,5	6,4	6,5	6,4	38,7	58,0
TRANSAÇÕES FINANCEIRAS	0,2	1,1	0,3	1,6	0,3	0,3	0,2	0,2	1,1	0,3	2,4	4,0
-Amortização do empréstimo à Finlândia	-	0,9	-	0,9	-	-	-	-	0,9	-	0,9	1,8
-Outros	0,2	0,2	0,3	0,7	0,3	0,3	0,2	0,2	0,2	0,3	1,5	2,2
D E S P E S A	53,1	60,2	65,9	177,2	73,8	65,9	71,5	97,7	67,5	71,7	451,1	628,3
IMPORTAÇÕES	38,9	45,9	50,3	125,1	47,2	42,1	54,3	53,0	53,6	47,5	297,7	422,8
-Petróleo & derivados	14,8	17,1	13,2	45,1	20,6	13,7	18,0	18,0	18,0	18,0	106,3	151,4
-"PETROBRÁS" (exceto óleo cru)	-	3,5	3,5	7,0	2,6	2,6	2,7	2,7	2,7	2,7	16,0	23,0
-Estradas de Ferro - equipamentos	-	0,9	0,8	1,7	0,9	0,9	0,8	0,8	0,8	0,8	5,0	6,7
-Ministério da Aeronáutica	-	0,7	0,7	1,4	0,6	0,6	0,6	0,7	0,7	0,7	3,9	5,3
-Emprêsas de Navegação Aérea	0,9	1,3	1,3	3,5	1,3	1,3	1,3	1,3	1,3	0,9	7,4	10,9
-Livros, Jornais & Revistas	0,2	0,2	0,1	0,5	0,1	0,1	0,1	0,2	0,2	0,2	0,9	1,4
-Grupo LIGHT - carvão & equipamentos	0,8	0,8	0,8	2,4	0,8	0,8	0,8	0,8	0,8	0,8	4,8	7,2
-Companhia Siderúrgica Nacional	-	0,3	0,9	1,2	0,8	0,8	0,8	0,8	0,9	0,9	5,0	6,2
-Companhia Vale do Rio Doce	-	0,1	0,1	0,2	-	0,1	0,1	0,1	0,1	0,1	0,5	0,7
-Imprensa & Papel para Livros	0,5	0,4	0,4	1,3	0,4	0,4	0,3	0,3	0,3	0,3	2,0	3,3
-Borracha	1,0	2,5	3,3	6,8	3,7	1,6	2,2	2,2	2,2	2,2	14,1	20,9
-Trigo (inclusive frete)	0,9	0,9	0,8	2,6	0,9	0,9	0,9	0,9	0,9	0,8	5,3	7,9
-Indústria Automobilística - "CEIA"	2,4	3,6	5,6	11,6	2,3	2,8	6,1	5,8	6,4	2,3	25,7	37,3
-Superintendência do Desenvolvimento do Nordeste - "SUDENE"	-	0,7	0,3	1,0	0,1	0,2	0,1	0,2	0,2	0,2	1,0	2,0
-Entidades Governamentais & Concessionárias de Serviços Públicos & de Economia Mista	-	0,8	0,9	1,7	0,9	0,9	0,8	0,8	0,8	0,8	5,0	6,7
-Câmbio Contratado à PTC	17,4	11,6	7,6	36,6	11,2	14,4	4,0	2,7	2,6	1,1	36,0	72,6
-Leilão em Bônus	-	-	-	-	-	-	14,7	14,7	14,7	14,7	58,8	58,8
TRANSAÇÕES FINANCEIRAS	14,2	10,3	19,6	44,1	22,6	10,1	13,2	15,6	9,8	23,1	94,4	138,5
-"EXIMBANK" - juros dos empréstimos de US$ 300, US$ 45 e US$ 100 milhões	0,2	0,2	0,6	1,0	2,7	0,2	0,7	0,1	0,1	0,6	4,4	5,4
-Consórcio de Banqueiros - juros do empréstimo de US$ 200 milhões	2,2	-	-	2,2	2,3	-	-	2,2	-	-	4,5	6,7
- " " " - juros do empréstimo de US$ 58 milhões	-	0,4	-	0,4	-	0,3	-	-	0,3	-	0,6	1,0
-Dívida Pública Externa	1,1	0,1	4,0	5,2	0,4	0,2	0,2	1,1	0,1	4,0	6,0	11,2
-Bond & Share, Light & Power, I T & T (juros)	2,3	2,2	2,3	6,8	2,2	2,2	2,2	2,2	2,2	2,2	13,2	20,0
-Certificados com e sem Prioridade Cambial	5,5	4,5	9,7	19,7	12,3	4,3	7,1	7,1	4,2	13,3	48,1	67,8
-Delegacia do Tesouro Brasileiro em New York	1,5	1,5	1,5	4,5	1,5	1,5	1,5	1,5	1,5	1,5	9,0	13,5
-Juros a Banqueiros	0,5	0,5	0,6	1,6	0,5	0,5	0,6	0,5	0,5	0,6	3,2	4,8
-"PETROBRÁS" - Serviços Técnicos	0,9	0,9	0,9	2,7	0,9	0,9	0,9	0,9	0,9	0,9	5,4	8,1
EMPRÉSTIMOS COMPENSATÓRIOS	-	4,0	4,0	8,0	4,0	13,7	4,0	29,1	4,1	4,1	59,0	67,0
-"EXIMBANK" - amortização do empréstimo de US$ 300 milhões	-	4,0	4,0	8,0	4,0	4,0	4,0	4,1	4,1	4,1	28,3	36,3
-Consórcio de Banqueiros - amortização do empréstimo de US$ 200 milhões	-	-	-	-	-	-	-	25,0	-	-	25,0	25,0
- " " " - amortização do empréstimo de US$ 58 milhões	-	-	-	-	-	9,7	-	-	-	-	9,7	9,7
D E F I C I T	2,5	8,7	15,2	26,4	23,2	15,2	21,0	47,1	16,0	21,0	144,5	170,9

-Abril, 1960-

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- OPERAÇÕES DE CÂMBIO - PERÍODO DE ABR / DEZ DE 1960 -

PROJEÇÃO DA RECEITA E DESPESA em MOEDAS DA ANTIGA "ACL"

(Unidade: US$ 1 000 000)

ESPECIFICAÇÃO	ABRIL	MAIO	JUNHO	2º TRIMESTRE	JULHO	AGOSTO	SETEMBRO	OUTUBRO	NOVEMBRO	DEZEMBRO	2º SEMESTRE	TOTAL
RECEITA												
EXPORTAÇÕES	22,2	22,2	22,2	66,6	22,2	22,2	22,2	22,2	22,3	22,3	133,4	200,0
-Café	22,0	22,0	22,0	66,0	21,9	21,9	22,0	22,0	22,0	22,1	131,8	197,8
-Cacau	12,5	12,5	12,5	37,5	12,5	12,5	12,5	12,5	12,5	12,5	75,0	112,5
-Outros produtos, negociáveis no Mercado de Taxa Livre	3,4	3,4	3,4	10,2	3,4	3,4	3,4	3,4	3,4	3,5	20,5	30,7
TRANSAÇÕES FINANCEIRAS	6,1	6,1	6,1	18,3	6,0	6,0	6,0	6,1	6,1	6,1	36,3	54,6
	0,2	0,2	0,2	0,6	0,3	0,3	0,3	0,2	0,3	0,2	1,6	2,2
DESPESA												
IMPORTAÇÕES	27,8	25,4	33,1	86,3	36,4	21,3	27,1	31,1	25,8	31,7	171,4	257,7
-Petróleo e derivados	16,5	16,5	22,8	57,8	16,4	14,8	21,4	21,7	21,6	21,4	117,3	175,1
-Ministério da Marinha	1,1	0,7	3,6	5,4	2,6	1,6	2,0	2,0	2,0	2,0	12,2	17,6
-Livros, Jornais e Revistas	-	3,3	-	3,3	-	3,3	-	-	-	-	3,3	6,6
-Impresas e Papel para Livros	0,2	0,2	0,2	0,5	0,1	0,2	0,1	0,2	0,2	0,2	1,0	1,5
-Borracha	0,3	0,3	0,2	0,7	0,3	0,2	0,3	0,2	0,2	0,2	1,4	2,1
-Indústria Automobilística - GEIA	1,0	1,0	1,2	3,1	1,4	0,8	0,8	0,8	0,8	0,8	5,4	8,5
-Câmbio Contratado à PTC	5,1	7,3	3,6	10,0	0,2	0,1	3,6	2,7	3,9	1,8	12,3	22,3
-Leilão em Bôlsa	10,8	10,0	14,0	34,8	11,8	8,6	0,5	1,7	0,4	2,3	25,3	60,1
TRANSAÇÕES FINANCEIRAS	-	-	-	-	-	-	14,1	14,1	14,1	14,1	56,4	56,4
-Dívida Pública Externa	9,0	4,6	8,0	21,6	15,7	4,1	3,5	7,0	4,2	10,3	44,6	66,2
-Certificados com e sem Prioridade Cambial	2,0	0,3	1,1	3,4	1,4	0,6	0,5	2,0	0,3	1,1	5,9	9,3
-Juros a Banqueiros	6,8	4,1	6,8	17,7	14,1	3,3	2,6	4,8	3,7	9,1	37,6	55,3
EMPRÉSTIMOS COMPENSATÓRIOS	0,2	0,2	0,1	0,5	0,2	0,2	0,2	0,2	0,2	0,1	1,1	1,6
-Atrasados Comerciais em £	2,3	2,3	2,3	6,9	2,3	2,4	2,4	2,4	-	-	9,5	16,4
	2,3	2,3	2,3	6,9	2,3	2,4	2,4	2,4	-	-	9,5	16,4
DEFICIT (-) or SUPERAVIT (+)	- 5,6	- 3,2	-10,9	-19,7	-12,2	+ 0,9	- 4,9	- 8,9	- 3,5	- 9,4	-38,0	-57,7

-April, 1960-

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- OPERAÇÕES DE CÂMBIO - MERCADO DE TAXA LIVRE -

EXECUÇÃO DO 1º TRIMESTRE DE 1960

- MOEDAS CONVERSÍVEIS -

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(Unidade: US$ 1000)

ESPECIFICAÇÃO	US$ - CAN$ - SM FR			DEMAIS MOEDAS CONVERSÍVEIS			TÔDAS AS MOEDAS CONVERSÍVEIS		
	BANCO DO BRASIL	OUTROS BANCOS	TOTAL	BANCO DO BRASIL	OUTROS BANCOS	TOTAL	BANCO DO BRASIL	OUTROS BANCOS	TOTAL
I - RECEITA	86 087	76 417	162 454	19 818	18 299	37 902	105 840	94 716	200 556
a) TRANSAÇÕES CORRENTES	42 794	72 649	115 443	10 161	17 055	27 716	52 955	89 804	142 759
1. Exportações	55 081	22 567	57 628	9 542	9 775	19 315	44 605	32 340	76 945
2. Outras	7 735	49 982	57 715	619	7 282	7 901	8 352	57 264	65 616
b) OPERAÇÕES DE REGULARIZAÇÃO	43 243	3 868	47 111	9 442	1 244	10 686	52 685	5 112	57 797
1. "Swaps"	43 243	-	43 243	5 831	-	5 831	49 074	-	49 074
2. Arbitragens	-	3 868	3 868	3 611	1 244	4 855	3 611	5 112	8 723
II - DESPESA	39 827	83 831	123 158	4 059	16 972	21 031	43 886	100 803	144 189
a) TRANSAÇÕES CORRENTES	16 816	79 871	96 087	1 107	14 081	15 188	17 923	93 952	111 275
1. Fretes	13 615	5 960	19 575	1 043	3 376	4 419	14 658	9 336	23 994
2. Outras	2 901	73 911	76 512	64	10 645	10 709	2 965	84 286	87 221
b) OPERAÇÕES DE REGULARIZAÇÃO	23 011	4 060	27 071	2 952	2 961	5 913	25 963	7 021	32 984
1. "Swaps"	20 962	1 825	22 485	1 388	-	1 388	22 350	1 825	23 845
2. Arbitragens	2 049	2 537	4 586	1 574	2 961	4 525	3 625	5 486	9 111
I menos II	46 610	-7 214	39 296	15 564	1 327	16 891	62 074	-5 887	56 187
Ia menos IIa	26 278	-7 082	19 196	9 054	3 054	12 088	35 332	-3 988	31 344
Ib menos IIb	20 252	- 132	20 040	6 510	-1 707	4 803	26 762	-1 899	24 843

-Maio, 1960-

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832.10/5-1760

FOREIGN SERVICE DESPATCH

FROM : AMEMBASSY, RIO DE JANEIRO — DESP. NO. 1130

TO : THE DEPARTMENT OF STATE, WASHINGTON. — DATE May 17, 1960

REF : Department's Airgram A-297, May 11, 1960
Embassy Despatch 994, April 11, 1960

MAY 18 1960

For Dept. Use Only	ACTION	INFO	DEPT.
	COM-8 REC'D 5/20	DEP-1 IRC-8 ARA-3 E-7 ICA-11 OTHER CIA-10 TR-3 FRB-3 XMB-4 TAR-2 Army-[illegible]	

SUBJECT: Security Classification of Brazilian National Account Data

Pursuant to the Department of Commerce request, contained in Airgram A-297, the Embassy has inquired of the Getulio Vargas Foundation whether it would have any objection to publication of the National Accounts Data transmitted with Embassy Despatch 994. The officer of the Getulio Vargas Foundation who provided the aforementioned data to the Embassy stated that he would have no objection to the publication of those data by the United States Government. Accordingly, the tables transmitted by Embassy Despatch 994 may be down-graded to "Unclassified".

For the Chargé d'Affaires, a.i.:

Herbert K. May

Herbert K. May
Treasury Attaché

Coordinated:

William A. Fowler

William A. Fowler
Counselor of Embassy
for Economic Affairs

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JUN 13 1960

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FOREIGN SERVICE DESPATCH

FROM : AMEMBASSY, RIO DE JANEIRO — 1143 (DESP. NO.)

TO : THE DEPARTMENT OF STATE, WASHINGTON. — May 19, 1960 (DATE)

REF : CERP, Section B, III, A-2, April 3, 1957
Embassy Despatch 1026, March 9, 1959 — Enclosures

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ACTION: ARA-4
REC'D: 5-26-60

INFO DEPT.: RM/R-2 RER-1 IRC-8 E-7 ICA-11 NAVY-2
INFO OTHER: COM-8 TR-3 FAS-3 USMB-4 CIA-10 TAR-2 ARMY-4

SUBJECT: Execution of the 1959 Budget.

1. Summary

The "Balanços Gerais da União" for 1959 prepared by the Contadoria Geral, the usual source of information for this Despatch, is not yet available. The Embassy, therefore, is using unpublished SUMOC figures as well as information gathered at the Contadoria by the reporting officer.

The revenue of the Brazilian Government in 1959 totalled Cr$157.8 billion, while total bookkeeping expenditures were Cr$222.1 billion. The total "financial" deficit was Cr$64.3 billion as compared to Cr$34.4 billion in 1958 and Cr$44.0 billion in 1957; this is different from the "cash" deficit reported below.

The Cr$222.1 billion total expenditure cited above includes budgetary and supplementary credits paid in 1959, those made in prior years "sem crédito" and not approved until 1959, and those made in 1959 "sem crédito", i.e., not yet approved.

If these various expense classifications are shown separately, the respective resulting deficits in 1958 and 1959 are as indicated in the following table:

Types of Expenses and Deficits
(Billions of Cruzeiros)

	1958	1959
Revenue	117.8	157.8
Budgetary & supplementary Credits Paid	127.2	184.2
"Budgetary" Deficit	9.4	26.4

DEPARTMENT OF STATE
BUREAU OF
INTER-AMERICAN AFFAIRS
MAY 31 1960

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0683

Types of Expenses and Deficits

(Billions of Cruzeiros)

(Continued)

	1958	1959
Plus Amounts Approved for Payment:		
"Restos a Pagar" registered	14.0	15.3
Special Funds	4.1	3.3
Deposits of 60% of electricity tax	.1	
Deposits from Public Entities	2.8	3.1
Plus Expenses from Previous Budgets	.2	.4
Plus Expenses to be approved, i.e. "sem crédito"	3.8 x/	15.8
Total "Financial" Deficit	34.4	64.3

On a cash basis, total expenses were Cr$198.3 billion and the cash deficit Cr$40.5 billion.

The composition of the cash deficit and the sources of its financing are as follows in comparison with 1958:

(Cr$ Billion)

	1958	1959
Budgetary Operations		
Revenue	117.8	157.8
Budgetary cash expenditures	118.7	162.1
I - Budgetary Cash Deficit	0.9	4.3
Extrabudgetary Expenses		
Special Credits	3.4	1/
Extraordinary Credits	5.0	1/
Expenses "sem crédito"	7.7 x/	15.8
Liquidation of "Restos a Pagar"	5.1	8.6
Release of funds from prior years	1.2	2.8
Advances including to States & Munic.	0.8	8.2
Other Operations	1.5	0.8
II - Extrabudgetary Cash Deficit	24.7	36.2
III - Total Cash Deficit	25.6	40.5
Financing of Cash Deficit		
Cash Balance from Previous Year	0.6	1.1
Treasury Letters	9.4	8.8
Bank of Brazil loans to Treasury	16.5	31.7
Miscellaneous resources	0.2	-.-
IV - Total Financing	26.7	41.6
V - Cash for Following Year	1.1	0.9

1/ Classified in "Budgetary Expenses"
x/ For inconsistency in the figures for expenditures "sem crédito" see Balanços Gerais da União for 1959 (pages 118 and 120).

0684

2. Revenues

Revenue for 1959 in comparison with the estimates in the 1959 Budget Law and with actual revenue in 1959 is summarized in enclosure 1. The total Cr$157.8 billion is Cr$10.2 billion more than estimated and Cr$40.0 billion(35%) more than the Cr$117.8 billion collected in 1958. The only shortfall occurred with respect to the proceeds of the tariff which were Cr$4.9 billion (20%) less than estimated. The receipts of all other ordinary revenue taxes exceeded estimates: income tax by 12%; consumption tax by 15%, stamp tax by 31%. Income from fees and from the total of patrimonial, industrial and miscellaneous income showed an overall increase of 8% in relation to the estimated total. Enclosure 2 summarizes budgetary receipts in November and December, and is forwarded to the Department in order to complete previous monthly data, not earlier available.

3. Expenditure

Total bookkeeping expenditures of Cr$222.1 billion were Cr$68.9 billion (45%) higher than total expenditures in 1958. The increase of reported over budgeted expenditures in 1959 was Cr$64.9 billion as compared with Cr$11.7 billion in 1958. Unapproved expenditures totalled Cr$15.8 billion in 1959 as compared with Cr$3.8 billion in 1958. Enclosure 3 lists the 1959 expenditures by principal government departments. Of the Cr$182.2 1/ billion classified as budgetary and supplementary expenditures, Cr$23.2 billion was spent as additional credits, Cr$2.8 billion as expenditures transferred from the 1958 budget and Cr$156.2 billion as budgetary expenditures.

Of the total budgetary expenditures of Cr$184.2 billion, the Ministry of Transportation and Public Works spent 25% and the three military ministries spent 22.5%.

4. Economy Plan

The Economy Plan for 1959 proposed expenditure reductions of approximately Cr$27 billion in budgetary allotments and the allocation of Cr$8 billion to a Reserve Fund. The releases made reduced the allotment cuts to Cr$21.8 billion. Of this, Cr$11.7 billion was deferred to later years, while the remaining Cr$10.1 billion represents definite savings. This effective saving may be compared to Cr$9.0 billion in 1958 and Cr$6.5 billion in 1957 under similar plans.

- - - - - - - - - - - - -

1/ Authorized expenditure: Cr$182.2 billion - Actual expenditure: Cr$184.2 billion.

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5. The Department will note that some of the figures appearing in this Despatch are not consistent with those appearing in our Despatch reporting on the 1959 Presidential Message. The final bookkeeping entries for the 1959 Federal Budget will appear in the first volume of Balanços Gerais da União and will be forwarded to the Department together with a copy of the Contador's report as soon as these documents become available.

For the Chargé d'Affaires, a.i.

Herbert K. May

Herbert K. May
Treasury Attaché

Coordinated:

William A. Fowler

William A. Fowler
Counselor for
Economic Affairs

Enclosures: all w/m

1 - Budgetary Revenue of the Federal Government - 1959
2 - Monthly Revenues - November & December, 1959
3 - Total Expenditures - 1959

BUDGETARY REVENUE OF THE FEDERAL GOVERNMENT
1959
(Millions of Cruzeiros)

Ordinary Revenue	1958 Actual	1959 Budgeted	1959 Actual
Taxes			
Import	12,925	24,032	19,114
Consumption	39,518	46,867	53,817
Income	31,856	41,421	46,382
Stamp	12,068	13,616	17,867
Sales tax on electricity	1,387	1,498	1,485
Territorial	22	30	28
Total	97,778	127,464	138,693
Fees	4,218	1,008	1,489
For Improvement	-.-	-.-	-.-
Total Income from Taxes	101,997	128,472	140,182
Patrimonial Income	3,221	3,781	2,000
Industrial Income	2,116	2,658	2,146
Miscellaneous Income	4,842	5,910	4,606
Total - Ordinary Receipts	112,178	140,821	148,934
Total - Extraordinary Receipts	5,638	6,850	8,893
T O T A L R E C E I P T S	117,816	147,671	157,827

Source: Balanços Gerais da União for 1958
Finanças da União - SUMOC report for 1959

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MONTHLY REVENUES
November and December 1959
(Millions of Cruzeiros)

Taxes	November			December		
	1958 Actual	1959 Budgeted	1959 Actual	1958 Actual	1959 Budgeted	1959 Actual
Consumption	4,138	Not available	5,510	5,192	Not Available	7,614
Income	2,323		3,381	1,919		4,053
Stamp	1,110		1,640	1,454		2,237
Import	1,521		1,446	1,595		1,757
Other Revenue	2,289		253	4,538		333
Total	11,381		12,230	14,699		15,994

Source: Finanças da União - SUMOC report for 1959
Balanços Gerais da União for 1958.

TOTAL EXPENDITURES - 1 9 5 9 (Cr$ Billion)

	Budgetary Credits	Credits transferred from previous Years	Credits Opened in 1959	T o t a l
Legislative Power	871	-.-	153	1,024
Auxiliary Agencies				
Tribunal of Accounts	121	1	59	181
Executive Power				
The Presidency	1,087	-.-	-.-	1,087
DASP, Councils, etc.	6,406	-.-	2	6,408
Ministries				
Aeronautics	10,394	-.-	-.-	10,394
Agriculture	9,639	15	48	9,702
Education & Culture	13,224	49	120	13,393
Finance	22,539	1,445	17,866	41,850
War	20,529	1,074	70	21,673
Justice & Internal Affrs.	6,265	17	83	6,365
Navy	10,160	-.-	-.-	10,160
Foreign Affairs	729	20	15	764
Health	7,240	-.-	171	7,411
Labor, Industry & Commerce	3,182	-.-	5	3,187
Transportation & Public Works	42,671	206	3,966	46,843
Judiciary Power	1,170	3	625	1,798
T o t a l	156,227	2,830	23,183	182,240

Source: Finanças da União - SUMOC Report, 1959.



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832.10/5-2060

FOREIGN SERVICE DESPATCH

FROM : AMEMBASSY, RIO DE JANEIRO — 1150 DESP. NO.

TO : THE DEPARTMENT OF STATE, WASHINGTON. — May 20, 1960 DATE

CERP: Sec. B,III,C,1

REF : Embdes. 1002, Apr. 13, 1960 and Embdes. 1060, May 3, 1960

55 For Dept. Use Only	ACTION	DEPT.
REC'D 5/27	INFO	AMA-4 RM/R-2 REP-1 IAC-8 E-7 ICA-11
	OTHER	CIA-10 COM-8 TR-3 FRB-2 XMB-4 TAR-2

SUBJECT: SUMOC Forecast of 1960 Balance of Payments Army-4 Navy-2

There is enclosed herewith a translation of the "Balance of Payments Forecast for 1960" prepared by the Balance of Payments Division of the Economic Department of SUMOC. Unlike the estimates of the Bank of Brazil, transmitted with the reference despatches, the SUMOC staff estimates do not call for, and have not received, broad Governmental endorsement. (§). On the other hand, the Bank of Brazil estimates are not really "balance of payments" estimates inasmuch as they refer for the most part only to receipts and payments in the official exchange market and therefore do not cover free market "financial" transactions or transactions involving no foreign exchange transactions such as imports without exchange cover, including, for example, "Instruction 113" foreign investments and PL 480 wheat imports.

The reporting officer believes that the enclosed SUMOC analysis is of interest primarily with respect to its detailed appraisals of the export prospects for the principal export products of Brazil, particularly inasmuch as those appraisals differ significantly (with the important exception of coffee) from those of the Bank of Brazil (Despatch 1002). The Embassy will not endeavor at this time to comment upon the detailed SUMOC (or Bank of Brazil) export forecasts. However, it may be noted that SUMOC estimates total 1960 exports at $1,434 million, of which exports for convertible currencies are set at $1,124 million; whereas the Bank of Brazil estimates total 1960 exports (official plus free market) at $1,301 million, convertible currency exports accounting for $1,038 million of that total.

(§) The reporting officer considers it probable that the SUMOC officers prepared their forecast without even having been informed as to the Bank of Brazil estimates.

832.10/5-2060 CAA CLASSIFIED FILE

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BUREAU OF
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MAY 31 1960

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In this connection, it may be of some interest to compare the SUMOC (and Bank of Brazil) forecasts of total 1960 exports with actual exports during 1959. The Ministry of Finance has officially calculated total 1959 exports at $1,282 million. However, the only source of data analyzing 1959 exports according to currencies received in payment is the Balance of Payments Division of SUMOC, which has recorded total 1959 foreign exchange receipts for exports at $1,337 million. (§) As shown in the following table, much of the greater portion of 1959 export proceeds, according to SUMOC, were acquired during the second half of the year, in both the official market and the free market, and the upswing of exports was especially pronounced in the convertible currency area:

	Convertible Currencies	Inconvertible Currencies	Total
First Half 1959			
Free Market	55	7	62
Official Market	393	115	508
Total	448	122	570
Second Half 1959			
Free Market	166	25	191
Official Market	468	108	577
Total	634	133	767
Full Year, 1959			
Free Market	221	32	253
Official Market	862	223	1085
Total	1082	255	1337

(§) All export value data in this despatch are FOB.

For the Chargé d'Affaires, a.i.:

Herbert K. May
Treasury Attaché

Coordinated:

William A. Fowler
Counselor of Embassy
for Economic Affairs

Encl: As stated

0691

Source: SUMOC

BALANCE OF PAYMENTS FORECAST FOR 1960

I. SUMMARY

The preliminary estimate for the 1960 Balance of Payments indicates a deficit of $12 million in all monetary areas.

The analysis of the figures appearing in the estimate places exports at $1,434 million (FOB) as against imports amounting to $1,297 million (FOB), of which $887 million involve immediate payment and $410 million do not require exchange cover in the period.

The trade balance will thus furnish a $137 million balance which, added to a $241 million surplus resulting from capital transactions will however not suffice to offset a deficit of $390 million arising from services and donations.

On the receipts side of the item "Merchandise", coffee ranks first as usual. The position of this product strengthened during the second semester 1959, and for 1960 coffee exports are estimated at $720 million, or roughly 50% of total receipts. Noteworthy are the shares brought in by cocoa and its derivatives ($112 million) and by iron and manganese ore ($67 million together), this figure being inferior, however, to that estimated in the previous year. On the other hand, the item "Other Exports" as anticipated, will increase substantially as compared with 1959 and the $390 million mark will probably be reached. This favorable result must be ascribed to a certain degree to the incentive resulting from shifting to the free market most of the items of this group.

On the expenditure side, a significant drop in the item crude petroleum and its by-products must be stressed, this being the largest single decrease recorded in imports for over twenty years. In 1960, imports of crude petroleum and by-products will not go beyond $173 million or 13.4% of total imports, as compared with 17% in 1959. Wheat comes next as the most burdensome item ($122 million). The two items together make up almost 23% of all estimated imports, totalling $295 million, this figure exceeding by $27 million the total registered in the previous year. The small domestic production of wheat from the last crop was responsible for cancelling the good prospects arising from the reduction in petroleum imports. However, a large part of wheat imports will be financed within the terms of the agreement signed with the United States for the disposal of farm surpluses. Therefore, in fact, the final deficit of the 1960 balance of payments will be substantially reduced, the estimated figure being $12 million.

0692

In relation to imports, it must be pointed out that this year the item "Others" will exceed by approximately $20 million the estimated figure for 1959.

With regard to the item "Services and Donations" as in previous periods, they show deficits, particularly transportation ($160 million) and interest and profits ($90 million). This fact is further justified by the deficiency of our merchant fleet, where only the number of oil tankers has been expanded. It is expected, however, that in view of the present freight situation in the world with excessive bottoms and unprecedent competition together with a large number of ships offered for freight, the situation will ease and expenditures on transportation will diminish. Furthermore, the application of the measures adopted by the Brazilian authorities, such as SUMOC's Instruction no. 181 and Decree no. 47,225, November 12, 1959, will help a great deal to bring about the reduction expected. As to interest and profits, they are explained by the constant inflow of foreign capital. The drain on foreign reserves by the remittance of interest and dividends is compensated by the participation of that capital in the economic development of the country.

Considering the two semesters, it is anticipated that the largest share of the deficit in current transactions ($138 million) as well as of the final deficit of the balance of payments ($8 million) will fall within the first half-year, as against ($115 million) and ($4 million), respectively, in the second semester. In both periods, the heaviest impact will be on the convertible currency area. The item "Capital" will present surpluses in the convertible areas in both semesters, showing a $4 million deficit only in the inconvertible area in the first half of the year.

The prospects for the item "Capital" are fairly favorable. Estimated income amounts to $610 million, the largest part of it ($320 million) during the first half year. The entry of goods without exchange cover are estimated at $410 million, while the inflow in money through the free market will add up to $200 million. Against this there will be an outflow amounting to $369 million. Of this total the servicing of loans for financing specific projects and the automobile industry will take $218 million and the special loans (Eximbank, IMF and bankers consortium) will absorb $69 million. From these transactions an end of year surplus of $241 million will result, offsetting roughly 94% of the deficit in current transactions.

0693

SUMMARY OF THE 1960 BALANCE OF PAYMENTS FORECAST

US$1,000,000

	1st Semester	2nd Semester	Total for Year
a) CURRENT TRANSACTIONS			
Trade balance	55	82	137
Services & Donations	- 193	- 197	- 390
Total	- 138	- 115	- 253
b) CAPITAL MOVEMENT			
Inflow of Capital	320	290	610
Amortization of loans and financing and other payments	- 190	- 179	- 369
Total	130	111	241
A-B = Final surplus (+) or Deficit (-) of Balance of Payments	- 8	- 4	- 12

0694

BALANCE OF PAYMENTS FORECAST FOR 1960
Official & Free Market

US$1,000,000

	Total	Convertible	Inconvertible
A. CURRENT TRANSACTIONS	- 253	- 220	- 33
1. EXPORTS (FOB)	1,434	1,124	310
Coffee in beans	720	561	159
Cotton	55	46	9
Cocoa & derivatives	112	88	24
Iron ore	42	32	10
Manganese ore	25	25	-.-
Pine lumber	52	16	36
Petroleum & derivatives	38	36	2
Other	390	320	70
2. IMPORTS (FOB)	1,297	994	303
With exchange cover within the Period	887	604	283
a) subject to auction	412	268	144
b) Without auction	475	336	139
I - Petroleum & derivatives	173	173	-.-
II - Wheat	122	41	81
III - Other	180	122	58
Without exchange cover within the period	410	390	20
Surplus (+) or Deficit (-) of Trade Balance	+ 137	+ 130	+ 7
3. SERVICES	- 380	- 340	- 40
Foreign Travel	- 35	- 32	- 3
Transportation	- 160	- 135	- 25
Interest & Profit	- 90	- 88	- 2
Government	- 15	- 15	-.-
Other	- 80	- 70	- 10
4. DONATIONS	- 10	- 10	-.-
Surplus (+) or Deficit (-) of Services & Donations	- 390	- 350	- 40

0695

BALANCE OF PAYMENTS FORECAST FOR 1960
Official and Free Market

$1,000,000

	Total	Convertible	Inconvertible
B. CAPITAL MOVEMENT (Long-term)	+ 241	+ 245	- 4
1. Inflow of Capital	610	585	25
In cash (free market)	200	195	5
In goods without exchange cover	410	390	20
a) Production goods	284	270	14
b) In complementary parts	86	80	6
c) Other	40	40	-.-
2. Amortization of Loans and Financings	369	340	29
Special Loans	69	69	-.-
a) Eximbank ($300 million)	49	49	-.-
b) I.M.F.	...	...	-.-
c) Group of Bankers ($58 mil.)	20	20	-.-
Foreign Debt	16	16	-.-
Payments Agreement with U.K.	16	16	-.-
Loans to finance specific projects and the automobile industry	218	189	29
Other Payments (free market)	50	50	-.-
A + B - Surplus (+) or Deficit (-) in current transactions and long-term capital movement	- 12	+ 25	- 37

0696

BALANCE OF PAYMENTS FORECAST - 1ST SEMESTER
1960 - Official & Free
Market

$1,000,000

	Total	Convertible	Inconvertible
A. CURRENT TRANSACTIONS	- 138	- 123	- 15
1. EXPORTS (FOB)	668	527	141
Coffee in beans	344	268	76
Cotton	25	21	4
Cocoa & derivatives	44	35	9
Iron Ore	20	15	5
Manganese Ore	13	13	-.-
Pine lumber	23	7	16
Petroleum & derivatives	19	18	1
Other	180	150	30
2. IMPORTS (FOB)	613	475	138
With exchange cover during period	418	290	128
a) with auction	200	130	70
b) without auction	218	160	58
I - Petroleum & derivatives	90	90	-.-
II - Wheat	48	16	32
III - Other	80	54	26
Without exchange cover during period	195	185	10
Surplus (+) or Deficit (-) of trade balance	+ 55	+ 52	+ 3
3. SERVICES	- 188	- 170	- 18
Foreign travel	- 20	- 18	- 2
Transportation	- 75	- 65	- 10
Interest and Profit	- 45	- 44	- 1
Official	- 8	- 8	-.-
Other	- 40	- 35	- 5
4. DONATIONS	- 5	- 5	-.-
Surplus (+) or Deficit (-) of Services & Donations	- 193	- 175	- 18

0697

BALANCE OF PAYMENTS FORECAST - 1ST SEMESTER
1960 - Official & Free Market

$1,000,000

	Total	Convertible	Inconvertible
B. CAPITAL MOVEMENT (Long-term)	+ 130	+ 134	- 4
1. Inflow of Capital	320	307	13
In cash (free market)	120	117	3
In goods without exchange cover:	200	190	10
a) Production goods	142	135	7
b) Complementary parts	43	40	3
c) Other	15	15	-.-
2. Amortization of Loans and Financings	190	173	17
Special Loans	34	34	-.-
a) Eximbank ($300 million)	24	24	-.-
b) I.M.F.	...	...	...
c) U.S. Bankers ($58 million)	10	10	-.-
Foreign Debt	8	8	-.-
Payments Agreement with U.K.	8	8	-.-
Loans to finance specific projects and the automobile industry	115	98	17
Other Payments (free market)	25	25	-.-
Surplus (+) or Deficit (-) in Current transactions and long-term capital movement	- 8	+ 11	- 19

0698

BALANCE OF PAYMENTS FORECAST - 2ND SEMESTER
1960 - Official & Free Market

$1,000,000

	Total	Convertible	Inconvertible
A. CURRENT TRANSACTIONS	- 115	- 97	- 18
1. EXPORTS (FOB)	766	597	169
Coffee in beans	376	293	83
Cotton	30	25	5
Cocoa & derivatives	68	53	15
Iron ore	22	17	5
Manganese ore	12	12	-.-
Pine lumber	29	9	20
Petroleum & derivatives	19	18	1
Other	210	170	40
2. IMPORTS (FOB)	684	519	165
With Exchange Cover	469	314	155
a) With auction	212	138	74
b) Without auction	257	176	81
I - Petroleum & derivatives	83	83	-.-
II - Wheat	74	25	49
III - Other	100	68	32
Without exchange cover	215	205	10
Surplus (+) or Deficit (-) in trade balance	+ 82	+ 78	+ 4
3. SERVICES	- 192	- 170	- 22
Foreign Travel	- 15	- 14	- 1
Transportation	- 85	- 70	- 15
Interest and Profit	- 45	- 44	- 1
Official	- 7	- 7	-.-
Other	- 40	- 35	- 5
4. DONATIONS	- 5	- 5	-.-
Surplus (+) or Deficit (-) of Services & Donations	- 197	- 175	- 22

0699

BALANCE OF PAYMENTS FORECAST - 2ND SEMESTER
1960 - Official & Free Market

$1,000,000

	Total	Convertible	Inconvertible
B. CAPITAL MOVEMENT (Long-term)	+ 111	+ 111	0
1. Inflow of Capital	290	278	12
In cash (free market)	80	78	2
In goods without exchange cover	210	200	10
a) Production goods	142	135	7
b) Complementary parts	43	40	3
c) Other	25	25	-.-
2. Amortization of Loans and Financings	179	167	12
Special Loans	35	35	-.-
a) Eximbank ($300 million)	25	25	-.-
b) I.M.F.	...	...	-.-
c) U.S. Bankers ($58 million)	10	10	-.-
Foreign Debt	8	8	-.-
Payments Agreement with U.K.	8	8	-.-
Loans to finance specific projects and the automobile industry	103	91	12
Other Payments (free market)	25	25	-.-
Surplus (+) or Deficit (-) in Current Transactions and Long-term Capital Movement	- 4	+ 14	- 18

0700

II. EXPORT PRODUCTS

a. Coffee

The behavior of coffee exports in 1960 can be fairly estimated except for prices which continue to show a slight downward trend because of the imbalance of the world market resulting from the existence of large unsold stocks mainly held by Brazil.

It is nevertheless true that thanks to the new aggressive policy of the responsible authorities the possibilities for the recovery of the Brazilian product in filling the world requirements are progressing satisfactorily indicating that soon Brazil will regain its old and privileged position as the supplier of over 50% of world consumption.

It is noteworthy that in 1959 coffee exports increased substantially and a total of 17,436,233 bags was sold as compared with 12,882,500 in the previous year. For 1960 coffee exports were estimated at 18,000,000 bags, or 45% of the estimated world consumption.

It is true, on the other hand, that the recent coffee crops have been increasing faster than our capacity to export, forcing the Government into large disbursements for the acquisition of unsold stocks in an attempt to keep the gold-price of coffee within reasonable levels.

It is worth pointing out that these purchases are made in order to meet commitments assumed in the recent coffee agreements and practically withdraw the types of coffee of least acceptance and smaller price in the consumer markets.

The present coffee crop is estimated moderately at 32 million bags and the next crop (1960/61) to start July 1, according to reliable sources will not surpass 24 million bags. If this occurs, in the second semester of the year the requirements for the purchase of coffee by the official sector will be smaller as the statistical position improves and there will be no scarcity for exports and the prices may go up somewhat. These factors evidently will contribute to help Brazil regain its position as supplier of more than half the world consumption.

Another factor that improves the possibilities for a favorable flow for coffee relates to the quality of the present crop which enabled the Brazilian types to compete in relatively equal terms with the so-called "milds" of other Latin American producers. In fact, according to authorized sources of the Brazilian Coffee Institute, most of the exportable crop of the 1959/60 is made up of coffees of good quality.

0701

Taking into account these circumstances and the measures set forth by the IBC and contained in the Shipping Regulations for the present crop, which practically withdraw the types of little acceptance, an increase of our exports can be foreseen, particularly an increase of receipts promoted by the sale of better types.

Further, it is known that the Colombian coffee of the present crop is not of the same quality as the coffees of previous crops, which will undoubtedly facilitate the entrance of the Brazilian coffee in the United States market, which is the largest consumer of coffee of good quality.

Finally, with regard to prices, the picture is not so optimistic, and there are indications that the price drop will continue. It is, however, true that within the period of validity of the International Coffee Agreement the decline of the coffee prices may become less accentuated. However, the large stocks of unsold coffee will exert a downward pressure on prices even if a reduced coffee crop in Brazil for the coming year is taken into account.

Even so a final average price of $40.00 per bag was estimated, which can be considered a satisfactory one considering the adverse factors just mentioned. The table with the estimate follows:

COFFEE EXPORT ESTIMATES
(FOB)
1960

	1st Semester	2nd Semester	Total for Year
Convertible			
Bags (1,000)	6,544	7,596	14,140
US$1,000	268,312	293,288	561,600
Average Value (US$/Bag)	41.00	38.61	39.72
Inconvertible			
Bags (1,000)	1,846	2,014	3,860
US$1,000	75,678	82,722	158,400
Average Value (US$/Bag)	41.00	41.07	41.04
T o t a l			
Bags (1,000)	8,390	9,610	18,000
US$1,000	343,990	376,010	720,000
Average Value (US$/Bag)	41.00	39.13	40.00

0702

b. Cotton

Considering all factors which directly or indirectly affect the cotton trade, the prospects for the Brazilian cotton exports during 1960 may be considered fairly good. A goal of one hundred thousand tons valued at $55 million will not be exaggerated and is justified by the analysis of the present internal and external situation.

Internal Situation

At this stage, it is difficult to estimate with accuracy the domestic crop. Nevertheless, it is believed that under prevailing conditions Brazil will produce cotton enough to meet the internal requirements of the textile industry and still have a fair surplus for export.

The estimate of 400,000 for the period 1959/60 is considered certain or at least a close estimate. Certain factors of an exchange and economic nature that occurred in the present year may help to assure the flow of the product and therefore to stimulate production. Among them, three deserve being mentioned:

1 - the alteration in the exchange policy, effected April 1959, shifting cotton over to the free exchange market and raising the earnings per dollar or equivalent. This factor to a certain extent offsets the price difficulty, one of the most serious problems on the export side;

2 - the stimulus given the textile industry in the sector of sales abroad, opening up a new field to the better utilization of industrial production; and

3 - the rise of the internal prices for cotton, which has not occurred in recent years.

It is therefore believed that the existing conditions warrant a crop nearing 400,000 tons. If 250,000 tons are deducted from this total for internal consumption, an exportable surplus of 150,000 tons becomes available.

The placing of this surplus will depend on the conditions of the world market. According to recent statistical data available on world production, consumption, quotations and stocks, the position of Brazil does not appear at first sight to be a stable one.

In fact, for an estimated world consumption of roughly 10 million tons (6.5 million for the Western World and 3.5 million

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for the Soviet Area), total production will reach 10.6 million tons. An estimated 4 million tons of stocks at the end of the period will raise supply to 14.6 million tons, leaving a surplus of 4.6 million tons. This result is already affecting business and a slight uncertainty in prices has become apparent.

For Brazil, the pointer of the scales is the United States (with a 5 million ton share in a world supply of 14.5 million tons). Because of its large production and the acceptance of the American cotton in world markets, the United States practically controls the medium fiber market. Our possibilities can only be analyzed in the light of the policy adopted by the United States for its cotton exports. Mexico and Pakistan are confronted with the same situation, being together with Brazil and the United States the largest exporters of medium fiber cotton. According to the latest estimates, world exports will reach 2.7 million tons, the share of the United States being approximately 1.2 million tons. A margin of 1.5 million tons will thus be left to be filled by the remaining exporting countries among which Brazil occupies a prominent position. A relatively stable trade can therefore be anticipated, especially if one considers that Brazil under no circumstance will have available more than 150,000 tons, representing a 10% share of the amount referred to above, which is perfectly feasible.

With regard to prices, which represents another essential point, there is a feeling that present quotations of 27/25 cents per pound will be maintained throughout 1960. These quotations are entirely reasonable for the Brazilian cotton, especially if one considers that the rates of the free market will surpass the 1959 average.

In view of the foregoing, an exportation of 150,000 tons would appear feasible. Taking into account certain factors which may occur in the domestic or world scene and which cannot be foreseen at this stage but may impair the cotton trade, the sales abroad are put at 100,000 tons, considered a reasonable level. This volume of exports carried out at an average price of $550 per ton (25 cents per pound) will bring in receipts of $55 million.

As to the distribution by monetary areas, one may consider the present situation as unchanged, that is, a great majority of exports to the convertible currency area, which presently embodies the countries participating in the former ACL, Japan, Western Germany, United Kingdom, France, Italy and Holland, as Brazil's chief buyers. A reduced share would be exported to the inconvertible currency area is shown in the table below:

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COTTON EXPORTS FORECAST (FOB)
1960

Y	1st Semester	2nd Semester	Total for Year
Convertible			
Tons	38,000	45,000	83,000
US$1,000	20,900	24,750	45,650
Average Value (US$/Ton)	550	550	550
Inconvertible			
Tons	7,000	10,000	17,000
US$1,000	3,850	5,500	9,350
Average Value (US$/Ton)	550	550	550
T o t a l			
Tons	45,000	55,000	100,000
US$1,000	24,750	30,250	55,000
Average Value (US$/Ton)	550	550	550

c. Cocoa and By-Products

Cocoa bean exports for 1959 were set at 110,000 tons. The receipt estimate was made taking into account the relative stability of world quotations of theobroma at the time the Balance of Payments forecast for this year was made. Spot quotations recorded during 1958 for the Bahia type in New York averaged 43.34 cents per pound, therefore an average value of $909 per ton FOB was adopted for the estimate of the 1959 exports, the value set being equivalent to 41.27 cents per pound. World quotations, however, were shaken by FAO estimates during the 1958/59 crop, indicating a large increase in comparison to the 1957/58 crop. The last of these estimates set world production in 1958/59 at 881,000 tons, as against 775,000 in 1957/58. Reports of that nature depress prices undoubtedly, especially when there is a 106,000 tons margin and uncertainty as to its prompt absorption even though world consumption is expanding. Cocoa is a product of growing demand, average consumption amounted to 660,000 tons in 1934/38; 705,000 tons in 1947/51; 753,000 tons in 1952/56 and 881,000 tons in 1957. For the cocoa year 1958/59 consumption estimates are set at 840,000 tons, or 41,000 tons short of the estimated production. According to FAO estimates, world production will amount to 898,000 tons in 1959/60. Although no accurate data are yet available, it is believed that consumption during the present crop will amount to 860,000 tons.

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Brazil should produce 170,000 tons in 1959/60, as against 165,000 for 1958/59. Ghana's production is estimated at 270,000 as against 260,000 tons for the previous crop. It is expected that Nigeria will not repeat its bumper crop of 142,000 tons of 1958/59, but will fall to 125,000 tons in 1959/60.

Although the high levels of 1958, when the average value per ton exported reached $864, will not be reached, export prices will be higher than in 1959, (around $785 per ton), which for the purpose of this forecast, should be set at $800 per ton, the export forecast for 1960 being in the following table:

COCOA BEANS EXPORTS FORECAST (FOB)
1960

	1st Semester	2nd Semester	Total for Year
Convertible			
Tons	25,900	48,100	74,000
US$1,000	20,720	38,480	59,200
Average Value (US$/Ton)	800	800	800
Inconvertible			
Tons	9,100	16,900	26,000
US$1,000	7,280	13,520	20,800
Average Value (US$/Ton)	800	800	800
T o t a l			
Tons	35,000	65,000	100,000
US$1,000	28,000	52,000	80,000
Average Value (US$/Ton)	800	800	800

The share of derivatives in exports has been increasing substantially during recent years. This permits for 1960 an estimated export volume of 20,000 tons with corresponding exchange earnings of $32 million as follows:

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FORECAST FOR EXPORTS OF COCOA DERIVATIVES (FOB)
1960

	1st Semester	2nd Semester	Total for Year
Convertible			
Tons	9,100	9,100	18,200
US$1,000	14,560	14,560	29,120
Average Value (US$/Ton)	1,600	1,600	1,600
Inconvertible			
Tons	900	900	1,800
US$1,000	1,440	1,440	2,880
Average Value (US$/Ton)	1,600	1,600	1,600
T o t a l			
Tons	10,000	10,000	20,000
US$1,000	16,000	16,000	32,000
Average Value (US$/Ton)	1,600	1,600	1,600

As set out in the two tables, exports of cocoa beans and derivatives in 1960 will amount to 120,000 tons, a quantity which at an average value of $933 per ton, can bring in exchange earnings of about $112 million, broken down as follows:

COCOA AND COCOA DERIVATIVES EXPORTS FORECAST (FOB)
1960

	1st Semester	2nd Semester	Total for Year
Convertible			
Tons	35,000	57,200	92,200
US$1,000	35,280	53,040	88,320
Average Value (US$/Ton)	1,008	927	958
Inconvertible			
Tons	10,000	17,800	27,800
US$1,000	8,720	14,960	23,680
Average Value (US$/Ton)	872	840	852
Total			
Tons	45,000	75,000	120,000
US$1,000	44,000	68,000	112,000
Average Value (US$/Ton)	978	907	933

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d. Iron Ore

The world market for iron ore in 1959 suffered some instability from the steel strike in the United States, which lowered consumption, and from the difficulties in the European coal sectors which also affected the iron and steel production.

This caused a fall in prices and although the Brazilian product because of its quality kept a relatively stable position, it felt the effects of this drop and suffered a reduction in exchange earnings.

Despite indications of recovery in the world market and even a certain degree of optimism, present negotiations have not been concluded thus far.

One aspect that may offer a good possibility for the Brazilian product is the spreading of the strike in the United States to the internal transportation of the ore. This occurrence raised the demand for imported ore to keep inventories at convenient levels. This effect was felt in the course of the second semester of 1959 and the strain on exporting countries was thus alleviated. Considering, on the other hand, the tendency to normal production observed in the United States and other countries, especially in Japan, it is fair to expect a normal year for ore transactions in 1960.

With regard to the internal situation, no problems will impede a continuation and even an expansion of sales abroad. The estimated production of 5.5 million tons will provide a 3.5 million tons surplus, which is the figure set for our exports.

With respect to prices the average quotation of $12 per ton is considered reasonable. This quotation prevailed during recent months and will probably continue in 1960, setting the exchange earnings arising out of iron ore exports at $42 million.

From all indications, the distribution over the period will follow the following scheme:

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IRON ORE EXPORTS FORECAST (FOB)
1960

	1st Semester	2nd Semester	Total for Year
Convertible			
Tons	1,300,000	1,400,000	2,700,000
US$1,000	15,600	16,800	32,400
Average Value (US$/Ton)	12	12	12
Inconvertible			
Tons	400,000	400,000	800;000
US$1,000	4,800	4,800	9,600
Average Value (US$/Ton)	12	12	12
Total			
Tons	1,700,000	1,800;000	3,500,000
US$1,000	20,400	21,600	42,000
Average Value (US$/Ton)	12	12	12

e. Manganese Ore

With regard to manganese ore, the conditions are similar to that of the iron ore.

Although the sale of the Brazilian manganese ore is made directly under contracts with private American firms and thus is out of the international price market, the negotiations are affected by the world situation. As in the case of iron ore, however, it is believed that 1960 will be a normal year, no crises which might hamper the normal development of exports being anticipated.

With a stable internal production set at around 800,000 tons and reasonable and stable prices as in 1959, namely, $33 per ton, exports will amount to 750,000 tons, with exchange earnings of $24.7 million.

Its distribution will probably fit within the traditional scheme, the largest single buyer being the United States, and although a drive to expand consumer markets may be developed, the result this year would not modify substantially the present scheme.

Manganese ore exports will fall completely within the convertible currency area and will be broken down as follows:

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MANGANESE ORE EXPORTS FORECAST (FOB)
1 9 6 0

	1st Semester	2nd Semester	Total for Year
Convertible			
Tons	380,000	370,000	750,000
US$1,000	12,540	12,210	24,750
Average Value (US$/Ton)	33	33	33

f. Pine Lumber

Being basically dependent on the purchases of a single large market, Argentina, the sales of this item have varied greatly as shown by the exchange earned by exports since 1954:

	Total	Argentina	Others
1954	37.2	12.5	24.7
1955	57.9	35.7	22.2
1956	33.3	15.8	17.5
1957	63.8	43.1	20.7
1958	51.5	38.6	12.9

The preeminent importance of Argentina in the purchases of Brazilian pine lumber is shown if one considers that the group "Others" embodies over 20 countries and among them only the United Kingdom with $4.2 million and Uruguay with $3.7 million in 1958 were significant purchasers. Therefore, in order to place the use of Brazilian lumber on a firmer basis, especially in Europe, and to centralize offers to markets abroad under a single agency, thus preventing the debasing of external prices, the lumber producers of the South created a Coordinating Committee for the Exportation of Lumber (Comissão Coordenadora de Exportação de Madeira)(CCEM). By a mission sent to Europe the committee studied the market possibilities of the Old World visiting various countries and in most of them leaving agents charged with the promotion of Brazilian lumber. Twenty three agents were accredited by CCEM in the United Kingdom, Belgium, Holland, Western Germany, France, Italy and French Africa, and the ppssibility exists that these markets will absorb 140,000 tons per year, at this stage.

The following guaranties, of fundamental importance to the success of the drive, were offered:

a) firm prices
b) assured quality
c) sales commission of 3%
d) guaranty of prompt payment of indemnities against presentation of an expert's findings.

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Later, negotiations were started between Brazilian exporters and Argentine importers sponsored by the National Pine Institute seeking to re-establish the lumber trade between the two countries in a climate of stability.

All the factors above mentioned were taken into account for the 1960 Balance of Payments Forecast. An export volume of about 650,000 tons of pine lumber can be anticipated, 200,000 for the convertible currency area and 450,000 for the inconvertible area. The average value of these shipments was set up at $80 per ton, as shown in the following table:

PINE LUMBER EXPORTS FORECAST (FOB)
1960

	1st Semester	2nd Semester	Total for Year
Convertible			
Tons	90,000	110,000	200,000
US$1,000	7,200	8,800	16,000
Average Value (US$/Ton)	80	80	80
Inconvertible			
Tons	200,000	250,000	450,000
US$1,000	16,000	20,000	36,000
Average Value (US$/Ton)	80	80	80
Total			
Tons	290,000	360,000	650,000
US$1,000	23,200	28,800	52,000
Average Value (US$/Ton)	80	80	80

g. Petroleum and Derivatives

This item should bring in receipts of approximately $38 million, $32 million resulting from exports of crude oil and the balance made up of fuel oil. These exports are temporary, arising from the technical inability of our refineries to absorb the whole national petroleum production due to its high specific gravity which makes it particularly suited for the preparation of lubricants. The Brazilian raw material is used mainly by units of Petrobras, their use in 1960 probably being 2/3rds of the total extracted. In this year production will be approximately 100,000 barrels a day of which about 65,000 will be consumed daily by the Landulpho Alves refinery (Mataripe, Bahia) and the President Bernardes refinery (Cubatão, São Paulo).

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Thus, Brazilian crude oil will supply about 30% of our total refining requirements calculated at more than 200,000 barrels a day.

However, the prospects for placing our petroleum in the international market, contrary to what has occurred in the two previous years, are difficult, principally with respect to fuel oil. Actually in the coming year we will face intense competition in the world market arising from the growth of stocks. On the other hand, there is a strong tendency for falling prices shown by this item, including the applicable freight.

Furthermore, the increase of Brazilian refining and extracting activities will increase the availabilities for offering to our traditional suppliers in a direct ratio and we will have to compete with them in exports.

The fact that six years ago we imported practically all derivatives for our consumption while already in 1960 we will refine more than 80% of this will permit us to face the situation better despite our foreign dependence with respect to a large amount of raw material.

As an alternative, in view of the fact that we cannot refine as much as we extract, in case it is not possible to place the surplus in the international market, Petrobras will have to restrict its producing activities in the Bahian fields, a situation which will only be corrected by full production at the Duque de Caxias unit in the more remote future (presumably 1962).

However, if the exports forecast here are achieved their greatest effect will be in the area of convertible currency, there falling to the inconvertible area a small amount represented by Uruguayan purchases.

The table below shows the tendency foreseen with respect to this item in 1960:

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FORECAST OF BRAZILIAN EXPORTS OF PETROLEUM AND DERIVATIVES
1 9 6 0 - FOB

	1st Semester	2nd Semester	Total for Year
Convertible			
Tons	1,075,000	1,100,000	2,175,000
US$1,000	17,500	18,000	35,500
Average Value (US$/Ton)	16.28	16.40	16.32
Inconvertible			
Tons	60,000	65,000	125,000
US$1,000	1,200	1,300	2,500
Average Value (US$/Ton)	20	20	20
T o t a l			
Tons	1,135,000	1,165,000	2,300,000
US$1,000	18,700	19,300	38,000
Average Value (US$/Ton)	16.47	16.60	16.52

h. Other Export Products

Brazilian exports except those of coffee, cocoa and derivatives, lint cotton, minerals, wool and petroleum should reach in 1960 the level of $390 million.

The products which make up this group are in general raw materials and food products whose international prices are subject to strong fluctuations during the year.

In 1959 various exchange measures put into practice, such as the change in the bonuses for some products and the placing of others in the free market with the purpose of reactivating exports and simplifying the existing system, caused to a degree an increase in trade in the items involved.

Some of these measures did not produce the desired effect, it beihg hoped that in 1960 they will give better results.

As in previous periods, in 1960 the item "Other Export Products" should obtain 90% of its receipts from the movement of raw materials and food products with the remaining 10% made up of manufactured products. In the following table, can be seen the behavior of these exports in 1954 through 1958:

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BRAZILIAN PRODUCTS - OTHER PRODUCTS

US$1,000

	1954	1955	1956	1957	1958
TOTAL	181,237	251,896	210,216	261,420	294,668
RAW MATERIALS	109,733	120,214	122,953	131,368	128,651
Leaf Tobacco	17,937	18,034	19,910	17,023	15,216
Sisal	9,114	11,291	14,965	11,134	11,204
Castor oil	3,611	4,997	5,055	17,465	14,302
Carnaúba wax	16,236	16,857	17,297	18,827	17,713
Wool	10,220	8,790	10,007	9,978	2,290
Other	52,615	60,245	55,719	56,941	67,926
FOOD PRODUCTS	56,776	109,514	66,155	106,624	142,751
Bananas	11,288	10,251	12,395	13,323	10,900
Sugarq	12,380	46,911	1,604	45,872	57,368
Maté	12,832	13,567	15,102	14,144	15,096
Brazil nuts	5,326	6,268	7,844	9,908	11,967
Fruits	7,124	13,275	6,342	5,913	5,863
Other	7,826	19,242	22,868	17,464	41,557
MANUFACTURED PRODUCTS	14,728	22,168	21,108	23,428	23,266

In effect we can estimate that exports of raw materials and food products should show approximately $175 million and those of manufactured products $40 million.

The products of greatest importance should show the following pattern:

Leaf Tobacco:

Exports of this product are being maintained at a more or less stable level. The readjustment of the export rate in 1959, permitting greater competition with similar foreign products, causes an estimated income of approximately $18 million.

Sisal:

This is a fiber of wide industrial use, the Northeast being the greatest producer, principally Paraíba (50%) followed by Bahia and Pernambuco. The low price of the Brazilian product together with

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its acceptable quality has made it favored in the present world market, placing us high on the scale of the great world producers and exporters; for this reason its receipts are estimated at $12 million.

Castor Oil:

The receipts from this product have been increasing sharply especially from 1957 to the present time. Brazil has 50% of the total world exports, India being its most serious competitor, not because of the quality of its product but by the availability of cheaper labor. Its income in 1960 should reach $15 million.

Carnaúba Wax:

This product has maintained a certain stability in its exportation with the price of 67 to 70 cents per pound. It provides $17 to $18 million in receipts, Brazil furnishing 100% of the world market. The adjusted policy put into effect for the product, creating compensatory internal prices, helped to increase its production. It is a product of interest principally to the economy of the Northeast; its income should be $19 million.

Wool:

Its receipts were stable until 1957 with exports of the surplus of approximately 5,000 tons annually. In 1958 receipts were substantially less not only because of the fall in the exportable crop but also because of the increase in the production of wool textiles by domestic manufacturers. Business in this product should cause income of $10 million.

Bananas:

This product continues to suffer the results of being traded almost entirely within the River Plate market. In 1958 due to the accumulated supply in Argentina there was observed a weakening in the price per ton ($50.00) at a time when we succeeded in obtaining a better quotation in the markets of Uruguay and England ($60.00 a ton). If the present situation continues its exports should reach $8 million.

Sugar:

This is the most important of the so-called "Other Products". Its receipts have been increasing substantially except in 1956 when

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unfavorable climatic conditions permitted a crop sufficient only for the domestic market and a small exportable balance which reached $1.6 million. Brazil as a member of the International Sugar Agreement has an export quota of 550,000 tons. This limitation, seeking to bring supply to the levels of present demand, gives us an income forecast for 1960 of about $40 million.

Maté:

The market for mate has been limited to Argentina and Uruguay. Even so its receipts have increased in a promising manner. At present, since the economies of our traditional purchasers are in a phase of readjustment and since we have not conquered new markets, in spite of efforts made to this end, there can be hoped for the product a receipt of approximately $12 million.

Brazil Nuts:

This is a product tied to the economy of the North, traditional in character and with limitations on production and the purchasing market. Even so, its receipts have been progressing year after year and should reach $13 million in 1960.

Fruits:

The income from exports of fruits, principally oranges and pineapples, have had in recent years a very irregular course, caused not only by a decrease in the number of traditional buyers because of poor packing of the product, at times delivered in very poor condition, but also by the blights which from time to time afflict our crops. For 1960 its receipts should reach $6 million. The table below shows the trend of these exports for 1960:

FORECAST OF BRAZILIAN EXPORTS OF OTHER PRODUCTS
1960 (FOB)

	1st Semester	2nd Semester	Total for Year
Convertible Currencies	150,000	170,000	320,000
Inconvertible Currencies	30,000	40,000	70,000
T o t a l	180,000	210,000	390,000

III. IMPORT PRODUCTS

a. Petroleum and Derivatives

Exchange expenses for the importation of petroleum and derivatives in 1960 should total approximately $172.8 million (FOB) cover-

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ing a volume of 8.8 million tons. Of the total $89.6 million and 4.4 million tons should fall in the first semester, leaving to the second the balance of $83.2 million and 4.4 million tons.

Crude oil in the value of $108.8 million and a volume of 6.8 million tons is predominant in the composition of these imports, there being a quota of $51.2 million and 3.2 million tons for the first semester and $57.6 million and 3.6 million tons for the second.

This estimate is based on a consumption requirement set at 10.7 million tons of derivatives of which the country's refineries will process about 8.7 million using crude oil from the Bahian basin and the imported complement. Thus, there will be imported 2 million tons of derivatives and 6.8 million tons of crude oil. Considering that national crude oil production will approximate 4.4 million tons in 1960 in view of the notable expansion in the extractive activities of Petrobras and deducting about 2 million exportable tons, the quota to be consumed in domestic refineries should include 2.4 million tons needed to achieve the target of 8.7 million tons refined (there being 6.8 million tons of crude oil imported as mentioned above) including the technical loss in the process of transformation which should total more or less 5% of the total amount processed (9.2 million tons).

National production of derivatives will show a greater increase in its natural development relative to the gradual scale observed up to now during the second semester when, following the plans of Petrobras, there will be a considerable intensification in refining activities. Prospects are promising considering the increase in production of the Cubatão refinery from 95,000 barrels per day to 110,000, as well as the increase in daily output from the Landulpho Alves - Mataripe, Bahia - unit, from 10,000 barrels per day to 32,000 barrels, not counting the permission already granted private refineries at the end of 1959 to increase their production capacity.

Therefore, a large increase in potential is observed in our production of derivatives as compared to 1959, which is estimated at 7 million tons, 1.7 million less than estimated for 1960.

The estimate of Brazilian production of derivatives is moderate, with possibilities for an increase depending on a larger growth in consumption than expected. Such increase might result from the expansion in industrial and agricultural activities, the increase in the movement of automotive vehicles of all types, intensification of air traffic and the development of our highway system.

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With respect to the composition of consumption, an increase is estimated in the use of ordinary gas, Diesel oil and fuel oil as well as aviation gasoline, accompanied by stability or even a slight fall - in kerosene and other products.

With respect to the distribution of import quotas for derivatives, a larger movement is estimated during the first semester with a volume of 1.2 million tons and a value of $38.4 million, as against 0.8 million tons and $25.6 million during the second semester.

Prices in this estimate were $16 per ton (FOB) and $32 per ton (FOB) for crude oil and derivatives respectively.

The world trend of prices is down, including international prices for freight, making it probable that we will reach levels even more favorable than those anticipated since the present petroleum market is clearly one of large supplies, with superabundant stocks resulting from the expansion of the industry in all areas of the world while naval construction is also expanding.

The amount of savings of exchange to be expected from the position of national petroleum in 1960 should be noted. Consumption will reach $342.4 million (FOB), against imports of $172.8 million (FOB), making a savings on the order of $169.6 million. Meanwhile, the addition of $38 million - the expected revenue from exports of crude oil and derivatives during the year - as well as $15 million arising from the movement of the National Petroleum Fleet during the same period, would put total income at $222.6 million from domestic petroleum activities in 1960 in FOB terms and about $280 million CIF.

Estimated disbursements by Petrobras in foreign currency for the purchase of equipment and material as well as for the payment of technical services during the period 1959/63 amounts to $320 million against savings in exchange earnings of approximately $1.5 billion. Considering that the higher annual amounts of the five-year period are naturally expected in the last two-year period, the total estimated for 1960 may be considered excellent while below the arbitrary average of $300 million annually for the five-year period included here. Such fact is even more outstanding in comparison with the period 1954/1958. Then the total savings in exchange from the Brazilian petroleum industry amounted to $337 million, alongside expenses in the order of $200 million in foreign currency.

The figures mentioned above show the success of official policy with respect to the petroleum industry, outlining even more clearly the panorama of self-sufficiency of the national refining field.

The table below shows the trend foreseen in this item in 1960:

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CONSUMPTION AND IMPORTS OF PETROLEUM AND DERIVATIVES IN 1960
(US$1 million/1 million tons)

	Tons	Value
DERIVATIVES		
a) National Production	8.7	278.4
b) Imports	2.0	64.0
Total (a-/ b)	10.7	342.4
CRUDE OIL		
a) National Production x/	4.4	70.4
b) Imports	6.8	108.8
Total (a / b)	11.2	179.2

x/ Includes 2 million exportable tons. Moreover, of 9.2 million tons to be processed, 500,000 represent technical loss and stocked reserve.

Expenses for the importation of petroleum and derivatives in 1960, almost entirely from the area of convertible currency, will be distributed as follows:

FORECAST OF BRAZILIAN IMPORTS OF PETROLEUM AND DERIVATIVES - 1960 - FOB

	1st Semester	2nd Semester	Total for Year
Convertible Area			
Tons	4,400,000	4,400,000	8,800,000
US$1,000	89,600	83,200	172,800
Average Value (US$/Ton)	20.40	19.00	19.60

Finally, it should be pointed out that in preparing these estimates, consideration was given to a quota of crude oil and derivatives, of about 700,000 tons and a value of $10 million included in the Russian/Brazilian Trade Agreement of December 1959. Since this is a barter operation, tied directly to Brazilian exports as counterpart, for practical purposes this transaction is considered in terms of convertible currency in the Balance of Payments.

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b. Wheat

The 1958/59 commercial wheat crop was fixed at 400,000 tons, requiring up to last October, imports in the order of 1,540,000 tons, in the value of $110 million.

For 1960 prospects are not better since with poor climatic conditions and the low quality of some types grown it will be difficult for the present crop to reach 500,000 tons, with the result that in 1960 we will have to import practically the same physical volume as in 1959, i.e., 2,000,000 tons. As for prices, these will be changed for a part of the imports from Argentina which will not be negotiated as heretofore, from government to government, but by means of bids. This will reach 600,000 tons with the corresponding price depending on the mechanism of international competition.

With respect to the distribution by countries, we should get 1,000,000 tons from Argentina; 480,000 tons from the United States by an extension of purchases under PL 480; 150,000 tons from the Soviet Union and 50,000 tons from other sources. Such purchases however are insufficient to cover consumption as there are still lacking 300,000 tons which may possibly be divided between Argentina and the United States.

In calculating estimated expenses with wheat in 1960, we took as a basis the average price of 1959, i.e., $73/ton.

Notes on this Forecast:

As mentioned before, Brazil will purchase in 1960 in addition to the amounts already stated, 50,000 tons of the cereal in the international market. Since at this time of the year there are few indications of the countries which are to supply this quantity, we added it to Argentina with a consequent increase in the Argentine quota without changing the total expense since there was used only one price for all the calculation, $73/ton, the average price in effect during 1959. It should also be noted that the quotas from the United States and Argentina were increased in view of the necessity of importing 300,000 tons more, necessary to cover the volume of the cereal consumed in the country and not included in agreements for the supply of wheat.

The following table shows the trend estimated for imports of this item:

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FORECAST OF BRAZILIAN IMPORTS OF WHEAT IN GRAIN
1960 - FOB

	1st Semester	2nd Semester	Total for Year
Convertible			
Tons	250,000	400,000	650,000
US$1,000	15,513	24,820	40,333
Average Value (US$/Ton)	62	62	62
Inconvertible			
Tons	550,000	800,000	1,350,000
US$1,000	32,120	49,533	81,653
Average Value	58	62	60
All Currencies			
Tons	800,000	1,200,000	2,000,000
US$1,000	47,633	74,353	121,986
Average Value (US$/Ton)	60	62	61

c. Other Import Products

Based on the behavior of expenses under this item in the balance of payments in 1958 and during the first nine months of 1959, we can make preliminary estimates for total expenses for "Other Import Products" for 1960 of approximately $1,002 million, corresponding to 75.5% of all imports.

This item includes imports with and without exchange cover. Of those made with exchange cover, i.e., either subject or not to auction, the former should predominate with expenses estimated at $412 million, or about 40% of total, while the latter, will probably not exceed $180 million or only 17%.

With respect to imports free of exchange cover, these should reach a total equivalent to $410 million representing 40% of expenses deriving from "Other Products".

In connection with expenses for imports under this item, by monetary area, those whose payments are to be made in convertible currencies are outstanding. It should be noted that in this currency area are included also the payments to be made to the countries of the old area of limited convertibility. In this manner, we should spend in 1960, in convertible currencies only about $780 million while the remaining $222 million will fall in the area of inconvertible currency.

It should be noted further that imports licensed prior to Instruction 70 of SUMOC should amount only to $3 million in 1960; only about 0.3% of the total expense of this item.

0721

CONFIDENTIAL

OTHER IMPORT PRODUCTS - Estimate for 1960

US$1,000,000

	1958				1959				1960							
									1st semester				2nd semester			Total for Year
	All currencies	Con-vertible	Con-ACL	In-con-vertible	All currencies	Con-vertible	In-con-vertible	All currencies	Con-vertible	In-con-vertible	All currencies	Con-vertible	In-con-vertible	All currencies	Con-vertible	In-con-vertible
Not subject to Auction	221	122	42	57	196	130	66	80	54	26	100	68	32	180	122	58
Subject to auction	504	206	148	150	422	268	154	200	130	70	212	138	74	412	268	144
1 - Total	725	328	190	207	618	398	220	280	184	96	312	206	106	592	390	202
2 - Without exchange cover	420	305	95	20	483	459	24	195	185	10	215	205	10	410	390	20
TOTAL - (1 + 2)	1,145	633	285	227	1101	857	244	475	369	106	527	411	116	1002	780	222

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Source: National Statistics of Exchange Operations.

2210

IV. SERVICES

Estimates of this item for 1960 show a total deficit in all monetary areas equivalent to $380 million - $188 million during the 1st semester and $192 million during the 2nd semester. This deficit should result from receipts of $120.0 million against expenses of $500.0 million.

The distribution of the items which make up this deficit is the following: Transportation ($160 million), foreign travel ($35 million), interest and profits ($90 million), government and other services ($95 million).

a. Foreign Travel and Other Services

The estimates were based on the behavior of this item during the years 1957, 1958 and 1959 (January/October), also taking into account the progressive increase occurring in the free exchange market.

b. Transportation

Estimates of receipts and payments for the transportation of merchandise abroad were based not only on the volume of exports and imports but also on the probable participation of Brazilian carriers in the general computation and in port expenses, including national ships and foreign chartered ships.

In 1960, considering mainly the total forecast for imports, it is estimated total expenses for transportation will be $160 million, $75 million during the first half of the year and $85 million during the second half.

Accounts included under receipts of this item, such as export freights, port expenses, fares and freighting shall, partly lower the expenses occurring for import freights.

c. Government

Estimates relating to income and expenses of the Brazilian Government were based on allotments to the Treasury Office in New York as well as on information furnished to the SUMOC by that agency in its bi-annual surveys for balance of payments purposes.

In estimating this item there was used as a base the National Statistics of Exchange Operations for the years 1957, 1958 and the 1st semester of 1959.

0723

d. Interest and Profit

The estimate of this item was based on the program for payment of interest on loans and financings granted to Brazilian entities with exchange priority registration in SUMOC and on the movement of the free exchange market relating to the remittance of interest and profits during the previous two-year period.

The following table summarizes the estimates under this item:

NET EXPENSE WITH SERVICES

$1,000,000

	1960	1st Semester	2nd Semester
A. CONVERTIBLE	- 340	- 170	- 170
Foreign Travel	- 32	- 18	- 14
Transportation	- 135	- 65	- 70
Interest and Profit	- 88	- 44	- 44
Government	- 15	- 8	- 7
Other Services	- 70	- 35	- 35
B. INCONVERTIBLE	- 40	- 18	- 22
Foreign Travel	- 3	- 2	- 1
Transportation	- 25	- 10	- 15
Interest and Profit	- 2	- 1	- 1
Government	-.-	-.-	-.-
Other Services	- 10	- 5	- 5
TOTAL (A + B)	- 380	- 188	- 192
Foreign Travel	- 35	- 20	- 15
Transportation	- 160	- 75	- 85
Interest and Profits	- 90	- 45	- 45
Government	- 15	- 8	- 7
Other Services	- 80	- 40	- 40

V. CAPITAL

Net movement of capital in 1960, in accordance with our estimate, should be favorable for Brazil; this is due to inflows in an amount equivalent to $610 million in all currencies and outflows of $370 million showing a net inflow of $240 million.

0724

a. Capital Entries

The forecast was based on the inflow of capital during recent years, considering the level of financings registered in SUMOC and investments under Instruction 113, now regulated by the Tariff Law, and on the entry of capital in foreign exchange through the free market rate.

Based on our estimates, the free market will participate with $200 million in cash, the remaining $410 million being divided into $284 million for production goods either financed or invested, $86 million for complementary parts of the automobile industry and $40 million for U.S. wheat imported through financing.

The following are estimates on the inflow of capital by semester and monetary areas:

INFLOW OF FOREIGN CAPITAL
1960

$1,000,000

	1960	1st Semester	2nd Semester
A. CONVERTIBLE	585	307	278
In cash	195	117	78
In goods	390	190	200
a) Production goods	270	135	135
b) Complementary parts	80	40	40
c) Other	40	15	25
B. INCONVERTIBLE	25	13	12
In cash	5	3	2
In goods	20	10	10
a) Production goods	14	7	7
b) Complementary parts	6	3	3
c) Other	-.-	-.-	-.-
TOTAL (A + B)	610	320	290
In Cash	200	120	80
In goods	410	200	210
a) Production goods	284	142	142
b) Complementary parts	86	43	43
c) Other	40	15	25

b. Capital Outflow

Amortizations to be made in 1960 show the program of payments on the various loans registered in SUMOC, of the Public Foreign

0725

Debt, the Payments Agreement with the United Kingdom and compensatory loans.

Payments in 1960 should reach a level more or less equal to that of the previous year.

The following table lists, by monetary area and by semester, the principal payments to be made during the year:

$1,000,000

	1960	1st Semester	2nd Semester
A. CONVERTIBLE	339.8	173.1	166.7
Special Loans	68.2	33.9	34.3
a) Eximbank ($300 million)	48.9	24.2	24.7
b) I.M.F.	...	...	...
c) U.S. Bankers ($58 million)	19.3	9.7	9.6
Loans to finance specific projects and the automobile industry	118.6	56.3	62.3
Complementary parts of the automobile industry	69.6	41.2	28.4
Foreign Debt	16.8	8.4	8.4
Payments Agreement with U.K.	16.6	8.3	8.3
Other payments (free market)	50.0	25.0	25.0
B. INCONVERTIBLE	29.9	17.7	12.2
Loans to finance specific projects	26.2	16.1	10.1
Complementary parts of the automobile industry	3.7	1.6	2.1
TOTAL (A + B)	369.7	190.8	178.9
Special Loans	68.2	33.9	34.3
a) Eximbank ($300 million)	48.9	24.2	24.7
b) I.M.F.	...	...	...
c) U.S. Bankers ($58 million)	19.3	9.7	9.6
Loans to finance specific projects	144.8	72.4	72.4
Complementary parts for the automobile industry	73.3	42.8	30.5
Foreign Debt	16.8	8.4	8.4
Payments Agreement with U.K.	16.6	8.3	8.3
Other payments (free market)	50.0	25.0	25.0

0726

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FOREIGN SERVICE DESPATCH

FROM : AMEMBASSY, RIO DE JANEIRO 1168
DESP. NO.

TO : THE DEPARTMENT OF STATE, WASHINGTON. May 31, 1960

REF : CERP, Section B, III, E-1, April 3, 1957 JUN 1 1960
Embassy Despatch 1092, May 10, 1960 Enclosure

This Document must be Retained in the Department Central Files

For Dept. Use Only	ACTION	DEPT.
	REC'D 6-6	OTHER Cal.10 Com.8 TR-3 FRB-3 FMA-4 Ag

ARA-4 RM/R-2 REP-1 E-3 Cal-11 IRC-8 SCS-2

SUBJECT: Operations of the Carteira de Redescontos, April 1960

The outstanding balance of total rediscounts by the Carteira de Redescontos on April 30 (see enclosure), amounted to Cr$ 51,904 million. This reflected an increase of Cr$3,477 million during the month.

The liability account, Tesouro Nacional, increased by Cr$3,300 million during April indicating an issue of paper currency in that amount on behalf of the Carteira de Redescontos.

For the Chargé d'Affaires, a.i.

Herbert K. May

Herbert K. May
Treasury Attaché

832.10/5-3160

Coordinated:

William A. Fowler

William A. Fowler
Counselor for
Economic Affairs

Enclosure:
Balance sheet of the Rediscount Bureau, April, 1960.

BRANCH
CURRENT RECORDS
BANK

1960 MAY 2 AM 5 58

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0727

BANCO DO BRASIL, S. A.
Carteira de Redescontos

Balancete em 30 de abril de 1960

Cr$

A t i v o

Titulos Redescontados	48,622,721,887.00
Titulos Redescontados - Lei 3,253	32,329,013.00
Titulos Redescontados - Dec. 29,536	3,248,843,836.00
Creditos a Receber	32,378,257.30
Bens Patrimoniais	10,223,572.40
Banco do Brasil S.A. - C/Corrente	2,320,584.80
Despesas Gerais	25,378,938.50
Banco do Brasil S.A. - C/Cobrança	21,068,738.40
Valores em Garantia	3,270,550,316.50
	55,265,815,143.90

P a s s i v o

Tesouro Nacional	48,600,840,000.00
Superintendencia da Moeda e do Crédito	34,808,191.20
Fundo de Reserva	1,485,643,477.70
Provisão para Despesas de Notas	320,393,296.10
Redescontos	1,528,889,129.50
Juros	3,621,994.50
Titulos em Cobrança	21,068,738.40
Depositantes de Valores em Garantia	3,270,550,316.50
	55,265,815,143.90

XXXXX

0728

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FOREIGN SERVICE DESPATCH

FROM : Amembassy, Rio de Janeiro 1180
DESP. NO.

TO : THE DEPARTMENT OF STATE, WASHINGTON. June 3, 1960
JUN - 6 1960

REF Vol. CERP Section B, Item III-A-1a

20 For Dept. Use Only	ACTION	DEPT.
	REC'D 6-28-60	INFO OTHER RMR:2 IRC:8 LA-1 E:7 AKA:4 ICA:11 ARMY:2 Com:8 TR:3 IRC:3 XMK:4 CIA:10 IMR:2 NAVY:2

SUBJECT: Transmittal of "Proposta Orçamentaria para o exercicio de 1961"

This Document must be Returned to the RMR Central Files

The Embassy is herewith transmitting six copies of the Brazilian Federal Government budget proposals for 1961, published by the Impransa Nacional, which may be of interest to Washington end-users.

Any reasonable number of additional copies of this publication can be obtained free of charge.

For the Chargé d'Affaires, a.i.,

Gerald S. Pierce
Third Secretary of Embassy

Approved:

William A. Fowler
Counselor of Embassy
for Economic Affairs.

Enclosures: Publications

832.10/6-360

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FOREIGN SERVICE DESPATCH

FROM : AMEMBASSY, RIO DE JANEIRO
DESP. NO. 1181

TO : THE DEPARTMENT OF STATE, WASHINGTON.
June 3, 1960

REF : CERP, Section B, III, E-1, April 3, 1957
Embdespatches 1052, April 29 & 1171, June 1, 1960
JUN - 9 1960
Enclosures

For Dept. Use Only	ACTION	DEPT.
	REC'D 6-13	INFO OTHER RM/R REP.1 ECON.1 ICA.1 E-2 SCS. ECON.10 COMM.8 TR.3 FAO-3 ARA.4 AgR

SUBJECT: Bank of Brazil Balance Sheet, April 30, 1960.

The following conclusions may be drawn from analysis of the Bank of Brazil's balance sheet for April 30, 1960 (enclosed), in comparison with that for the previous month:

(1) The net debtor position of the National Treasury at the Bank of Brazil x/ increased by Cr$2,423 million during April, 1960. This follows a decrease of Cr$753 million during March. In April, 1959, there was an increase of Cr$4,374 million (disregarding the "encampação").

(2) Outstanding loans by the Bank, other than to the National Treasury, increased in April by Cr$2,163 million, following an increase of Cr$1,671 million during March. The increase in April, 1959, was Cr$1,029 million. Outstanding loans of the Bank of Brazil, other than to the National Treasury, are summarized below, in millions of cruzeiros, as of selected dates:

	Dec. 31, 1958	Apr. 30, 1959	Dec. 31, 1959	Mar. 31, 1960	Apr. 30, 1960
Loans to the Public	115,971	114,843	134,038	134,737	137,664
Loans to State & Municipal Govts..	13,617	13,125	13,063	12,657	12,520
To Autarchies	4,456	5,282	7,482	6,926	6,299
Total, excluding Nat'l Treasury ..	134,044	133,250	154,583	154,320	156,483

x/ This position is derived as follows: Outstanding loans in the following asset accounts of the Bank: "Contas de Arrecadação e Despesas" plus "Outros Débitos do Tesouro Nacional" plus the following liability accounts of the Treasury in the Bank: "Depositos a Disposição de Entidades Federais", "Fundo de Indenização", "Contas de Arrecadação e Despesas", and "Outros Créditos do Tesouro Nacional".

DEPARTMENT OF STATE
BUREAU OF
INTER-AMERICAN AFFAIRS
JUN 16 1960
REA 6-31-60

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0730

(3) Outstanding rediscounts by the Bank of Brazil at the Carteira de Redescontos increased during April, 1960, by Cr$3,024 million, following an increase of Cr$57 million in March. Rediscounts by the Bank in April, 1959, increased by Cr$2,039 million (disregarding the "encampação"). Since total rediscounts by the Carteira increased by Cr$3,477 million in April, 1960, rediscounts for commercial banks must have increased by Cr$453 million.

(4) The sum of the various Bank of Brazil accounts derived from agio profits increased during April by Cr$2,081 million. This item had decreased by Cr$15 million in March and had increased by Cr$3,652 million in April, 1959.

(5) Currency held by the Bank of Brazil decreased Cr$1,335 million in April following an increase of Cr$2,470 million in March. A decrease of Cr$682 million occurred in April, 1959 but total currency held at the end of that period was Cr$1,814 million less than at the end of April, 1960.

For the Chargé d'Affaires, a.i.

Herbert K. May

Herbert K. May
Treasury Attaché

Coordinated:

William A. Fowler

William A. Fowler
Counselor for
Economic Affairs

Enclosures:
6 copies of Bank of Brazil balance sheet, April 30, 1960

0731

ANÚNCIOS

CACIC S.A. — INDUSTRIA E COMERCIO

EDITAL DE CONVOCAÇÃO

(Assembléia Geral de Constituição)

São convidados os senhores subscritores do capital da CACIC S. A. — Indústria e Comércio para se reunirem em assembléia no dia 31 de maio do corrente, às 10 horas à Avenida W 3 — Quadra 6 — nº 14, a fim de deliberarem sôbre a constituição da Sociedade, com a seguinte ordem do dia:

a) Projeto dos Estatutos Sociais;
b) Subscrição do Capital Social;
c) Eleição da Diretoria e fixação de seus honorários;
d) Eleição dos membros efetivos e suplentes do Conselho Fiscal e fixação de seus honorários;
e) Interêsses Gerais.

Brasília, 21 de maio de 1960. — *Elio Tucci* — Incorporador.

Nº 15.020 — 23-5-60 — Cr$ 967,35.

AEROCLUBE DO BRASIL

EDITAL DE CONVOCAÇÃO DA ASSEMBLÉIA

Nos têrmos dos artigos 16, 18 e 20 dos Estatutos do Aeroclube do Brasil, convoco os seus sócios brasileiros, contribuintes, remidos e beneméritos, quites de todos os seus compromissos para com a entidade, no gôzo de seus direitos e inscritos no quadro social há mais de um ano, para se reunirem em sessão ordinária da Assembléia, na sede campestre do Aeroclube, na Avenida Brasil s-n, Manguinhos, em cidade do Rio de Janeiro, das 9 (nove) às 16 (dezoito) horas do dia 31 (trinta e um) do corrente mês de maio de 1960, a fim de proceder-se à eleição da dos conselheiros e cinco suplentes.

Rio de Janeiro, 20 de maio de 1960. — *Clara de Andrade* — Presidente do Aeroclube do Brasil.

(Nº 15.021 — 23, 24 e 25-5-60 — Cr$ 814,70).

CONSTITUIÇÃO
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Do público (diversos):			
Sem limite	12.493.849.000,00		
Limitados	1.340.849.364,00		
Populares	6.320.784.368,00		
Sem juros	1.573.841.272,00		
Outros depósitos	2.549.370.864,00	24.763.004.879,00	
Saldos credores de empréstimos		487.907.469,50	126.013.806.379,70
DEPÓSITOS A PRAZO			
De autarquias		2.977.494 939,10	
Do público (compulsórios):			
Judiciais (Decreto-lei n.º 3077, de 26-2-41)		19.406.199,10	
Do público (diversos):			
De aviso prévio	806.937.558,00		
A prazo fixo	367.612.644,30	1.176.550.202,30	4.173.550.436,50
OUTRAS RESPONSABILIDADES			
Títulos redescontados:			
Comerciais	14.182.046.634,60		
Contratos da Carteira de Crédito Agrícola e Industrial	27.444.760.635,90	41.626 807.449,50	
Mobilização de créditos em moratória		2.000 000.000,00	
Caixa de Mobilização Bancária (suprimentos)		4.033.083.370,40	
Carteira de Colonização, conta de recursos		189.995.381,90	
Bônus e letras hipotecárias da Carteira de Crédito Agrícola e Industrial, em circulação		751.631.000,00	
Correspondentes no país		60.953 014,70	
Ordens de pagamento		3.560.079.414,18	
Cobrança efetuada, em trânsito		5.286.521.823,60	
Clientes do país		2.634.518.233,20	
Dividendos a pagar		6.481.201,80	
Outras contas do passivo exigível		8.363.851.046,60	66.432.102.836,80
Direção Geral e Agências (contas de relações internas)			610.168.611.330,30
Agências no exterior (total do exigível)			1.201.270.713,30
			897.434.432.976,30
DE RESULTADO PENDENTE			
Rendas de juros, descontos, comissões e diversas		6.628.327.135,80	
Outras contas de resultado pendente		24.447.722.796,10	31.076.050.931,90
Agências no exterior (total de resultado pendente)			48.073.974,70
			31.124.124.906,30
			939.160.094.938,70
DE COMPENSAÇÃO			
Depositantes de valôres em garantia e [illegible]			815.095.857.344,80
Depositantes de efeitos para cobranças:			
Do país		136.535.206.635,80	
Do exterior		778.827.581,80	137.313.736.097,10
Outras contas de compensação			87.674.418.778,70
Agências no exterior (total de compensação)			1.181.070.039,10
			541.315.083.900,50
			1.490.375.117.744,30

de maio de 1960

WALDO TORRETO COLIN
Chefe Interino do Departamento de Contabilidade
Contador — CRC nº 5.978 — DF

0733

A bancos:			
Por conta própria		248.203.922,40	
Por conta da Caixa de Mobilização Bancária		139.335.539,10	
Ao comércio (operações específicas sôbre café, trigo nacional e estrangeiro, algodão, juta e cêra de carnaúba)		832.614.450,10	
Ao comércio (outras operações)		9.142.749.821,70	
A indústria (operações específicas sôbre café, trigo nacional e estrangeiro, algodão, juta e cêra de carnaúba)		2.304.185.699,60	
A indústria (outras operações)		24.312.336.120,00	
A lavoura (operações específicas sôbre café, trigo nacional e estrangeiro, algodão, juta e cêra de carnaúba)		46.286.176,00	
A lavoura (outras operações)		1.796.360.362,20	
A pecuária		1.808.013.643,90	
A particulares		172.334.648,10	41.491.527.829,80
OUTROS CREDITOS E VALORES			
Créditos			
Títulos a receber de conta própria		2.869.757.696,00	
Créditos em liquidação		2.221.405.426,10	
Superintendência da Moeda e do Crédito, n/entrega correspondente a depósitos obrigatórios (Decreto-lei n.º 9.159, de 10-4-46)		34.608.191,20	
Superintendência da Moeda e do Crédito, c/depósito obrigatório		4.124.112.062,70	
Compra e venda de produtos exportáveis		9.384.076.032,70	
Compra e venda de produtos de importação		9.205.092.934,90	
Caixa de Mobilização Bancária, conta de transferência de depósitos bancários (Decreto n.º 36.783, de 18-1-55)		1.364.786.643,90	
Comissão executiva do plano de recuperação econômico-rural da lavoura cacaueira (Decreto n.º 40.987, de 20-2-57)		500.000.000,00	
Correspondentes no país		139.532.280,60	
Outras contas		1.957.725.906,30	
Valôres			
Títulos e valôres mobiliários:			
Apólices e outras obrigações federais	256.280.192,50		
Apólices estaduais	27.885,60		
Apólices municipais	750,00		
Outros títulos e valôres mobiliários	760.938.258,50	1.017.257.086,00	
Imóveis não destinados a uso do Banco		738.186.559,70	26.577.340.820,00
Direção Geral e Agências (contas de relações internas)			607.778.059.931,80
Agências no exterior (total do realizável)			1.090.485.186,10 920.379.849.209,10
IMOBILIZADO			
Imóveis de uso do Banco		4.437.045.883,00	
Móveis e utensílios		792.398.053,30	
Material de expediente		255.267.223,60	5.484.711.159,90
Agências no exterior (total do imobilizado)			95.719.737,90 5.580.430.897,80
DE RESULTADO PENDENTE			
Despesas de juros e comissões		1.230.046.689,30	
Despesas de impostos		73.201.902,60	
Despesas gerais e outras despesas administrativas		5.472.976.689,40	
Outras contas de resultado pendente		621.756.183,40	7.397.981.463,70
Agências no exterior (total de resultado pendente)			52.040.008,20 7.450.021.471,90
			939.160.094.938,70
DE COMPENSAÇÃO			
Valôres em garantia		237.751.428.103,90	
Valôres depositados:			
Ouro do Tesouro Nacional (261.145.332.779 g)	5.977.750.167,10		
Outros valores depositados	71.366.679.048,60	77.344.429.235,70	315.095.857.344,60
Efeitos a receber de conta alheia			227.313.730.087,10
Outras contas de compensação			87.674.418.778,70
Agências no exterior (total de compensação)			1.131.070.629,10 841.215.082.809,50
			1.480.375.117.748,20

Brasília, DF, 19

MAURICIO CHAGAS BICALHO
Presidente

BRASIL S. A.

DE ABRIL DE 1960

no país (437) e no exterior (3) —

PASSIVO

NÃO EXIGIVEL Cr$

Capital		600.000.000,00	
Fundo de reserva	191.788.356,10		
Fundo de previsão	3.437.136.692,10		
Fundo de amortização de imóveis, móveis e utensílios	3.891.667.998,70		
Fundo para prejuízos eventuais	2.328.888.821,60	9.849.481.868,50	
Fundo para o desenvolvimento de iniciativas de interêsse público		116.077.951,30	
Agências no exterior (total do não exigível)		45.917.736,40	10.611.477.556,20

EXIGIVEL

Operações de câmbio, à ordem do Tesouro Nacional:

Correspondentes no exterior	11.902.386.159,80	
Obrigações em moedas estrangeiras por empréstimos contraídos	1.303.273.448,30	
Depósitos obrigatórios (Decreto n.º 24.038, de 26-3-34)	187.203.291,40	
Outras contas vinculadas a câmbio	4.011.226.282,10	17.404.089.181,60

DEPÓSITOS À VISTA E A CURTO PRAZO

Do Tesouro Nacional:

À disposição de entidades federais	41.151.627.263,60	
Fundo de indenizações (Dec. 25.147, de 29-6-48)	25.467.354,40	
Fundo de pavimentação de estradas de rodagem (Lei nº 2.628, de 27-12-55)	5.213.314.049,10	
Fundo de modernização e recuperação da lavoura nacional	7.780.700.080,90	
Fundo de recuperação econômico-rural da lavoura cacaueira	1.000.000.008,00	
Fundo especial para concessão de subsídio a fabricante no país (Lei nº 3.244, de 14-8-57 — Art. 58)	142.864.743,80	
Outros créditos	13.303.756.876,10	68.617.730.067,90
De governos estaduais		474.627.672,60
De governos municipais		169.746.856,60
De outras entidades públicas		4.499.933.064,10

De autarquias:

Superintendência da Moeda e do Crédito:

Conta de fundos	23.754.002.511,10	
Contas de juros	767.606.334,30	
Fundo Monetário Internacional	5.591.648.609,10	30.113.257.454,50
Caixa de Mobilização Bancária	2.226.576.639,40	
Outras autarquias	16.727.241.522,80	56.067.075.616,10
De bancos		37.027.093.867,60

Do público (compulsórios):

Judiciais (Decreto-lei nº 3077, de 26-2-41)	4.144.140.275,60	
De emprêsas concessionárias de serviços públicos (Decreto-lei nº 3.077, de 26-2-41)	471.843.572,30	
Obrigatórios de lucros extraordinários (Decreto-lei número 9.159, de 10-4-46)	34.206.706,50	
Depósitos para investimentos (Lei nº 3.470, de 28-11-58)	699.408.010,20	
Outros depósitos obrigatórios	167.899.908,50	5.517.498.473,10

cadas no livro de "Atas Pareceres do Conselho Fiscal". Capítulo V — Assembléia Geral — Art. 29º — A Assembléia Geral reunir-se-á, ordinàriamente, até 30 do abril de cada ano, para os fins previstos em lei, e, extraordinàriamente, sempre que o interêsse da Sociedade o exigir. Parágrafo 1º — A convocação da Assembléia Geral far-se-á pela imprensa, na forma da lei, e dos anuncios constará, ainda que sumàriamente, a ordem do dia. Parágrafo 2º — A Assembléia Geral será presidida pelo Diretor-Presidente da Sociedade que escolherá, dentre os acionistas presentes, um ou mais secretários. Parágrafo 3º — Não será permitida a transferência ou conversão de ações nos 8 (oito) dias imediatamente anteriores à realização da Assembléia Geral. Parágrafo 4º — Os titulares das ações ao portador, para poderem tomar parte na Assembléia Geral, deverão depositar, até quatro dias antes da sua realização, as respectivas ações na sede da Sociedade ou nos estabelecimentos bancários designados nos anúncios de convocação. Art. 30º — Compete à Assembléia Geral Ordinária deliberar sôbre as contas da Diretoria, o balanço e a conta de lucros e perdas e o parecer do Conselho Fiscal; eleger os membros da Diretoria, do Conselho de Administração e do Conselho Fiscal, e fixar a sua remuneração, e apreciar os atos da administração da Sociedade. Art. 31º — Os acionistas poderão fazer-se representar nas Assembléias Gerais por outros acionistas, mediante mandato expresso, cujo instrumento deverá ser depositado na sede da Sociedade até 24 horas antes da realização da Assembléia. Para êsse fim não poderão ser mandatários os membros da Diretoria ou do Conselho Fiscal. Capítulo VI — Exercício Social — Artigo 32º — O exercício social coincidirá com o ano civil. Em 31 de dezembro de cada ano será levantado o balanço, com a observância das prescrições legais, e do lucro líquido apurado deduzir-se-ão: a) 5% (cinco por cento) para a constituição do fundo de reserva legal até que êste atinja 20% (vinte por cento) do capital social; b) a quantia necessária para o pagamento de um dividendo de 10% (dez por cento), sôbre o seu valor nominal, às ações preferenciais. O saldo verificado terá a destinação que lhe fôr dada pela Assembléia Geral, mediante proposta da Diretoria, ouvido o Conselho Fiscal, observado, no caso de distribuição de dividendo, o disposto no art. 6º, letra c. Art. 33º — O pagamento dos dividendos poderá ser feito a critério da Diretoria, em mais de uma prestação. Capítulo VII — Liquidação — Art. 34º — A Sociedade entrará em liquidação nos casos previstos por lei, ou em virtude de deliberação da Assembléia Geral. Parágrafo único. — Compete à Assembléia Geral estabelecer o modo de liquidação, eleger os liquidantes e os membros do Conselho Fiscal que deverão funcionar no período da liquidação, fixando-lhes a remuneração". A Diretoria espera que a presente proposta seja aprovada pela Assembléia Geral Extraordinária, por entender que apresenta vantagens inquestionáveis tanto para a sociedade quanto para os seus acionistas. São Paulo, 4 de dezembro de 1957. Henry Borden, Antônio Gallotti, Walter La Vern Simpson, James Henry A'Court, João da Silva Monteiro Filho, William Roberto Marinho Lutz, Kenneth Howard MacCrimmon, Odilon Egydio do Amaral Souza." "*Parecer do Conselho Fiscal*: — Os abaixo assinados, membros efetivos do Conselho Fiscal da São Paulo Light S. A. — Serviços de Eletricidade, tendo examinado a Proposta da Diretoria relativa a: a) aumento de capital social; b) conversão de parte das ações ordinárias em preferenciais; c) criação do "Conselho de Administração", e d) reforma dos estatutos, tudo conforme foi minuciosamente exposto na Proposta da Diretoria, constante da ata lavrada a fls. 8-v. do livro de "Atas e Reuniões da Diretoria", são de parecer que a mesma proposta atende aos interêsses sociais e está de acôrdo com a lei, pelo que julgam merecer a aprovação dos senhores acionistas. São Paulo, 6 de dezembro de 1957. (aa.) Andrew Jeffrey Royal, George Murchie e Armando da Costa Faro." Submetida à Assembléia a primeira parte da proposta, relativa ao aumento do capital social, foi ela aprovada por unanimidade. Com a palavra o procurador da Brazilian Traction Light and Power Company Limited, por ela foi dito que sendo a sua representada credora da Sociedade, em conta corrente, de quantias em montante superior ao do aumento ora proposto, dispunha-se a subscrevê-lo integralmente, de tal modo a que o aumento do capital, no valor de Cr$ 291.600.000,00 (duzentos e um milhões e seiscentos mil cruzeiros), representado por 1.008.000 (um milhão e oito mil) ações, do valor nominal de Cr$ 200,00 (duzentos cruzeiros) cada uma, se fizesse através da capitalização de parte do referido crédito. O Sr. Presidente, depois de confirmar a existência do crédito em conta corrente, submeteu à Assembléia a proposta apresentada. Por todos os acionistas foi declarado que desistiam expressamente do direito de preferência assegurado por lei e que concordavam com a forma de subscrição sugerida. Informou o representante da Brazilian Traction Light and Power Company Limited que, nesta hipótese, a sua representada subscrevia, desde logo, o aumento do capital e autorizava a Sociedade a fazer os necessários lançamentos contábeis. O Sr. Presidente esclareceu que, diante da manifestação expressa, pela unanimidade dos acionistas, e da subscrição e realização integral do aumento do capital, dispensável era a concessão de qualquer prazo para o exercício do direito de preferência. Dispensável, também, qualquer depósito bancário, nos termos do Decreto nº 5.956, de 1º de novembro de 1943 já que a realização do capital subscrito havia sido feita mediante a utilização de um crédito em conta corrente. Diante dêsses esclarecimentos, a Assembléia, por unanimidade, considerou verificado e aprovado o aumento do capital. Com relação à reforma estatutária, que deveria ser apreciada pela Assembléia, declarou o Sr. Presidente que ela envolvia as seguintes alterações: Capítulo I — Artigos 1º e 3º: Alterações de redação. Capítulo II — Artigos 5º, 6º e 7º: Alterações resultantes do aumento do capital e da criação de ações preferenciais e ao portador; Artigo 8: Deslocado para o Capítulo V com redação atualizada, figurando como parágrafo terceiro do art. 29º; Capítulo III — Sob o título de Administração, êsse capítulo é subdividido em duas seções, a saber: Seção I — Diretoria, incluindo os arts. 9º a 18º; Seção II — Conselho de Administração, incluindo os arts. 19º a 25º; Arts. 9º, 10º, 11º, 13º, e 15º: Redação atualizada; Arts. 14º e 15º: Inversão da numeração; Capítulo IV — Arts. 19º, 20º e 21º passam a figurar como 26º, 27º e 28 com alterações; Capítulo V — Arts. 22º, 23º e 24º passam a figurar como 29º, 30º e 31º, com adaptações; Capítulo VI — Arts. 25º e 26º passaram a figurar como 32º e 33º com alterações no primeiro dêsses artigos: Capítulo VII — Art. 27º passa a figurar, sem alteração, como art. 34º; Disposições Gerais e Transitórias: Suprimidas. Submetida a proposta à Assembléia, verificou o Sr. Presidente ter sido ela unanimemente aprovada. Com a palavra o representante da Brazilian Traction Light and Power Company Limited, propôs que as novas ações preferenciais, no total de Cr$ 2.000.000.000,00 (dois bilhões de cruzeiros) fôssem atribuídas a sua representada. Aprovada por unanimidade a proposta, esclareceu o Sr. Presidente que a Assembléia deveria eleger os novos membros do Conselho Fiscal e os membros do Conselho de Administração, fixando-lhes os honorários. Procedida a eleição foi verificado terem sido eleitos: Para o Conselho Fiscal: Membros Efetivos: Dr. Benjamin Franklin Barros Barreto, brasileiro, casado, engenheiro, residente à Avenida Brasil nº 1.950 nesta Capital — Dr. Adolpho Santos Júnior, brasileiro, solteiro, engenheiro, residente à rua Vieira de Carvalho nº 150 — 2º andar, nesta Capital. Membros suplentes: Dr. Roberto Stewart McNeill, brasileiro, casado, engenheiro, residente à rua Recanto nº 350, nesta Capital — Dr. Mário Savelli, brasileiro, casado, engenheiro, residente à rua Padre João Manuel nº 328, nesta Capital. Para o Conselho de Administração: Dr. Edgard Baptista Pereira, brasileiro, casado, advogado, residente à rua Sabará nº 16, nesta Capital — Dr. Gastão Eduardo de Bueno Vidigal, brasileiro, casado, advogado, residente nesta Capital, à rua México nº 715 — Sr. James Henry A'Court, norte-americano, casado, industrial, residente à rua Maria Angélica nº 522, no Rio de Janeiro — Dr. Jaime Pinheiro de Ulhôa Cintra, brasileiro, casado, engenheiro, residente nesta Capital, à rua Libero Badaró nº 39 — Dr. João Octávio Marcondes Ferraz, brasileiro, casado, comerciante, residente nesta Capital, à rua Turquia nº 427 — Dr. Jorge de Souza Rezende, brasileiro, casado, industrial, residente à rua Alagões nº 1.061, nesta Capital — Dr. José Maria Whitaker, brasileiro, casado, banqueiro, residente nesta Capital, à rua Liberdade nº 844 — Dr. Otávio Marcondes Ferraz, brasileiro, casado, engenheiro, residente à Avenida D. Pedro I nº 1.113, nesta Capital — Dr. Odilon Egydio do Amaral Souza, brasileiro, casado, engenheiro, residente à Alameda Gabriel Monteiro da Silva nº 802, nesta Capital — Prof. Dr. Vicente Rao, brasileiro, casado, Professor da Faculdade de Direito da U. S. P., residente nesta Capital, à Praça da República nº 107, 1º andar — Dr. Walter Moreira Salles, brasileiro, casado, advogado, residente no Rio de Janeiro, à rua Marquês de São Vicente nº 476. Por unanimidade, ainda, a Assembléia aprovou os honorários de Cr$ 1.000,00 (um mil cruzeiros) anuais, para cada um dos membros efetivos do Conselho Fiscal e de Cr$ 100.000,00 (cem mil cruzeiros) por semestre, para cada um dos membros do Conselho de Administração. Nada mais havendo a tratar foi suspensa a sessão para a lavratura da competente ata. Reaberta a sessão foi lida e aprovada a presente ata que vai por mim subscrita e por todos os presentes assinada. São Paulo, 19 de dezembro de 1957. Antônio Gallotti — Presidente; João da Silva Monteiro Filho — Secretário; Kenneth Howard McCrimmon; Walter La Vern Simpson; William Roberto Marinho Lutz; pp. Henry Borden, Antônio Augusto de Azevedo Sodré; Antônio Augusto de Azevedo Sodré; pp. James Henry A'Court, Antônio Augusto de Azevedo Sodré; p.p. Brazilian Traction, Light and Power Company Limited, Antônio Augusto de Azevedo Sodré e Alfredo Lamy Filho. — Junta Comercial — São Paulo. — Certidão. Certifico que "São Paulo Light S. A. — Serviços de Eletricidade", com sede nesta Capital, arquivou nesta Repartição sob nº 127.817 por despacho da Junta Comercial em sessão de 15 de janeiro de 1958, a ata da assembléia geral extraordinária realizada em 19 de dezembro de 1957, que elevou o seu capital social de Cr$ 9.728.000.000,00 (nove bilhões setecentos e noventa e oito milhões e quatrocentos mil cruzeiros) para Cr$ 10.000.000.000,00 (dez bilhões de cruzeiros); converteu parte das ações ordinárias em preferenciais, criou o "Conselho de Administração", e reformou os seus estatutos sociais, estando os mesmos registrados sob o nº 1.323 e inteor dos mesmos. Foram eleitos os novos membros do Conselho Fiscal que são os Srs. — Dr. Benjamin Franklin Barros Barreto e Dr. Adolpho Santos Júnior, Membros Efetivos, e para Membros Suplentes foram eleitos os Srs. Dr. Roberto Stewart McNeill e Dr. Mario Savelli. Para o Conselho de Administração, foram eleitos: Dr. Edgard Baptista Pereira Dr. Gastão Eduardo de Bueno Vidigal, James Henry A'Court, Dr. Jaime Pinheiro de Ulhôa Cintra, Dr. João Baptista Leopoldo Figueiredo, Dr. Jorge de Souza Rezende, Dr. José Maria Whitaker, Dr. Octávio Marcondes Ferraz, Dr. Odilon Egydio do Amaral Souza, Prof. Dr. Vicente Rao e Dr. Walter Moreira Salles, do que dou fé. Secretaria da Junta Comercial do Estado de São Paulo, 18 de janeiro de 1958.

Eu, Yvone d'Avila, escriturário, a escrevi. — E eu, Clotilde de Oliveira conferi e assino: (a) Yvone Ayrosa Galvão, chefe da Seção do Expediente e Correspondência a subscrevo e assino. — *Clotilde de Oliveira Ayrosa Galvão.* — *Aprovado do Govêrno Federal* — "*Diário Oficial*"-*da União, Seção I, 25 de janeiro de 1960 fls. 1.325* — *Ministério da Agricultura.*

DEPARTAMENTO NACIONAL DA PRODUÇÃO MINERAL

DIVISÃO DE ÁGUAS

DESPACHOS DO DIRETOR GERAL

Dia 19 de janeiro de 1960

Processo — D. Ag. 256-58.

Interessada — S. Paulo Light S.A. — Serviços de Eletricidade.

Assunto — Modificações nos estatutos previstas na Assembléia Geral Extraordinária de 19 de dezembro de 1957, conforme documento constante do processo D. Ag. 256-58. — Aprovo.

Autorizo a publicação dos documentos acima transcritos. — *W. R. Marinho Lutz.*

(Nº 20.851 — 13-5-60 — Cr$ 2.346,00).

BANCO MAGALHAES FRANCO S.A.

SUPERINTENDÊNCIA DA MOEDA E DO CRÉDITO

Certidão

Atendendo ao requerido em onze de abril de mil novecentos e sessenta pelo Banco Magalhães Franco Sociedade Anônima, com sede na cidade do Recife, Capital do Estado de Pernambuco, para fins de arquivamento no Registro do Comércio, Certifico, na forma da legislação em vigor, que dos autos do processo número quinhentos e quinze barra cinquenta e nove, de seu interêsse, consta: *Primeiro* — Cópia autenticada da ata da assembléia geral extraordinária de vinte e um de fevereiro de mil novecentos e cinquenta e nove, publicada no *Diário Oficial* do Estado de Pernambuco de vinte e sete do mesmo mês e ano, na qual foi aprovada proposta da Diretoria no sentido de ser empestada nova redação ao artigo terceiro dos estatutos sociais, a saber: *Artigo Terceiro* — "O prazo de duração da Sociedade será igual ao da validade da sua Carta-Patente, gerdurando pelas respectivas prorrogações". *Segundo* — Despacho de dezessete de dezembro de mil novecentos e cinqüenta e nove do Excelentíssimo Senhor Diretor Executivo desta Superintendência, em que, homologando pareceres constantes dos autos, determinou a remessa do processado à sanção ministerial, opinando pelo deferimento da pretensão em causa, devendo, outrossim, a sociedade promover dentro do prazo de noventa dias, a contar do despacho superior, nova assembléia geral extraordinária, a fim de dar cumprimento às exigências formuladas nos pareceres. *Terceiro* — Despacho de quatro de abril de mil novecentos e sessenta do Excelentíssimo Senhor Ministro de Estado dos Negócios da Fazenda, publicado no *Diário Oficial* da União de nove do mesmo mês e ano, deferindo o pedido nos têrmos dos pareceres que instruem o processo. E, por ser verdade, eu *Abelardo Oswaldo de Moraes Carneiro*, funcionário da Superintendência da Moeda e do Crédito, lavrei a presente Certidão que também vai assinada pelo Chefe da Divisão de Organização e Funcionamento de Estabelecimentos de Crédito, Senhor Euclides Parentes de Miranda, aos dezenove dias do mês de abril do ano de mil novecentos e sessenta.

Selada com Cr$ 20,00.

(Nº 17.476 — 20-4-60 — Cr$ 204,00).

ARA

Enclosure to Rio de Janeiro 118

BANCO DO

BALANCETE EM 30

— Compreendendo Direção Geral e Agências

ATIVO

DISPONIVEL Cr$

Caixa:

Em moeda corrente		5.686.114.304,80	
Em outras espécies		6.001.955,90	5.692.716.260,70
Agências no exterior (total do disponível)			56.217.069,20
			5.748.933.329,90

Operações de câmbio, à ordem do Tesouro Nacional:

Correspondentes no exterior		2.456.328.334,70	
Outras contas vinculadas à câmbio		17.261.712.858,10	19.718.041.192,80

EMPRÉSTIMOS EM CONTA

Da Carteira de Crédito Geral

Ao Tesouro Nacional:

Saldo das contas de arrecadação e despesa do Tesouro fiscal colocado	11.794.617.032,20	
Contribuição para o Fundo Monetário Internacional	5.184.928.442,50	
Outros débitos	5.471.260.532,20	97.350.206.996,90
A governos estaduais		11.631.310.661,10
A governos municipais		713.612.213,80
A outras entidades públicas		22.972.213,40
A autarquias		5.329.758.952,40
A bancos:		
Por conta própria		617.434.589,60
Por conta da Caixa de Mobilização Bancária		10.127.576.196,60
Ao comércio (operações especiais sôbre café, trigo nacional e estrangeiro, algodão, juta e cera de carnaúba)		5.476.721.323,90
Ao comércio (outras operações)		6.736.239.851,60
A indústria (operações especiais sôbre café, trigo nacional e estrangeiro, algodão, juta e cera de carnaúba)		1.091.580.437,70
A indústria (outras operações)		21.418.381.461,70
A lavoura (operações especiais sôbre café, trigo nacional e estrangeiro, algodão, juta e cera de carnaúba)		1.480.204.070,40
A lavoura (outras operações)		84.071.114,40
A pecuária		101.701.177,40
A particulares		435.225.415,70
A diversos, em moratória		125.869.727,50
		102.843.574.162,80

Da Carteira de Crédito Agrícola e Industrial

Agrícolas		32.215.853.582,60
Agro-industriais		34.340.639,00
Agropecuários		1.309.883.041,70
Pecuários		10.336.951.610,20
Industriais		13.731.265.535,60
Em letras hipotecárias		874.810,90
Sôbre produtos agrícolas decorrentes de contrato com o Govêrno Federal (gêneros de produção nacional — Lei nº 1.536 de 19-12-51)		581.390.216,20
Outros empréstimos		1.[illegible]
Diversos, em moratória		728.700.274,60
		[illegible] 222.724.394.246,00

TITULOS DESCONTADOS

Da Carteira de Crédito Geral

A governos estaduais	100.000.000,00
A governos municipais	70.000.000,10
A autarquias	900.247.417,60



AIR PRIORITY
PRIORITY

UNCLASSIFIED
(Security Classification)

DO NOT TYPE IN THIS SPACE
832.10/6-1060
JUN 15 1960
FR 832.14

FOREIGN SERVICE DESPATCH

FROM : Amconsul SALVADOR, BAHIA, BRAZIL. 48 DESP. NO.

TO : THE DEPARTMENT OF STATE, WASHINGTON. June 10, 1960 DATE

REF : CERP -Section B. III, E-1 and 2.

For Dept. Use Only — ACTION / INFO / DEPT. / OTHER — REC'D 6/24

ARA-4 RCM/R-2 HEP-1 IRC-5 E-7 ICA-11
COM-5 CIA-10 FRB-3 TR-3 XMB-4
ARMY-4 NAV-2

SUBJECT: Banking Movement in Bahia During the Year 1959.

Bank transactions in Bahia during the year 1959 were at a high level even when such negative factors as retraction of capital, smaller investment in real estate property, etc., are taken into consideration.

According to the Bahia State Department of Statistics (Departamento Estadual de Estatistica da Bahia), 9 new banks were opened in the State of Bahia during 1959, four in the City of Salvador and the remainder in the interior of the State. This source reports that total banking movement during the year amounted to $C_r$$53,320,302,000.00 which is 28.8% higher than in 1958.

The proportional distribution of this movement by banking establishments in Bahia places the Bank of Brazil in first place with Cr$27,616,432,000.00 (52.1% of the total) followed by other Brazilian banks with $C_r$$24,640,126,000.00 (46.4%) foreign banks with Cr$954,199,000.00 (1.8%) and finally small banking houses (Casas Bancarias) with only Cr$109,545,000.00 or 0.2%.

Of the total Cr$4,489,707,000.00 applied to loans on accounts current, it appears that the sum of Cr$1,091,225,000.00 went to commerce; Cr$955,134,000.00 to agriculture; and $C_r$$797,251,000.00 to industry. The balance was used by the Federal, State and Municipal governments, livestock and private enterprises.

Mortgage loans, which amounted to Cr$119,139,000.00 in 1958, decreased to Cr$105,024,000.00 (12.7%) during the period under review.

Discounted notes, totaling $C_r$$5,987,772,000.00 in 1958, increased to Cr$7,403,720,000.00 (2.3%) in 1959.

The value of deposits in 1959 amounted to Cr$13,475,924,000.00 of which Cr$3,121,211,000.00 belonged to the Bank of Brazil and Cr$10,099,985,000.00 to other Brazilian and foreign banks.

Concerning on sight and short term deposits, the following were the most important: Cr$4,742,155,000.00 in account current without limit; Cr$3,001,765,000.00 in popular accounts current and Cr$1,976,337,000.00 in other

832.10/6-1060

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DEPARTMENT OF STATE
BUREAU OF
INTER-AMERICAN AFFAIRS
JUN 27 1960
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PBMcCarty:GHasselman:csp
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Of time deposits, the most important were Cr$585,203,000.00 for fixed deposits and Cr$314,067,000.00 for advance notice and others.

The balance of cash on hand on December 31, 1959 was as follows: Bank of Brazil, Cr$258,619,000.00; other Brazilian banks, Cr$698,949,000.00; foreign banks Cr$17,304,000.00 and small banking houses (Casas Bancarias) Cr$5,765,000.00.

Note: US$1.00 equals approximately Cr$181,00 at the current free buying rate.

FOR THE CONSUL:

Paul B. McCarty
American Vice Consul

Source: Departamento Estadual de Estatistica da Bahia.

Copy to Embassy, Rio de Janeiro.

File 501.6

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(Security Classification)

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832.10/6-1360

FOREIGN SERVICE DESPATCH

FROM : AMEMBASSY, RIO DE JANEIRO — 1216 DESP. NO.

TO : THE DEPARTMENT OF STATE, WASHINGTON. — June 13, 1960 DATE

REF :

JUN 14 1960

For Dept. Use Only	ACTION	INFO DEPT.	INFO OTHER
REC'D	ARA-4	RNA-2 REP-1 IRC-8 E-7 ICA-11	CIA-10 COM-8 TR-3 FRD-2 XMO-4 TAR-7
6/20			

DEPARTMENT OF STATE
BUREAU OF INTER-AMERICAN AFFAIRS
JUN 21 1960

SUBJECT: International Payments Prospects for 1960; Bank of Brazil Moves to Brasilia

There is transmitted herewith, as an enclosure, a memorandum of conversation with Sr. Paulo Poock Correa, Director of the Exchange Department of the Bank of Brazil. During the course of that conversation, Sr. Poock Correa stated that the official market payments deficits during the first four months of 1960 totalled $79.8 million, as compared with the "budgeted" deficit of $38.2 million. He estimated that the May-December deficit would total $210 million, resulting in a deficit for the year of approximately $290 million. Sr. Poock Correa stated also that President Kubitschek and others had approved a delay in the transfer to Brasilia of Poock Correa and Sr. Ignazio Tosta Filho (Director of CACEX) until such time as it becomes possible to transfer the bulk of the personnel of the Carteira de Cambio and CACEX.

For the Chargé d'Affaires, a. i.:

Herbert K. May

Herbert K. May
Treasury Attaché

Coordinated:

Howard R. Cottam
Minister for Economic Affairs

Enclosure: As stated

HKMay|dh
REPORTER

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832.10/6-1360

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Memorandum of Conversation with Sr. Paulo Poock Correa, June 9, 10:00 a.m.

1. Sr. Poock Correa gave me a table showing the Bank of Brazil's foreign exchange transactions, in convertible currencies, during January-April 1960. The table demonstrates that there was an official market payments deficit of $79.8 million during the first four months of 1960, as compared with a "budgeted" deficit of $38.2 million. Some of the major factors accouning for the unbudgeted deficit, amounting to $41.6 million, were the following: a) Official market export proceeds totalled $26.5 million less than had been budgeted for that period; b) Disbursements pursuant to foreign exchange obligations incurred during 1959 and previous years totalled $31.8 million more than had been anticipated; and c) Payments for petroleum imports, including freight, totalled $23.7 million more than had been budgeted. The excess deficit of $41.6 million would have been greater by $12.0 million were it not for the fact that the Bank of Brazil took advantage of its option to postpone payments in that amount to the Eximbank pursuant to the July, 1956 agreement, as amended.

2. Sr. Poock Correa stated that a revised projection of the May-December, 1960 official market position indicates a deficit of approximately $210 million. On that basis, the deficit for the year would total approximately $290 million. He stated that he expected to conclude within a week or 10 days a summary of transactions during January-May and a projection for June-December.

3. Sr. Poock Correa stated that the President of the Bank of Brazil, the Minister of Finance, and President Kubitschek have each approved postponement of the transfers to Brasilia of Poock Correa and Sr. Ignazio Tosta Filho (Director of CACEX) until such time as it became possible for them to transfer the bulk of their respective personnel. He stated that the Directors of the Exchange Department and of CACEX could not possibly function effectively except by having a quick access to precise financial data and that it would not be possible for them to have such access if they were physically located in Brasilia, unless they had a very large staff of statisticians and accountants with them in Brasilia, which would require not only adequate office space but also adequate housing. When I asked why he could not obtain the required data by telephoning to Rio from Brasilia, he explained that the Telex communications system between Rio and Brasilia is extremely defective.

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He said that much of the financial data employed by his Department and CACEX is of a confidential character and must be transmitted in code, requiring, therefore, very precise as well as very rapid transmission facilities. He said that the Telex system is necessarily so unreliable (when between Rio and Brasilia) that he will not be able to depend upon it and must await the time when ground communication facilities become available.

Herbert K. May
Treasury Attaché

0742

DEPARTMENT OF STATE
ASSISTANT SECRETARY

CONFIDENTIAL

TO: The Acting Secretary

JUN 13 1960

7078

THROUGH: S/S

FROM: ARA - Mr. Rubottom

SUBJECT: Financial Policy Toward Brazil

832.10/6-1360

CSJ

KR 832.131 398.13

Problem

In March, Ambassador Moreira Salles informally sounded out Assistant Secretary of the Treasury Upton on whether the U.S. would be favorably disposed to a balance of payments loan to Brazil of about $50 million dollars should the need arise this year. The Ambassador stated that it was touch and go as to whether Brazil would find itself in a serious exchange crisis this year and that he would like some indication of the U.S. position before making any further approach. He indicated that if a formal request were made, U.S. insistence that Brazil first work out a satisfactory stabilization program with the IMF would cause his government serious political problems, in view of the current Brazilian presidential election campaign. On May 4 he told Mr. Waugh that Brazil might need exchange assistance later on this year, mentioning at the same time the need for the U.S. to give serious consideration to the "political implications" of the Brazilian scene and not impose "unpalatable conditions" for assistance. The Brazilian Minister of Finance, Sebastiao Paes de Almeida, is now in Washington because of the meetings of the Board of Directors of the International Coffee Agreement. While here he may desire to exchange views on Brazil's financial situation.

In view of the foregoing, it is timely that we review again the financial situation in Brazil and summarize the position which we should take in the months ahead. (Tab A)

Discussion

The policy adopted and expressed to Brazil in 1959 to the effect that the adoption and implementation of a satisfactory stabilization program in conjunction with the IMF would be necessary if U.S. financial assistance to Brazil were to be effective, and that therefore under present circumstances such assistance could not be considered, continues sound and should be maintained. The recent drawing of $47.7 million granted by the IMF for a period of six months, to complete the first credit tranche, is not an exception to this policy, and this was stressed by U.S. officials while the drawing was under consideration. Moreover, the Fund's press release states "the present transaction, which is thus of a short-term character and not part of a general stabilization program, is for the purpose of mitigating current difficulties in Brazil's situation."

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While continuing to refuse balance of payments loans in the circumstances, we should maintain a sympathetic and helpful posture by offering to assist Brazil by means other than balance of payments loans.

In this connection, in the letter of understanding which the Export-Import Bank has with the GOB covering repayment of the $300 million loan of 1954, there is a provision that Brazil may automatically suspend its monthly repayment in any month during which dollar purchases by the Bank of Brazil from exports fall below $50 million. A recent change in Brazilian exchange regulations has the effect of reducing substantially the scope of Bank of Brazil dollar purchases. This is a technicality and in effect alters the basis of the original understanding with the Export-Import Bank and, if unchallenged by that Bank, would permit the Bank of Brazil to suspend monthly repayments on the basis of the new purchasing criteria. As these repayments are in the amount of $4 million monthly, the present situation provides a virtually automatic rescheduling of Brazil's debt to the Export-Import Bank which would amount to some $24-28 million during the remainder of this calendar year. In the face of Brazil's prospective 1960 balance of payments crisis, the Bank has brought this to the attention of the Brazilian Ambassador and might be disposed to refrain from questioning the Brazilians on this point and thus to permit this automatic rescheduling for the balance of 1960. However, it would not be willing to amend the original letter of understanding to this effect.

Should the recent drawing granted by the IMF, plus the above-mentioned easement on repayments to the Export-Import Bank, prove insufficient to stave off a major crisis in Brazil, we might at that time be prepared to repeat to the Brazilians our offer of 1959 to discuss proposals they might advance concerning a rescheduling of Brazil's current payments on its debt to the Export-Import Bank. However, should such rescheduling become necessary, and should it have to be undertaken by the U.S. alone, it should result only in a short-term postponement of debt payments due to the Export-Import Bank this year. This would preserve for the Export-Import Bank a proper negotiating position vis-a-vis European and other creditors of Brazil, in any debt moratorium or rescheduling, which may have to take place in the early months of the new Brazilian administration. In addition, we should be in a position to suggest that Brazil approach the Federal Reserve Bank of New York to seek again the short-term gold collateral loan which the Federal Reserve Bank approved in 1959 but which Brazil did not use when coffee earnings improved. The amount that Brazil could raise by a gold loan would be only about $14 million (the amount of Brazil's free gold holdings in New York) and Federal Reserve would not be happy to make a gold collateral loan to Brazil at the present time. These two points, however, should be held in reserve for as long as possible, in view of the temporary relief which Brazil has obtained from the IMF and seems likely to obtain from the Export-Import Bank.

To emphasize our desire to be helpful and cooperative we should also reassure Brazil that Export-Import Bank financing is still available to assist

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in the financing of sound development projects on a selective basis. The recent Varig loan and other loans now under consideration by the Bank can be cited in this regard. The Export-Import Bank considers that in general such projects, in order to qualify for financing, should make a direct contribution to a solution of the balance of payments problem. The Bank, although it feels strongly that this general criterion is needed, would have to judge each case on its merits.

On June 10 the Brazilian Ambassador requested the initiation of negotiations leading to a new PL-480 Agreement to replace the present one which expires June 30, 1960. In line with our agreed position, we replied that exploratory discussions should be held initially in view of the probability that Brazil may object to certain features which the U.S. will require in any new PL-480 Agreement. Informal discussions will begin in the Department on June 14.

Recommendation

That you authorize U.S. officials at Washington and at Rio de Janeiro to respond along the following lines, as appropriate, to further Brazilian initiatives for U.S. financial assistance:

1. The U.S. continues to be sympathetic toward the financial and development needs of Brazil, as witnessed by our substantial assistance over the years;

2. Brazil has already, through its letter of understanding with the Export-Import Bank, a conditional means of easement of its repayments schedule whenever dollar purchases by the Bank of Brazil fall below $50 million monthly;

3. The Export-Import Bank continues willing to assist in the financing of sound Brazilian development projects, on a selective basis, the general criterion for such projects being that they make a contribution to the foreign exchange problem;

4. Informal discussions are beginning with the Brazilian Embassy toward the negotiation of a new PL-480 Agreement to replace the one which expires June 30;

5. If financial assistance beyond that available under the preceeding numbered paragraphs is to be considered, it is our view that an effective stabilization program should first be established so that such assistance could fulfill its purpose. Should the Brazilians raise the question, we should take the position that it is quite clear that IMF agreement to the proposed drawing of $47.7 million (since it represents only availabilities under the first credit tranche of Brazil's quota) in no way implies such a stabilization program on Brazil's part.

Approved _____ 6/14

Disapproved _____

Concurrences

0745

Concurrences

E - Mr. Turnage (in draft) aw

Treasury - Mr. Upton (in draft) aw

Agriculture - Mr. Roberts (in draft) aw

Export-Import Bank - Mr. Waugh (in draft) aw 1/

1/ The Export-Import Bank desires to reaffirm that it has believed that assistance to Brazil should be in the form of deferral of payments on existing obligations rather than new balance of payments credits.

Attachment

Background paper (Tab A)

ARA:ESE/B:AWHemba:WPBriggs:REA:APost:dhh:ed 6/9/60

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Background Paper

Since World War II Brazil has followed fiscal, monetary, and foreign exchange policies which have created balance of payments problems requiring substantial assistance from abroad. Inflation has been chronic as a result of heavy Federal Government deficits, easy credit policies, price support programs, and over-valued cruzeiro for international transactions, and a heavy rate of public and private investments. In the past ten years, Brazil has borrowed about $1 billion, including about $450 million from the Export-Import Bank, to cope with these balance of payment deficits.

The credits of the Export-Import Bank and private U.S. banks made to Brazil in 1957 and 1958 for balance of payments purposes were granted in conjunction with Brazilian utilization of IMF resources and Brazilian commitments to the IMF to follow a program aimed at achieving internal financial and balance of payments equilibrium. In general the Brazilian Government did not adhere to its commitments to the IMF, and the desired equilibrium was not achieved.

In April 1959, Brazil again approached the U.S. Government for a credit to cover an estimated dollar balance of payments deficit of $200 million for 1959. The Brazilians attributed their need to the deterioration in coffee prices and the heavy burden of foreign debt amortization. Since the IMF standby was to expire in June, the Export-Import Bank replied that Brazil should first complete its new agreement with the IMF. Brazil then entered informal conversations with the IMF which Kubitschak terminated prematurely because of his unwillingness to institute a comprehensive monetary stabilization program which he believed would be unpopular with the Brazilian public. The President was especially worried about the insistence of the IMF on elimination of exchange subsidies on imports of petroleum and wheat. The U.S. took the position that it could not grant balance of payments loans to Brazil in the absence of Brazilian adoption of a satisfactory stabilization program. At that time President Frondizi was being violently attacked in his country for implementing a stabilization program which resulted in hardships on large sectors of the population; it was feared that any preferential agreement for Brazil would seriously threaten the existence of the Frondizi Government.

As an alternative short of balance of payments loans to Brazil, the U.S. suggested discussions looking toward a possible rescheduling of $90 million of annual payments to the Export-Import Bank due on previous loans. The Department and the Bank assumed that European creditors would offer similar relief on the payment of debts amounting to about $50 million dollars annually. At the same time the Bank of Brazil requested a $50 million gold collateral loan from the Federal Reserve Bank of New York. The Department supported the Brazilian request, but, although the Federal Reserve Bank of New York agreed, Brazil did not conclude the loan because of an unexpected improvement in its balance of payments situation in the second half of 1959 as coffee exports surpassed expectations. Furthermore, Brazil was able to increase substantially its dollar availabilities (as well as its short-term debt) through permitting a substantial increase in the amount of "swaps". At the end of 1959 Brazil

still

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still had U.S. dollar availabilities of $63 million and Brazil was able to finance the small payments deficit from its own resources. Thus Brazil squeaked through 1959 with no new outside assistance and without defaulting on international obligations.

But as coffee sales were abnormally high last fall it seemed certain that they would fall off during 1960. In May 1960, dollar availabilities were down to $38 million. In addition, gold reserves were down to about $50 million, since a transfer of $32.5 million has just been made by the Bank of Brazil to the IMF to meet the increased quota of $280 million and $7.6 million is being transferred to the Inter-American Development Bank as part of Brazil's first installment on its hard currency contributions to the Bank. Of this gold available, however, only about $14 million is in New York, and as a practical political matter it seems quite doubtful whether Brazil would undertake to encumber in any way its remaining gold reserve at home. It is anticipated that Brazil may have a payments deficit of about $250 million in 1960, which again would raise the question of need for assistance. According to the GOB, about $156 million of this amount would require financing not now foreseen.

The Brazilian financial authorities have shown no desire to reduce their foreign expenditures despite the anticipated balance of payments deficit. In fact they recently took measures to peg the rate of exchange at commercial import auctions even though that meant large amounts of additional foreign exchange had to be sold to importers. In addition the amount of U.S. dollars offered at regular auctions has been augmented and short- and medium-term borrowing from abroad has continued on a large scale. In effect this will pass on to the next Brazilian administration, which takes office on January 31, 1961, the financial claims which are now being accumulated since under the Brazilian exchange system almost all transactions are on a future basis. The new administration therefore will be immediately faced with the need to make payments on a burden of foreign debt and the need to maintain a current flow of imports which most probably will be beyond the capacity of the country. Private discussions among certain Brazilian key officials, as well as in the U.S. Government, have run along the line that a significant across-the-board rescheduling of debt will be necessary. However, recent experience has shown that it is practically impossible to estimate the time or extent of recurring Brazilian exchange crises which largely depend on the level of Brazilian imports.

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FOREIGN SERVICE DESPATCH

FROM : Amcongen SÃO PAULO

459
DESP. NO.

TO : THE DEPARTMENT OF STATE, WASHINGTON.

June 15, 1960
DATE

REF : CERP - Section B, Item III-6

CONSULATE GENERAL OF
THE UNITED STATES OF AMERICA

For Dept. Use Only
ACTION ARA-4 DEPT. RM/R-2 REV-1 IRS-8 E-7 ICA-1
REC'D 6/21 INFO OTHER CUM-8 CIA-10 FRB-3 TRE-2

JUN 17 1960
SÃO PAULO, BRAZIL
DEPARTMENT OF STATE
BUREAU OF
AMERICAN AFFAIRS
JUN 21 1960

SUBJECT: Execution of 1960 Budget of the State of São Paulo

The São Paulo Secretariat of Finance announced that at the end of the first half of the current year the 1960 budget of the State of São Paulo shows an approximate deficit of Cr$3 billion. This deficit is explained as follows:

The 1960 budget was voted with a deficit of Cr$500 million (see despatch 185 of November 24, 1959). This paper deficit was increased by Cr$4.5 billion by an increase in salaries of State employees (see despatch 262 of January 28, 1960). To this should be added credits outstanding from past years, and a readjustment in the current budget in the sum of Cr$2 billion to cover railway deficits and higher costs of consumer goods needed by the State. During the current year credits totaling almost Cr$3 billion were opened under the Plan of Action. An additional Cr$10 billion of credits are authorized under the Plan of Action, which have not yet been opened.

The Secretariat of Finance said that after taking all of the above into consideration, then adding up revenue anticipated in excess of that shown in the budget, and also by limiting new authorizations under the Plan of Action to expenditures needed only for the current year and to ensure continuity of work in progress, a deficit of Cr$3 billion is foreseen in the execution of the current year's budget.

The Secretariat of Finance added as an addendum that while credits under the Plan of Action are opened during the current year to permit signing contracts for the total job at a saving in cost, the funds actually cover expenditures to be made over a longer period of time, so that there should be no shortage of cash in the Treasury.

William P. Cochran, Jr.
Consul General

Source: O Estado de São Paulo, June 15, 1960

RBCahn/dd
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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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JUN 27 1960

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FOREIGN SERVICE DESPATCH

FROM : Amcongen SÃO PAULO

465
DESP. NO.

TO : THE DEPARTMENT OF STATE, WASHINGTON.

June 20, 1960
DATE

REF : CERP Section D, Item IV-A-1; and despatch 439, June 1, 1960.

JUN 21 1960

For Dept. Use Only	ACTION	INFO
REC'D 6/27	ARA-4	RM/A-2 REP-1 IRC-7 E-3 ICA-11 OEE-1 OTHER CIA-10 COM-8 TR-3 FRC-1 IMG-4 USIA-10

SUBJECT: São Paulo Plan of Action - Fund for Constructing University City

DEPARTMENT OF STATE
INTER-AMERICAN AFFAIRS
JUN 1960
File Copy

The Plan of Action of the Government of the State of São Paulo (see despatch 439 of June 1, 1960) calls for the transfer by 1962 of all faculties and institutions to be located in "Armando de Salles Oliveira" University City to that site. For this purpose it provides for the establishment of a Fund in the total sum of Cr$1.5 billion (roughly US$8 million). This fund, Fund for the Construction of "Armando de Salles Oliveira" University City, was established by executive Decree No. 36,699 dated June 3, 1960.

The Fund is to be administered by an administrative council appointed by the Governor and composed of the following:

1. The Rector of the University of São Paulo, as President
2. The President of the University City Committee
3. The Executive Director of the Fund
4. The Directors of each of the Faculties and Schools included in Art. 1 of the decree
5. The Superintendent of the Institute of Technological Research
6. A representative of the other group mentioned under item "i" of Art. 1 of the decree
7. A member of the Planning Group.

Article 1 of the decree states that expenditures from the Fund shall be for the construction, installation and equipment of the following:

a. The Rectory of the University of São Paulo
b. the Polytechnic School
c. The Faculty of Philosophy, Sciences and Letters
d. Faculty of Pharmacy and Odontology
e. Faculty of Veterinary Medicine
f. Faculty of Economic and Administrative Sciences
g. Faculty of Architecture and Urbanism
h. Institute of Technological Research
i. Other attached Institutes
j. Complementary Services indispensable to the proper functioning of the whole organization.

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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 decree provides that resources for the Fund shall come from the following sources, besides other sources;

a. Budgetary allotments made especially for the construction of University City
b. Credits opened for the same purpose as item "a" above
c. Donations and Federal subsidies granted to the University of São Paulo specifically for the construction of University City or destined for that use by a decision of the University Council.

The remainder of the decree covers mostly mechanics and organization. It provides for the elaboration of a plan of operations, which should cover only such construction work as can be completed by January 31, 1963, when the present government administration goes out of office and at which time the Plan of Action should be completed. During 1960 a total of Cr$400 million is to be made available to the Fund.

For the Consul General:

Scott Lyon

Scott C. Lyon
Consul

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OUTGOING TELEGRAM Department of State

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☐ CHARGE TO

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1960 JUL 1 PM 7

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Origin

Info:

SENT TO: AmEmbassy, RIO DE JANEIRO 8

Your 2045. NC

Department today informed Brazilian Ambassador that disposition six billion cruzeiros on deposit BNDE is serious problem to be resolved prior negotiation new PL-480 agreement. Ambassador replied he readily recognized economic need for solution but said it would be most difficult politically for Brazil comply with provisions second agreement this respect because of maintenance of value clause and approaching presidential elections. He asked if second agreement could be extended but was told this difficult if not impossible since agreement already expired. Ambassador speculated on other possible concessional purchases of wheat prior to conclusion new agreement but no encouragement given although possibility of purchasing from CCC stocks for dollars on deferred payment was mentioned.

Ambassador said he would inform GOB our position re cruzeiros on deposit BNDE but not optimistic that solution can be reached near future. He and Department agreed this matter could better be negotiated at Rio instead of Washington.

Ambassador returning Brazil July 5 for about one week.

Anal
Rev.
Cat.

Drafted by: ARA:EST:[illegible]:dhh 7/1/60

Telegraphic transmission and classification approved by: EST - G. A. Boomstra

Clearances:

ED - Mr. Schmeisser

S/S-CR

JUL 1 - 1960 PM

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Control: 2692
Rec'd: July 5, 1960
1960 JUL 6 AM 8 20
8:17 p.m.

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UIGC
ICA
DCL
RMR

FROM: Rio de Janeiro

TO: Secretary of State

NO: 31, July 5, 6 p.m.

ACTION:
INFO:
RM/R FILES

Department telegram 8 and Embassy telegram 1767.

Would appreciate advice soonest as to whether Export Import Bank has corrected draft promissory note and has returned that note to the Brazilian Embassy.

BOND

VH:MM-8

Answer, Dept 34, July 7
drafted by OFD:FN HLHeicks

832.10/7-560

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INCOMING TELEGRAM *Department of State* ACTION COPY

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Action

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Classification

Control: 5918
Rec'd: July 9, 1960
12:01 p.m.

FROM: Rio de Janeiro

TO: Secretary of State

NO: 69, July 9

PASS DEPT TREASURY/WASHINGTON, PASS TO EXIMBANK

Deposit advice dated June 30 for CR$37.770.378,80 from BNDE covering interest payment due June 30 on credit agreement September 17, 1956. Cruzeiro payment made accordance to re-payment agreement. Exchange rate of 50,06 of original deposits equals $754,502.17. Deposit credited 20FT4385.

BOND

HD/6

832.10/7-960

CAA

DEPARTMENT OF STATE
DIVISION OF COMMUNICATIONS SERVICES
DCL
JUL 11 1960
XMB
ASSISTANT CHIEF FOR LIAISON

JUL 11 1960

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53
Action
DCL

Control: 5941
Rec'd: July 9, 1960
12:51 p.m.

Info
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OF
RMR

FROM: Rio de Janeiro

TO: Secretary of State

NO: 72, July 9.

FOR DLF AND ICA

Cruzeiros one hundred thousand received July 8 loan number DLF-45 from cooperative Agro-Vecuaria Batavo, and/or SOC. COOP. Castrolanda. Believe no exhange rate applicable.

BOND

MF:8

332.10/7-960

CAA

DEPARTMENT OF STATE
JUL 1960
ASSISTANT CHIEF FOR LIAISON

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XR 832.14

FOREIGN SERVICE DESPATCH

FROM : AMEMBASSY, RIO DE JANEIRO

23
DESP. NO.

TO : THE DEPARTMENT OF STATE, WASHINGTON.

July 11, 1960
DATE

REF : CERP, Section B, III, E-1, April 3, 1957
Embdespatches 1181, June 5 & 1246, June 24, 1960

JUL 12 1960

Enclosures:

55 For Dept. Use Only	ACTION	DEPT.
	REC'D 7/16	INFO: AMA-2 AEP-1 IRC-7 OTHER: CIA-10 COM-8 IA-3 FAO-3

DEPARTMENT OF STATE
BUREAU OF INTER-AMERICAN AFFAIRS
JUL 13 1960

SUBJECT: Bank of Brazil Balance Sheet, May 31, 1960.

The following conclusions may be drawn from analysis of the Bank of Brazil's balance sheet for May 31, 1960 (enclosed), in comparison with that for the previous month:

(1) The net debtor position of the National Treasury at the Bank of Brazil x/ increased by Cr$3,469 million during May, 1960. This follows an increase of Cr$2,423 million during April. In May, 1959, there was an increase of Cr$3,839 million (disregarding the "encampação").

(2) Outstanding loans by the Bank, other than to the National Treasury, increased in May by Cr$4,853 million, following an increase of Cr$2,163 million during April. The increase in May, 1959, was Cr$1,190 million. Outstanding loans of the Bank of Brazil, other than to the National Treasury, are summarized below, in millions of cruzeiros, as of selected dates:

	Dec. 31, 1958	May 31, 1959	Dec. 31, 1959	Apr. 30, 1960	May 31, 1960
Loans to the Public	115,971	115,979	134,038	137,664	143,113
Loans to State & Municipal Govts.	13,617	13,000	13,063	12,520	12,397
To Autarchies ..	4,456	5,461	7,482	6,299	5,826
Total, excluding Nat'l Treasury .	134,044	134,440	154,583	156,483	161,336

x/ This position is derived as follows: Outstanding loans in the following asset accounts of the Bank: "Contas de Arrecadação e Despesas" plus "Outros Débitos do Tesouro Nacional" plus the following liability accounts of the Treasury in the Bank: "Depositos a Disposição de Entidades Federais", "Fundo de Indenização", "Contas de Arrecadação e Despesas", and "Outros Créditos do Tesouro Nacional".

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(3) Outstanding rediscounts by the Bank of Brazil at the Carteira de Redescontos increased during May, 1960, by Cr$1,645 million, following an increase of Cr$3,024 million in April. Rediscounts by the Bank in May, 1959, increased by Cr$3,065 million (disregarding the "encampação"). Since total rediscounts by the Carteira increased by Cr$3,224 million in May, 1960, rediscounts for commercial banks must have increased by Cr$1,579 million.

(4) The sum of the various Bank of Brazil accounts derived from agio profits increased during May by Cr$7,931 million. This item had increased by Cr$2,081 million in April and had increased by Cr$6,329 million in May, 1959.

For the Chargé d'Affaires, a.i.

Herbert K. May

Herbert K. May
Treasury Attaché

Coordinated:

William A. Fowler

William A. Fowler
Counselor for
Economic Affairs

Enclosures:
6 copies of Bank of Brazil balance sheet, May 31, 1960.

0758

Arq Rio D-23 ART

ARQUIVOS
DO
MINISTÉRIO DA JUSTIÇA
E NEGÓCIOS INTERIORES

Repositório de doutrina, decisões administrativas, pareceres, acórdãos dos tribunais judiciários, legislação, acompanhado de índices analítico e alfabético. Publicação trimestral.

OUTUBRO-DEZEMBRO — 1959

Preço: Cr$ 40,00

À VENDA

Seção de Vendas: Av. Rodrigues Alves, 1
Agência 1: Ministério da Fazenda
Atende-se a pedidos [illegible] Reembôlso Postal

PREÇO DO NÚMERO DE HOJE: CR$ 2,00

0759

Do público (diversos) a			
Sem limite	13.983.192.479,70		
Limitados	1.627.142.745,10		
Populares	6.891.160.939,10		
Sem juros	1.617.363.859,60		
Outros depósitos	2.719.977.813,70	26.538.787.337,20	
Saldos credores de empréstimos		855.021.382,70	209.513.194.736,30
DEPÓSITOS A PRAZO.			
De autarquias		2.971.562.677,50	
Do público (compulsórios) a			
Judiciais (Decreto-lei n.º 3077, de 26-2-41)		19.488.110,70	
Do público (diversos) a			
De aviso prévio	481.970.354,90		
A prazo fixo	345.050.358,70	827.020.713,60	3.818.091.501,80
OUTRAS RESPONSABILIDADES			
Títulos redescontados:			
Comerciais	13.671.402.216,40		
Contratos da Carteira de Crédito Agrícola e Industrial	29.580.242.673,50	43.251.644.889,90	
Mobilização de créditos em moratória		2.000.000.000,00	
Caixa de Mobilização Bancária (suprimentos)		4.033.063.970,40	
Carteira de Colonização, conta de recursos		189.905.361,80	
Bônus e letras hipotecárias da Carteira de Crédito Agrícola e Industrial, em circulação		751.813.400,00	
Correspondentes no país		64.784.965,50	
Ordens de pagamento		2.440.477.948,30	
Cobrança efetuada, em trânsito		6.239.701.187,00	
Clientes do país		2.899.101.190,50	
Dividendos a pagar		6.375.078,50	
Outras contas do passivo exigível		10.082.944.691,50	72.979.922.133,60
Direção Geral e Agências (contas de relações internas)			624.680.547.674,30
Agências no exterior (total do exigível)			1.841.790.657,80 927.966.567.772,20
DE RESULTADO PENDENTE			
Rendas de juros, descontos, comissões e diversas		8.012.198.267,60	
Outras contas de resultado pendente		24.041.312.962,10	32.053.511.229,70
Agências no exterior (total de resultado pendente)			67.276.029,70 32.120.787.259,40
			971.189.829.671,10
DE COMPENSAÇÃO			
Depositantes de valôres em garantia e custódia			934.237.179.875,40
Depositantes de efeitos para cobranças			
Do país		141.504.244.618,80	
Do exterior		843.657.916,60	42.347.902.535,40
Outras contas de compensação			29.891.901.044,50
Agências no exterior (total de compensação)			1.818.772.315,30 697.655.755.770,30
			1.638.884.685.341,60

Junho de 1960

OSWALDO ROBERTO COLIN
Chefe Interino do Departamento de Contabilidade
Contador — CRC nº 8.079 — GB — CRC I.S. — D.F.

A bancos:			
Por conta propria		326.103.922,40	
Por conta da Caixa de Mobilização Bancaria		139.336.530,10	
Ao comercio (operações especificas sôbre café, trigo nacional e estrangeiro, algodão, juta e cera de carnaúba)		708.884.864,70	
Ao comercio (outras operações)		8.221.157.343,10	
A industria (operações especificas sôbre café, trigo nacional e estrangeiro, algodão, juta e cêra de carnaúba)		3.877.948.115,30	
A indústria (outras operações)		24.702.450.977,10	
A lavoura (operações especificas sôbre café, trigo nacional e estrangeiro, algodão, juta e cêra de carnaúba)		94.935.151,40	
A lavoura (outras operações)		1.383.699.557,10	
A pecuária		1.086.987.374,60	
A particulares		158.023.363,90	42.636.370.566,30
OUTROS CREDITOS E VALORES			
Créditos			
Titulos a receber de conta própria		2.377.750.984,50	
Créditos em liquidação		2.264.463.860,00	
Superintendência da Moeda e do Credito, a entrega correspondente a depósitos obrigatorios (Decreto-lei n.º 9.159, de 10-4-46)		24.206.765,50	
Superintendência da Moeda e do Credito, c/depósito obrigatório		4.397.433.419,70	
Compra e venda de produtos exportáveis		6.056.856.456,00	
Compra e venda de produtos de importação		1.381.572.311,50	
Caixa de Mobilização Bancária, conta de transferência de depósitos bancários (Decreto n.º 36.783, de 19-1-55)		1.381.294.821,60	
Comissão executiva do plano de recuperação econômico-rural da lavoura cacaueira (Decreto n.º 40.987, de 20-2-57)		500.000.000,00	
Correspondentes no país		132.277.931,10	
Outras contas		2.204.210.713,70	
Valôres			
Titulos e valôres mobiliários:			
Apólices e outras obrigações federais	256.280.192,50		
Apólices estaduais	37.885,00		
Apólices municipais	750,00		
Outros títulos e valores mobiliários	760.699.106,30	1.017.017.933,80	
Imóveis não destinados a uso do Banco		763.491.033,60	25.510.711.166,00
Direção Geral e Agências (contas de relações internas)			638.382.715.086,70
Agências no exterior (total do realizável)			1.223.955.357,10
			950.154.970.027,80
IMOBILIZADO			
Imóveis de uso do Banco		4.773.417.309,10	
Móveis e utensilios		815.691.390,50	
Material de expediente		221.358.204,10	5.810.066.892,70
Agências no exterior (total do imobilizado)			96.392.885,40
			5.907.059.778,10
DE RESULTADO PENDENTE			
Despesas de juros e comissões		1.747.692.612,60	
Despesas de impostos		90.835.134,00	
Despesas gerais e outras despesas administrativas		6.577.549.239,40	
Outras contas de resultado pendente		730.519.408,70	9.146.596.454,70
Agências no exterior (total do resultado pendente)			60.145.346,90
			9.206.741.801,60
			971.188.829.573,10
DE COMPENSAÇÃO			
Valôres em garantia		242.109.645.534,10	
Valores depositados:			
Ouro do Tesouro Nacional (284.476.735,970 g)	5.965.833.291,50		
Outros valores depositados	86.168.300.719,60	92.134.134.011,20	334.237.179.875,40
Efeitos a receber de conta alheia			142.347.902.535,40
Outras contas de compensação			89.891.901.044,50
Agências no exterior (total de compensação)			1.218.772.315,20
			567.695.755.770,50
			1.538.884.585.341,60

Brasília, DF., 20 de

MAURICIO CHAGAS BICALHO
Presidente

DADES

BRASIL S. A.

DE MAIO DE 1960

no país (440) e no exterior (3) —

PASSIVO

Cr$

NÃO EXIGÍVEL

Capital		660.000.000,00	
Fundo de reserva	191.783.356,10		
Fundo de previsão	3.437.136.692,10		
Fundo de amortização de imóveis, móveis e utensílios	3.891.984.932,00		
Fundo para prejuízos eventuais	2.328.433.821,60	9.849.478.851,80	
Fundo para o desenvolvimento de iniciativas de interêsse público		116.077.951,30	
As notas no exterior (total do não exigível)		45.917.736,40	10.811.474.539,50

EXIGÍVEL

Operações de câmbio, a ordem do Tesouro Nacional:

Correspondentes no exterior	11.682.130.223,30		
Obrigações em moedas estrangeiras por empréstimos contraídos	1.803.273.448,80		
Depósitos obrigatórios (Decreto n.º 24.022, de 28-3-34)	187.619.748,10		
Outras contas vinculadas a câmbio	2.359.997.695,10	15.933.021.076,70	

DEPÓSITOS À VISTA E A CURTO PRAZO

Do Tesouro Nacional:

À disposição de entidades federais		40.513.226.253,20	
Fundo de indenizações (Dec. 25.147, de 29-6-48)		25.393.453,60	
Fundo de pavimentação de estradas de rodagem (Lei nº 2.688, de 27-12-55)		5.513.089.335,80	
Fundo de modernização e recuperação da lavoura nacional		15.286.421.417,10	
Fundo de recuperação econômico-rural da lavoura canavieira		1.000.000 000,00	
Fundo especial para concessão de subsídio a fabricantes no país (Lei nº 3.244, de 14-8-57 — Art. 8)		269.295.066,20	
Outros créditos		13.799.002.613,20	76.806.496.947,10
De governos estaduais			858.090.156,60
De governos municipais			244.196.586,90
De outras entidades públicas			3.544 041.372,40

De autarquias:

Superintendência da Moeda e do Crédito:

Conta de fundos	29.514.164.576,50		
Contas de juros	76.605.334,30		
Fundo Monetário Internacional	6.471 099.352,10		
Banco Interamericano de Desenvolvimento	143.106.750,00	36.808.976.287,90	
Caixa de Mobilização Bancária		2.252.043.741,60	
Outras autarquias		19.890.109.321,40	59 041.229.051,10
De bancos			37.003 291.242,70

De público (compulsórios):

Judiciais (Decreto-lei nº 3.077, de 26-2-41)	4.231.697.947,70	
De emprêsas concessionárias de serviços públicos (Decreto-lei nº 3.077, de 26-2-41)	473.488.928,20	
Obrigatórios de lucros extraordinários (Decreto-lei número 9.125, de 10-4-45)	33.781.058,00	
Depósitos para investimentos (Lei nº 3.470, de 28-11-58)	203.641.101,10	
Outros depósitos obrigatórios	215.569.298,80	5.151.129.333,80

SOCIE
BANCO DO
BALANCETE EM 31
— Compreendendo Direção Geral e Agências

ATIVO

(Cr$)

DISPONIVEL

Caixa:			
Em moeda corrente		8.846.785.526,00	
Em outras especies		9.681.693,70	8.856.467.119,70
Agencias no exterior (total do disponivel)			64.490.833,90
			8.920.957.953,60

REALIZAVEL

Operações de câmbio, à ordem do Tesouro Nacional:

Correspondentes no exterior		2.615.861.667,80	
Outras contas vinculadas a câmbio		19.836.330.225,10	22.452.191.892,90

EMPRESTIMOS EM CONTA

Da Carteira de Crédito Geral

Ao Tesouro Nacional:

Saldo das contas de arrecadação e despesa do exercicio local corrente	45.023.298.725,90		
Contribuição para o Fundo Monetário Internacional e Banco Interamericano de Desenvolvimento	4.028.636.182,50		
Outros débitos	51.865.618.092,30	100.918.052.920,70	
A governos estaduais		11.509.848.652,50	
A governos municipais		712.147.095,60	
A outras entidades públicas		20.797.469,10	
A particulares		4.974.029.072,60	
A bancos:			
Por conta propria		616.434.269,60	
Por conta de Caixa de Mobilização Bancária		10.227.373.443,10	
Ao comércio (operações especificas sôbre cafe, trigo nacional e estrangeiro, algodão, juta e cêra de carnaúba)		4.999.585.920,40	
Ao comércio (outras operações)		6.689.188.642,40	
A indústria (operações especificas sôbre cafe, trigo nacional e estrangeiro, algodão, juta e cêra de carnaúba)		1.928.766.976,00	
A indústria (outras operações)		21.661.255.637,20	
A lavoura (operações especificas sôbre cafe, trigo nacional e estrangeiro, algodão, juta e cêra de carnaúba)		1.340.456.872,30	
A lavoura (outras operações)		56.037.468,40	
A pecuária		102.620.215,10	
A particulares		443.928.791,20	
A diversos, em moratória		125.655.755,00	165.627.978.246,70

Da Carteira de Crédito Agricola e Industrial

Agricolas		33.929.626.137,30	
Industriais		34.285.257,50	
Agropecuários		1.323.805.782,00	
Pecuários		10.702.562.522,70	
Diversos		13.335.272.346,70	
Em letras hipotecárias		582.349,60	
Sôbre produtos agricolas decorrentes de contratos com o Govêrno Federal (gêneros de produção nacional — Lei nº 1.806, de 19-12-51)		713.278.277,40	
Outros emprestimos		2.078.739.065,00	
Diversos, em moratória		722.535.021,20	63.351.047.721,40 228.978.125.968,10

TITULOS DESCONTADOS

Da Carteira de Crédito Geral

A governos estaduais		100.000.000,00
A governos municipais		74.960.029,10
A particulares		831.338.939,10

Enclosure to Rio de Janeiro 23

MINISTÉRIO DO TRABALHO, INDÚSTRIA E COMÉRCIO

Conselho Regional de Engenharia e Arquitetura — 5ª Região

EDITAL Nº 1.026

De ordem do Sr. Presidente, torno público, para o conhecimento dos interessados, que, êste Conselho Regional de Engenharia e Arquitetura — 5ª Região, vem de aplicar a penalidade de suspensão do exercício da profissão, pelo prazo de doze (12) meses, a contar de 20 de abril do ano em curso, ao Engenheiro Civil Raimundo Saladino de Gusmão, possuidor da carteira profissional nº 2.438-D, désta Região, como incurso nas sanções do art. 8º do Decreto-lei nº 3.995 de 31 de dezembro de 1941.

EDITAL Nº 1.027

De ordem do Sr. Presidente, torno público para o conhecimento dos interessados, que, êste Conselho Regional de Engenharia e Arquitetura — 5ª Região, vem de aplicar a penalidade de suspensão do exercício da profissão, pelo prazo de doze (12) meses, a contar de 25 de abril do ano em curso, ao Engenheiro Civil José Souza de Miranda, portador da carteira profissional nº 645-D, desta Região, como incurso nas sanções do art. 8º do Decreto-lei nº 3.995, de 31 de dezembro de 1941.

Rio de Janeiro, 28 de abril de 1960. — *Hélio Lemgruber Netto Machado*, Superintendente da Secretaria.

MINISTÉRIO DA AERONÁUTICA

Hospital Central da Aeronáutica

Comissão de Processo Administrativo

O Presidente da Comissão de Processo Administrativo instituída pela Portaria nº 33, de 13 de abr de 1960, do Exmo. Sr. Diretor do Hospital Central da Aeronáutica, em cumprimento ao disposto no § 2º do art. 222 do Estatuto dos Funcionários Públicos Civis da União, pelo presente edital cita Roberto Massad Vieira, Serviçal, ref. "19" para, no prazo de quinze dias, a partir da publicação déste, comparecer ao Hospital Central da Aeronáutica, a fim de apresentar sua defesa, sob pena de revelia.

Rio de Janeiro, em 20 de junho de 1960. — *Alberto Bilolchim Filho*, Dentista, classe "M" — Presidente.

MINISTÉRIO DA SAÚDE

Instituto Oswaldo Cruz

Coleta de preços para aquisição de animais para experimentações e preparo de sôros e vacinas

No Instituto Oswaldo Cruz, situana Avenida Brasil s/nº, Manguinhos, serão recebidas no dia 5 de julho de 1960, às 14 horas, propostas para fornecimento de animais para experimentações e preparo de sôros e vacinas mediante as condições abaixo:

1 — Só poderão ser aceitos os preços que não ultrapassem o limite máximo indicado para cada animal na lista abaixo.

2 — Só serão aceitos os animais que estiverem em perfeitas condições de saúde, sem qualquer ferimento. Os cavalos só serão aceitos depois de submetidos por pessoal do Instituto à prova de maleína, e os vitelos à prova de tuberculina. Qualquer dêsses animais que venha a ser considerado imprestável para o serviço, deverá ser retirado imediatamente pelo fornecedor respectivo. Caso êste não o faça dentro das 24 horas que molestia contagiosa, sem que ao fornecedor caiba direito a qualquer indenização.

3 — Os preços dados vigorarão pelo prazo de noventa dias contados da data da abertura das propostas.

4 — O Instituto Oswaldo Cruz se reserva o direito de adquirir sòmente animais de que necessitar.

5 — O proponente preferido fica obrigado a entregar, dentro do prazo que lhe fôr marcado para cada caso, os animais que fôrem requisitados. Em casos especiais devidamente justificados, o Instituto Oswaldo Cruz poderá conceder um prazo adicional, desde que a espera não lhe traga embaraços ao bom andamento do serviço.

6 — O proponente que fôr considerado faltoso por qualquer motivo, (inclusive irregularidade nas entregas), perderá od ireito de participar de qualquer outra concorrência ou coleta de preços no Instituto Oswaldo Cruz.

7 — As propostas em três vias, sendo a primeira devidamente selada, deverão ser entregues no dia 5 de julho de 1960, às 14 horas, no Escritório Comercial do Instituto Oswaldo Cruz, sito à Avenida Brasil sem número, quando em reunião por mim presidida, serão abertas e lidas na presença dos proponentes que comparecerem à referida reunião.

8 — Os preços da presente coleta poderão ser prorrogados por prazos iguais, de noventa dias, dentro do atual exercício financeiro, se assim convier às partes contratantes, e mediante proposta do fornecedor.

9 — A despesa com a aquisição dos referidos animais será paga na sede do Instituto Oswaldo Cruz, em Manguinhos, Avenida Brasil s/nº, pelo Diretor respectivo, e correrá à conta da Verba 1.0.00 — Consignação 1.3.00 — Subconsignação 1.3.01 e 1.3.00 —Consignação 3.1.00 — Subconsignação 3.1.01 — 4.20 M. S. 11 do orçamento para o exercício de 1960.

Rio de Janeiro, 15 de julho de 1960. — *Amilar Tavares da Silva* — Encarregado do Escritório Comercial.

Relação dos animais a que se refere o edital supra

ITEM — ANIMAIS	Unidades	Preço máximo
1 — Anta	Uma	2.500,00
2 — Arara	Uma	2.800,00
3 — Balaeu venenoso, grande	Um	12,00
4 — Balaeu venenoso, pequeno	Um	9,00
5 — Bovino, adulto	Quilo	40,00
6 — Cabra	Quilo	170,00
7 — Cabrito	Quilo	170,00
8 — Cachorro do mato, adulto	Um	130,00
9 — Camundongo branco	Um	3,00
10 — Canário belga (macho ou fêmea)	Um	800,00
11 — Cão grande	Um	65,00
12 — Cão, médio	Um	50,00
13 — Cão, pequeno	Um	30,00
14 — Capivara	Uma	350,00
15 — Carneiro, adulto	Quilo	55,00
16 — Cavalo, de idade entre 5 a 8 anos, cores escuras, castrado (sujeito a prova de maleina)	Um	5.000,00
17 — Caxinguelê	Um	200,00
18 — Coati	Um	150,00
19 — Cobaia, grande	Uma	60,00
20 — Cobaia, pequena	Uma	50,00
21 — Cobra venenosa, grande	Uma	200,00
22 — Cobra venenosa, pequena	Uma	150,00
23 — Cobra não venenosa, grande	Uma	150,00
24 — Cobra não venenosa, pequena	Uma	50,00
25 — Coelho do mato, grande	Uma	150,00
26 — Coelho de qualquer tamanho	Quilo	130,00
27 — Cotia	Uma	50,00
28 — Cotia, adulta	Uma	200,00
29 — Ema	Uma	600,00
30 — Embrião vivo em óvo de galinha Leghorn branco, incubado com 5 dias	Um	13,00
31 — Frango, comum	Quilo	120,00
32 — Furão	Um	130,00
33 — Galinota	Uma	200,00
34 — Galinha	Quilo	120,00
35 — Gambá, adulto	Um	60,00
36 — Gambá, filhote	Um	20,00
37 — Gamo, adulto	Um	300,00
38 — Garça	Uma	120,00
39 — Gato, adulto	Um	40,00
40 — Gato, mourisco	Um	35,00
41 — Gato, pequeno	Um	20,00
42 — Gavião	Um	30,00
42A — Embrião vivo em óvo de galinha Leghorn branca, incubado em 11 dias	Um	15,00
43 — Jacaré, pequeno	Um	120,00
44 — Lagarto, pequeno	Um	250,00
45 — Leitão	Quilo	120,00
46 — Macaco cebus	Um	2.000,00
47 — Macaco da noite	Um	5.000,00
48 — Macaco Rehsus	Um	8.000,00
49 — Marreco	Um	300,00
50 — Martim pescador	Um	300,00
51 — Mico comum	Um	250,00
52 — Mico Leão	Um	500,00
53 — Mono ou macaco bugio	Um	3.000,00
54 — Mutum	Um	5.000,00
55 — Musum	Um	400,00
56 — Pacu	Uma	300,00
57 — Papagaio	Um	350,00
58 — Pato	Quilo	150,00
59 — Pato selvagem	Um	60,00
60 — Peixe médio de água doce	Um	9,50
61 — Peixe médio de água salgada	Um	15,50
62 — Peixe miúdo de água doce	Um	8,40
63 — Peixe miúdo de água salgada	Um	4,50
64 — Periquito	Um	400,00
65 — Pinto de qualquer raça	Um	25,00
66 — Pombo, adulto	Um	50,00
67 — Porco espinho	Um	350,00
68 — Porco do mato	Um	350,00
69 — Preá, adulta	Uma	50,00
70 — Preguiça grande	Uma	600,00
71 — Preguiça pequena	Uma	400,00
72 — Rã grande	Uma	25,00
73 — Rã média	Uma	25,00
74 — Rato branco	Um	10,00
75 — Rato do mato	Um	40,00
76 — Rato de taquara	Um	100,00
77 — Sapo, grande	Um	15,00
78 — Socó	Um	150,00
79 — Tamanduá	Uma	500,00
80 — Tartaruga, grande	Uma	950,00
81 — Tatu, adulto	Um	350,00
82 — Tucano prêto	Um	800,00
83 — Tucano prêto com o peito vermelho	Um	1.500,00
84 — Veado campeiro		
85 — Vitelo de 15 a 18 meses de idade, altura mínima de 1 metro e 10 centímetros, para preparo de vacina antivariólica (sujeito à prova de tuberculina)	Um Quilo	750,00 35,00

Instituto Oswaldo Cruz, de 15 de junho de 1960. — *Annibal Novaes da Silva*.

(Ofício 492).

ANÚNCIOS

MALINA TOLPOLAR

DECLARAÇÃO

Malina Tolpolar, abaixo firmada, declara, para os devidos fins, que extraviou seu Diploma de Médico, expedido pela Faculdade de Medicina de Pôrto Alegre, em dezembro de 1952.

Pôrto Alegre, 28 de março de 1960 — *Malina Tolpolar*.

Nº 25 389 — 23-6-60 — Cr$ 153,00.

INCOMING TELEGRAM *Department of State* ACTION COPY

37

UNCLASSIFIED
Classification

Control: 7080
Rec'd: July 11, 1960
8:26 p.m.

Action
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Info
ARA
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OF
RMR

FROM: Rio de Janeiro

TO: Secretary of State

NO: 75, July 11

PASS OLF TREASURY/WASHINGTON, PASS TO EXIMBANK.

Deposit credited to 20FT-1469 instead of 20FT-4385 as stated in telegram 69 dated July 9, 1960.

BOND

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DEPARTMENT OF STATE
JUL 12 1960
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AIR POUCH — PRIORITY

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832.10/7-1860

FOREIGN SERVICE DESPATCH

FROM : AMEMBASSY, RIO DE JANEIRO — 40 DESP. NO.

TO : THE DEPARTMENT OF STATE, WASHINGTON. — July 18, 1960 DATE

REF : CERP, Section D, V, 3, April 3, 1957; Embassy Despatch 631, December 18, 1959 — 19 1960 Enclosure

	ACTION	DEPT.
25 For Dept. Use Only	ara-4	Rep-1 RMR-2 IRC-7 E-7 ICA-11 L-2
	REC'D 7-25	INFO OTHER Cia-10 Com-8 TR-3 FAB-3

SUBJECT: Amendment of Sections VI and XXXIV of Finance Ministry Order 309 of November 30, 1959 on Investment Companies and Credit and Finance Companies.

Tar-2

DEPARTMENT OF STATE BUREAU OF INTER-AMERICAN AFFAIRS JUL 22 1960 file

Two sections of the Finance Ministry Order 309, issued November 30, 1959, on Investment Companies and Credit and Finance Companies have been amended.

Section VI was amended as to increase the rate of the required deposits referred to in Section V from 1% to 3%. The payment of said deposits can now be made on an installment basis.

An English translation of the amended Sections is enclosed.

For the Ambassador:

Herbert K. May

Herbert K. May
Treasury Attaché

Coordinated:

William A. Fowler

William A. Fowler
Counselor for
Economic Affairs

Enclosure:
Translation of Order of the Finance Ministry dated June 21, 1960.

CURRENT RECORDS BRANCH

1960 JUL 22 AM 8 45

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

FILED AUG 4 1960

832.10/7-1860 CAA

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TRANSLATION

Source: Diario Oficial, June 25, 1960

Order of the Finance Ministry dated June 21, 1960

The Finance Minister in accordance with his authority and having in view the provisions of Decree-laws 7,583 and 9,603 of May 25, 1945 and August 16, 1946, respectively, and considering the suggestions presented by the interested parties and the reexamination of the subject by SUMOC, resolves:

a) As from the date of the publication of this Order in the Diario Oficial, the four months time limit referred to in Section XXXIV of Order 309 of November 30, 1959 is further extended for 90 (ninety) days.

b) Section VI of the aforementioned Order will read as follows:

> "The amount of deposits of shareholders and resources of third parties including those arising from participation or coownership funds referred to in the preceding Section may not exceed in total 5 times the paid-in capital and net reserves of the enterprise receiving them. So long as this amount is not more than 3 times the paid-in capital and net reserves, the rate of the required deposits referred to in Section V will be 3%. If, however, this ratio is exceeded, the rate of deposit will be that established for time deposits in banks. Calculations will be always based on the deposits of shareholders plus the funds referred to in sub-paragraphs 1 and 3 of the previous Section."

c) The payment of the required deposits mentioned in the previous item and due on May 31, 1960 may be made in six equal monthly installments as from June 30, 1960, each installment being adjusted to any increase of resources relating to its computation.

This Order will enter into effect on the date of its publication.

All provisions to the contrary are revoked.

Sebastião Paes de Almeida

0767

INCOMING TELEGRAM **Department of State** ACTION COPY

FN | GOLDSTEIN

39

CONFIDENTIAL
Classification

Control: 13549
Rec'd: July 20, 1960
12:35 a.m.

Action
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FROM: Rio de Janeiro

TO: Secretary of State

NO: 154, July 19, 6 p.m.

PRIORITY

DEPTELS 8 and 34.

Embassy has been informally advised of BNDE decision sign "promissory note". In view USG position that resolution this problem is prerequisite to successful conclusion third PL-480 agreement would prove highly embarrassing if Embassy/USOM unable quickly transfer approximately CR $6 billion to BNDE as loan after BNDE willingness accept that transfer. We accordingly request full authorization effect such transfer soonest. Also request reply soonest to questions raised TOICA A-2055, TOICA A-2081 and TOICA A-15.

We also would appreciate advice concerning whether one promissory note or more than one note must be signed in order permit full transfer. A director BNDE states formal BNDE resolution now being drafted and important that resolution be so phrased as to cover more than one promissory note, if, more than one note must be signed. If more than one promissory note must be signed to permit full transfer approximately CR $6 billion, has Export Import Bank submitted requisite number promissory notes to GOB for signature? If not, urge this be done soonest.

CABOT

HMR/3

E MESSAGE CENTER CONTROL
JUL 19 1960
IN 001 JUL 28 1960

DEPARTMENT OF STATE Joint State/AID Msg

AID 93, July 26

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832.10/7-1960

CAA

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832.10/7-2060

FOREIGN SERVICE DESPATCH

FROM : Amcongen SÃO PAULO — 20 DESP. NO. — July 20, 1960 DATE

TO : THE DEPARTMENT OF STATE, WASHINGTON.

REF : CERP Section B - Item III-6; despatch 185 of November 24, 1959

55 For Dept. Use Only

ACTION REC'D 7/27

DEPT. INFO ARA-4 RM/A-2 REP-1 IRC-7 E-7 ICA-11 CIA-10 COM-8 TR-3 FAS-3 [illegible] TRR-7

DEPARTMENT OF STATE — INTER-AMERICAN AFFAIRS — JUL 27 1960

SUBJECT: Adjustment in 1960 Budget of the State of São Paulo

Expenditures in the 1960 budget of the State of São Paulo are to be increased by Cr$2,751,566,315.00, through a readjustment in the budget submitted on July 11, 1960 to the State Legislature for approval. Actually the proposal calls for an increase of Cr$3,307,256,071.00 in some allotments and a reduction of Cr$555,689,756.00 in other allotments, to produce the net increase mentioned above. The increase in expenditures is to be covered by the following resources:

1.	Financing obtained by the Araraquara Railroad	Cr$ 468,142,274.00
2.	Federal contributions to the Institute of Geography and Geology	2,000,000.00
3.	Proceeds from credit operations	2,281,424,041.00
	Total	Cr$2,751,566,315.00

The Araraquara Railroad financing is to be expended as follows: Cr$336 million under an Export-Import Bank loan through the Federal Railway System for the purchase of locomotives and importation of parts to build steel railway cars; Cr$76 million for purchasing steel rails and accessories; and the remaining Cr$56 million odd for other equipment.

A sum of Cr$425 million is to be allotted to three railways, of which Cr$400 million will go to the Sorocabana, to meet the constantly rising cruzeiro cost of imported materials. An additional Cr$500 million is to be made available to the Mogiana Railway to "meet commitments falling due this year."

The sum of Cr$106,517,500.00 was listed to amortize the balance of the foreign loan in florins contracted in 1921 with Dutch bankers, and "to take advantage of present stock market quotations" to retire State highway bonds.

$ Cr$185 equal US$1.00 at the current free market rate of exchange.

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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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332.10/7-2060

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in advance under the option covered by Art. 4 of Decree-law 12,580 of 1942.

The remainder of the readjustment is spread over a large number of different items.

For the Consul General:

Scott C. Lyon
Consul

Source:

São Paulo Diario Oficial, July 19, 1960.

RM/R COPY

OUTGOING CABLEGRAM

INTERNATIONAL COOPERATION ADMINISTRATION

1960 JUL 26 PM 7 15

SECURITY CLASSIFICATION
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PAGE 1 OF PAGES 2

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SENT TO — X RIO DE JANEIRO ICATO 93

XR 411.3241
611.3241

SUBJECT —

REFERENCE — EMBTEL 154

JOINT STATE/ICA

SECOND PROMISSORY NOTE IN AMOUNT OF $52,020,000 TOGETHER WITH CURRENT BALANCE UNDER FIRST NOTE SUFFICIENT FOR TRANSFER OF ALL FUNDS PRESENTLY AVAILABLE FOR LOAN WHICH, ACCORDING TO BOB, SOMEWHAT LESS THAN OR $6 MILLION. BOB INFORMS US THAT TO DATE CR $7,127,535,077.40 TRANSFERRED TO 72FT580 ACCOUNT OF WHICH CR $2.345 BILLION DISBURSED, THUS LEAVING APPROXIMATELY CR $4.782 BILLION. (BOB AUTHORIZES TRANSFER 104(G) FUNDS GENERATED BY SALES DEPOSITS ON ROUTINE PERIODIC BASIS. AUDITING AND PREPARATION INSTRUCTIONS CAUSES TIME LAG OF ABOUT THREE MONTHS.)

UNDERSTAND FROM BRAZILIAN EMB SECOND NOTE SIGNED LAST WEEK. THUS ASSUME QUESTION REFERENCE RESOLUTION RESOLVED. IF NOT, SUGGEST IT ALSO PROVIDE FOR THIRD NOTE FOR BALANCE LOAN.

IN VIEW PAST FAILURE BRZ FULLY DRAW LOAN FUNDS AVAILABLE TO THEM, DOES EMBASSY HAVE REASON BELIEVE BRZ NOW PREPARED DRAW FUNDS AS THEY BECOME AVAILABLE? SHOULD CONSIDERATION BE GIVEN OF EMBASSY PROPOSAL TRANSFER 104(G)

832.10/7-2660

CSJC 832.10/7-2660 CLASSIFIED

Re AUTHORIZING OFFICIAL: Hale T. Stansfield, G/LAS

DRAFTED BY: MThompson:hjo

OFFICE: G/LAS

PHONE NO.: 3283

DATE: 7/

ICA AND OTHER CLEARANCES

AGR, JPowell (in draft)
EDU, Fox (in draft)
G/LA, Hamm (in draft)
FN, Nolan, State (substance)
NEA, Kemp, State (substance)

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INCOMING AIRGRAM *Department of State*

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Classification PAGE 1 OF 2 PAGES

Action E

Info SS L H ARA UMSC ICA DCL NSA IRC CIA RMR

Date Sent: July 28, 1960
Rec'd:

FROM: AMEMBASSY, RIO DE JANEIRO

TO: Secretary of State

NO: G-18

AUG 2 3 38 PM '60

Embtel 154, July 19, and Embtel 1999, June 23

According to João Pinheiro, BNDE decision to sign promissory note was part of broader decision to sign note, but to refrain from asking for transfer of Cr$6 billion from U.S. deposit account to U.S. loan account. BNDE decision reached on 3-2 vote with Lúcio Meira among majority and João Pinheiro among minority. BNDE interprets language of promissory note as obligating BNDE pay up to $52 million to U.S. Government if, and only if, cruzeiros in that amount are actually transferred to BNDE on loan arrangement. BNDE also interprets loan agreement of December, 1956, as permitting BNDE defer decision until December, 1961, as to whether BNDE will in fact decide to borrow cruzeiros in question. According Pinheiro, BNDE has decided that request for transfer $6 billion prior December 1961 will be made only if second PL 480 agreement first amended so as eliminate maintenance of value or if Ministry Finance formally undertakes accept responsibility for repayment burden to extent exchange rate depreciation. Pinheiro states that BNDE has requested Fonoff seek persuade U. S. Government that signature promissory note by BNDE would be adequate performance under second PL 480 agreemant justify negotiation of third agreement.

Pinheiro asked Emb officer whether U. S. Government likely agree with aforementioned BNDE interpretations. Emb officer replied that Emb would have to refer this question to Washington for decision although doubtful that U. S. Government would find mere signature promissory note satisfactory performance under Second Agreement.

832.10/7-2860 HBS

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OUTGOING CABLEGRAM

INTERNATIONAL COOPERATION ADMINISTRATION

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SENT TO — X RIO DE JANEIRO ICATO 93

xR 411.3241
611.3241

SUBJECT —

REFERENCE — EMBTEL 154

JOINT STATE/ICA

832.10/7-2660

SECOND PROMISSORY NOTE IN AMOUNT OF $52,020,000 TOGETHER WITH CURRENT BALANCE UNDER FIRST NOTE SUFFICIENT FOR TRANSFER OF ALL FUNDS PRESENTLY AVAILABLE FOR LOAN WHICH, ACCORDING TO BOB, SOMEWHAT LESS THAN CR $6 BILLION. BOB INFORMS US THAT TO DATE CR $7,127,535,077.40 TRANSFERRED TO 72FT580 ACCOUNT OF WHICH CR $2.345 BILLION DISBURSED, THUS LEAVING APPROXIMATELY CR $4.782 BILLION. (BOB AUTHORIZES TRANSFER 104(G) FUNDS GENERATED BY SALES DEPOSITS ON ROUTINE PERIODIC BASIS. AUDITING AND PREPARATION INSTRUCTIONS CAUSES TIME LAG OF ABOUT THREE MONTHS.)

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IN VIEW PAST FAILURE BNDE FULLY DRAW LOAN FUNDS AVAILABLE TO THEM, DOES EMBASSY HAVE REASON BELIEVE BNDE NOW PREPARED DRAW FUNDS AS THEY BECOME AVAILABLE? SHOULD CONSIDERATION HERE OF EMBASSY PROPOSAL TRANSFER 104(G)

C SJC

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AUTHORIZING OFFICER	DRAFTED BY	OFFICE	PHONE NO.	DATE
Hale T. Shenefield, O/LAS	MDThompson:bjs	O/LAS	3883	7/[illegible]/60

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BOB, Fox (in draft)
O/LA, Hannum (in draft)

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(in draft)
FN, HHeiss, State [redacted] EST, Hemba, State (substance)

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PRINTED 6-58

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AMEMBASSY RIO DE JANEIRO ICATO 93 CONFIDENTIAL 2 2

CRUZEIROS TO OTHER BANKS (EMBTEL 1999) BE SUSPENDED UNTIL BNDE INTENTIONS CLEARER?

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INCOMING AIRGRAM *Department of State*

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PAGE 1 OF PAGES

Date Sent: July 28, 1960
Rec'd:

FROM: AMEMBASSY, RIO DE JANEIRO

TO: Secretary of State

NO: G-18

AUG 2 3 58 PM '60

Embtel 154, July 19, and Embtel 1999, June 23

According to João Pinheiro, BNDE decision to sign promissory note was part of broader decision to sign note, but to refrain from asking for transfer of Cr$6 billion from U.S. deposit account to U.S. loan account. BNDE decision reached on 3-2 vote with Lúcio Meira among majority and João Pinheiro among minority. BNDE interprets language of promissory note as obligating BNDE pay up to $52 million to U.S. Government if, and only if, cruzeiros in that amount are actually transferred to BNDE on loan arrangement. BNDE also interprets loan agreement of December, 1956, as permitting BNDE defer decision until December, 1961, as to whether BNDE will in fact decide to borrow cruzeiros in question. According Pinheiro, BNDE has decided that request for transfer $6 billion prior December 1961 will be made only if second PL 480 agreement first amended so as eliminate maintenance of value or if Ministry Finance formally undertakes accept responsibility for repayment burden to extent exchange rate depreciation. Pinheiro states that BNDE has requested Fonoff seek persuade U. S. Government that signature promissory note by BNDE would be adequate performance under second PL 480 agreemant justify negotiation of third agreement.

Pinheiro asked Emb officer whether U. S. Government likely agree with aforementioned BNDE interpretations. Emb officer replied that Emb would have to refer this question to Washington for decision although doubtful that U. S. Government would find mere signature promissory note satisfactory performance under Second Agreement.

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Pointed out in that connection that as long as BNDE retains USG cruzeiro deposits without borrowing those cruzeiros, USG loses interest approximately Cr$300 million annually, while purchasing power cruzeiro deposit steadily declining through inflation. Pinheiro stated he fully concurs that point of view, pointing out in addition that cash reserves BNDE regularly total less than Cr$5 billion. "In other words we are in the immoral position of using your cruzeiros while saying that we don't want them".

Emb requests guidance this matter soonest, particularly in view of fact approach by Fonoff this matter seems imminent. Recommend Emb be authorized express USG opinion that adequate GOB performance under second PL 480 agreement requires BNDE accept formal transfer PL 480 cruzeiros as loan, unless pertinent Washington agencies, on basis broad policy considerations, wish to make major concession to Brazil at this juncture.

CABOT

HKMay|dh
July 27, 1960

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832.10/7-2960

FOREIGN SERVICE DESPATCH

FROM: AMEMBASSY, RIO DE JANEIRO — DESP. NO. 78 — DATE: July 29, 1960

TO: THE DEPARTMENT OF STATE, WASHINGTON.

REF: CERP, Section B, III, E-1, April 3, 1957
Embdespatches 23, July 11 & 75, July 29, 1960 — Enclosure

AUG - 4 1960

DEPARTMENT OF STATE FOREIGN SERVICE REPORTING STAFF

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For Dept. Use Only	ACTION	DEPT.
	REP-3 *	RM/R-2 ARA-4 IRC-7 E-7 ICA-11 CA-1 *
	REC'D 8-9-60	INFO OTHER COM-8 * TR-3 * FRB-3 EMB-4 CIA-10

SUBJECT: Bank of Brazil Balance Sheet, June 30, 1960.

Begin UNCLASSIFIED

The following conclusions may be drawn from analysis of the Bank of Brazil's balance sheet for June 30, 1960 (enclosed), in comparison with that for the previous month:

(1) Outstanding loans by the Bank, other than to the National Treasury, increased in June by Cr$6,968 million, following an increase of Cr$4,853 million during May. The increase in June, 1959, was Cr$6,693 million. Outstanding loans of the Bank of Brazil, other than to the National Treasury, are summarized below, in millions of cruzeiros, as of selected dates:

	Dec. 31, 1958	June 30, 1959	Dec. 31, 1959	May 31, 1960	June 30, 1960
Loans to the Public	115,971	122,314	134,038	143,113	150,058
Loans to State & Municipal Govts..	13,617	13,361	13,063	12,397	12,747
To Autarchies ...	4,456	5,458	7,482	5,826	5,499
Total, excluding Nat'l Treasury ..	134,044	141,133	154,583	161,336	168,304

(2) Outstanding rediscounts by the Bank of Brazil at the Carteira de Redescontos increased during June, 1960, by Cr$1,665 million, following an increase of Cr$1,645 million in May. Rediscounts by the Bank in June, 1959, increased by Cr$541 million (disregarding the "encampação"). Since total rediscounts by the Carteira increased by Cr$1,707 million in June, 1960, rediscounts for commercial banks must have increased by Cr$42 million.

(3) The sum of the various Bank of Brazil accounts derived from agio profits decreased during June by Cr$2,517 million. This item

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

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had increased by Cr$7,931 million in May and had decreased by Cr$4,771 million in June, 1959.

(4) It is estimated that the outstanding total of "swaps" negotiated by the Bank of Brazil during the first six months of 1960 increased by approximately Cr$3.7 billion. This would indicate a decline of approximately Cr$1.6 billion in the outstanding total of swaps during the month of June. These estimates are based upon the Embassy's understanding that increases or decreases in that account, "Operações de Cambio à Ordem do Tesouro Nacional: Outras Contas Vinculadas ao Cambio" are almost entirely the consequence of "swap" transactions.

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(5) It is estimated that the net debtor position of the National Treasury at the Bank of Brazil increased during the first six months of 1960 by approximately Cr$14.5 billion, including an estimated increase of approximately Cr$3.9 billion during the month of June. This compares with an increase of Cr$16.2 billion during the first six months of 1959, including an increase of Cr$0.4 million during June, 1959. The Embassy will hereafter report changes in the net debtor position on an Official Use Only basis inasmuch as the data for the Embassy's estimate are in part derived from unpublished statistics. The published monthly balance sheets of the Bank of Brazil continue to provide the major data comprised within the net debtor position, in accordance with the footnote appearing on Page 1 of reference Despatch 23. However, the Embassy has recently learned that following the transfer of the Agio Account, "Fundo para Eventuais Diferenças de Cambio" (Fund for Exchange Differences) to the order of the Treasury late in 1959, the Treasury proceeded to use the deposits in that account for the purpose of financing budgetary deficits. Accordingly SUMOC, and the Embassy, are at present determining the net debtor position by adding increases in the unpublished account, "Fundo para Eventuais Diferenças de Cambio" to the data used in the fashion mentioned in the footnote to Despatch 23.

END OFFICIAL USE ONLY

For the Ambassador:

Herbert K. May

Herbert K. May
Treasury Attaché

Coordinated:

William A. Fowler
Counselor for
Economic Affairs

Enclosures:
6 copies of Bank of Brazil balance sheet, June 30, 1960

RW

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(Security Classification)

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XR 103. XMB
XR 832.235

FOREIGN SERVICE DESPATCH

FROM : AMEMBASSY, RIO DE JANEIRO

84
DESP. NO.

TO : THE DEPARTMENT OF STATE, WASHINGTON.

August 1, 1960
DATE

REF :

AUG - 3 1960

For Dept. Use Only	ACTION	DEPT.
	ARA-4	INFO RM/R-2 REP-1 IRC-7 E-7 ICA-11
	REC'D 8-10-60	OTHER COM-8 TR-3 FRB-2 XMB-4 CIA-10 AG-4

SUBJECT: 1960 Balance of Payments Deficit; Bank of Brazil Relations with the Export-Import Bank

There is enclosed herewith a memorandum summarizing a conversation with Sr. Paulo Poock Correa, Director of the Exchange Department of the Bank of Brazil. Sr. Poock Correa revealed that the official payments deficit of the Bank of Brazil in convertible currencies totalled $137 million during the first six months of 1960. He is estimating a deficit of $230 million during the remainder of the year, including allowance for repayment of $47.7 million to the IMF, although neither he nor Ambassador Moreira Salles has any plans for meeting that payments obligation. Sr. Poock Correa also repeated a viewpoint he had earlier expressed to the effect that the Export-Import Bank is unjustified in believing that the Bank of Brazil should not be entitled to defer payments of $4 million monthly to the Export-Import Bank (pursuant to a July, 1956 agreement, as amended) except in cases where the total of export proceeds in the free market as well as the official market fall below $50 million. Sr. Poock Correa expects to accompany Finance Minister Paes de Almeida to Washington in September to attend the Fund and Bank Meetings.

For the Ambassador:

Herbert K. May
Treasury Attaché

Coordinated:

William A. Fowler
Counselor of Embassy
for Economic Affairs

Encl: As stated

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DEPARTMENT OF STATE
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Memorandum of Conversation with Sr. Paulo Poock Correa, August 1, 1960

1. Sr. Poock Correa gave me a copy of each of two tables summarizing the results of foreign exchange transactions by the Bank of Brazil during the first half of 1960. We discussed those tables in some detail. 1/ Sr. Poock Correa stated that he has prepared an exchange budget for the last half of 1960 and will be submitting that budget to the SUMOC Council for its approval this week in Brasilia. The exchange budget calls for a deficit in convertible currencies of $230 million, including the repayment of $47.7 million to the IMF. (Last week, Sr. Poock Correa told me that he had discussed the question of the IMF repayment with Ambassador Moreira Salles when the latter was in Rio three weeks ago. He said that Ambassador Moreira Salles had revealed that he has no idea of how Brazil will be able to repay the IMF and evidently has no plans as to the position he will take vis-a-vis the IMF if the Bank of Brazil is unable to fulfill its repayment obligations).

2. Sr. Poock Correa told me that he is planning to write a letter today to Mr. Hawthorne Arey of the Export-Import Bank giving the totals of the monthly purchases of the proceeds of Brazilian exports to the U. S. during the first half of 1960 by Brazilian commercial banks. He said that he will send that information to the Eximbank partly because he feels that ethically the Eximbank is entitled to receive that information and partly because Mr. Israel Pinheiro, who recently returned from conversations in Washington, has told the President that, according to the Eximbank, the Bank of Brazil is in default on its obligations to the Eximbank. Poock Correa referred to the Eximbank-Bank of Brazil Agreement of July 1956, as amended, permitting the Bank of Brazil to defer payment of $4 million in any month following a month when export earnings fall below $50 million. He again expressed his opinion, as he had several months ago, that the Eximbank is justified in

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1/ The convertible currency deficit during the first half of 1960 totalled $137.1 million. The data supplied to me by Poock Correa will be transmitted with Embassy Despatch 85 of today's date, together with certain comments concerning those data.

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believing that the $50 million figure should apply not only to purchases of export proceeds by the Bank of Brazil but also to purchases by commercial banks, inasmuch as SUMOC Instruction 192 put so many export proceeds on the free market.

3. Sr. Poock Correa asked me whether it might be possible for the U. S. Government itself to purchase Brazil's sugar exports directly from the Brazilian Government. I stated that it is my understanding the imports of sugar into the United States are all handled by private dealers and that the U. S. Government does not want to participate in such purchases directly. He then explained in confidence that a particularly difficult problem has arisen in connection with the Brazilian Government's efforts to expedite the exportation of sugar. He said that Congressman Pedrosa and "a certain Brazilian Senator" have cornered rather substantial stocks of Brazilian sugar and have agreed to permit exportation of those stocks only if they receive a sizeable commission. He said that he understands that the U. S. price is about $126 per long-ton, but that Congressman Pedrosa and the unnamed Senator have agreed to export the sugar only if they are permitted to retain $4.00 per ton. He said that Finance Minister Paes de Almeida has told Poock Correa and Ignazio Tosta Filho, the head of CACEX, that he, the Finance Minister, will collaborate with Foreign Minister Lafer directly in an effort to resolve this problem.

4. Sr. Poock Correa told me that he has been asked by the Finance Minister to prepare for a visit to Washington in September to attend the Fund and Bank meetings at that time, together with the Finance Minister. He said that he has no reason, at present, to believe that the Finance Minister will be raising business matters with the U. S. Government at that time.

Herbert K. May
Treasury Attaché

August 1, 1960

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FOREIGN SERVICE DESPATCH

TO : AMEMBASSY, RIO DE JANEIRO

85
DESP. NO.

FROM : THE DEPARTMENT OF STATE, WASHINGTON.

August 1, 1960
DATE

SUBJECT: CERP, Sec. B,III, B.4 and Sec. B,III,c.
Embdes 1002, April 13, 1960

AUG - 3 1960

For Dept. Use Only	ACTION	DEPT.
55	ARA-4	RMA-2 REP-1 IRC-7 E-7 ECA-4
REC'D	8/10	INFO OTHER CIAD COM-R IRS FRB-2 XMB-4 AG-8

Official Balance of Payments Position, First Half of 1960

There are transmitted herewith six thermofax copies of tables, prepared by the Exchange Department of the Bank of Brazil, summarizing the foreign exchange receipts and payments by the Bank during the first six months of 1960 (Enclosure 1) and the methods by which the convertible currency deficit of that period was financed (Enclosure 2). Certain comments with respect to these tables appear below:

1) The deficit in convertible currencies totalled $137.1 million, of which $74.7 million was incurred vis-a-vis the United States, the remainder being with other convertible currency currencies. In addition, there was a deficit equivalent to $52.8 million vis-a-vis countries with inconvertible currencies.

2) The realized deficit of $137.1 in convertible currencies exceeded by $34.4 million the budgeted deficit of $102.7 million for that period, in spite of the fact that the Bank of Brazil took advantage of its agreement of July 1956 (as amended) with the Eximbank to effect only one monthly payment (totalling $4.0 million) out of the total of $24.0 million which was due on certain Eximbank loans and total payment of which had been scheduled in the exchange budget. The fact that the realized deficit was so much worse than had been budgeted was due primarily to the following two factors: (a) Export proceeds acquired by the Bank of Brazil yielded an aggregate of $18.3 million less than had been budgeted; and (b) payments for imports, including freight, totalled $26.0 million more than had been budgeted -- payments for petroleum (including the freight account, which had been included in the exchange budget for petroleum) alone totalled $32.4 million more than had been budgeted.

3) While export proceeds acquired by the Bank of Brazil yielded an aggregate of $18.3 million less than had been budgeted, it is important to note that during the first five months of 1960 export

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proceeds sold in the free market totalled $137.2 million, (§) of which the Bank of Brazil purchased only $65.9 million. (During the first six months of 1960 the Bank purchased $79.3 million of the export proceeds entering the free market, but the total of such proceeds has not yet been revealed to the Embassy). Certain data pertaining to Brazil's foreign trade receipts and payments in convertible currencies are summarized below, in millions of dollars, for the early months of 1960, in comparison with the same months of 1959:

	1st 4 Months 1959	1st 5 Months 1959	1st 6 Months 1959	1st 4 Months 1960	1st 5 Months 1960	1st 6 Months 1960
Foreign Trade Payments In Convertible Currencies:						
Export Receipts						
1. Official Market	$296.9	$348.3	$393.1	$215.2	$272.9	n.a.
2. Free Market	28.2	42.0	55.1	105.4	137.2	n.a.
3. Total	315.1	390.3	448.2	320.4	410.1	n.a.
Import Payments, CIF (1959) and FOB(1960)	231.2	295.9	358.7	259.2	316.1	n.a.
Export Receipts--Balance	83.9	94.4	89.5	61.2	94.0	n.a.
Free Market Receipts Not Acquired by Bank of Brazil	n.a.	n.a.	31.1	50.5	71.3	n.a.
Bank of Brazil Export Receipts Balance	n.a.	n.a.	58.4	10.7	22.7	n.a.

(§) It is interesting to observe that the Bank of Brazil had earlier estimated export proceeds in the free market totalling approximately $320 million in 1960; see Despatch 1002, April 13, 1960. Earnings during the first five months of 1960 were at the annual rate of approximately $330 million.

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4. The major factor accounting for the deficit equivalent to $52.8 million in inconvertible currencies during the first half of 1960 was the purchase of wheat, totalling $47.2 million. It is understood that all, or almost all, of this wheat was purchased from Argentina and that Brazil is in debt to Argentina, under its bilateral payments agreement with that country, in the amount of approximately $40 million.

For the Ambassador:

Herbert K. May

Herbert K. May
Treasury Attaché

Coordinated:

William A. Fowler

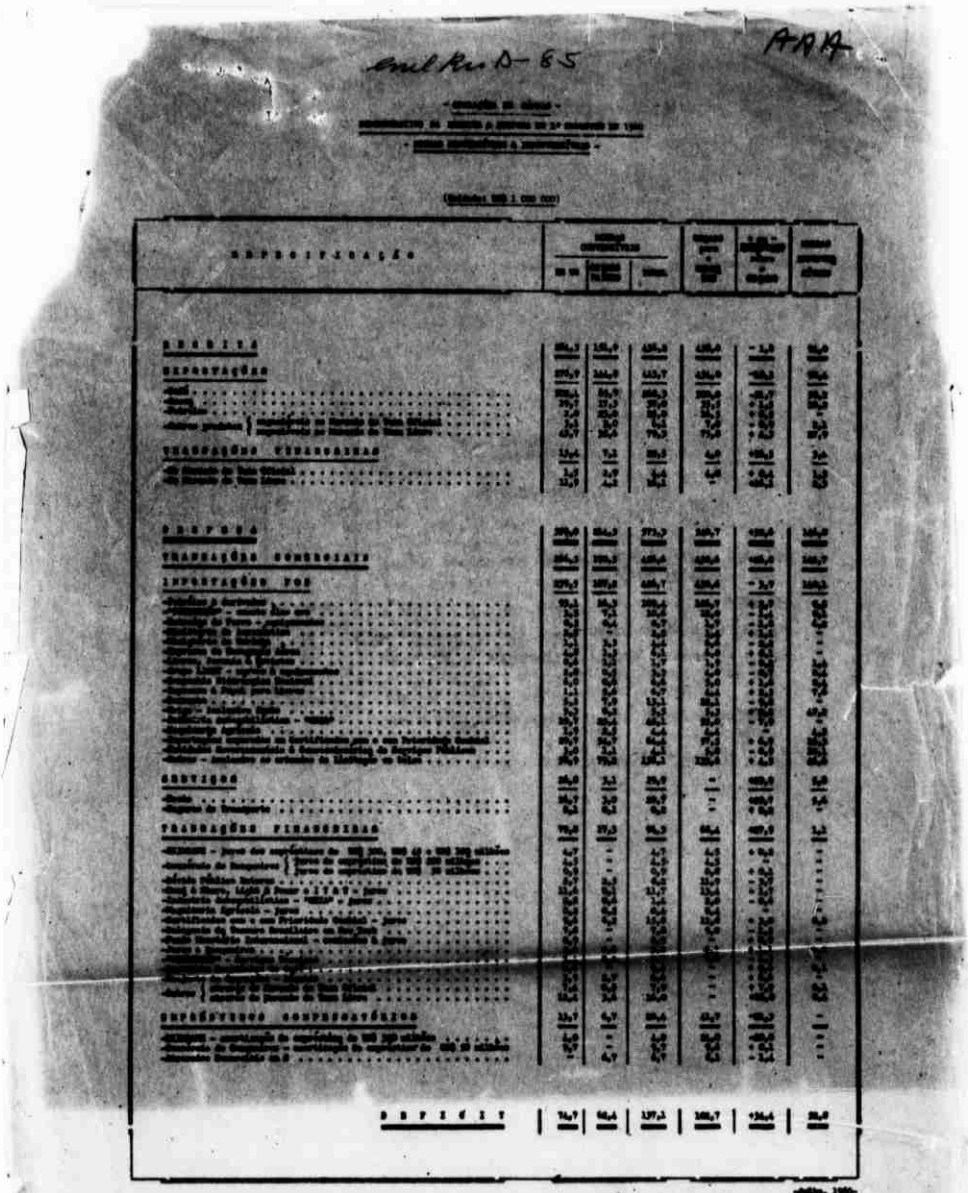
William A. Fowler
Counselor of Embassy
for Economic Affairs

Enclosures: As stated

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- OPERAÇÕES DE CÂMBIO -

ANÁLISE DA COBERTURA DO DEFICIT DO 1º SEMESTRE DE 1960

- NOTAS CONVENCIONAIS -

(Unidade: US$ 1 000 000)

ESPECIFICAÇÃO	EE UU	OUTROS PAÍSES	TOTAL
DEFICIT DO 1º SEMESTRE DE 1960	74,7	62,4	137,1
Financiado por:			
-Liquidez das transações em US$ com outros países que não os EE UU	+ 21,7	- 21,7	-
-"Erros"	+ 42,0	+ 7,9	+ 49,9
-Linhas de crédito normais	+ 23,5	+ 6,7	+ 30,2
-Linha de crédito especial vinculada a exportação de: café	+ 12,9	-	+ 12,9
	+ 11,0	-	+ 11,0
-Variação do total dos créditos comerciais a curto prazo	- 2,6	- 4,2	- 6,8
-Fundo Monetário Internacional	+ 24,7	+ 23,0	+ 47,7
-Arbitragens	- 53,8	+ 53,6	- 0,2
VARIAÇÃO DA CAIXA	+ 4,7	+ 2,9	+ 7,6
Prova:			
Saldo de Caixa em 31/12/59	16,7	3,1	19,8
30/6/60	24,1	7,8	31,9
	+ 7,4	+ 4,7	+ 12,1
Verbas em trânsito, erros ou omissões	- 2,7	- 1,8	- 4,5
VARIAÇÃO DA CAIXA	+ 4,7	+ 2,9	+ 7,6

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FOREIGN SERVICE DESPATCH

FROM : AMEMBASSY, RIO DE JANEIRO

87
DESP. NO.

AUG 3 1960

August 1, 1960
DATE

TO : THE DEPARTMENT OF STATE, WASHINGTON.

REF :

	ACTION	DEPT.
20 For Dept. Use Only	ARA-4	RM/R-2 REP-1 IRC 7 E-7 ICA-11
	REC'D 8-6-60	INFO OTHER COM-8 TR.3 FRB-3 XMB-4 CIA-10

SUBJECT: Recent Financial Developments

There is enclosed herewith a table summarizing certain selected financial indicators for the first four-to-six months of 1960, as compared with those for the same period of 1959. The first nine of the indicators are concerned principally with the internal financial situation of Brazil, while the tenth indicator is concerned principally with Brazil's external financial situation. An analysis of recent financial developments, based primarily on the enclosed table, appears below:

A. The Internal Financial Situation

1. Price Movements

The cost of living indices of both the Getulio Vargas Foundation (FGV) and the Ministry of Labor indicate that the cost of living in Rio increased less during the first half of 1960 than during the same period of 1959. However, there is considerable divergency between the two indices as to the degree of improvement. Thus, the FGV cost of living index shows an increase of 5.8 percent during the first five months of 1960 (and 6.3 percent during the first six months of 1960) whereas the Ministry of Labor index shows an increase of 13.3 percent during the first five months of 1960. Yet, the FGV index showed a greater increase during the first six months of 1959 (23.5 percent) than the Ministry of Labor index for that period (19.9 percent). The actual increase during the first part of 1960 was perhaps somewhere between the amounts estimated by the two indices (reference Embassy Despatch 63 dated July 25, 1960).

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2. Money Supply Movements

Additional paper money was issued in the amount of Cr$6.1 billion (4.0 percent) during the first five months of 1960 and Cr$8.7 billion (5.6 percent) during the first six months of 1960 as compared with Cr$5.5 (4.6 percent) during the first five and six months of 1959. Total "money" (paper money plus short-term bank deposits) held by the public (i.e., outside the banking system) increased by an estimated Cr$32.6 billion (6.5 percent) during the first five months of 1960 as compared with Cr$27.2 billion (7.7 percent) during the same period of 1959.

3. Principal Factors Accounting for Money Supply Movements

In summary, the financial practices of the Brazilian Government during the first half of 1960 would have resulted in a far greater increase of the money supply (and, therefore, far greater inflationary pressures) if it had not been for the counter-inflationary effects of two measures: the increased offerings of PVC's on the commercial import auctions, and the forced purchase of Bank of Brazil letters by Brazilian exporters. (§) The discussion below will cover, first, the factors tending to expand the money supply (a through d) and, then, the factors tending to counteract that expansion (e)., it will be recognized that the various factors are closely inter-related and that the distinctions drawn between them are to some extent arbitrary.

The major factors tending to increase the money supply were as follows:

a. Increase of direct financing by the Bank of Brazil: During the first six months of 1960, the Bank of Brazil increased its net loans to the Treasury by an estimated Cr$14.5 billion. In addition, the Bank's outstanding "other" loans increased by an estimated Cr$13.3 billion (loans to the private sector of the economy increasing by Cr$15.7 billion

(§) The IMF "loan" of $47.7 million in May, 1960, made it possible for the Bank of Brazil to honor some of the PVC's and exchange contracts sold prior to the end of January, 1960. However, that "loan" had little, if any counter-inflationary effect during the first half of 1960.

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while there was a decrease of Cr$2.4 billion in loans to State and Municipal Governments plus "autarquias" and other governmental entities). Net loans to the Treasury accordingly totalled Cr$1.7 billion less, while "other" loans totalled Cr$6.2 billion more, than during the comparable period of 1959.

b. Increase of Rediscounts by Bank of Brazil to other Banks: Whereas the Rediscount Department of the Bank of Brazil had reduced its outstanding rediscounts for other banks during the first half of 1959 by Cr$4.3 billion (thereby substantially curbing the lending power of those banks), the Rediscount Department increased such rediscounts by Cr$3.1 billion during the first half of 1960 (thereby substantially fortifying the lending capacity of those banks).

c. Increase of Commercial Bank Loans: Loans by the commercial banks (other than the Bank of Brazil) to the public increased by an estimated Cr$32.8 billion during the first five months of 1960 as compared with Cr$16.3 billion during the same period of 1959. The increased ability of the commercial banks to expand its loans during 1960 has, of course, been a function of the credit expansion (summarized above) by the Bank of Brazil and the Rediscount Department of that Bank, as well as of the other financial developments summarized below.

d. Increase of Coffee Purchases by Brazilian Government: There will be a more extensive discussion under (e), below, of the impact upon Brazil's internal financial situation deriving from Brazil's balance of payments position and from the operations of its foreign exchange system. It is important to note at this point, however, that much the most important use being made of Brazil's net agio (exchange surcharge) "profits" has been the purchase of coffee by the Brazilian Government for stockpiling purposes, and that such purchases totalled Cr$12.0 billion during the first five months of 1960, as compared with Cr$9.0 billion during the same period of 1959.

While some of the factors related to Brazil's balance of payments and to the operations of its foreign exchange system have tended to be inflationary, they were more than counterbalanced during the first several months of 1960 by other, closely-related factors. It is considered useful, for the purpose of this despatch, to treat these various factors collectively, as factors tending, on a net basis, to restrain the increase of money supply:

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e. Increase of net "profits" derived from foreign exchange transactions: For the purposes of this despatch, it is considered useful to reclassify some of the enclosed indicators as follows:

		1st 5 mos., '59	1st 6 mos., '59	1st 5 mos., '60	1st 6 mos., '60
IX a.	Gross Agio Receipts				
IX a.1.	From Regular Sales	60.3	69.9	68.0	n.a.
IX a.2.	From Supplementary Sales	--	--	2.9	4.2
IX a.3	Total	60.3	69.9	70.9	n.a.
IX d.3	Less: Deferred Collections	3.6	3.9	5.7	n.a.
	Gross "Actual" Receipts	56.7	66.0	65.2	n.a.
IX b.	Bonificacões	22.3	26.1	20.2	n.a.
IX d.4	Net Free Market Purchases	3.0	7.6	14.1	14.1
VIII	Net Swaps	7.3	6.3	5.3	3.7
	Total Foreign Exchange Purchases	32.6	40.0	39.6	n.a.
	Net Exchange Sale "Profits"	24.1	26.0	25.6	n.a.
VI	Bank Letters Sold to Exporters	--	--	7.1	n.a.
	Counter-Inflationary Effect of Exchange Transactions	24.1	26.0	32.7	n.a.

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It will be noted from the above table that gross "actual" receipts from the sale of PVC's exceeded total payments by the Bank of Brazil for the purchase of foreign exchange by Cr$25.6 billion during the first five months of 1960 as compared with Cr$24.1 billion during the same period of 1959. In addition, exporters selling their foreign exchange proceeds in the free market during the first five months of 1960 were compelled (pursuant to SUMOC Instruction 192 of December 31, 1959) to purchase Cr$7.1 billion of six-month letters of the Bank of Brazil, so that the aggregate counter-inflationary impact of all foreign exchange operations during that period totalled Cr$32.7 billion as compared with Cr$24.1 during the same period of 1959.

The importance of the counter-inflationary effects of Brazil's foreign exchange transactions during the first part of 1960 was so great that it is considered desirable to provide some additional comments concerning those effects, as follows:

First, it is important to note that sale of Bank of Brazil Letters to exporters disposing of their proceeds in the free market will have had little or no counter-inflationary effect, beginning on July 4, and depending upon the amount of export proceeds sold in that market. The Bank of Brazil Letters, which first became available for sale on January 4, 1960, mature at the end of six months from date of issue. Accordingly, the yield from sale of such Letters beginning July 4 will have to be applied against redemption of Letters issued six months previously. The sale of new Letters will be counter-inflationary only to the extent, if any, that export proceeds sold in the free market exceed those sold six months previously.

Second, the counter-inflationary effects of the foreign exchange transactions of the Bank of Brazil were largely achieved by the increased sale of PVC's during the first half of 1960 despite the serious balance of payments deficit being incurred during that period and despite the estimate by the Bank of an even greater balance of payments deficit during the remainder of 1960; reference Embassy Despatches 84 and 85, dated August 1, 1960. "Regular" offerings and sales of convertible currencies on the commercial import auctions alone averaged about $6.0 million weekly during the first five months of 1960 as compared with about $5.2 million weekly during the first five months of 1959. In addition, the "supplementary" sales of convertible currency, which began immediately following the issuance of SUMOC Instruction 193, dated March 25, 1960, had totalled $14.1 million by the end of May, yielding agios amounting

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to Cr$2.9 billion, and had totalled $20.3 million, yielding Cr$4.2 billion, by the end of June.

On the other hand, cruzeiro payments by the Bank for the foreign exchange it acquired during the first five months of 1960 (Cr$39.6 billion) increased substantially over its payments during the same period of 1959 (Cr$32.6 billion) even though convertible currency purchases by the Bank of Brazil this year amounted to $338.6 million, which was at least $10.0 million less than during the same period last year. There were, of course, two principal reasons for the increased cost of foreign exchange purchases: 1) The rate of exchange applicable to exports of coffee and cacao during the first half of 1960 was Cr$76.00 per dollar as compared with the effective rate of Cr$60.00 per dollar during the first half of 1959; 2) A major consequence of SUMOC Instruction 192 of December 31, 1959, was to eliminate the automatic sales to the Bank of Brazil of the proceeds of most exported products, so that "official market" purchases by the Bank totalled only $272.9 million (almost entirely coffee and cacao) during the first five months of 1960 as compared with $348.3 million during the same period of 1959, thereby compelling the Bank of Brazil to meet part of its convertible currency requirements in 1960 by the purchase of $65.9 million in the free market at a cost of Cr$14.1 billion.

B. The External Financial Situation

No effort will be made here to analyze Brazil's external financial situation, since that subject is being reported in Embassy Despatch 85 of this date. Attention will be called at this point only to the following facts:

1. Total exports of Brazil yield $410.1 million in convertible currencies during the first five months of 1960 as compared with $390.3 million during the same period last year. However, it is some pertinence to note that Sweden and Japan were included in the convertible currency area in 1960 and that the convertible currency exports to Sweden accounted for $6.9 million of the total through May, 1960; no exports to Japan were recorded.

0793

2. Because of the effect of SUMOC Instruction 192, discussed above, $13[illegible] of total convertible currency exports through May, 1960, went into the free market as compared with $42.0 million through May, 1959. The portion recovered from the free market by the Bank amounted to $65.9 million through May 1960, whereas the amount recovered through June, 1959 (May data are unavailable) totalled $24.0 million.

For the Ambassador:

Herbert K. May

Herbert K. May
Treasury Attaché

Coordinated:

William A. Fowler

William A. Fowler
Counselor of Embassy
for Economic Affairs

cc: AMEMBASSY BUENOS AIRES
(Attn: Mr. Robert G. Walker)

Enclosre: As stated

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Page 1
Encl. 1
Desp. 87
Rio de Janeiro

COMPARATIVE FINANCIAL INDICATORS, 1959 and 1960
(Billions of cruzeiros, except for foreign trade data which are in millions of dollars)

		First 4 Months 1959	First 5 Months 1959	First 6 Months 1959	First 4 Months 1960	Firzt 5 Months 1960	First 6 Months 1960
I.	Cost of Living Index, Rio						
	a. Getulio Vargas Foundation	19.3%	21.5%	23.5%	5.8%	5.8%	6.3%
	b. Ministry of Labor	17.9%	18.8%	19.9%	15.9%	13.3%	n.a.
II.	Increase of Money Supply						
	a. Paper Currency Issue	3.1 (2.6%)	5.5 (4.6%)	5.5 (4.6%)	3.3 (2.1%)	6.1 (4.0%)	8.7 (5.6%)
	b. "Money" in Hands of Public	21.1 (6.0%)	27.2 (7.7%)	38.6 (10.9%)	26.0 (5.0%)	32.6 (6.5%)	n.a.
III.	Treasury Cash Deficit						
	a. Financed by Bank of Brazil	12.0	15.8	16.2	7.1	10.6	14.5(§)
	b. Treasury Letters	1.4	1.7	1.8	3.4	2.9	n.a.
	c. Total	13.4	17.5	18.0	10.5	13.5	n.a.
IV.	Increase of Direct Financing by Bank of Brazil						
	a. Net Debtor Position of Treasury	12.0	15.8	16.2	7.1	10.6	14.5(§)
	b. Other Loans	-0.7	.4	7.1	1.9	5.8	13.3(§)
	c. Purchase of Export-Import Commodities	1.7	4.4	3.4	3.1	.9	1.1
V.	Increase of Rediscounts by Bank of Brazil to Other Banks	-3.0	-3.5	-4.3	1.5	3.1	3.1
VI.	Increase of Bank of Brazil Letters Held by Exporters	--	--	--	5.3	7.1	n.a.

(§) Estimated

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	First 4 Months 1959	First 5 Months 1959	First 6 Months 1959	First 4 Months 1960	First 5 Months 1960	First 6 Months 1960
VII. Increase of Commercial Bank Loans						
a. To Treasury	1.7	1.8	2.0	2.4(§)	1.8(§)	n.a.
b. To Public	13.2	16.3	19.4	27.4(§)	32.8(§)	n.a.
VIII, Increase of Swaps	6.7	7.3	6.3	2.7	5.3	3.7(§)
IX. Net Agio Position:						
a. Gross Receipts						
1. From "Regular" Sales	46.3	60.3	69.9	52.2	68.0	n.a.
2. From "Supplementary" Sales	--	--	--	1.5	2.9	4.2
3. Total	46.3	60.3	69.9	53.7	70.9	n.a.
b. Bonificacões	18.7	22.3	26.1	16.1	20.7	n.a.
c. Net Receipts	27.6	38.0	43.8	37.6	50.7	n.a.
d. Use of Net Receipts						
1. Purchase of Coffee	8.0	9.0	14.0	12.0	12.0	n.a.
2. Subsidies to Producers	.9	1.2	1.5	1.0	1.2	n.a.
3. "Loans" for Subsequent Agio Payments	3.1	3.6	3.9	3.8	5.7	n.a.
4. Net Free Market Purchases	1.3	3.0	7.6	14.1	14.1	n.a.
5. Other Uses	1.9	2.5	2.9	0.5	0.9	n.a.
6. Total Uses	15.2	19.3	29.9	31.4	33.9	n.a.
e. Allocation to "Funds"	12.4	18.7	13.9	6.2	16.8	n.a.

(§) Estimated

	First 4 Months 1959	First 5 Months 1959	First 6 Months 1959	First 4 Months 1960	First 5 Months 1960	First 6 Months 1960
X. Foreign Trade Payments, in Convertible Currencies:						
a. Export Receipts						
1. Official Market	$296.9	$348.3	$393.1	$215.2	$292.9	n.a.
2. Free Market	28.2	42.0	55.1	105.2	137.2	n.a.
3. Total	315.1	390.3	448.2	320.4	410.1	n.a.
b. Import Payments, CIF(1959) and FOB(1960)	231.2	295.9	358.7	259.2	316.1	n.a.
c. Export Receipts - Balance	83.9	94.4	89.5	61.2	94.0	n.a.
d. Free Market Receipts Not Acquired by Bank of Brazil	n.a.	n.a.	31.1	50.5	71.3	n.a.
e. Bank of Brazil Export Receipts Balance	n.a.	n.a.	58.4	10.7	22.7	n.a.

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PRIORITY

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832.10/8-360

FOREIGN SERVICE DESPATCH

42
DESP. NO.

FROM : Amconsul SÃO PAULO

TO : THE DEPARTMENT OF STATE, WASHINGTON.

August 3, 1960
DATE

REF : CERP - Section B, Item III-6

AUG 4 1960

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SUBJECT: State of São Paulo Accounts for 1959

RM/R file 8/16/60
REA/E

There is enclosed in single copy the report of the State General Accounting Office on the accounts of the State of São Paulo for the year 1958, as published in the State Diario Oficial of January 12, 1960.

The report shows that the year 1959 closed with a surplus of Cr$73,444,774.80. This compares with a deficit of Cr$4.4 billion in 1958.

Foreign debt at the end of 1959 is shown as totaling US$2,828,000 and Florins 3,739,500. The dollar debt is serviced by the Federal Government, under the provisions of Federal Decree-law 6019 of November 23, 1943. Amortization in 1959 amounted to US$416,500. The internal funded debt of the State at the end of 1959 stood at Cr$16,575,522,798.50, and the floating debt was shown as Cr$25,629,976,440.70.

For the Consul General:

Rudolf E. Cahn
Rudolf E. Cahn
American Consul

Enclosure:
Report on 1959 State Accounts
(only one copy could be obtained)

832.10/8-360

CAA

DEPARTMENT OF STATE
BUREAU OF
INTER-AMERICAN AFFAIRS
AUG 15 1960

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Enclosure from C... / São Paulo 42

SUPLEMENTO

Diário Oficial

ESTADO DE SÃO PAULO — (ESTADOS UNIDOS DO BRASIL)

Gerente: GABRIEL GRECO | Diretor: WANDYCK FREITAS | Redator-Secretário: LUCIO BARRETO

ANO LXX | SÃO PAULO — DOMINGO, 31 DE JULHO DE 1960 | NUMERO 169

DIÁRIO DO EXECUTIVO

SECRETARIAS DE ESTADO

Fazenda

CONTADORIA GERAL DO ESTADO

Contas do Exercício de 1959

RELATÓRIO

I — BALANÇO ORÇAMENTARIO

a) — Previsão

O orçamento do Estado para o exercício de 1960, aprovado pela Lei n. 4.800, de 16 de novembro de 1959, com as alterações pela introduzidas pela Lei n. 5.831, de 15 de dezembro de 1959, previa o "deficit" de Cr$ ..... 609.941.300,10, resultante das seguintes previsões:

	Cr$
Receita Prevista	56.309.833.000,00
Despesa Prevista	56.919.774.300,10
"Deficit" Previsto	609.941.300,10

Ao total da despesa prevista no orçamento, deverá ser somado o importe dos créditos plurienais, extraordinários e revigorados, abertos em exercícios anteriores, cujo total transferido no exercício de 1959, importa em Cr$ 2.794.587.761,90.

Assim, o total da despesa autorizada, elevou-se a Cr$ ..... 59.714.362.061,90, ou seja:

	Cr$
Despesa prevista no orçamento	56.919.774.300,10
Saldo dos créditos plurienais, extraordinários e revigorados, transferidos do exercício de 1958	2.794.587.761,80
Total	59.714.362.061,90

Relativamente aos créditos plurienais e revigorados, cabe esclarecer que grande parte será aplicada nos exercícios seguintes, de acôrdo com a vigência dos créditos: a parte de aplicação atribuída no exercício de 1959 foi de Cr$ 340.489.300,30, determinando, assim, a elevação para Cr$ 618.930.561,60, do "deficit" inicialmente previsto para o exercício.

No decorrer do exercício, foram abertos créditos adicionais, atingindo o total de Cr$ 24.115.879.764,60, assim discriminados:

		Cr$
Extraordinários		16.009.000,00
Especiais		
Anuais	736.787.864,20	
Plurianuais	2.373.063.300,00	4.089.851.250,80
Suplementares		20.010.028.894,80
Total		24.115.879.764,60

Para cobertura de parte dos créditos abertos no exercício foram utilizados recursos provenientes de reduções de verbas orçamentárias no montante de Cr$ 10.099.903.100,30.

Ao total da despesa prevista, de acôrdo com o artigo 6o da Lei n. 4.800, de 16 de novembro de 1959 deverá ser adicionada a importância da suplementação das dotações pelo excesso de arrecadação verificado, nas rubricas de receita a elas correspondentes.

Na execução do orçamento do exercício de 1959 as arrecadações relativas às rubricas de receita correspondentes às dotações próprias excederam as respectivas previsões na importância de Cr$ 3.152.715.649,00, como segue:

RUBRICAS	EXCESSO DE ARRECADAÇÃO Cr$
2-0.12.1-2-7)	
2-0.13.1-2-3)	
)	7.245.630,70
2-0.14.1-2-2)	
2-0.14.1-2-3)	
4-0.20.2-1-2	27.209.521,40
4-0.20.2-1-3	49.200.007,50
7-0.20.7-1	9.027.009,00
2-0.12.1-2-1)	
)	4.289.552,70
2-0.19.1-2-1)	
4-0.10.2-2	
4-0.19.7-1-1	
4-0.20.2-4	
)	103.554.439,50
7-0.20.7-5	
20-0.12.0-1-1-3	
20-0.12.0-3-1-2)	
11-1.10.4	207.619,40
19-1.00-1	18.000.000,00
8-1.11.3-1	94.675.000,00
8-1.12.4-2	32.815.001,20
27-3.01.0-1-2	90.890.444,60
27-3.01.0-3-2	7.784.114,20
27-3.01.0-4-2	1.168.161,00
28-3.20.0-1/4	18.189.720,00
29-3.00.0-3-1/2	156.000.000,00
15-3.00.0-1	934.000,00
44-3.03.0-1	1.501.885,70
45-3.05.0-1	7.533.360,70
47-3.00.0-2	81.704.288,30
48-3.01.0-1	7.697.087,70
49-3.00.0-3	17.323.362,60
50-3.00.0-2	19.196.780,10
66-6.02.0-2	9.309.280,70
67-3.00.0-2	2.989.081,20
68-3.01.0-1	9.166.858,10
71-3.03.0-1	194.211,80
22-4.13.0	734.617.087,80
23-4.13.0	1.380.000.000,20
2-3-1.20.1	140.340.195,00
20-6.13.0-2	24.725.707,40
110-A-6.20.0	186.350.000,00
20-6.13.0-1	136.819.494,80
113-6.21.0-1	146.150.000,00
113-6.21.0-4	8.785.323,60
TOTAL	3.152.715.649,00

As verbas correspondentes às rubricas acima, foram consideradas suplementadas pelas seguintes importâncias:

Secretaria da Justiça	Importância
Verba 62.5.20.4-472-1	Cr$ 2.616.500,00
Verba 67-5.20.4-472-2	Cr$ 9.932.600,00
Soma	Cr$ 12.549.100,0
Secretaria da Agricultura	
Verba 219.5.51. -472-1	Cr$ 81.704.288,30
Verba 219-5.51.4.472-2	Cr$ 7.697.087,70
Verba 221-5.57.4-472	Cr$ 17.323.362,60
— 471	Cr$ 194.000,00
Verba 220-5.97.4-472	Cr$ 7.533.360,70
Verba 235-5.52.4-472	Cr$ 19.196.780,10
Verba 277-5.57.4-472	Cr$ 9.309.280,70
Verba 236-5.51.4-472	Cr$ 2.989.081,20
Verba 237-5.55.4-472	Cr$ 9.166.858,10
Verba 241-5.23.4-472	Cr$ 194.211,80
Soma	Cr$ 146.981.972,20
Secretaria da Saúde	
Verba 188-5.47.4-472	Cr$ 894.609,70
Verba 190-5.47.4-472	Cr$ 1.651.002,70
Soma	Cr$ 2.545.559,40
Secretaria da Viação	
Verba 270-5.61.3-270	Cr$ 95.890.944,60
Verba 272-5.61.4) de 270	Cr$ 7.534.134,00
Verba 276-5.61.3-272	Cr$ 1.189.161,40
Verba 279-5.82.1-473-1	Cr$ 726.017.087,20
Verba 279-5.82.4-472-2	Cr$ 1.380.000.000,20
Verba 279-5.82.4-472-1	Cr$ 44.000.000,00
Verba 279-5.5. 4-472-2	Cr$ 97.000.000,00
Verba 279-5.82.4-472-3	Cr$ 140.340.195,00
Verba 279-5.82.4-472-6	Cr$ 8.785.323,60
Verba 279-5.82.4-472-7	Cr$ 24.725.707,40
Verba 280-5.55.4-472-1	Cr$ 182.654.439,50
Verba 281-5.62.4-472-1	Cr$ 10.189.720,00
Verba 281-5.61.4-472-2	Cr$ 136.819.494,80
Verba 281-5.62.4-472-4	Cr$ 146.150.000,00
Verba 281-5.82.4-472-5	Cr$ 186.350.000,00
Soma	Cr$ 2.000.087.200,00

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Secretaria da Fazenda

Verba 388-8.99.4-472-1	Cr$	4.629.134,10
Verba 388-8.99.4-472-2-1	Cr$	22.369.531,40
Verba 388-8.99.4-472-2-2	Cr$	44.598.080,00
Verba 388-8.99.4-472-3	Cr$	247.510,40
Verba 388-8.99.4-472-4	Cr$	33.029.837,30
Verba 389-8.97.4-472	Cr$	4.063.056,20
Soma	Cr$	109.707.462,40
Total	Cr$	2.153.715.049,00

Assim, o montante da despesa prevista para o exercício de 1959, elevou-se a Cr$ 72.515.975.370,70, como é demonstrado a seguir:

	Cr$	Cr$
Orçamento	56.919.774.366,10	
Créditos suplementares	20.015.528.004,80	
Dotações creditadas suplementadas	3.153.712.649,00	
	80.089.015.519,90	
Menos: Redução de dotações orçamentárias	10.696.003.108,30	69.393.015.411,60
Créditos plurienais e revigorados, parte de aplicação atribuída no exercício		2.396.122.107,30
Créditos extraordinários, aplicação no exercício		10.000.000,00
Créditos especiais anuais abertos no exercício		716.787.851,20
Total da Despesa Prevista		72.515.975.370,70

O total da despesa prevista pelos órgãos da Administração, ficou assim distribuido:

	Cr$	Cr$
Assembléia Legislativa		403.324.973,30
Tribunal de Contas do Estado de S. Paulo		96.357.000,00
Governo do Estado		119.094.200,00
Secretaria do Govêrno		285.744.800,70
Secretaria de Justiça		1.040.450.899,30
Secretaria da Segurança		4.988.774.700,00
Secretaria da Educação		8.953.167.700,00
Secretaria da Saúde		5.127.909.873,40
Secretaria do Trabalho		174.082.000,00
Secretaria da Agricultura		8.423.429.373,70
Secretaria da Viação		21.720.855.879,50
Secretaria da Fazenda		
a) Administração Geral do Estado	21.009.973.708,60	
b) Secretaria de Estado	2.474.345.403,30	23.480.319.171,90
Poder Judiciário		1.039.398.000,00
Total		72.515.975.370,70

Pelos seus elementos, a despesa prevista é assim discriminada:

	Cr$	Cr$
Pessoal		
Fixo	19.831.402.660,80	
Variável	8.004.572.276,10	27.736.969.947,90
Material		
Permanente	5.207.780.105,10	
De Consumo	5.286.777.484,60	10.494.567.589,70
DESPESAS DIVERSAS		34.285.353.732,10
TOTAL		72.515.975.370,70

Pela sua natureza:

Efetiva		62.112.511.009,60
Mutações Patrimoniais		10.403.464.361,10
TOTAL		72.515.975.370,70

A receita prevista para o exercício de 1959 foi assim classificada:

		Cr$
RECEITA ORDINARIA		
Tributária		
Impostos	46.902.418.750,00	
Taxas	882.229.411,00	47.584.648.161,00
Patrimonial		308.113.782,00
Industrial		5.930.355.840,00
Diversas		1.300.010.000,00
SOMA		55.061.127.783,00
RECEITA EXTRAORDINARIA		1.589.205.217,20
TOTAL		56.650.333.000,00

Pela sua natureza:

Efetiva	56.616.967.897,90
Mutações Patrimoniais	21.365.103,10
TOTAL	56.650.333.000,00

Como ficou demonstrado, a receita orçamentária prevista que, ao iniciar-se o exercício, traduzia-se no "déficit" de Cr$ 616.938.000,00, passou a apresentar a previsão de um "déficit" de Cr$ 15.965.642.370,70, ou seja:

	Cr$
Receita prevista	56.650.333.000,00
Despesa prevista	72.515.975.370,70
"Déficit" Previsto	15.965.642.370,70

b) Execução

Exposta a parte referente à previsão, passa-se a analisar a execução do orçamento do exercício de 1959.

RECEITA

A receita orçamentária do Estado realizada no exercício totalizou Cr$ 68.406.341.946,10, e sendo a previsão de Cr$ 56.650.333.000,00, verifica-se haver a maior arrecadação de Cr$ 11.755.908.946,10, correspondente a 20,75% sôbre a previsão.

A maior receita realizada sôbre a prevista é assim demonstrada:

RECEITA	Previsão Cr$	Realização Cr$		Diferença Cr$
ORDINARIA				
Tributária				
Impostos	46.902.418.750,00	55.704.353.720,00	+	8.801.934.970,00
Taxas	882.229.411,00	956.827.243,40	+	274.597.831,40
Patrimonial	308.113.782,00	504.194.358,20	+	196.080.476,20
Industrial	5.930.355.840,00	6.528.978.541,40	+	618.622.701,40
Diversas	1.300.010.000,00	3.308.805.675,20	+	2.008.795.675,20
SOMA	55.061.127.783,00	67.003.059.439,20	+	12.031.931.653,00
Extraordinária	1.589.205.215,20	1.313.382.506,90	—	275.822.708,30
TOTAL	56.650.333.000,00	68.406.341.946,10	+	11.756.908.944,10

A receita realizada, segundo a sua incidência, é assim demonstrada:

	Cr$	
0 — sem classificação	11.745.390.983,30	— 17,17%
1 — sôbre a propriedade	3.710.583.192,80	— 5,42%
2 — sôbre a circulação da riqueza	50.997.456.209,10	— 74,55%
4 — resultante da atividade do Estado	303.303.107,90	— 0,44%
7 — várias incidências	1.686.338.450,10	— 2,44%
TOTAL	68.406.341.946,10	100%

Pela sua natureza:

Efetiva	68.135.417.789,60	— 99,60%
Mutações Patrimoniais	270.924.156,50	— 0,40%
TOTAL	68.406.341.946,10	100%

DESPESA

A despesa realizada no exercício elevou-se a Cr$ 68.322.897.171,30, verificando-se, assim, a menor realização de despesa de Cr$ 4.183.078.199,40 ou seja, 5,77% do total autorizado de Cr$ 72.515.975.370,70.

A menor realização da despesa é demonstrada como segue:

	Cr$	Cr$
Despesa fixada no orçamento, acrescida dos créditos suplementares e deduzida das reduções de verbas		69.393.015.411,60
Despesa realizada		65.211.937.239,90
Menor despesa		4.181.983.514,70
ou seja, 6,02%, aproximadamente do total da despesa prevista.		

	Cr$	Cr$
Despesa autorizada por créditos especiais e extraordinários		3.129.960.360,10
Despesa realizada		3.121.865.279,40
Menor despesa		1.094.680,70
ou seja, 0,035%, aproximadamente, do total autorizado.		

A despesa geral realizada desdobra-se como segue:

PELOS ELEMENTOS

		Cr$	
Pessoal			
Fixo	19.788.989.328,80		
Variável	8.538.773.821,00	27.317.322.149,80	39,98%
Material			
Permanente	4.984.250.850,20		
De Consumo	4.694.396.850,20	9.538.647.700,40	13,96%
Despesas Diversas		31.477.027.301,00	46,06%
TOTAL		68.332.997.171,30	100%

POR SERVIÇOS

	Cr$	
Administração Geral	2.472.543.287,90	3,62%
Fiscalização Financeira	2.048.852.814,40	3,00%
Segurança Pública e Assistência Social	5.411.109.538,70	7,92%
Educação Pública	9.954.928.295,20	14,57%
Saúde Pública	5.895.892.815,50	8,63%
Fomento	7.230.968.010,40	10,5 %
Serviços Industriais	6.897.909.150,30	10,09%
Dívida Pública	4.465.114.906,30	6,5 %
Serviços de Utilidade Pública	8.698.300.863,00	12,8 %
Encargos Diversos	13.818.998.495,90	20,2 %
TOTAL	68.332.997.171,30	100%

PELOS ORGÃOS ADMINISTRATIVOS

		Cr$	
Assembléia Legislativa		399.852.401,30	0,57%
Tribunal de Contas		92.418.296,80	0,14%
Govêrno do Estado		101.699.883,30	0,17%
Secretaria do Govêrno		248.929.166,40	0,36%
Secretaria da Justiça		1.563.965.976,80	2,27%
Secretaria da Segurança		4.097.811.413,90	5,17%
Secretaria da Educação		8.814.169.200,70	12,87%
Secretaria da Saúde		5.688.846.207,80	8,37%
Secretaria do Trabalho		156.551.964,90	0,22%
Secretaria da Agricultura		2.332.601.008,20	3,37%
Secretaria da Viação		21.999.417.488,60	30,33%
Secretaria da Fazenda			
a) — Administração Geral	18.908.189.133,50		
b) — Secretaria de Estado	2.410.980.800,90	21.818.169.934,30	30,75%
Poder Judiciário		986.038.814,10	1,39%
TOTAL		68.332.997.171,30	100%

Segundo a sua natureza:

Efetiva	59.486.411.471,30	87,23%
Mutações Patrimoniais	8.846.485.700,00	12,97%
TOTAL	68.332.997.171,30	100%

A despesa realizada à conta de créditos especiais e extraordinários destinou-se ao seguinte:

	Cr$
Exercícios Findos	200.556.359,20
Restituição de despesas de Estradas de Ferro	233.000.000,00
Contadoria Central da Caixa	25.787.492,00
Aparelhamento de repartições	5.977.554,20
Desapropriação de imóveis	97.250.000,00
Plano de alargamento de águas de Santos e Cubatão	97.641.949,80
Combate à Difteria	30.000.000,00
Auxílios e Subvenções	202.000.000,00
Diversos	5.981.975,40
Soma	1.079.155.778,60

Plano de Ação do Govêrno		
Aquisição de veículos	125.000.000,00	
Desapropriação de imóveis	225.000.000,00	
Construção de imóveis	50.000.000,00	
Aquisição de obras e aquisição de equi-		

pamentos para aeroportos 83.000.000,00
Subscrição de ações de sociedades anônimas 1.910.000.000,00
Investimentos no Ensino Superior ... 100.000.000,00 2.043.708.500,00

TOTAL 3.121.865.278,40

c) — Resultado Orçamentário do Exercício

Como foi demonstrado, a receita orçamentária realisada no exercício de 1959 atingiu o total de 68.400.341.946,10
e a despesa realisada a 68.333.897.171,30

resultando, portanto, o excesso de receita sôbre a despesa de 73.444.774,80,

que representa o "superavit" orçamentário do exercício.

O "deficit" orçamentário previsto para o exercício de 1959 expressava-se, como foi exposto, na importância de Cr$ 15.865.842.370,70; na execução do orçamento corrente, além de ser aquele "deficit" eliminado, verificou-se o "superavit" de Cr$ 73.444.774,80.

Este resultado se deve ao seguinte:

	Cr$
Maior realisação da receita	11.706.008.946,10
Menor realização da despesa	4.183.078.199,40
	15.889.087.145,50

Cabe esclarecer que nas fôlhas da receita e despesa realisadas estão compreendidas as de mutações patrimoniais, as quais produzem variações no Patrimônio do Estado. As receitas e despesas dessa natureza, são as seguintes:

	Cr$
Despesa	8.646.485.700,00
Menos: Receita	270.924.156,50
Enriquecimento patrimonial	8.375.561.543,50

Sendo o "superavit" orçamentário verificado no exercício de Cr$ 73.444.774,80 e considerando que o enriquecimento patrimonial foi de 8.375.561.543,50

tem-se o total de 8.449.006.318,30

que constitue o "superavit" efetivo do exercício de 1959.

No último qüinqüênio, os resultados orçamentários foram os seguintes:

Exercício	Receita	Despesa	Deficit	Superavit
1955	29.185.998.146,60	33.252.752.963,00	3.067.144.816,50	—,—
1956	28.682.796.396,30	29.188.253.532,60	—,—	514.543.879,70
1957	36.854.807.253,40	36.631.909.717,10	—,—	298.309.536,30
1958	43.506.753.612,20	46.901.230.166,00	4.396.476.884,40	—,—
1959	68.406.341.946,10	68.333.897.171,30	—,—	73.444.774,80

Antes de concluirmos esta apreciação do Balanço Orçamentário, julgamos conveniente assinalar que, no exercício de 1959, a despeito das diversas providências tomadas pela Administração, não foi possível evitar a ocorrência de excesso de despesas pagas sôbre as dotações de algumas verbas.

Tais excessos traduzem anomalias acusadas pela contabilidade no limite do encerramento do Balanço Geral seu tempo, portanto, para se proceder as pesquisas sempre demoradas, mas necessárias ao conhecimento das suas origens, podendo-se, porém, de imediato, admitir a ocorrência de falhas havidas no processo de classificação das despesas, a exemplo de acontecido em exercícios anteriores, para correção das quais basta promover-se a sua formal regularização nos registros contábeis.

Os excessos constatados pelo C.O.E. foram evidenciados e registrados nas contas especiais, para oportuna apuração e regularização. Caso, porém, a mesma apuração revele a necessidade de formalização por via de autorização legislativa, a Administração providenciará o necessário expediente, com a previa apuração de responsabilidade.

A fim de obviar de vez a ocorrência de tais anomalias, esta C.O.E. está procedendo aos estudos necessários ao aperfeiçoamento do registro da despesa realisada. Os trabalhos nesse sentido estão adiantados e, a partir do próximo exercício, com a nova fórmula de registro, não mais se repetirão essas falhas.

As anomalias acusadas no balanço de 1959 são as seguintes:

EXCESSO DE DESPESA PAGA SOBRE A DOTAÇÃO

	Excesso
Secretaria do Govêrno	Cr$
Verba n. 10-8.07.0	343.926,30
Verba n. 14-8.09.0	728.183,60
Verba n. 16-8.04.1	4.181.306,50
Soma	5.253.414,20
Secretaria da Segurança	Cr$
Verba n. 62-8.04.0	51.724,40
Verba n. 73-8.24.1	218.900,10
Verba n. 101-8.05.0	71.561,90
Soma	341.894,40
Secretaria da Educação	Cr$
Verba n. 126-8.32.0	14.530.316,10
Verba n. 131-8.40.1	451.962,10
Soma	14.982.978,20
Secretaria da Agricultura	Cr$
Verba n. 228-8.37.4-400-1	411.433,40
Verba n. 235-8.32.8-407	37.942,50
Soma	449.375,90
Secretaria da Fazenda	Cr$
Verba n. 326-8.13.0	346.388,60

Foram igualmente constatados excessos de despesas pagas sôbre as requisitadas, embora a capacidade das dotações das verbas fôsse suficiente para cobri-las.

Esses excessos foram os seguintes:

	Cr$
Secretaria do Govêrno	
Verba n. 14-8.09.1	84.116,30
Secretaria da Segurança	Cr$
Verba n. 62-8.04.0	4.885,50
Verba n. 71-8.20.1	63.500,00
Verba n. 74-8.24.4	1.506,30
Verba n. 87-8.25.4	5,00
Verba n. 88-8.24.1	508.580,40
Verba n. 98-8.24.1	10.500,00
Soma	588.979,80
Secretaria da Saúde	Cr$
Verba n. 169-8.47.4-400-1	397.390,00
Verba n. 180-8.47.1	715.817,50
Soma	1.113.208,50
Secretaria da Fazenda	Cr$
Verba n. 303-8.73.4-403-0	90,50
Verba n. 303-8.76.4-405-2	7.700,00
Verba n. 290-8.04.0	21,90
Verba n. 290-8.04.1	81.105,90
Verba n. 291-8.04.0	1.811,00
Soma	91.849,30

II — BALANÇO FINANCEIRO

Esta peça e os seus respectivos anexos evidenciam tôdas as operações de natureza financeira resultantes da movimentação de fundos, ocorrida no decorrer do exercício de 1959.

No capítulo das operações de crédito, os resultados obtidos podem ser assim analisados:

COMPROMISSOS LIQUIDADOS

Bens Relativos	Cr$	Cr$
Emitidos	3.534.262.500,00	
Resgatados	3.705.818.000,00	260.885.400,00
Promissórias do Tesouro		
Emitidas	816.171.366,20	
Resgatadas	838.639.974,20	22.468.608,00
Letras do Tesouro		
Emitidas		
Resgatadas	33.400.000,00	33.400.000,00
Dívida Interna Fundada		
Apólices amortizadas		31.916.700,00
SOMA		338.660.808,00
Menos:		
Compensação Autorizada	Cr$	Cr$
Adiantamentos concedidos	80.281.200,00	
Menos: Adiantamentos liquidados	2.823.701,50	78.398.698,50
Diferença		260.261.902,70

A movimentação havida nas contas suprorramais nos grupos de Depósitos, Restos a Pagar e Restituições a Pagar, assim se sintetiza:

Depósitos	Cr$
Recebidos	6.195.114.330,40
Restituídos	5.886.480.533,50
Diferença	308.634.116,70

Restos a Pagar	Cr$	Cr$
Despesas a pagar, relativos ao exercício de 1958, contabilizadas nas verbas orçamentárias e créditos adicionais	12.762.315.721,10	
Juros e amortizações da D.I.F.	97.826.400,00	
Juros, prêmios e resgates de títulos da D.I.F.	1.512.162.363,50	
Juros da Dívida Flutuante	16.373.161,10	12.888.674.643,70
Menos: Despesas de exercícios anteriores, liquidadas em 1959		7.155.656.366,40
Diferença		5.733.978.977,30
Restituições a Pagar		
Receitas a restituir escrituradas em contrapartida das rubricas orçamentárias		2.716.473,10
Menos: Restituições liquidadas no exercício de 1959		1.091.844,10
Diferença		1.624.629,00

As operações relativas ao movimento de numerário havidas em 1959, discriminadas no Balanço da Tesouraria, em síntese, foram as seguintes:

	Cr$
Recursos recebidos, inclusive disponibilidades do exercício de 1958	83.758.164.595,80
Recursos aplicados no exercício de 1959	71.388.863.054,90
Disponibilidades transferidas para o exercício de 1960 ...	11.369.161.540,90

A análise dos recursos recebidos assim se traduz:

	Cr$
Receita arrecadada	68.400.341.946,10
Depósitos recebidos	6.195.114.330,40
Créditos recebidos	875.357.344,10
Contas de exercício	1.111.845.157,60
Bancos e Correspondentes	78.398.698,30
Diversos	876.762.551,80
SOMA	77.545.220.324,40
Disponibilidades recebidas de 1958	5.213.944.271,40
TOTAL	82.758.164.595,80

A's dos recursos aplicados:

	Cr$
Despesa orçamentária liquidada	68.333.897.171,30
Depósitos a Pagar	6.195.114.330,40
Restituições a Pagar	1.091.844,10
Créditos constituídos	180.757.510,00
Depósitos restituídos	5.886.480.533,50

Contas do exercício	1.007.156.111,00
Bônus Rotativos	200.865.600,00
Letras do Tesouro	33.400.000,00
Promissórias do Tesouro	12.450.300,00
Dívida Interna Fundada	21.316.200,00
Dívida Externa Fundada	23.004.320,50
Diversos	1.476.350.511,30
SOMA	71.308.983.054,80
Disponibilidades transferidas para 1960	11.362.181.540,90
TOTAL	82.671.164.595,70

III — BALANÇO PATRIMONIAL

A situação patrimonial do Estado, ao iniciar-se o exercício, expressava-se por um passivo descoberto da ordem de Cr$ 13.150.103.097,00. As operações de incorporação e desincorporação de bens efetuadas no decurso do exercício e o "supervit" orçamentário registrado no seu término produziram um resultado econômico positivo de Cr$ 3.087.968.753,60, o que concorreu para reduzir aquêle passivo descoberto à cifra de Cr$ 10.062.134.354,00.

A análise numérica, que abaixo se faz, evidencia êsse resultado:

	Cr$	Cr$
"Supervit" orçamentário		73.444.774,60
Mais: Incorporações	5.747.263.144,70	
Desincorporações	2.753.738.166,50	3.014.522.978,20
Resultado econômico		3.078.968.753,00
Passivo descoberto registrado em 1958		13.150.103.097,00
Menos: Resultado econômico positivo apurado em 31.12.59		3.087.968.753,00
Passivo descoberto em 1959		10.062.134.354,00

O Balanço Patrimonial abaixo reproduzido, em síntese, corrobora o que mais atrás se demonstrou.

ATIVO

	Cr$
Ativo Financeiro	21.788.163.920,70
Ativo Permanente	63.882.441.723,00
TOTAL	85.670.605.643,70

PASSIVO

Passivo Financeiro	27.185.274.561,90
Passivo Permanente	68.577.845.345,80
TOTAL	95.863.119.897,70
Ativo	85.670.605.643,70
Passivo	95.863.119.897,70
Passivo descoberto	10.062.134.354,00

E' de ponderar-se aqui, por oportuno, que a existência de um passivo descoberto nos balanços do Estado, não raro tem dado ensêjo a objeções que se fundam na observação de que tal resultado não exprime, com propriedade, a exata situação patrimonial do Estado. Tais objeções, entretanto, carecem de maior significado, pois os bens incorporados, ao patrimônio estadual, pelos seus móveis ou imóveis, devem figurar nos balanços do Estado pelos seus respectivos valores históricos, ex-vi do disposto no artigo 85, § 2.o, item 2.o, do Decreto-lei federal n. 2.416, de 17.7.40. Ao demais, deve-se ajuntar que o Estado, no nosso regime, não é precipuamente um organismo com valor econômico, constituído pela soma de seu patrimônio, mas um órgão de administração para a segurança e o bem comum. Os balanços públicos são essencialmente peças destinadas à prestação de contas dos administradores e não à determinação de valor patrimonial do Estado.

Após estas ligeiras considerações, passamos à demonstrar, resumidamente, a situação da dívida do Estado.

DIVIDA PUBLICA

A dívida do Estado, no término do exercício de 1959, expressou-se pela cifra de Cr$ 43.213.429.979,10, assim analisadas:

	Cr$
Dívida Consolidada	
Dívida Externa Fundada	7.926.329,90
Dívida Interna Fundada	16.575.523.798,50
Soma	16.583.453.138,40
Dívida Flutuante	
Bônus Rotativos	3.163.043.000,00
Promissórias do Tesouro	163.186.487,90
Letras do Tesouro	162.750.000,00
Restos a Pagar	20.441.275.946,00
Restituições a Pagar	2.365.082,10
Depósitos	1.702.318.117,50
Entidades Autárquicas	4.099.886,00
Soma	25.639.976.440,70
TOTAL	43.213.429.979,10

A análise das contas compreendidas nos dois grandes grupos em que se divide a dívida do Estado é a seguir relatada como segue:

a) — **Dívida Externa Fundada**

A Dívida Externa Fundada, em circulação, ao iniciar-se o exercício, era da ordem de Cr$ 8.693.961,50 (Câmbio ao par), assim distribuídos:

	Cr$
US$ 3.344.560,00	5.940.670,50
Fls. 2.739.500,00	2.753.272,00
Total	8.693.961,50

As operações relativas ao resgate dessas dívidas somaram a parcela de US$ 416.500,00, concorrendo, assim, para reduzir o seu montante à cifra de Cr$ 7.926.329,90. Em conseqüência, em 31-12-59, os saldos das dívidas mais atrás demonstradas passaram a ser de:

	Cr$
US$ 2.928.060,00	5.176.067,80
Fls. 2.739.500,00	2.752.272,00
	7.926.329,90

Convertidos ao câmbio oficial, êsses saldos elevar-se-iam a:

	Cr$
US$ 2.928.060,00 a Cr$ 18,92	55.395.760,00
Fls. 2.739.500,00 a Cr$ 5,6170	15.393.315,30
Total	72.369.075,30

b) — **Dívida Interna Fundada**

O movimento financeiro resultante das emissões e baixas na circulação dos títulos de todos os empréstimos, inclusive o de que decorreu do contrato assinado com o Banco do Brasil, ajustaram, ao término do exercício, as importâncias de Cr$ 194.668.000,00 e Cr$ 1.206.328.254,40 respectivamente, em razão do que as dívidas da espécie reduziram-se ao saldo de Cr$ 16.575.523.798,50, assim decomposto:

	Cr$
Saldo em circulação em 31-12-58	9.861.794.800,00
Emissões efetuadas em 1959	134.466.000,00
Saldo da consolidação de débitos com o Banco do Brasil em 31-12-58	7.803.662.254,90
Saldo da conta "Govêrno Federal" — c/ Empréstimo Interno de Conversão da Dívida Externa (Decreto-Lei federal n. 6019, de 29-11-43) em 31-12-58	73.939.120,00
Soma	17.871.862.154,90
Menos: Amortizações registradas no exercício de 1959	1.296.339.356,40
Saldo em 31-12-59	16.575.522.798,50

Esse saldo está assim compreendido:

Títulos em circulação	9.808.406.100,00
Govêrno Federal — C/Empréstimo Interno de Conversão da Dívida Externa	73.939.120,00
Contrato assinado com o Banco do Brasil em 17-10-55 (Lei n. 3.280-55)	6.896.177.578,50
Total	16.578.522.798,50

c) — **Bônus Rotativos**

Ao encerrar-se o exercício de 1959, os títulos da espécie, em circulação, somavam Cr$ 3.163.409.000,00, assim analisados:

	Cr$
Saldo em circulação em 31-12-58	3.423.908.400,00
Emissões do exercício	3.534.952.600,00
Soma	6.958.861.000,00
Menos: Resgates do exercício	3.795.818.000,00
Saldo em 31-12-59	3.163.043.000,00

d) — **Letras do Tesouro**

As letras do Tesouro em circulação, em 31-12-59, totalizaram a cifra de Cr$ 162.750.000,00, assim obtida:

	Cr$
Saldo em circulação em 31-12-58	196.150.000,00
Emissões do exercício	—
Soma	196.150.000,00
Menos: Resgates do exercício	33.400.000,00
Saldo em circulação em 31-12-59	162.750.000,00

e) — **Promissórias do Tesouro**

As operações efetuadas com os títulos da espécie acusaram, no término do exercício, um saldo em circulação da ordem de Cr$ 163.186.487,90, obtido como segue:

	Cr$
Saldo em circulação em 31-12-58	165.045.796,90
Emissões do exercício	616.171.300,20
Soma	981.217.102,10
Menos: Resgates do exercício	828.030.674,20
Saldo em 31-12-59	163.186.487,90

f) — **Restos a Pagar**

Ao término do exercício de 1958, os compromissos do Estado inscritos nessa conta totalizavam Cr$ 13.907.904.909,30, assim distribuídos:

	Cr$
Serviço da Dívida Interna a Pagar	904.980.981,80
Serviço da Dívida Externa a Pagar	380.044.446,90
Juros da Dívida Flutuante a Pagar	58.770.000,00
Restos a Pagar propriamente ditos	12.469.189.940,50
Total	13.907.904.909,30

Durante o exercício de 1959, foram realizadas liquidações no montante de Cr$ 7.125.695.586,40, assim demonstrados:

	Cr$
Serviço da Dívida Interna a Pagar	1.279.804.555,00
Restos a Pagar propriamente ditos	5.810.880.050,30
Serviço da Dívida Flutuante a Pagar	35.010.981,10
Total	7.125.695.586,40

Paralelamente, foram processadas novas inscrições de compromissos contraídos no exercício, no valor de Cr$ 13.658.974.543,70, assim distribuídos:

	Cr$
Serviço da Dívida Interna a Pagar	1.513.102.261,50
Serviço da Dívida Externa a Pagar	97.026.400,00
Juros da Dívida Flutuante a Pagar	16.873.181,10
Restos a Pagar propriamente ditos	12.032.912.731,10
Total	13.658.974.543,70

Em face das operações efetuadas no exercício — liquidações e novas inscrições — retro assinaladas, o saldo dessa conta, em 31-12-59, elevou-se a Cr$ 20.441.275.946,80, assim explicado:

	Cr$
Saldo em 31-12-58	13.907.904.909,30
Inscrições do exercício de 1959	13.658.974.543,70
Soma	27.566.866.573,00
Menos: Liquidações efetuadas no exercício de 1959	7.125.695.586,40
Saldo em 31-12-59	20.441.275.946,80

g) — **Restituições a Pagar**

O saldo dessa conta, em 31-12-59, expressou-se pela cifra de Cr$ 2.365.082,10, assim analisada:

	Cr$
Saldo em 31-12-58	1.740.452,10
Inscrições do exercício de 1959	3.716.473,10
Soma:	5.456.925,20
Menos: Liquidações operadas em 1959	1.091.844,10
Saldo em 31-12-59	2.365.082,10

2 — **Resultado Econômico do Exercício**

Os números mais atrás reproduzidos revelaram que o resultado apurado no Balanço Patrimonial traduziu-se num saldo positivo da ordem de Cr$ 3.087.968.753,00, o que, conseqüentemente, veio reduzir o passivo descoberto à importância de Cr$ 10.062.134.354,00. Os números a seguir alinhados explicam, em síntese, como se operou êsse resultado patrimonial:

Variações Ativas	Cr$	Cr$
Receita Orçamentária	68.406.341.960,10	
Mutações Patrimoniais	5.747.263.144,70	74.153.605.104,80
Variações Passivas		
Despesa Orçamentária e por Créditos		

	Cr$	Cr$
Adicionais	68.333.897.171,30	
Mutações Patrimoniais	2.732.738.166,50	71.067.635.337,80
Resultado econômico do exercício		3.087.988.139,00

IV — ENCONTRO DE CONTAS COM O GOVERNO FEDERAL

No exercício em relato, concluiram-se os trabalhos de acêrtos de contas entre os Governos do Estado e da União. Os resultados constantes nas conclusões a que chegou a Comissão Mista influiram-se num saldo financeiro em ordem de Cr$ 407.233.206,90, a favor de São Paulo, o qual foi aceito pelas partes e convenientemente homologado.

Para formalizar o registro contábil dêsse resultado, a C.G.E. houve por bem reunir em uma só conta denominada "Governo Federal — c) Encontro de Contas com o Estado de São Paulo", tôdas as existentes na contabilidade do Estado objeto do referido acêrto, de modo a evidenciar, no Balanço Geral, o saldo positivo apurado a favor de São Paulo.

Os saldos acertos pela Comissão Mista foram os seguintes:

	Cr$
A favor de São Paulo	1.157.235.818,20
A favor da União	749.992.611,30
Diferença a favor de São Paulo	407.233.206,90

Os saldos a favor de São Paulo foram os seguintes:

	Cr$
1 — Adiantamentos feitos pelo Govêrno do Estado de São Paulo ao da União, por ocasião de revolta de 1893	6.075.548,70
2 — Valor de 2/7 partes da indenização paga pela San Paulo Railway Co., de conformidade com a cláusula 33.a do contrato de 26-4-1855-1.070.700,00 Juros contados até 30-6-1959	53.528.588,30
3 — Parte do lucro do Estado de São Paulo nas operações realizadas para a defesa do café em 1921-1922 .. .. 3.890.567,30 Juros até 30-6-1959 .. .. 33.046.113,40	36.936.680,20
4 — Requisições militares de 1930, liquidadas pelo Estado de São Paulo	11.247.903,30
5 — Transportes fornecidos ao Govêrno da União pela Estrada de Ferro Sorocabana em 1930 e 1932	2.460.172,60
6 — Valor pelo qual foram aceitos US$ 105.197,00 apreendidos pelo Govêrno Provisório da República durante o movimento revolucionário de 1930	933.661,10
7 — Despesas de repartições federais pagas pelo Estado de São Paulo durante a revolução de 1932	4.754.184,80
8 — Importância requisitada pelo General João Alvares de Azevedo Costa, em 1924, da Coletoria Estadual de de Sorocaba	20.000,00
9 — Despesas feitas com tropas em operações fora do Estado, em perseguição aos rebeldes de 1924, a cargo do Ministério da Guerra, pagas pelo Estado de São Paulo	11.182.382,50
10 — Despesas com presos políticos da revolução de 1924, pagas pelo Estado por conta do Ministério da Justiça	82.807,70
11 — Material bélico consignado ao Estado de São Paulo e apreendido pelas autoridades federais na Alfândega de Santos	7.333.944,60
12 — Dívida do Govêrno Alemão resultante da diferença de câmbio verificada na restituição do depósito feito na Casa "Bleichroeder" de Berlim, provenientes do produto da venda de café do Estado de São Paulo, armazenados em portos sob domínio daquêle Govêrno durante a guerra de 1914/1918 .. .. 50.093.417,00 Juros de 1/1/1920 a 31/12/1957 .. .. 373.173.886,70	423.185.803,70
13 — Resultado verificado nas operações de 2.287.500 sacas de cafés retidos até 7/12/1931, data do 1.o Convênio Cafeeiro .. .. 81.693.830,00 Juros de 7/12/1934 a 30/6/1959 .. .. 276.947.974,00	359.641.804,30
INSTITUTO BRASILEIRO DE CAFÉ	
14 — Restituição da taxa de shillings, feita pelo Banco do Estado de São Paulo S/A., de acôrdo com o que dispõe a letra "b" do artigo 4.o da Lei estadual n. 2.422 de 10/9/1920	73.485.441,99
15 — Títulos aceitos pelo D.N.C. em 13/6/1927, para liquidação do saldo do adiantamento feito pelo Banco do Estado de São Paulo, através da "Conta Suplementar" do empréstimo de £ 20.000.000, e ainda não resgatados .. .. 31.000.000,00 Juros de 10/12/1927 a 30/6/1959 .. .. 81.156.263,00	112.656.263,00
16 — Comissões pagas pelo Estado aos representantes, em São Paulo, dos banqueiros financiadores do empréstimo de £ 20.000.000 .. .. 4.520.000,00 Juros até 30/6/1959 .. .. 15.018.671,90	19.538.671,90
17 — Contribuições ao Conselho Técnico de Economia e Finanças, — adiantadas pelo Estado de São Paulo .. .. 18.750,00 Juros de 31/12/1946 a 30/6/1959 .. .. 22.089,10	41.839,10
SOMA	1.157.235.818,20

Os apurados e aceitos a favor da União são representados pelas parcelas a seguir enumeradas:

1 — Obrigação do Tesouro Nacional, de que trata o decreto n. 19.419, de 18/11/30, entregues pela União ao Estado de São Paulo	46.000.000,00
2 — Juros das obrigações acima, até 30/6/59, ainda não liquidados pelo Govêrno do Estado de São Paulo. ..	93.616.048,70
3 — Saques efetuados pelo Estado de São Paulo no Banco do Brasil, no período de 7/7/1927 a 31/12/1928, correspondentes ao crédito que lhe foi aberto pelo Govêrno da União em 14/5/1927	30.000.000,00
4 — Transportes efetuados pela Estrada de Ferro de Goiás no período de 1924 a 1925	717.172,90
5 — Tropas da Revolução Constitucionalista de 1932. Recebidos como empréstimo pela Estrada de Ferro Central do Brasil e recebidos à Secretaria da Fazenda do Estado de São Paulo	158.722,80
6 — Receitas federais arrecadadas pelo Estado de São Paulo durante o período revolucionário de 1932	38.497.354,30
7 — Armamento fornecido pelo Ministério da Guerra à Fôrça Pública do Estado de São Paulo, conforme provam o n. 4.526/34, do Tesouro Nacional	7.850.748,80
8 — Transferência do Tesouro Nacional de conta "Estado de São Paulo — c) Resgate de Bônus" — (Contrato de 24-10-32) existente no Banco do Brasil, conforme lançamento feito pela Contadoria Geral da República	366.181.766,10
INSTITUTO BRASILEIRO DE CAFÉ	
9 — Requisições de café e safaria durante o movimento revolucionário de 1932	27.666.366,60
10 — Fundos vinculados ao empréstimo de £ 20.000.000, aplicados pelo Estado de São Paulo na aquisição de títulos da sua Dívida Externa	72.966.091,80
11 — Contribuições do Estado de São Paulo, de acôrdo com resoluções dos Convênios dos Estados Cafeeiros realizados em 1929, 1940 e 1943	55.720.000,00
12 — Fornecimento de 2.960.000 de sacos vazios à Secretaria da Agricultura do Estado de São Paulo .. .. 4.000.000,00 Juros até 30-6-1959 .. .. 4.842.600,90	8.842.600,90
13 — Produto líquido da venda de 170.000 sacas de café, entregues ao Banco do Comércio e Indústria de São Paulo S/A. .. .. 11.472.727,10 Juros até 30-6-1959 .. .. 33.758.770,90	45.222.567,90
14 — Isenção de impôsto "ad valorem" sôbre cafés despachados à conta do Govêrno Federal 393.600,80 Juros até 30-6-1959 .. .. 1.567.723,70	1.963.324,50
15 — Importância que o D.N.C. remeteu ao Instituto de Café de São Paulo em dezembro de 1936, para operações na Bôlsa de Santos, operações essas que, de acôrd. com entendimentos posteriores, passaram para inteira responsabilidade do Instituto do Café de São Paulo	10.000.000,00
Soma	749.992.611,30

V — DEFESA DO CAFÉ

As contas representativas da Defesa do Café, resultantes do Empréstimo Externo de 1930, no valor de £ 20.000.000,00 (Coffee Realisation), encontravam-se compreendidas no acêrto de contas concluído pela Comissão Mista no Encontro de Contas entre o Govêrno da União e o do Estado de São Paulo.

A Comissão apurou e concluiu pela liquidação de tais contas, pela forma seguinte:

a) — Débitos

Cr$ 357.883.906,20

.. Corresponde ao resultado verificado nas operações de 2.287.500 sacas de café retidas até 7-12-1931, data do 1.o convênio cafeeiro na importância de Cr$ 81.693.830,00, e mais os juros até 30-6-1959, na importância de Cr$ 276.247.376,00.

Cr$ 13.485.441,90

Refere-se à restituição da taxa de shillings, feita pelo Banco do Estado de São Paulo S/A., de acôrdo com o que dispõe a letra "b" do artigo 4.o da Lei Estadual n. 2.422, de 10-9-1920.

Cr$ 117.656.263,00

Essa importância corresponde a títulos aceitos pelo D.N.C. em 13-6-1927, para liquidação do saldo do adiantamento feito pelo "Banco do Estado de São Paulo S/A.", através da "Conta Suplementar" do empréstimo de £ 20.000.000, e ainda não resgatados, na importância de Cr$ 31.500.000,00 e mais os juros de 10-12-1927 a 30-6-1959, na importância de Cr$ 81.156.263,00.

Cr$ 19.458.671,90

Refere-se a comissões pagas aos representantes, em São Paulo, dos banqueiros financiadores do empréstimo de £ 20.000.000 na importância de Cr$ 4.520.000,00 e dos juros até 30-6-1959, na importância de Cr$ 15.018.671,90.

Cr$ 41.848,10

Corresponde a comissões pagas ao Conselho Técnico de Economia e Finanças, adiantadas pelo Estado de São Paulo, na importância de Cr$ 18.750,00 e dos juros de 31-12-1946 a 30-6-1959, na importância de Cr$ 23.089,10.

b) — Créditos

Cr$ 12.966.091,80

Refere-se a fundos vinculados ao empréstimo de £ 20.000.000, aplicados pelo Govêrno do Estado de São Paulo na aquisição de títulos da sua Dívida Externa.

Cr$ 55.720.000,00

Corresponde a contribuições do Estado de São Paulo, de acôrdo com resoluções dos Convênios dos Estados Cafeeiros realizados em 1929, 1940 e 1943.

Cr$ 45.222.567,90

Refere-se ao produto líquido da venda de 170.000 sacas de café, entregues ao Banco do Comércio e Indústria de São Paulo S/A., no valor de Cr$ 11.472.727,10 e mais os juros até 30-6-59, de Cr$ 33.758.770,90.

Somados os débitos e os créditos da União, resultou o saldo favorável a São Paulo, na importância de Cr$ 445.886.063,40, como a seguir se demonstra:

	Cr$
Débitos	369.883.291,10
Créditos	115.816.063,70
Saldo favorável a São Paulo	445.886.063,40

As operações relativas à Defesa do Café, que foram incluídas no Encontro de Contas com o Govêrno Federal pelo resultado mais atrás exposto, encontram-se registradas na Contabilidade do Estado em contas distintas, a saber:

CONTAS ATIVAS

		Cr$
3.27	— Defesa de Café	
3.27.01	— I.B.C. — c) Indenização de Cafés Baixos	1.680.158,70
3.27.02	— I.B.C. — c) Cafés Transferidos	499.316.540,10
3.27.03	— I.B.C. — c) Sobras da Taxa de 3 xelins	80.362.695,10
3.27.06	— Diferença de Câmbio Café	338.476.902,70
3.27.07	— Prêmios de Reembôlso — Emp. £ 20.000.000	44.310.740,00
3.27.08	— I.B.C. — c) Cota-parte de Cr$ 6,00 por saca de Café Exportada	135.097.460,70
3.27.09	— I.B.C. c) Cafés Cedidos ao Govêrno Federal ..	3.000.209,30
3.27.20	— Govêrno Federal — c) Decreto-Lei 6.019-87 — Empréstimo de £ 20.000.000	313.139.939,40
3.27.24	— I.B.C. — c) Títulos de seu Acêrto Descontados pelo Govêrno do Estado — c) Resgate com juros correcidos — Processos ns. G-23.042-39 e G-472-44	29.023.398,80
3.27.26	— Renda e Despesa da Defesa do Café	281.097.387,60
	Soma do Ativo	1.667.343.936,30

CONTAS PASSIVAS

3.27	— Defesa do café	
3.27.11	— Empréstimo Externo de £ 20.000.000	443.107.600,00
3.27.12	— Obrigações do Café	71.581.080,50
3.27.14	— Sobras da Taxa de 3 xelins	80.362.695,10
3.27.15	— Caixa Centrum	42.751.454,10
3.27.17	— Fundo para o Serviço do Empréstimo de £ 20.000.000 — c) Banco do Brasil S.A.	671.883,30
3.27.21	— I.B.C. — c) Serviço de Empréstimo de £ 20.000.000	283.238.827,60
3.27.22	— Liquidação de operações sôbre Títulos de Empréstimo de £ 20.000.000	1.973.813,20
3.27.23	— Bancos e Correspondentes — Defesa do Café	782.329.797,20
3.27.25	— I.B.C. — c) Operações de Café para Resgate e Serviço de Empréstimo de £ 20.000.000	22.676.694,60
	Soma do passivo	1.667.343.936,30

A situação econômica é a seguinte:

Contas de Despesas	
Diferenças de Câmbio Café	338.476.902,70
Prêmios de Reembôlso-Empréstimo de £ 20.000.000	44.310.740,00

Despesas da Defesa do Café	1.033.234 561,56
Total	1.417.992.209,79
Custos de Receita	
Sobras da Taxa de 3 Xelins	80.362.685,70
Fundo para o Serviço do Empréstimo de £ 20.000.000 c| Banco do Brasil	471.801,30
Liquidação de Operações sobre Títulos de Empréstimos de £ 20.000.000	1.373 813,20
Rendas de Defesa do Café	724.167.173,70
Total	806.375 476,30
Prejuízo das operações da Defesa do Café	581.616.818,90

DESDOBRAMENTO DA CONTA "3 27.26 — Renda e Despesa da Defesa do Café"

Débito

3.27.26.04 — Despesas com o Serviço de Empréstimo de £ 20.000.000	700.350.129,20
3.27.26.05 — Diferença de Câmbio	5.849.440,60
3.27.26.09 — Comissões aos Agentes dos Banqueiros	5.304.167,00
3.27.26.10 — Restituição da Taxa de 3 xelins	108.313.841,00
3.27.26.11 — Juros em Contas Correntes	199.803.284,70
3.27.26.12 — Amortização do Principal de Reembôlso	58.801.989,30
3.27.26.14 — Contribuição para a Manutenção do Conselho Técnico de Economia e Finanças	31.500,00
Soma do débito	1.035.254.561,50

Crédito

3.27.26.01 — Cota parte da Taxa de Cr$ 12,00 por saca de Café Exportada	420.807.735,50
3.27.26.06 — Diferença de Preço na Aquisição de Títulos do Empréstimo de £ 20.000.000	16.104.236,90
3.27.26.07 — Prescrição de Cupons do Empréstimo de £ 20.000.000	351.096,20
3.27.26.08 — Taxa de 3 xelins	166.830.566,10
3.27.26.15 — Rendas a Classificar	190.373.339,10
Soma do crédito	754.167.173,70
Saldo Devedor	281.087.387,80
	1.035.254.561,50

Como ficou demonstrado, o prejuízo resultante das operações da "Defesa do Café" de 1.930, segundo as operações registradas na contabilidade do Estado, traduziu-se na cifra de Cr$ 581.616.818,90, que corresponde exatamente ao saldo entre os encargos decorrentes das operações realizadas e os recursos que o Estado contava para a sua cobertura.

Entretanto, pelo resultado do encontro geral das contas entre a União e o Estado de São Paulo, aceito por ambas as partes, foram reconhecidas a favor do Estado de São Paulo, as seguintes parcelas:

Juros a favor do Estado sôbre diversas contas		92.097.834 00
Comissões pagas pelo Estado aos representantes em São Paulo, dos banqueiros financiadores do Empréstimo de £ 20.000.00		4.520.000,00
Restituição da Taxa de 3 xelins		73.485.441,20
		170.103.275,90
Menos:		
Contribuição do Estado de acôrdo com as resoluções dos Convênios dos Estados Cafeeiros realizados em 1929, 1940 e 1943	$3.720.000,00	
Juros a favor da União sôbre diversas contas	35.326.493,90	
Despesas c| Cafés Despachados	395.600,80	91.442.594,70
Diferença a favor de São Paulo		78.661.181,20

Do encontro de contas a Comissão não considerou diversas parcelas que se encontravam contabilizadas nos livros do Estado, mas incluiu outras não contabilizadas, as quais vieram alterar o montante do saldo negativo de Cr$ .... 581.616.818,90, reduzindo-o a Cr$ 466.232.400,40, como a seguir se demonstra:

REDUÇÃO DE ATIVO

I.B.C. — c| Indenização de Cafés Baixos	1.850.158,70
I.B.C. — c| Cafés Transferidos	142.907.037,60
I.B.C. — c| Sobras da Taxa de 3 xelins	80.362.685,10
I.B.C. — c| Cota-parte de Cr$ 6 00 por saca de Café Exportada	113.097.405,70
I.B.C. — c| Cafés Cedidos ao Govêrno Federal	3.009.269,30
Fundo para o Serviço de Empréstimo de £ 20.000.000 — c| Banco do Brasil	12.866.094,80
Govêrno Federal — c| Decreto-lei 6019-43 — Empréstimo de £ 20.000.000	313.119.329,80
Bancos e Correspondentes — Defesa do Café	9.011.933,90
I.B.C. — c| Títulos de seu aceite descontados pelo Govêrno do Estado — ni resgate com Juros Acrescidos — Proc. C-52.942-39 e C-972-44	22.626.306,30
Soma	825.887.824,00

VANTAGENS

Empréstimo Externo de £ 20.000.000 — Saldo resgatado pela União		442.107.400 00
I.B.C. — c| Serviço de Empréstimo Externo de £ 20.000.000		263.328.827,40
Banco e Correspondentes — Defesa do Café		4.198.144,20
I.B.C. — c| Operações do Café para Resgate e Serviço do Empréstimo Externo de £ 20.000.000		22.076.094,80
Soma		732.610.466,30

Resumindo, teremos o saldo final negativo decorrente das operações da Defesa do Café, que se expressa pela cifra de Cr$ 466 232.400,40 assim obtida:

	Cr$
Saldo negativo apurado de acôrdo com o que consta da contabilidade do Estado	581.616.818,90
Mais: Parcelas do Ativo não consideradas pela Comissão	695.887.324,00
Soma	1.277.504.142 90
Menos:	
Saldo das parcelas reconhecidas a favor do Estado de São Paulo	78.661.181,20
Parcelas do Passivo não consideradas pela Comissão	732.610.466,30
	811.271.647,50
	466.232.495,40

parcela essa que foi registrada na contabilidade do Estado na conta "2.02.04... — Govêrno Federal — c| Saldos Excluídos do Encontro de Contas com o Estado, pendentes de Ajuste".

A importância do Empréstimo Externo de £ 20.000.000, que, em moeda nacional, se expressava em Cr$ 443.104.400,00 e que consta do Passivo do Balanço de Defesa de Café, foi totalmente resgatada pelo Govêrno Federal e convenientemente contabilizada a respectiva baixa do encargo.

Relativamente ao empréstimo representado por obrigações de Café, que figura no Passivo da Defesa do Café, não foi objeto de consideração no encontro de contas. Nestas condições, o seu resgate ficará a cargo do Estado, assim como o saldo a favôr do Banco do Estado, já liquidado pelo Estado.

A vista dos resultados constantes do acêrto de contas, as operações subordinadas à Defesa do Café ficaram encerradas e, em conseqüência, não mais figuram destacadamente no Balanço Geral do Estado.

VI — PLANO DE AÇÃO DO GOVERNO

Pelo Lei n. 5.444, de 17 de novembro de 1.959, foi o Poder Executivo autorizado a despender, nos exercícios de 1.959, 1.960, 1.961 e 1.962, até a importância de Cr$ 100.000.000.000,00, na execução de obras e serviços destinados ao aperfeiçoamento e atualização dos serviços públicos e ao desenvolvimento econômico-social do Estado.

De acôrdo com o quadro anexo àquela lei, os limites de aplicação anual são os seguintes:

Exercício de 1.959	8.332.000.000,00
Exercício de 1.960	24.932.000.000,00
Exercício de 1.961	30.547.000.000,00
Exercício de 1.962	35.689.000.000,00
Total	100.000.000.000,00

A execução do Plano de Ação durante o exercício de 1.959 é, a seguir, analisada com o esclarecimento de que os seus números se acham compreendidos no Balanço Orçamentário do exercício.

a) — Previsão

No exercício de 1.959, o limite de aplicação previsto no Plano expressava-se em Cr$ 8.332.000.000,00; entretanto, os créditos autorizados atingiram a importância de Cr$ 7.408.590.000,00, verificando-se, portanto u'a menor autorização de Cr$ 1.423.410.000,00.

Os créditos autorizados no exercício, no total de Cr$ 7.408.590.000,00, desdobram-se como segue:

Orçamentários	4.400.000.000,00
Especiais	3.008.590.000,00
Total	7.408.590.000,00

Por Secretaria, foram êsses créditos assim distribuídos:

Secretaria	Orçamentários	Especiais
Justiça	280.000.000,00	—,—
Segurança	500.000.000,00	118.000.000,00
Educação	400.000.000,00	—,—
Saúde	800.000.000,00	135.000.000,00
Agricultura	—,—	553.840.000,00
Viação	2.420.000.000,00	143.000.000,00
Fazenda	—,—	2.058.950.000,00
	4.400.000.000,00	3.008.590.000,00

Os créditos orçamentários mais atrás discriminados foram autorizados na Lei n. 5.405, de 25 de agôsto de 1.959, que reajustou as dotações do orçamento dêsse exercício. De acôrdo com as disposições contidas no parágrafo único do artigo 5.o da Lei n. 5.444-59, êsses créditos foram computados na autorização, de que trata essa lei, e, assim, considerados na quota de aplicação fixada para o exercício de 1.959.

A importância de Cr$ 7.408.590.000,00, referente aos créditos autorizados no exercício, comparada com a despesa-limite prevista no Plano de Ação do Govêrno para o exercício de 1.959, é assim demonstrada:

	SETORES	Despesa Prevista no Plano de Ação	CRÉDITOS AUTORIZADOS — Orçamentários	CRÉDITOS AUTORIZADOS — Especiais	CRÉDITOS AUTORIZADOS — Total	Diferença entre a despesa prevista e os créditos autorizados
A	Educação, Cultura e Pesquisa	824.000.000,00	400.000.000,00	202.850.000,00	602.850.000,00	221.850.000,00
B	Justiça e Segurança Pública	698.000.000,00	780.000.000,00	118.000.000,00	898.000.000,00	—,—
C	Saúde Pública e Assistência Social	935.000.000,00	800.000.000,00	135.000.000,00	935.000.000,00	—,—
D	Sistemas de Água e Esgôto	120.000.000,00	50.000.000,00	50.000.000,00	100.000.000,00	20.000.000,00
E	Energia	2.566.000.000,00	920.000.000,00	1.646.000.000,00	2.566.000.000,00	—,—
F	Ferrovias	450.000.000,00	450.000.000,00	—,—	450.000.000,00	—,—
G	Rodovias	1.270.000.000,00	1.000.000.000,00	—,—	1.000.000.000,00	270.000.000,00
H	Pontes Municipais	280.000.000,00	—,—	—,—	—,—	280.000.000,00
I	Aeroportos, Portos e Navegação	115.000.000,00	—,—	93.000.000,00	93.000.000,00	22.000.000,00
J	Armazenagens e Esmalagem	110.000.000,00	—,—	110.000.000,00	110.000.000,00	—,—
K	Abastecimento	230.000.000,00	—,—	180.450.000,00	180.450.000,00	49.550.000,00
L	Rêde de Experimentação e Fomento Agro-Pecuário	461.000.000,00	—,—	373.170.000,00	373.170.000,00	87.830.000,00
M	Fundo de Expansão Agro-Pecuária	350.000.000,00	—,—	—,—	—,—	350.000.000,00
N	Fundo de Expansão da Indústria de Base	125.000.000,00	—,—	—,—	—,—	125.000.000,00
O	Fundo de Financiamento das Indústrias de Bens de Produção	125.000.000,00	—,—	—,—	—,—	125.000.000,00
P	Participação na Grande Industria de Base	100.000.000,00	—,—	100.000.000,00	100.000.000,00	—,—
	TOTAIS	8.833.000.000,00	4.400.000.000,00	3.008.590.000,00	7.408.590.000,00	1.423.410.000,00

91 — Execução

A despesa realizada no exercício de 1959, à conta das respectivas autorizações, elevou-se a Cr$ 6.365.981.974,50, como segue:

	Cr$
Pelo orçamento	4.322.272.474,50
Por créditos especiais	2.043.709.500,00
Total	6.365.981.974,50

Por Secretarias, as despesas assim se distribuiram:

	Orçamento Cr$	Créditos Especiais Cr$
Secretaria da Justiça	280.000.000,00	—,—
Secretaria da Segurança	500.000.000,00	—,—
Secretaria da Educação	400.000.000,00	—,—
Secretaria da Saúde	800.000.000,00	135.000.000,00
Secretaria da Agricultura	—,—	265.909.500,00
Secretaria da Viação	2.342.272.474,50	143.000.000,00
Secretaria da Fazenda	—,—	1.379.800.000,00
	4.322.272.474,50	2.043.709.500,00

A aplicação setorial dos investimentos pode ser assim analisada:

I — Investimentos para a Melhoria das condições do homem		
A — Educação, Cultura e Pesquisa	549.800.000,00	
B — Justiça e Segurança Pública	780.000.000,00	
C — Saúde Pública e Assistência Social	935.000.000,00	
D — Sistemas de Águas e Esgôtos	99.869.562,20	2.364.669.562,20
II — Investimentos de Infra-Estrutura		
E — Energia	1.979.000.000,00	
F — Ferrovias	372.402.912,30	
G — Rodovias	1.000.000.000,00	
I — Aeroportos, portos e navegação	93.000.000,00	3.385.402.912,30
III — Investimentos para expansão agrícola, industrial e fomento agrícola		
J — Armagem e silagem	110.000.000,00	
K — Abastecimento	180.470.000,00	
L — Rêde de experimentação e fomento agropecuário	205.439.500,00	495.909.500,00
IV — Investimentos financeiros Subscrição ações de Banco		100.000.000,00
Total — Cr$		6.365.981.974,50

Dos créditos abertos no exercício, no total de Cr$ 7.408.590.000,00 sòmente foram realizadas despesas na importância de Cr$ 6.365.981.974,50, verificando-se, pois, a menor realização de Cr$ 1.042.608.025,50.

De acôrdo com as disposições do § 2.o do artigo 1.o da Lei n. 5.444, de 17-11-1959 (Plano de Ação) as parcelas não utilizadas no exercício, dentro do limite fixado passarão a acrescer as disponibilidades do exercício seguinte.

Assim, sendo o limite de aplicação para o exercício de 1959 fixado em ... Cr$ 8.832.000.000,00 e tendo atingido a aplicação de recursos a cifra de ... Cr$ 6.365.981.974,50, verifica-se o saldo de ... Cr$ 2.466.018.025,50, que passará a acrescer o limite fixado para o exercício de 1960.

Em conformidade com o disposto no parágrafo único do artigo 3.o, da Lei n. 3.444-59, serão deduzidas as despesas efetivamente realizadas à conta da autorização global de Cr$ 100.000.000.000,00.

Considerando que as despesas realizadas em 1959 somaram Cr$ ... 6.365.981.974,50, é de se concluir que, de acôrdo com o dispositivo citado, o saldo que poderá ser aplicado nos exercícios seguintes obedecidos os limites de aplicação anual fixados na Lei n. 5.444-59, será da ordem de Cr$ ... 93.634.018.025,50.

Estas são, Senhor Secretário, em breve relato, as considerações de maior significado que, no cumprimento da tarefa que me cabe, julguei necessário fazer a propósito das Contas do Balanço Geral, relativo ao exercício de 1959, e que ora tenho a honra de transmitir a Vossa Excelência.

Ao encerrar, permito-me, data venia, neste ensêjo, registra o meu agradecimento a todos os servidores dêste órgão pela eficiente e dedicada colaboração que deram aos trabalhos de levantamento do Balanço Geral do Estado, mercê da qual, mais uma vez, como sempre pôde a C.G.E. desincumbir-se do seu mais importante encargo dentro do têrmo fixado pela lei.

Aproveito a oportunidade para reiterar a Vossa Excelência os protestos do meu profundo respeito.

Em 19 de abril de 1960

Henrique Dante d'Auria
Contado Geral do Estado

ESTADO DE SÃO PAULO

CONTADORIA GERAL DO ESTADO

Contas do Exercício Financeiro de 1959

I — BALANÇO ORÇAMENTARIO

10 — RECEITA

TITULOS	100 — Previsão	101 — Execução	102 — Diferença	Porcentagem da maior ou menor Arrecadação
I — Receita Ordinária	55.061.127.784,80	67.082.089.437,80	+ 12.021.931.653,00	+ 21,85%
II — Receita Extraordinária	1.589.209.385,20	1.313.282.568,20	— 275.923.706,90	— 17,35%
SOMAS	56.650.333.000,00	68.406.341.946,10	11.756.008.946,10	+ 20,75%
"DEFICIT" PREVISTO	15.865.642.370,70	—,—	15.865.642.370,70	
TOTAIS — Cr$	72.515.975.370,70	68.406.341.946,10	4.109.633.424,60	

11 — DESPESA

TITULOS	110 — Previsão	111 — Execução	112 — Diferença	Porcentagem dos Créditos não Utilizados
I — Assembléia Legislativa	403.234.973,20	390.832.401,70	12.402.571,50	— 3,07%
II — Tribunal de Contas	96.257.900,00	92.418.295,80	3.839.604,20	— 4,00%
III — Govêrno do Estado	112.084.200,00	101.876.382,30	10.317.817,70	— 9,13%
IV — Secretaria do Govêrno	295.744.900,00	268.939.195,10	26.805.704,90	— 9,06%
V — Secretaria da Justiça	1.640.450.899,30	1.552.265.278,80	88.185.120,50	— 5,38%
VI — Secretaria da Segurança	4.998.774.700,00	4.897.811.418,50	100.963.286,50	— 2,02%
VII — Secretaria da Educação	8.953.167.700,00	8.814.150.180,70	139.017.519,30	— 1,55%
VIII — Secretaria da Saúde	6.177.900.873,40	5.689.844.297,00	486.056.566,40	— 7,90%
IX — Secretaria do Trabalho	174.682.630,00	156.551.964,50	18.111.035,50	— 10,37%
X — Secretaria da Agricultura	3.433.423.372,20	3.337.021.091,90	196.372.364,30	— 2,84%
XI — Secretaria da Viação	21.720.866.879,80	21.069.417.468,60	651.449.411,20	— 3,00%
XII — Secretaria da Fazenda	23.480.419.171,80	21.018.160.930,30	2.462.258.941,50	— 10,48%
XIII — Poder Judiciário	1.028.898.000,00	948.058.434,10	80.839.565,90	— 7,86%
SOMAS	72.515.975.370,70	68.397.597.171,30	4.183.078.199,40	— 5,77%
"Superavit" Verificado	—,—	73.444.774,80	73.444.774,80	
TOTAIS — Cr$	72.515.975.370,70	68.471.341.946,10	4.109.633.424,60	

NOTA

	PREVISÃO	EXECUÇÃO	CREDITOS NÃO UTILIZADOS
A despesa da Secretaria da Fazenda, desdobra-se em:			
PARTE "A" — Encargos Gerais do Estado	21.006.072.708,60	18.608.100.129,80	2.397.972.585,10
PARTE "B" — Despesa da Secretaria	2.474.346.463,20	2.410.060.800,50	64.285.662,40
TOTAIS — Cr$	23.480.419.171,80	21.018.160.930,30	2.462.258.941,70

CONTADORIA GERAL DO ESTADO

Em 31 de março de 1960

SEÇÃO DE CONTABILIDADE ORÇAMENTARIA
José Alfredo Alberti
Chefe de Secção
Contador C. R. C. — Sp. 4.586

DIVISÃO DE ORÇAMENTO
Mathias Marques de Oliveira
Diretor
Contador C. R. C. — Sp. 1.773

Henrique Dante d'Auria
Contador Geral do Estado
Contador C. R. C. — Sp. 11.378

ESTADO DE SÃO PAULO

CONTADORIA GERAL DO ESTADO

Contas do Exercício Financeiro de 1959

DEMONSTRAÇÃO DOS CRÉDITOS AUTORIZADOS (ORÇAMENTÁRIOS E ADICIONAIS) EXERCÍCIO DE 1959

TITULOS	Valor dos Créditos Autorizados	Créditos Destinados ao Exercício	Créditos Plurienais e Revigorados que Passam para os Exercícios Seguintes
I — ASSEMBLÉIA LEGISLATIVA	403.224.973 20	403.224.973 20	—,—
II — TRIBUNAL DE CONTAS	96.357.000 00	96.357.000 00	—,—
III — GOVERNO DO ESTADO	112.094.300 00	112.094.300 00	—,—
IV — SECRETARIA DO GOVERNO	295.744.900 00	295.744.900 00	—,—
V — SECRETARIA DA JUSTIÇA	1.040.455.399 30	1.040.455.999 30	—,—
VI — SECRETARIA DA SEGURANÇA	5.116.774.700 00	4.998.774.700,00	118.000.000,00
VII — SECRETARIA DA EDUCAÇÃO	8.953.167.700 00	8.953.167.700 00	—,—
VIII — SECRETARIA DA SAUDE	6.177.900.873 40	6.177.900.873 40	—,—
IX — SECRETARIA DO TRABALHO	174.662.000 00	174.662.000 00	—,—
X — SECRETARIA DA AGRICULTURA	3.601.133.873,20	3.433.423.373,20	167.730.500 00
XI — SECRETARIA DA VIAÇÃO	24.165.457.399 90	21.720.866.879 80	2.444.590.520 10
XII — SECRETARIA DA FAZENDA	24.840.368.091,90	23.480.419.171 80	1.059.949.519 40
XIII — PODER JUDICIARIO	1.028.888.000 00	1.028.888.000 00	—,—
TOTAL	76.306.345.910,20	72.515.975.370 70	3.790.270.539,50

DEMONSTRAÇÃO DOS CRÉDITOS PLURIENAIS E REVIGORADOS QUE PASSAM PARA OS EXERCÍCIOS SEGUINTES

TITULOS	LEIS E DECRETOS	VALOR	VIGENCIA
SECRETARIA DA SEGURANÇA (PLANO DE AÇÃO — P.A.G.)	Lei n.o 5.444, de 17-11-1959 Dec. n.o 35.799, de 30-11-1959	118.000.000 00	31-12-1959
SECRETARIA DA AGRICULTURA (PLANO DE AÇÃO — P.A.G.)	Lei n.o 5.444, de 17-11-1959 Dec. n.o 35.797, de 30-11-1959	167.730.500.00	31-12-1959
SECRETARIA DA VIAÇÃO	Lei n.o 1.332, de 6-12-1951 Dec. n.o 21.055, de 15-12-1951 Lei n.o 1.323, de 6-12-1951 Dec. n.o 21.068, de 19-12-1951 Lei n.o 2.722, de 15-1-1957 Dec. n.o 27.299, de 31-1-1957 Lei n.o 4.276, de 26-11-1957 Dec. n.o 32.434, de 19-12-1957 Dec. n.o 33.575, de 6-9-1958 Lei n.o 5.447, de 31-12-1959 Dec. n.o 36.118, de 31-12-1959	1.821.929.167,20 536.353.201,80 17.000.000,00 6.950.000 00 12.358.151,10 50.000.000,00	31-12-1970 31-12-1970 31-12-1961 31-12-1962 31-12-1960
	Soma	2.444.590.520,10	
SECRETARIA DA FAZENDA	Lei n.o 1.670, de 31-7-1952 Lei n.o 2.804, de 5-2-1957 Lei n.o 5.465, de 31-12-1959 Dec. n.o 36.120, de 31-12-1959 Dec. n.o 36.121, de 31-12-1959 Dec. n.o 36.122, de 31-12-1959	69.299.519,40 100.600.000,00 211.590.000,00	31-12-1963 31-12-1963 31-12-1969
(PLANO DE AÇÃO — P.A.G.)	Lei n.o 5.444, de 17-11-1959 Dec. n.o 35.798, de 18-11-1959 Dec. n.o 35.796, de 20-11-1959 Dec. n.o 36.090, de 30-12-1959	600.000.000,00 33.150.000,00 46.000.000,00	31-12-1968 31-12-1960 31-12-1960
	Soma	1.059.949.519,40	
	TOTAL	3.790.270.539,50	

CONTADORIA GERAL DO ESTADO

Em 31 de março de 1960

SECÇÃO DE CONTABILIDADE ORÇAMENTARIA
José Alfredo Alberti
Chefe da Secção
Contador C.R.C. — Sp. 4.586

DIVISÃO DE ORÇAMENTO
Mathias Marques de Oliveira
Diretor
Contador C.R.C. — Sp. 1.773

ESTADO DE SÃO PAULO

CONTADORIA GERAL DO ESTADO

Contas do Exercício Financeiro de 1959

DEMONSTRAÇÃO DA RECEITA DO ESTADO REALIZADA EM CONFRONTO COM A ORÇADA

CÓDIGO Local	CÓDIGO Geral	DISCRIMINAÇÃO	100 Receita Prevista	101 Receita Realizada	102 — DIFERENÇAS 1020 Para Mais	1021 Para Menos
		RECEITA ORDINARIA				
		I — TRIBUTÁRIA				
		a) — Impostos				
1	0.11.1	IMPOSTO TERRITORIAL 1) Impôsto Territorial Rural 2) Majoração destinada ao custeio dos trabalhos de defesa, fomento, pesquisas florestais e a outros fins previstos no artigo 8.o da Lei n. 2.626, de 20-1-54	540.000.000,00 110.000.000,00	505.426.435,00 116.627.444,00	—,— 6.627.444,00	34.573.565,00 —,—
2	0.13.1	IMPOSTO SOBRE TRANSMISSÃO DE PROPRIEDADE "CAUSA-MORTIS" 1) Impôsto sôbre Transmissão de Propriedade "Causa-Mortis" 2) Majoração nos têrmos do Decreto-lei n. 17.335, de 21-5-47, com as modificações introduzidas pelas Leis ns. 1.470, de 26-12-51, 2.626, de 21-12-54, 2.738, de 18-1-57 e 4.507, de 31-12-57: 1 — A Caixa Estadual de Casas para o Povo (CECAP) 2 — À Santa Casa de Misericórdia de São Paulo 3 — Ao "Fundo de Assistência ao Menor" (FAM)	450.000.000,00 9.000.000,00 9.000.000,00 4.500.000,00	540.727.453,60 8.022.953,10 7.979.934,30 4.004.814,70	90.727.453,60 —,— —,— —,—	—,— 977.046,90 1.020.065,70 495.185,30

CÓDIGO		DISCRIMINAÇÃO	100 RECEITA PREVISTA	101 RECEITA REALIZADA	102 — DIFERENÇAS	
Local	Geral				1959 Para mais	1921 Para menos
	0.14.1	IMPOSTO SOBRE TRANSMISSÃO DE PROPRIEDADE "INTER-VIVOS"				
8		1) Impôsto sôbre Transmissão de Propriedade "Inter-Vivos"	2.085.000.000,00	1.988.294.058,70	—,—	96.705.941,30
		2) Majoração nos têrmos do Decreto-lei n. 17.295, de 21-6-47, com as modificações introduzidas pelas Leis ns. 1.479, de 26-12-51, 2.808, de 31-12-56, 2.736, de 18-1-57 e 4.507, de 31-12-57:				
		1 — A Caixa Estadual de Casas para o Povo (CECAP)	66.000.000,00	71.970.168,10	5.970.168,10	—,—
		2 — A Santa Casa de Misericórdia de São Paulo	66.000.000,00	71.949.309,50	5.949.309,50	—,—
		3 — Ao "Fundo de Assistência ao Menor" (FAM)	33.000.000,00	36.111.909,90	3.111.909,90	—,—
	0.15.3	IMPOSTO SOBRE VENDAS E CONSIGNAÇÕES				
4		Impôsto sôbre Vendas e Consignações				
		1 — Parte pertencente ao Estado	46.025.000.000,00	46.427.534.733,90	2.402.534.733,90	—,—
		2 — Parte pertencente ao D.A.E.E. compensada na Despesa, nos têrmos do artigo 3.o, § 1.o, da Lei n. 2.329, de 30 de dezembro de 1953	1.000.000.000,00	1.340.944.414,90	340.944.414,90	—,—
	0.19.7	IMPOSTO DO SÊLO				
9		1) Impôsto do sêlo sôbre atos emanados dos Podêres do Estado e negócios de sua economia, ou regulados por lei estadual				
		1 — Atos da Junta Comercial do Estado	34.500.000,00	41.479.584,30	6.979.584,30	—,—
		2 — Demais atos emanados dos Podêres do Estado, inclusive na cobrança de tributos, arrecadados na fórma estabelecida no artigo 20, da Lei n. 926, de 30-12-1950:				
		1 — Em estampilhas	322.591.920,00	316.969.184,80	—,—	5.622.465,20
		2 — Por verba	506.908.480,00	730.394.765,40	231.486.285,40	—,—
		3) Parte pertencente ao D.A.E.E., compensada na Despesa, nos têrmos do artigo 3.o, § 1.o, da Lei n. 2.329, de 30 de dezembro de 1953 ..	1.200.000,00	12.261.386,00	11.061.386,00	—,—
	0.20.3	IMPOSTO SOBRE TRANSAÇÃO E INVERSÃO DE CAPITAIS				
9		1) Impôsto sôbre Transações				
		1 — Quota do Estado	275.000.000,00	466.396.936,30	23.396.936,30	—,—
		2 — Quota da União (Artigo 31 da Constituição Federal)	167.500.000,00	289.789.531,40	22.289.531,40	—,—
		3 — Quotas dos Municípios (Artigo 21 da Constituição Federal) ...	275.000.000,00	419.588.082,50	44.588.082,50	—,—
		4 — Parte pertencente ao D.A.E.E., compensada na despesa nos têrmos do artigo 3.o, § 1.o da Lei n. 2.329, de 30 de dezembro de 1953	22.500.000,00	10.606.864,60	—,—	11.893.135,40
	0.20.7	IMPOSTO ADICIONAL				
9		1) Adicional de 30% ao Impôsto de Transmissão Imobiliária "Inter-Vivos", nos têrmos do artigo 7.o da Lei n. 2.736, de 18-1-57 (Pertencente ao "Fundo de Assistência ao Menor" — FAM)	30.000.000,00	39.932.083,50	9.932.083,50	—,—
		2) Adicional de 5% ao Impôsto de Transmissão Imobiliária "Inter-Vivos", nos têrmos do artigo 26 do Livro IV do C.I.T. (Decreto n. 22.022, de 31-1-53)	100.000,00	3.551.748,10	3.451.748,10	—,—
		3) Adicional de 5% ao Impôsto de Transmissão de Propriedade "Causa- Mortis"	100.000,00	299.099,80	199.099,80	—,—
		4) Adicional de 10% sôbre os impostos estaduais, de conformidade com artigo 1.o da Lei n. 2.412, de 15 de dezembro de 1953, com exclusão dos impostos sôbre vendas e consignações, sôbre transações e do sêlo "ad valorem" sôbre guias de expedição de mercadorias para o estrangeiro e pela expedição de certificado de propriedade de veículos motorizados (pertencentes ao Estado nos têrmos da Lei n. 2.021, de 16-12-1950)	417.259.000,00	381.077.055,70	—,—	36.172.944,30
		5) Adicional de 2,75% sôbre os impostos estaduais de conformidade com o artigo 2.o da Lei n. 2.329, de 30 de dezembro de 1953, com exclusão dos impostos sôbre vendas e consignações, sôbre transações e do sêlo "ad valorem" sôbre guias de expedição de mercadorias para o estrangeiro e pela expedição de certificados de propriedade de veículos motorizados (pertencentes ao D.A.E.E. e compensados na Despesa)	155.268.750,00	140.643.002,50	—,—	14.625.747,50
		Soma da Renda dos Impostos	46.902.416.750,00	50.704.288.730,50	3.983.890.979,10	182.066.998,60
		b) — Taxas				
9	1.11.2	TAXAS RODOVIÁRIAS				
		1) Taxa de Conservação de Estradas de Rodagem (Pertencente ao D.E.R. nos têrmos dos artigos 17, letra "c" e 18 do Decreto n. 16.546, de 26-12-46)	220.000.000,00	264.075.029,50	44.075.029,50	—,—
		2) Taxa Rodoviária (Pertencente ao D.E.R. nos têrmos dos artigos 17, letra "c" e 18 do Decreto-lei n. 16.546, de 26-12-46)	1.000.000,00	—,—	—,—	1.000.000,00
9	1.12.4	TAXAS DE SERVIÇO DE TRANSITO				
		Taxa de Registro e Fiscalização de Veículos				
		1 — Parte pertencente ao Estado	5.000.000,00	18.494.655,50	13.494.655,50	—,—
		2 — Parte pertencente ao D.E.R. (Artigo 17, letra "c" e 18 do Decreto-lei n. 16.546, de 26-12-46)	110.000.000,00	133.915.992,50	23.915.992,50	—,—
10		Diretoria de Serviço de Trânsito				
		1 — Taxa de frequência à Escola Oficial de Trânsito	95.000,00	51.776.323,30	51.681.323,30	—,—
		2 — Certificados diversos	6.000,00	—,—	—,—	6.000,00
		3 — Taxas de exames	7.500.000,00	—,—	—,—	7.500.000,00
		4 — Inscrições	16.450.000,00	—,—	—,—	16.450.000,00
		5 — Licenças diversas	14.850.000,00	—,—	—,—	14.850.000,00
		6 — Vistorias	15.000.000,00	—,—	—,—	15.000.000,00
		7 — Taxa de registro de livros	15.000,00	—,—	—,—	15.000,00
	1.15.4	TAXAS DE ASSISTÊNCIA E SEGURANÇA SOCIAL				
11		Taxa de Assistência aos Médicos (Lei n. 810, de 2-1-50)	4.500.000,00	4.747.410,40	247.410,40	—,—
12		Taxa de Aposentadoria de Servidores da Justiça (Leis ns. 465 e 507 de 26-8-49 e 17-11-49)	30.000.000,00	63.029.637,80	33.029.637,80	—,—
	1.22.4	TAXAS E CUSTAS JUDICIÁRIAS E EMOLUMENTOS				
13		Emolumentos				
		1 — Emolumentos diversos	10.000,00	1.666.236,00	1.656.236,00	—,—
	1.23.4	TAXAS DE FISCALIZAÇÃO E SERVIÇOS DIVERSOS				
14		Taxa de Fiscalização de usinas de beneficiamento de algodão	13.216.611,00	14.015.125,50	2.598.514,50	—,—
15		Taxa de fiscalização e classificação de produtos agrícolas diversos ..	1.800.500,00	14.175.002,10	12.374.502,10	—,—
16		Taxa de fiscalização de Armazens Gerais	446.000,00	396.000,00	—,—	50.000,00
17		Quotas de fiscalização a serem pagas pelos Estabelecimentos de Ensino Profissional (Decreto n. 5.841, de 4-12-54)	1.000,00	—,—	—,—	1.000,00
18		Taxa de inscrição nos Salões Paulista de Belas Artes e Paulista de Arte Moderna (Artigo 13 da Lei n. 979, de 12-2-51)	12.000,00	14.500,00	2.500,00	—,—
19		Taxa de análises diversas	48.000,00	75.225,00	27.225,00	—,—
	1.26.1	TAXAS DE MELHORAMENTOS				
20		Contribuição de melhoria				
		1 — Arrecadada pelo Estado	10.000,00	—,—	—,—	10.000,00
		2 — Arrecadada pelo D. E. R.	1.000.000,00	—,—	—,—	1.000.000,00
		3 — Arrecadada pelo D. A. E. E.	10.000,00	—,—	—,—	10.000,00
		4 — Arrecadada pelo D. A. E.	100.000,00	—,—	—,—	100.000,00
21		Taxa de Pedágio (Pertencente ao D. E. R. nos têrmos dos artigos 17, letra "c" e 18 do Decreto-lei n. 16.546, de 26-12-46)	240.000.000,00	289.549.106,00	249.549.106,00	—,—
		Soma da Renda das Taxas	662.229.411,00	956.837.245,80	322.590.131,40	67.992.300,00
		Soma da Receita Tributária — Cr$	47.564.646.161,00	56.661.090.962,80	9.316.487.108,50	249.948.398,60

CÓDIGO Local	CÓDIGO Geral	DISCRIMINAÇÃO	100 RECEITA PREVISTA	101 RECEITA REALIZADA	102 — DIFERENÇAS 1959 Para mais	1961 Para menos
		II — PATRIMONIAL				
	2.01.0	RENDA IMOBILIÁRIA				
22		Departamento Jurídico do Estado				
		Procuradoria do Patrimônio Imobiliário				
		1 — Taxa de legitimação de terras devolutas (Artigo 33 do Decreto n. 14.916, de 6-8-45)	100.000,00	1.516.472,50	1.416.472,50	
23		Diretoria de Aeroportos				
		1 — Arrecadação proveniente de tarifas aeroportuárias devidas pela utilização de Aeroporto de São Paulo (Congonhas)	9.000.000,00	12.977.010,00	3.977.010,00	
24		Aluguéis de Próprios do Estado				
		1 — Locação de imóveis administrados pela Secretaria da Viação e Obras Públicas				
"		Departamento de Obras Sanitárias				
		1 — Grande Hotel — Campos do Jordão	840.000,00	930.000,00		90.000,00
		2 — Guarujá	30.000,00	26.200,00	26.200,00	
		3 — Hotel de Águas de São Pedro	1.200.000,00	1.200.000,00		
		4 — Serviços de Águas Santos-Cubatão	50.000,00	83.010,00	33.010,00	
		5 — Hotel Glória (Lindóia)	25.000,00	100.343,40	125.343,40	
		6 — Hotel Lindóia	35.000,00	100.323,00	65.323,00	
		3 — Diretoria de Aeroportos				
		1 — Aluguel de áreas da Estação Central do Aeroporto de São Paulo (Congonhas)	2.000.000,00	1.559.371,22		440.628,78
		5 — Locação de imóveis administrados pela Secretaria da Fazenda				
		1 — Palácio da Bolsa — Santos	400.000,00	120.554,00		279.446,00
		3 — Outros imóveis	10.000,00	—		10.000,00
		4 — Locação de imóveis administrados pela Secretaria da Justiça e Negócios do Interior				
		1 — Penitenciária do Estado	10.000,00	—		10.000,00
		3 — Outros imóveis	6.000,00	—		6.000,00
		5 — Locação de imóveis administrados pela Secretaria da Agricultura				
		1 — Departamento da Produção Vegetal	450.000,00	1.034.488,30	584.488,30	
		2 — Departamento de Imigração e Colonização	540.000,00	—		540.000,00
		3 — Departamento da Produção Animal	114.000,00	—		114.000,00
		4 — Serviço de Sericicultura	9.840,00	—		9.840,00
		6 — Rendas de outros imóveis administrados pelo Estado ou de sua propriedade	5.000,00	117.097,10	112.097,10	
25	2.02.0	RENDAS DE CAPITAIS				
		Juros				
		1 — De depósitos bancários da Secretaria da Fazenda sôbre saldos disponíveis	195.600.000,00	500.586.829,30	305.986.829,30	
		2 — De depósitos bancários da Secretaria da Fazenda sôbre saldos vinculados	20.000,00	6.153,20		13.846,80
		3 — De depósitos bancários diversos:				
		1 — Secretaria da Justiça e Negócios do Interior	80.186,60	16.672,80		63.513,80
		2 — Outras Secretarias	999.000,00	581.410,90		417.589,10
		4 — De empréstimos às Prefeituras Municipais para financiamento de serviços de águas e esgotos, nos têrmos do Decreto-lei n. 14.643 de 5-4-45:				
		1) Prefeitura Municipal de Assis	18.986,70	18.986,70		
		2) Prefeitura Municipal de Campinas	72.352,40	38.520,40		33.832,00
		3) Prefeitura Municipal de Ipuranava	185.843,00	—		185.843,00
		4) Prefeitura Municipal de Mineiros do Tietê	19.515,80	19.515,80		
		5) Prefeitura Municipal de Orlândia	39.487,30	39.487,30		
		6) Prefeitura Municipal de Pacaembu	62.970,00	62.970,00		
		7) Prefeitura Municipal de Piracicaba	158.225,00	158.225,00		
		8) Prefeitura Municipal de São Vicente	229.487,10	—		229.487,10
		5 — De empréstimos às Prefeituras Municipais, para financiamento de obras de abastecimento de águas e serviços de esgotos já existentes, nos têrmos do Decreto-lei n. 16.678, de 31-12-46:				
	1)	Prefeitura Municipal de Aguaí	119.911,10	119.911,10		
	2)	Prefeitura Municipal de Altinópolis	2.950,80	2.950,80		
	3)	Prefeitura Municipal de Alvares Machado	2.867,90	2.867,90		
	4)	Prefeitura Municipal de Americana	91.437,10	91.437,10		
	5)	Prefeitura Municipal de Andradina	9.320,70	9.320,70		
	6)	Prefeitura Municipal de Angatuba	86.260,10	86.260,10		
	7)	Prefeitura Municipal de Anhembi	956,00	956,00		
	8)	Prefeitura Municipal de Aparecida	92.460,80	92.460,80		
	9)	Prefeitura Municipal de Araras	143.394,70	143.394,70		
	10)	Prefeitura Municipal de Assis	109.672,90	109.672,90		
	11)	Prefeitura Municipal de Avaré	147.501,70	147.501,70		
	12)	Prefeitura Municipal de Barki	155.284,90	155.284,90		
	13)	Prefeitura Municipal de Barueri	1.324,60	1.324,60		
	14)	Prefeitura Municipal de Bebedouro	267.890,40	282.890,40		
	15)	Prefeitura Municipal de Boa Esperança do Sul	51.463,70	51.463,70		
	16)	Prefeitura Municipal de Boituva	76.477,20	76.477,20		
	17)	Prefeitura Municipal de Brotas	4.540,80	4.540,80		
	18)	Prefeitura Municipal de Buri	105.156,10	105.156,10		
	19)	Prefeitura Municipal de Cafelândia	200.815,60	200.815,60		
	20)	Prefeitura Municipal de Cajuru	47.798,30	47.798,30		
	21)	Prefeitura Municipal de Cândido Mota	107.045,80	107.045,80		
	22)	Prefeitura Municipal de Capão Bonito	39.282,20	39.282,20		
	23)	Prefeitura Municipal de Catanduva	78.193,90	78.193,90		
	24)	Prefeitura Municipal de Cedral	3.897,90	3.897,90		
	25)	Prefeitura Municipal de Cerqueira Cesar	196.359,20	196.359,20		
	26)	Prefeitura Municipal de Cerquilho	44.453,40	44.453,40		
	27)	Prefeitura Municipal de Cajlos	160.200,60	160.200,60		
	28)	Prefeitura Municipal de Conchas	167.299,30	167.299,30		
	29)	Prefeitura Municipal de Cosmópolis	85.588,70	85.588,70		
	30)	Prefeitura Municipal de Cotia	133.835,10	133.835,10		
	31)	Prefeitura Municipal de Cravinhos	119.861,40	119.861,40		
	32)	Prefeitura Municipal de Cruzeiro	177.193,80	177.193,80		
	33)	Prefeitura Municipal de Cunha	2.272,60	2.272,60		
	34)	Prefeitura Municipal de Dois Córregos	88.795,90	88.795,90		
	35)	Prefeitura Municipal de Duartina	30.367,40	30.367,40		
	36)	Prefeitura Municipal de Elias Fausto	1.692,40	1.692,40		
	37)	Prefeitura Municipal de Fartura	131.991,10	131.991,10		
	38)	Prefeitura Municipal de Franco da Rocha	135.353,60	135.353,60		
	39)	Prefeitura Municipal de Gália	148.623,90	148.623,90		
	40)	Prefeitura Municipal de Garça	229.306,40	229.306,40		
	41)	Prefeitura Municipal de Getulina	303.508,60	303.508,60		
	42)	Prefeitura Municipal de Guapiara	1.290,80	—		1.290,80
	43)	Prefeitura Municipal de Guaraniú	3.941,10	3.941,10		
	44)	Prefeitura Municipal de Guararapes	138.294,10	138.294,10		
	45)	Prefeitura Municipal de Ibitinga	24.506,50	24.506,50		
	46)	Prefeitura Municipal de Iguatemi	70.062,30	—		70.062,30
	47)	Prefeitura Municipal de Indaiatuba	123.935,10	123.935,10		
	48)	Prefeitura Municipal de Itajobi	71.180,20	71.180,20		
	49)	Prefeitura Municipal de Itanhaem	76.063,80	—		76.063,80
	50)	Prefeitura Municipal de Itapecerica da Serra	134.974,20	134.974,20		
	51)	Prefeitura Municipal de Itapetininga	190.764,60	190.764,60		
	52)	Prefeitura Municipal de Itapeva	76.956,40	76.956,40		
	53)	Prefeitura Municipal de Itapui	76.163,10	76.163,10		
	54)	Prefeitura Municipal de Itatinga	47.855,20	47.855,20		
	55)	Prefeitura Municipal de Iguerava	196.508,60	196.508,60		
	56)	Prefeitura Municipal de Jaboticabal	36.784,70	36.784,70		
	57)	Prefeitura Municipal de Jacupiranga	8.980,40	—		8.980,10
	58)	Prefeitura Municipal de Jales	3.083,00	3.083,00		
	59)	Prefeitura Municipal de Jaú	9.443,50	9.443,50		
	60)	Prefeitura Municipal de Jundiaí	309.078,80	309.078,80		
	61)	Prefeitura Municipal de Laranjal Paulista	65.829,40	65.829,40		
	62)	Prefeitura Municipal de Leme	89.233,70	89.233,70		
	63)	Prefeitura Municipal de Lençóis Paulista	116.776,30	116.776,30		
	64)	Prefeitura Municipal de Mairinporã	30.445,80	30.445,80		
	65)	Prefeitura Municipal de Mandurí	69.183,70	69.183,70		
	66)	Prefeitura Municipal de Marília	676.895,9.	676.895,90		

CÓDIGO		DISCRIMINAÇÃO	100 RECEITA PREVISTA	101 RECEITA REALIZADA	102 — DIFERENÇAS	
Local	Geral				1020 Para mais	1021 Para menos
	67)	Prefeitura Municipal de Matão	146.153,50	146.153,50	—	—
	68)	Prefeitura Municipal de Miracatú	171.171,50	171.171,50	—	—
	69)	Prefeitura Municipal de Mogi das Cruzes	424.067,60	424.067,60	—	—
	70)	Prefeitura Municipal de Monte Alto	13.712,50	13.712,50	—	—
	71)	Prefeitura Municipal de Monte Aprazível	249.677,50	249.677,50	—	—
	72)	Prefeitura Municipal de Monte Mór	23.617,00	23.617,00	—	—
	73)	Prefeitura Municipal de Nova Granada	11.052,00	11.052,00	—	—
	74)	Prefeitura Municipal de Novo Horizonte	213.398,90	213.398,90	—	—
	75)	Prefeitura Municipal de Oriente	1.672,90	1.672,90	—	—
	76)	Prefeitura Municipal de Paraguaçu Paulista	413.430,30	413.430,30	—	—
	77)	Prefeitura Municipal de Patrocínio Paulista	3.508,80	3.508,80	—	—
	78)	Prefeitura Municipal de Pedregulho	2.498,00	2.498,00	—	—
	79)	Prefeitura Municipal de Pedreira	169.101,60	169.101,60	—	—
	80)	Prefeitura Municipal de Penápolis	93.389,90	93.389,90	—	—
	81)	Prefeitura Municipal de Piedade	89.594,10	89.594,10	—	—
	82)	Prefeitura Municipal de Pirassununga	2.389,90	2.389,90	—	—
	83)	Prefeitura Municipal de Piratininga	371.502,50	371.502,50	—	—
	84)	Prefeitura Municipal de Pitangueiras	81.960,00	81.460,00	—	—
	85)	Prefeitura Municipal de Pompéia	76.210,10	76.210,10	—	—
	86)	Prefeitura Municipal de Pongaí	282.007,60	282.007,60	—	—
	87)	Prefeitura Municipal de Porto Feliz	280.185,60	280.185,60	—	—
	88)	Prefeitura Municipal de Presidente Bernardes	251.484,40	251.484,40	—	—
	89)	Prefeitura Municipal de Presidente Prudente	184.136,50	184.136,50	—	—
	90)	Prefeitura Municipal de Presidente Wenceslau	308.065,10	—	—	308.065,10
	91)	Prefeitura Municipal de Promissão	133.943,50	133.943,50	—	—
	92)	Prefeitura Municipal de Quatá	134.598,40	134.598,40	—	—
	93)	Prefeitura Municipal de Registro	89.698,30	—	—	89.698,30
	94)	Prefeitura Municipal de Ribeirão	94.561,80	—	—	94.561,80
	95)	Prefeitura Municipal de Rio Claro	264.430,50	264.430,50	—	—
	96)	Prefeitura Municipal de Sales de Oliveira	3.541,10	3.541,10	—	—
	97)	Prefeitura Municipal de Salto	5.287,80	5.287,80	—	—
	98)	Prefeitura Municipal de Salto Grande	186.031,80	186.031,80	—	—
	99)	Prefeitura Municipal de Santa Adélia	44.329,10	44.329,10	—	—
	100)	Prefeitura Municipal de Santa Bárbara d'Oeste	4.000,10	4.000,10	—	—
	101)	Prefeitura Municipal de Santa Cruz das Palmeiras	1.147,20	1.147,20	—	—
	102)	Prefeitura Municipal de Santa Isabel	1.434,00	—	—	1.434,00
	103)	Prefeitura Municipal de Santa Rita do Passa Quatro	5.004,70	5.004,70	—	—
	104)	Prefeitura Municipal de Santo Anastácio	4.098,30	4.098,30	—	—
	105)	Prefeitura Municipal de Santo Antonio da Alegria	1.859,40	—	—	1.859,40
	106)	Prefeitura Municipal de S. Bento do Sapucaí	3.098,00	3.098,00	—	—
	107)	Prefeitura Municipal de são José do Rio Pardo	222.526,00	222.526,00	—	—
	108)	Prefeitura Municipal de São José do Rio Preto	408.538,50	408.538,50	—	—
	109)	Prefeitura Municipal de São Manuel	281.704,10	281.704,10	—	—
	110)	Prefeitura Municipal de São Pedro	47.987,60	47.987,60	—	—
	111)	Prefeitura Municipal de São Roque	171.405,20	171.405,20	—	—
	112)	Prefeitura Municipal de Sertãozinho	89.477,00	89.477,00	—	—
	113)	Prefeitura Municipal de Tambaú	36.171,70	36.171,70	—	—
	114)	Prefeitura Municipal de Tanabi	280.875,90	280.875,90	—	—
	115)	Prefeitura Municipal de Tapiratiba	75.430,00	75.430,00	—	—
	116)	Prefeitura Municipal de Taquaritinga	211.794,70	211.794,70	—	—
	117)	Prefeitura Municipal de Tatuí	132.433,60	132.433,60	—	—
	118)	Prefeitura Municipal de Tietê	85.701,80	85.701,80	—	—
	119)	Prefeitura Municipal de Tremembé	46.882,50	46.980,50	—	—
	120)	Prefeitura Municipal de Tupã	233.771,10	—	—	233.771,10
	121)	Prefeitura Municipal de Ubatuba	40.050,80	—	—	40.050,80
	122)	Prefeitura Municipal de Uchôa	119.319,70	119.319,70	—	—
	123)	Prefeitura Municipal de Vargem Grande do Sul	104.781,80	104.781,80	—	—
	6 —	De empréstimos às Prefeituras Municipais para conclusão de reforma de serviços municipais de águas e esgôtos, nos têrmos do Decreto-lei n. 16.618, de 21-12-46;				
	1)	Prefeitura Municipal de Americana	61.167,10	61.167,10	—	—
	2)	Prefeitura Municipal de Araraquara	167.576,70	167.576,70	—	—
	3)	Prefeitura Municipal de Assis	53.581,00	53.581,00	—	—
	4)	Prefeitura Municipal de Bauru	241.768,00	241.768,00	—	—
	5)	Prefeitura Municipal de Bernardino de Campos	30.689,40	30.689,40	—	—
	6)	Prefeitura Municipal de Burigui	69.785,50	69.785,50	—	—
	7)	Prefeitura Municipal de Botucatu	61.378,80	61.378,80	—	—
	8)	Prefeitura Municipal de Itapetininga	135.823,40	135.823,40	—	—
	9)	Prefeitura Municipal de Itararé	63.220,40	63.220,40	—	—
	10)	Prefeitura Municipal de Jaboticabal	32.398,60	32.398,60	—	—
	11)	Prefeitura Municipal de Jundiaí	236.072,50	236.072,50	—	—
	12)	Prefeitura Municipal de Miracatú	69.058,50	69.058,50	—	—
	13)	Prefeitura Municipal de Monte Mór	27.394,30	27.394,30	—	—
	14)	Prefeitura Municipal de Nova Granada	16.514,00	16.514,00	—	—
	15)	Prefeitura Municipal de Orlândia	10.250,60	10.758,60	—	—
	16)	Prefeitura Municipal de Ourinhos	57.357,90	57.357,90	—	—
	17)	Prefeitura Municipal de Pontal	9.209,50	9.209,50	—	—
	18)	Prefeitura Municipal de Rio Claro	102.531,90	102.531,90	—	—
	19)	Prefeitura Municipal de São João da Boa Vista	93.933,90	93.933,90	—	—
	20)	Prefeitura Municipal de Sorocaba	493.945,10	493.945,10	—	—
	21)	Prefeitura Municipal de Tietê	21.978,00	21.978,00	—	—
	7 —	De empréstimos às Prefeituras dos novos-Municípios de acôrdo com a Lei n. 2.930, de 26-1-54, destinados a atender às despesas com a instalação de serviços administrativos municipais:				
	1)	Prefeitura Municipal de Alto Alegre	5.222,90	5.222,90	—	—
	2)	Prefeitura Municipal de Anhumas	5.222,90	5.222,90	—	—
	3)	Prefeitura Municipal de Auriflama	5.222,90	5.222,90	—	—
	4)	Prefeitura Municipal de Balbinos	5.222,90	5.222,90	—	—
	5)	Prefeitura Municipal de Bálsamo	5.222,90	5.222,90	—	—
	6)	Prefeitura Municipal de Barrinha	5.222,90	5.222,90	—	—
	7)	Prefeitura Municipal de Brodósqui	5.222,90	5.222,90	—	—
	8)	Prefeitura Municipal de Birigüi	5.222,90	—	—	5.222,90
	9)	Prefeitura Municipal de Chavantes	5.222,90	5.222,90	—	—
	10)	Prefeitura Municipal de Colina	3.681,60	—	—	3.681,60
	11)	Prefeitura Municipal de Cristais	5.222,90	—	—	5.222,90
	12)	Prefeitura Municipal de Charqueada	5.222,90	5.222,90	—	—
	13)	Prefeitura Municipal de Clementina	5.222,90	5.222,90	—	—
	14)	Prefeitura Municipal de Dirce Reis	5.222,90	5.222,90	—	—
	15)	Prefeitura Municipal de Figa Rica	5.222,90	—	—	5.222,90
	16)	Prefeitura Municipal de Florínea	5.222,90	—	—	5.222,90
	17)	Prefeitura Municipal de Getúlio Vargas	5.222,90	5.222,90	—	—
	18)	Prefeitura Municipal de Guaiçara	5.222,90	5.222,90	—	—
	19)	Prefeitura Municipal de Guaimbé	5.687,60	5.687,60	—	—
	20)	Prefeitura Municipal de Guapiaçu	5.222,90	5.222,90	—	—
	21)	Prefeitura Municipal de Ibaté	5.222,90	5.222,90	—	—
	22)	Prefeitura Municipal de Icém	5.222,90	5.222,90	—	—
	23)	Prefeitura Municipal de Igaraçu do Tietê	5.222,90	—	—	5.222,90
	24)	Prefeitura Municipal de Igaratá	2.687,60	—	—	2.687,60
	25)	Prefeitura Municipal de Indiaporã	5.222,90	—	—	5.222,90
	26)	Prefeitura Municipal de Iracemápolis	5.222,90	5.222,90	—	—
	27)	Prefeitura Municipal de Irapuã	5.222,90	5.222,90	—	—
	28)	Prefeitura Municipal de Itajá	5.222,90	5.222,90	—	—
	29)	Prefeitura Municipal de Itaquaquecetuba	2.687,60	2.687,60	—	—
	30)	Prefeitura Municipal de Jaguariúna	2.687,60	2.687,60	—	—
	31)	Prefeitura Municipal de Lagoinha	5.222,90	—	—	5.222,90
	32)	Prefeitura Municipal de Lucianópolis	5.222,90	5.222,90	—	—
	33)	Prefeitura Municipal de Lupércio	5.222,90	5.222,90	—	—
	34)	Prefeitura Municipal de Mapiá	5.222,90	—	—	5.222,90
	35)	Prefeitura Municipal de Marabá Paulista	2.687,60	—	—	2.687,60
	36)	Prefeitura Municipal de Mariápolis	5.222,90	5.222,90	—	—
	37)	Prefeitura Municipal de Mauá	5.222,90	—	—	5.222,90
	38)	Prefeitura Municipal de Mirante do Paranapanema	5.222,90	5.222,90	—	—
	39)	Prefeitura Municipal de Monte Castelo	5.222,90	—	—	5.222,90

CÓDIGO Local	CÓDIGO Geral	DISCRIMINAÇÃO	100 RECEITA PREVISTA	101 RECEITA REALIZADA	102 — DIFERENÇAS 1020 Para mais	1021 Para menos
		40) Prefeitura Municipal de Murutinga do Sul	5.222,90	5.222,90	—	—
		41) Prefeitura Municipal de Nhpoã	2.687,60	2.687,60	—	—
		42) Prefeitura Municipal de Nova Europa	5.222,90	5.222,90	—	—
		43) Prefeitura Municipal de Ouro Verde	5.222,90	—	—	5.222,90
		44) Prefeitura Municipal de Panorama	2.687,60	—	—	2.687,60
		45) Prefeitura Municipal de Paraíso	5.222,90	5.222,90	—	—
		46) Prefeitura Municipal de Pariquera-Açú	5.222,90	—	—	5.222,90
		47) Prefeitura Municipal de Placaratu	5.222,90	5.222,90	—	—
		48) Prefeitura Municipal de Platina	5.222,90	—	—	5.222,90
		49) Prefeitura Municipal de Polmi	2.687,60	2.687,60	—	—
		50) Prefeitura Municipal de Ribeirão Vermelho do Sul	5.222,90	—	—	5.222,90
		51) Prefeitura Municipal de Rinlândia	5.222,90	—	—	5.222,90
		52) Prefeitura Municipal de Sabino	5.222,90	5.222,90	—	—
		53) Prefeitura Municipal de Salto de Pirapora	2.687,60	2.687,60	—	—
		54) Prefeitura Municipal de Santa Cruz da Conceição	2.687,60	—	—	2.687,60
		55) Prefeitura Municipal de Santa Fé do Sul	5.222,90	5.222,90	—	—
		56) Prefeitura Municipal de Santa Mercedes	5.222,90	—	—	5.222,90
		57) Prefeitura Municipal de Santo Antonio do Jardim	5.222,90	5.222,90	—	—
		58) Prefeitura Municipal de Santo Antonio da Posse	5.222,90	5.222,90	—	—
		59) Prefeitura Municipal de Severinea	5.222,90	5.222,90	—	—
		60) Prefeitura Municipal de Sumaré	2.687,60	2.687,60	—	—
		61) Prefeitura Municipal de Taciba	5.222,90	5.222,90	—	—
		62) Prefeitura Municipal de Talaçu	5.222,90	—	—	5.222,90
		63) Prefeitura Municipal de Ura	5.222,90	—	—	5.222,90
		64) Prefeitura Municipal de Valinhos	2.687,60	—	—	—
26		8 — De dividas ativas diversas	100.000,00	10.451.289,70	10.351.289,70	—
		Dividendos				
		1 — De Caixa de Liquidação de Santos S|A.	100.000,00	—	—	100.000,00
		2 — De ações da Viação Aérea São Paulo S|A. (VASP)	100.000,00	—	—	100.000,00
		3 — De ações do Banco do Estado de São Paulo S|A.	37.380.000,00	46.725.000,00	9.345.000,00	—
		4 — De ações da Companhia Municipal de Transportes Coletivos (CMTC)	50.000,00	—	—	50.000,00
		5 — Outros dividendos	50.000,00	—	—	50.000,00
		Soma da Receita Patrimonial — Cr$	366.113.783,80	594.194.258,30	231.993.895,20	3.912.420,70
28		III — INDUSTRIAL				
27	3.01.0	TRANSPORTES				
		Estradas de Ferro				
		1 — Estrada de Ferro Sorocabana				
		1) Receita Ordinaria	2.808.000.000,00	3.466.186.224,50	658.186.224,50	—
		2) Fundos Especiais	434.000.000,00	529.890.044,60	95.890.044,60	—
		2 — Estrada de Ferro Araraquara				
		1) Receita Ordinaria	275.000.000,00	321.120.633,70	46.120.633,70	—
		2) Fundos Especiais	50.000.000,00	57.224.514,20	7.224.514,20	—
		3 — Estrada de Ferro Campos do Jordão				
		1) Receita Ordinaria	13.895.000,00	11.255.398,16	—	1.549.701,90
		2) Fundos Especiais	1.715.000,00	1.317.140,10	—	397.859,10
		4 — Estrada de Ferro São Paulo e Minas				
		1) Receita Ordinaria	13.100.000,00	23.685.851,40	10.585.851,40	—
		2) Fundos Especiais	3.400.000,00	4.569.161,40	1.169.161,40	—
		5 — Estrada de Ferro Bragantina				
		1) Receita Ordinaria	17.000.000,00	12.456.391,60	—	4.543.608,40
		2) Fundos Especiais	2.500.000,00	2.330.722,20	—	169.277,80
28		Departamento de Obras Sanitárias				
		Serviços Públicos do Guarujá				
		1 — Marítimos (Barcas)	3.650.000,00	7.961.217,99	4.311.217,99	—
29		Portos				
		Diretoria de Viação				
		1 — Renda do Porto de São Sebastião	8.500.000,00	8.956.529,60	456.529,60	—
	3.02.0	SERVIÇOS URBANOS				
30		Departamento de Aguas e Esgotos				
		1 — Serviços de Águas (Pertencente ao D.A.E., nos têrmos do artigo 37 da Lei n. 2.627, de 30-1-54)				
		1) Taxa de serviço de água	80.000.000,00	35.042.942,60	—	43.957.327,40
		2) Tarifa de consumo de água	230.000.000,00	242.843.977,50	12.843.977,50	—
		3) Aluguel de hidrômetros	4.500.000,00	4.559.401,50	59.401,50	—
		4) Obras de Águas	25.000.000,00	56.217.956,40	31.217.956,40	—
		5) Outras rendas	100.000,00	—	—	100.000,00
		2 — Serviços de esgotos (Pertencente ao D.A.E., nos têrmos do artigo 37 da Lei n. 2.627, de 30-1-54)				
		1) Taxa de serviço de esgoto	450.000.000,00	623.736.084,90	173.736.084,90	—
		2) Obras de esgotos	12.000.000,00	12.856.285,60	856.285,60	—
		3) Outras rendas	100.000,00	—	—	100.000,00
31		Departamento de Obras Sanitárias				
		Repartição de Saneamento de Santos				
		1 — Serviços de esgotos				
		1) Em Santos	90.200.000,00	86.946.044,60	—	3.253.955,40
		2) Em São Vicente	11.100.000,00	8.305.453,80	—	2.794.546,40
		3) Em Guarujá	6.800.000,00	5.355.953,50	—	444.046,50
		2 — Obras de esgotos				
		1) Em Santos	5.600.000,00	4.264.859,50	—	1.335.140,50
		2) Em São Vicente	480.000,00	154.901,00	—	325.099,00
		3) Em Guarujá	120.000,00	113.909,70	—	7.090,30
		3 — Serviços Públicos do Guarujá				
		1) Taxa de água (Guarujá e Itapema)	2.150.000,00	4.001.597,70	1.851.597,70	—
		2) Taxa de iluminação elétrica (Guarujá e Itapema)	3.200.000,00	6.318.431,30	3.118.431,30	—
		4 — Serviços de água de Santos e Cubatão				
		1) Fornecimento a medidor e taxa fixa	27.055.000,00	36.953.080,60	9.798.080,60	—
		2) Fornecimento a indústrias especiais	7.340.000,00	7.980.540,60	740.540,60	—
		3) Fornecimento a poderes Públicos	2.980.000,00	2.347.216,70	—	632.783,30
		4) Conservação de instalações consumidoras	98.000,00	442.492,30	354.492,30	—
		5) Receitas diversas	1.060.000,00	2.102.728,00	1.062.728,00	—
	3.06.0	ESTABELECIMENTOS E SERVIÇOS DIVERSOS				
32		GOVERNO DO ESTADO				
		Comissão de Jardim Zoológico				
		1 — Renda do Fundo de Manutenção do Zoológico (Decreto n. 31.613 de 17-4-56)	2.000.000,00	—	—	2.000.000,00
		SECRETARIA DE ESTADO DOS NEGOCIOS DO GOVERNO				
33		Gabinete do Secretário				
		1 — Renda do "Fundo para Inventos e Pesquisas do S.E.D.A.I." (Decreto n. 34.779 de 30-7-56)	1.000.000,00	—	—	1.000.000,00
34		Departamento de Educação Física e Esportes				

CODIGO		DISCRIMINAÇÃO	100 RECEITA PREVISTA	101 RECEITA REALIZADA	102 — DIFERENÇAS	
Local	Geral				1020 Para mais	1021 Para menos
		1 — Rendas diversas do Ginásio Estadual do Ibirapuera	6.000.000,00	4.311.266,40	—,—	1.688.733,60
		2 — Rendas diversas do Conjunto Esportivo Agua Branca	1.000.000,00	—,—	—,—	1.000.000,00
		SECRETARIA DO TRABALHO, INDOSTRIA E COMERCIO				
35		Departamento de Administração				
		1 — Serviço gráfico	10.000,00	1.629,00	—,—	8.371,00
36		Departamento Estadual do Trabalho				
		1 — Rendas diversas	10.000,00	—,—	—,—	10.000,00
		SECRETARIA DE ESTADO DOS NEGOCIOS DA SEGURANÇA PUBLICA				
37		Diretoria do Serviço de Trânsito				
		1 — Placas	1.400.500,00	7.989.934,60	6.589.434,60	—,—
		2 — Lacração e relacração	5.400.600,00	—,—	—,—	5.400.600,00
		3 — Carteiras de habilitação	3.865.500,00	—,—	—,—	3.865.500,00
		4 — Outras rendas	4.500.000,00	—,—	—,—	4.500.000,00
38		Instituto de Polícia Técnica				
		1 — Exames periciais e reproduções fotográficas	896.000,00	1.049.400,00	153.400,00	—,—
39		Fôrça Pública				
		1 — Tipografia	2.000,00	4.016,40	2.016,40	—,—
		2 — Oficinas do Serviço de Intendência	35.000,00	—,—	—,—	35.000,00
		3 — Oficinas do Serviço de Transportes e Manutenção	30.000,00	—,—	—,—	30.000,00
		4 — Outras rendas	50.000,00	472,20	—,—	49.527,80
40		Rendas de outras dependências da Secretaria de Estado dos Negócios da Segurança Pública	10.000,00	618.126,00	608.126,00	—,—
		SECRETARIA DE ESTADO DA JUSTIÇA E NEGÓCIOS DO INTERIOR				
41		Penitenciária do Estado				
		1 — Alfaiataria	4.000,00	300.337,00	296.337,00	—,—
		2 — Colchoaria	7.000,00	—,—	—,—	7.000,00
		3 — Encadernação	12.000,00	—,—	—,—	12.000,00
		4 — Marcenaria	40.000,00	—,—	—,—	40.000,00
		5 — Sapataria	7.000,00	—,—	—,—	7.000,00
		6 — Vassouraria	19.000,00	—,—	—,—	19.000,00
		7 — Outras rendas	70.000,00	—,—	—,—	70.000,00
42		Reformatório				
		Instituto Modêlo de Menores da Capital				
		1 — Rendas diversas	10.000,00	—,—	—,—	10.000,00
43		Imprensa Oficial do Estado				
		1 — Renda do jornal				
		1) Publicidade e pagamento	120.000.000,00	127.305.466,79	7.305.466,79	—,—
		2) Assinaturas	7.000.000,00	22.660,00	—,—	7.477.340,00
		3) Vendas avulsas	1.700.000,00	—,—	—,—	1.700.000,00
		4) Publicidade oficial	70.000.000,00	—,—	—,—	70.000.000,00
		5) Fornecimento de jornais a repartições públicas	3.000.000,00	—,—	—,—	3.000.000,00
		6) Outras rendas — I	1.200.000,00	—,—	—,—	1.200.000,00
		2 — Renda da oficina de obras				
		1) Volumes de Leis e Decretos	3.500.000,00	1.012.232,80	—,—	2.487.767,20
		2) Impressos para as repartições públicas	44.000.000,00	3.799.449,20	—,—	40.200.550,80
		3) Outras rendas — II	300.000,00	—,—	—,—	100.000,00
44		Rendas de outras dependências da Secretaria de Estado da Justiça e Negócios do Interior	10.000,00	300,00	—,—	9.700,00
		SECRETARIA DE ESTADO DOS NEGÓCIOS DA EDUCAÇÃO				
45		Departamento de Ensino Profissional				
		1 — Renda do "Fundo do Ensino Profissional" (Decreto n. 26.311, de 24-5-56)	4.580.000,00	2.934.761,40	—,—	1.645.238,60
46		Museu Paulista				
		1 — Venda de publicações	1.000,00	2.750,00	1.750,00	—,—
47		Rendas de outras dependências da Secretaria de Estado dos Negócios da Educação	10.000,00	3.510,00	—,—	6.490,00
		SECRETARIA DE ESTADO DOS NEGÓCIOS DA SAÚDE PUBLICA E DA ASSISTÊNCIA SOCIAL				
48		Gabinete do Secretário				
		1 — Renda do "Fundo de Proteção à maternidade e à Infância" (Decreto n. 27.498, de 19-2-57)	500.000,00	—,—	—,—	500.000,00
49		Instituto Adolfo Lutz da Capital				
		1 — Rendas diversas				
		1) Taxas de análises e exames	1.500.000,00	568.359,00	—,—	931.641,00
		2) Outras rendas	10.000,00	—,—	—,—	10.000,00
		2 — Renda do "Fundo de Pesquisas" (Decreto n. 26.992, de 16-10-56)	1.000.000,00	92.247,00	—,—	907.753,00
50		Departamento de Assistência a Psicopatas				
		1 — Renda do "Fundo de Pesquisas" (Decreto n. 27.204, de 9-1-57)	1.200.000,00	—,—	—,—	1.200.000,00
51		Instituto Butantã				
		1 — Renda do "Fundo de Pesquisas" (Decreto n. 26.979, de 12-12-56)	1.260.000,00	2.164.466,70	904.466,70	—,—
		2 — Outras rendas	30.000,00	—,—	—,—	30.000,00
52		Serviço de Profilaxia da Malária				
		1 — Venda de medicamentos e inseticidas (Lei n. 813, de 28-10-50)	10.000,00	—,—	—,—	10.000,00
53		Instituto de Cardiologia				
		1 — Renda do "Fundo de Pesquisas" (Decreto n. 26.830, de 20-11-56)	1.000.000,00	2.551.062,70	1.551.062,70	—,—
54		Instituto Pasteur				
		1 — Renda do "Fundo de Pesquisas" (Decreto n. 26.978, de 11-12-56)	2.400.000,00	574.777,70	—,—	1.825.222,30
55		Departamento de Profilaxia da Lepra				
		1 — Renda do "Fundo de Pesquisas" (Decreto n. 27.346, de 5-2-57)	6.000.000,00	—,—	—,—	6.000.000,00
56		Divisão de Serviço de Tuberculose				
		1 — Renda do "Fundo de Pesquisas" (Decreto n.o 27.203, de 9-1-1957)	3.000.000,00	—,—	—,—	3.000.000,00
57		Departamento Estadual da Criança				
		1 — Renda do "Fundo de Puericultura" (Decreto n.o 30 267, de 3-12-1957)	50.000,00	—,—	—,—	50.000,00
58		Rendas de outras dependências da Secretaria de Estado dos Negócios da Saúde Pública e da Assistência Social	10.000,00	25.519,00	15.519,00	—,—
		Secretaria de Estado dos Negócios da Agricultura				
59		Gabinete do Secretário				
		1 — Taxa de Seguro contra o Granizo (Lei n.o 4.068, de 23-8-57)	40.000.000,00	21.629.769,60	—,—	18.370.230,40
60		Departamento de Engenharia e Mecânica da Agricultura				
		1 — Renda do "Fundo de Mecanização e Conservação do Solo" — Decreto n.o 25.519, de 7-3-56, alterado pelo Decreto n.o 30.109 de 12-11-57)	17.400.000,00	24.733.385,70	7.333.385,70	—,—
61		Departamento da Produção Vegetal				
		1 — Rendas diversas				
		1) Venda de cadernetas agrícolas	1.000.000,00	—,—	—,—	1.000.000,00
		2 — Vendas de sementes e mudas				
		1) De sementes de algodão	410.000.000,00	402.247.171,10	—,—	7.752.828,90
		2) De sementes de arroz	82.000.000,00	—,—	—,—	82.000.000,00
		3) De sementes de milho comum	82.200.000,00	—,—	—,—	82.200.000,00
		4) De sementes de milho híbrido	118.800.000,00	—,—	—,—	118.800.000,00
		5) De sementes de mamona	27.000.000,00	—,—	—,—	27.000.000,00
		6) De sementes de soja	16.560.000,00	—,—	—,—	16.560.000,00
		7) De sementes de feijão de porco	1.275.000,00	—,—	—,—	1.275.000,00
		8) De sementes de feijão mucuna	900.000,00	—,—	—,—	900.000,00
		9) De sementes de feijão guandu	400.000,00	—,—	—,—	400.000,00
		10) De sementes de feijão de moita	150.000,00	—,—	—,—	150.000,00

CODIGO Local	CODIGO Geral	DISCRIMINAÇÃO	100 RECEITA PREVISTA	101 RECEITA REALIZADA	102 — DIFERENÇAS 1020 Para mais	1021 Para menos
		11) De sementes de feijão cambui	960.000,00	---	---	960.000,00
		12) De sementes de trigo e centeio	40.500.000,00	---	---	40.500.000,00
		13) De sementes de crotolária	2.046.000,00	---	---	2.046.000,00
		14) De sementes de tifrosia	60.000,00	---	---	60.000,00
		15) De sementes de dólicos	5.000,00	---	---	5.000,00
		16) De sementes de café	2.900.000,00	---	---	2.900.000,00
		17) De sementes de amendoim	18.900.000,00	---	---	18.900.000,00
		18) De sementes de girassol	300.000,00	---	---	300.000,00
		19) De sementes de gergelim	400.000,00	---	---	400.000,00
		20) De sementes de centrosema	100.000,00	---	---	100.000,00
		21) De sementes diversas	3.378.400,00	---	---	3.378.400,00
		22) De mudas diversas	49.930.000,00	---	---	49.930.000,00
		3 — Renda do "Fundo de Produção Vegetal" (Decreto n.o 30.838, de 8-1-53)	95.000.000,00	110.784.288,20	91.784.288,20	---
		4 — Renda do "Fundo de Fomento do Trigo" (Decreto n.o 27.353, de 5-2-57)	1.000.000,00	827.550,00	---	172.450,00
		5 — Renda do "Fundo de Fomento à Cultura da Seringueira" (Decreto n.o 39.810, de 26-11-56)	1.000.000,00	963.035,00	---	37.965,00
		6 — Renda do "Fundo de Fomento da Soja" (Decreto n.o 26 873, de 27-11-56)	1.000.000,00	8.097.087,70	7.097.087,70	---
02		Instituto Agronômico de Campinas				
		1 — Renda do "Fundo de Pesquisas" (Lei n.o 3.232, de 27-10-55)	11.500.000,00	28.713.588,50	17.213.588,50	---
03		Departamento da Produção Animal — Sede				
		1 — Rendas diversas				
		1) Venda de aves e ovos	1.000,00	4.830,00	3.830,00	---
		2) Venda de laticínios	1.000,00	---	---	1.000,00
		3) Venda de outros produtos	1.000,00	---	---	1.000,00
		4) Venda de peixes	1.000,00	---	---	1.000,00
		5) Taxas de análises	6.000,00	---	---	6.000,00
		6) Outras rendas	70.000,00	---	---	70.000,00
		2 — Renda do "Fundo de Pesquisas e Fomento Zootécnico" (Decreto n.o 35.219, de 30-12-53)	8.000.000,00	12.154.750,10	10.154.750,10	---
04		Departamento da Produção Animal — Dependências				
		1 — Fazenda de Seleção do Gado Nacional — Nova Odessa				
		1) Venda de animais	100.000,00	423.140,50	323.140,50	---
		2) Venda de laticínios	1.000,00	---	---	1.000,00
		3) Venda de outros produtos	1.000,00	---	---	1.000,00
		4) Venda de aves e ovos	1.000,00	---	---	1.000,00
		5) Coberturas	2.000,00	---	---	2.000,00
		2 — Fazenda Experimental de Criação — Sertãozinho				
		1) Venda de animais	100.000,00	---	---	100.000,00
		2) Venda de café e cereais	1.000,00	---	---	1.000,00
		3) Venda de laticínios	1.000,00	---	---	1.000,00
		4) Venda de outros produtos	1.000,00	---	---	1.000,00
		5) Coberturas	2.000,00	---	---	2.000,00
		3 — Estação Experimental de Produção Animal — Pindamonhangaba				
		1) Venda de animais	100.000,00	---	---	100.000,00
		2) Venda de laticínios	1.000,00	---	---	1.000,00
		3) Venda de outros produtos	1.000,00	---	---	1.000,00
		4) Venda de aves e ovos	1.000,00	---	---	1.000,00
		5) Coberturas	2.000,00	---	---	2.000,00
		4 — Fazenda Experimental de Criação de Gado Indiano — Andradina				
		1) Venda de animais	335.000,00	---	---	335.000,00
		5 — Posto Zootécnico — São Paulo				
		1) Estadia de animais	20.000,00	---	---	20.000,00
		2) Venda de animais	100.000,00	---	---	100.000,00
		3) Venda de outros produtos	1.000,00	---	---	1.000,00
		4) Coberturas	4.000,00	---	---	4.000,00
		6 — Posto Experimental de Criação — Araçatuba				
		1) Venda de animais	1.000,00	---	---	1.000,00
		2) Estadia de animais	1.000,00	---	---	1.000,00
		3) Venda de outros produtos	1.000,00	---	---	1.000,00
		4) Coberturas	2.000,00	---	---	2.000,00
		7 — Coudelaria Paulista — Colina				
		1) Venda de animais	108.000,00	---	---	108.000,00
		2) Venda de laticínios	1.000,00	---	---	1.000,00
		3) Venda de outros produtos	1.000,00	---	---	1.000,00
		4) Coberturas	2.000,00	---	---	2.000,00
		5) Venda de café	1.000,00	---	---	1.000,00
		8 — Postos de Monta				
		Estações Zootécnicas de:				
		1) Barretos	1.000,00	---	---	1.000,00
		2) Bauru	1.000,00	---	---	1.000,00
		3) Bebedouro	1.000,00	---	---	1.000,00
		4) Bragança Paulista	1.000,00	---	---	1.000,00
		5) Capão Bonito	1.000,00	---	---	1.000,00
		6) Itapetininga	1.000,00	---	---	1.000,00
		7) Itapeva	1.000,00	---	---	1.000,00
		8) Itápolis	1.000,00	---	---	1.000,00
		9) Itararé	1.000,00	---	---	1.000,00
		10) Jabuticabal	1.000,00	---	---	1.000,00
		11) Jaú	1.000,00	---	---	1.000,00
		12) Laranjal Paulista	1.000,00	---	---	1.000,00
		13) Lins	1.000,00	---	---	1.000,00
		14) Mococa	1.000,00	---	---	1.000,00
		15) Mogi Mirim	1.000,00	---	---	1.000,00
		16) Monte Alegre do Sul	1.000,00	---	---	1.000,00
		17) Pederneiras	1.000,00	---	---	1.000,00
		18) Pinhal	1.000,00	---	---	1.000,00
		19) Presidente Prudente	1.000,00	---	---	1.000,00
		20) Reles de Oliveira	1.000,00	---	---	1.000,00
		21) Santa Rita do Passa Quatro	1.000,00	---	---	1.000,00
		22) São João da Boa Vista	1.000,00	---	---	1.000,00
		23) São José do Rio Preto	1.000,00	---	---	1.000,00
		24) São Manuel	1.000,00	---	---	1.000,00
		25) São Roque	1.000,00	---	---	1.000,00
		26) Tatuí	1.000,00	---	---	1.000,00
		27) Taubaté	1.000,00	---	---	1.000,00
		28) Tietê	1.000,00	---	---	1.000,00

CÓDIGO Local	CÓDIGO Geral	DISCRIMINAÇÃO	100 RECEITA PREVISTA	101 RECEITA REALIZADA	102 — DIFERENÇAS 1959 Para mais	1921 Para menos
		29) Tupã	1.000,00	—,—	—,—	1.000,00
		30) Barão de Antonina	1.000,00	—,—	—,—	1.000,00
		31) Ribeirão Preto	1.000,00	—,—	—,—	1.000,00
		9 — Instituto de Pesca Marítima — Santos				
		1) Venda de peixes	1.000,00	—,—	—,—	1.000,00
		2) Venda de produtos fabricados	1.000,00	—,—	—,—	1.000,00
		3) Venda de outros produtos	1.000,00	—,—	—,—	1.000,00
		10 — Peitoria de Pesca — Ubatuba				
		1) Venda de peixes	1.000,00	—,—	—,—	1.000,00
		2) Venda de produtos fabricados	1.000,00	—,—	—,—	1.000,00
		3) Venda de outros produtos	1.000,00	—,—	—,—	1.000,00
65		Serviço de Sericicultura				
		1) Renda do "Fundo Sericícola" (Decreto n. 26.484, de 27-9-56, modificado pelo Decreto n. 28.978, de 10-7-57)	1.599.840,00	893.904,10	—,—	705.935,90
66		Departamento de Defesa Sanitária da Agricultura				
		Instituto Biológico				
		1 — Rendas diversas				
		1) Venda de inseticidas	600.000,00	862.176,90	262.176,90	—,—
		2) Venda de aparelhos de defesa vegetal	7.000,00	—,—	—,—	7.000,00
		3) Outras rendas	50.000,00	—,—	—,—	50.000,00
		2 — Renda do "Fundo de Pesquisas" (Decreto n. 20.173, de 4-1-51)	5.000.000,00	14.309.280,60	9.309.280,60	—,—
67		Serviço Florestal				
		1 — Rendas diversas	50.000,00	37.831,30	—,—	12.168,70
		2 — Renda do "Fundo Florestal" (Decreto n. 28.518, de 24-2-50)	4.000.000,00	7.853.591,20	3.853.591,20	—,—
68		Instituto de Botânica				
		1 — Renda do "Fundo de Pesquisas" (Decreto n. 26.182, de 26-7-56)	1.000.000,00	220.908,90	—,—	779.091,10
69		Departamento de Imigração e Colonização				
		1 — Renda do "Fundo de Imigração e Colonização" (Decreto n. 26.970, de 4-2-50)	500.000,00	9.666.658,10	9.166.658,10	—,—
70		Instituto Geográfico e Geológico				
		1 — Venda de produtos da Usina de Moagem de Calcáreo, de Barueri	7.000.000,00	880.910,00	—,—	6.119.090,00
		2 — Renda do "Fundo Geográfico e Geológico" (Decreto n. 26.462, 27-9-56)	1.000.000,00	925.239,00	—,—	74.761,10
71		Diretoria do Ensino Agrícola				
		1 — Renda do "Fundo de Ensino Agrícola" (Decreto n. 26.060, de 26-6-56)	1.000.000,00	1.104.211,50	104.211,50	—,—
72		Departamento de Zoologia	700.000,00	—,—	—,—	700.000,00
		1 — Renda do "Fundo de Pesquisas" (Decreto n. 28.788, de 15-6-57)				
73		Departamento de Assistência ao Cooperativismo				
		1 — Renda do "Fundo de Fomento e Propaganda ao Cooperativismo" (Decreto n.o 29.636, de 11-9-57)	1.000.000,00	655.950,10	—,—	344.049,90
74		Rendas de outras dependências da Secretaria de Estado dos Negócios da Agricultura	10.000,00	500,00	—,—	9.500,00
		SECRETARIA DE ESTADO DOS NEGÓCIOS DA VIAÇÃO E OBRAS PÚBLICAS				
75		Departamento de Obras Sanitárias				
		1 — Rendas diversas das Estâncias				
		1) Termas de Lindóia	3.893.600,00	8.496.678,10	4.603.078,10	—,—
		2) Termas de Santa Bárbara do Rio Pardo	770.000,00	245.121,70	—,—	524.878,30
		3) Termas de Ibirá	450.000,00	1.351.235,50	901.235,50	—,—
		4) Hotel Glória (Lindóia)	9.570.000,00	13.693.234,40	4.123.234,40	—,—
		5) Hotel Lindóia	8.928.800,00	11.998.819,00	3.070.019,00	—,—
76		Diretoria de Aeroportos	1.000.000,00	972.684,80	—,—	27.315,20
77		Departamento de Águas e Energia Elétrica				
		1 — Contribuição da "Light & Power" para fiscalização de suas obras (Decretos ns. 4.096, de 27-5-26 e 4.487, de 5-11-28) — Pertencente ao D.A.E.E., nos têrmos do artigo 2.o, item II e artigo 17, § 1.o da Lei n. 1.350, de 12-12-51)	43.000,00	—,—	—,—	43.000,00
78		Renda de outras dependências da Secretaria de Estado dos Negócios da Viação e Obras Públicas	10.000,00	—,—	—,—	10.000,00
		SECRETARIA DE ESTADO DOS NEGÓCIOS DA FAZENDA				
79		Rendas diversas das dependências da Secretaria de Estado dos Negócios da Fazenda	10.000,00	163,20	—,—	9.836,80
		Soma da Receita Industrial — Cr$	5.810.355.840,00	6.838.978.541,40	1.245.887.394,70	629.764.463,30
		IV — RECEITAS DIVERSAS				
	4.13.0	**Quotas do Estado em Impostos Federais**				
80		Quota do Estado, na arrecadação do impôsto único sôbre minérios	10.000,00	—,—	—,—	10.000,00
81		Quota do Estado, na arrecadação do impôsto único sôbre energia elétrica (Pertencente ao D.A.E.E., nos têrmos do artigo 2.o da Lei n. 1.350, de 12-12-51)	200.000.000,00	193.524.703,10	—,—	6.475.296,90
82		Quota do Estado, no Fundo Rodoviário Nacional (Pertencente ao D.E.R., nos têrmos dos artigos 17, letra "a" e 18, do Decreto-lei n. 16.646, de 26-12-45)	1.000.000.000,00	2.290.603.884,30	1.290.603.884,30	—,—
83		Quota do Estado, no Fundo Nacional de Pavimentação (Sobretaxas cumbiais) — Pertencente ao D.E.R., nos têrmos do artigo 6.o do Decreto Federal n. 38.963, de 3-4-56	100.000.000,00	824.617.087,80	724.617.087,80	—,—
		Soma das Receitas Diversas — Cr$	1.300.010.000,00	3.308.805.675,20	2.015.280.972,10	6.485.296,90
		SOMA DA RECEITA ORDINÁRIA — Cr$	55.061.127.784,80	67.093.059.437,80	12.911.642.140,80	879.710.487,80
		RECEITA EXTRAORDINÁRIA				
	6.11.0	**Alienação de bens Patrimoniais**				
84		Venda de Próprios do Estado	100.000,00	234.409,90	134.409,90	—,—
85		Venda de material usado				
		1 — Venda de material usado pelas dependências das diversas Secretarias de Estado	500.000,00	7.685.209,90	7.185.209,90	—,—
86		Venda de outros bens do Estado	10.000,00	—,—	—,—	10.000,00
		1 — Outros bens pertencentes ao Estado				
	6.12.0	**Cobranças da Dívida Ativa**				
87		Amortização da Dívida Ativa				
		1 — De empréstimos às Prefeituras Municipais, para o reajustamento das respectivas finanças, de acôrdo com o Decreto-lei n. 15.087, de 16-12-45:				
		1) Prefeitura Municipal de Angatuba	3.829,10	3.829,10	—,—	—,—
		2) Prefeitura Municipal de Barirí	16.309,00	16.309,00	—,—	—,—
		3) Prefeitura Municipal de Bauru	7.484,70	74.484,70	—,—	—,—
		4) Prefeitura Municipal de Boracéia	5.977,50	5.977,50	—,—	—,—
		5) Prefeitura Municipal de Buri	1.384,00	1.384,00	—,—	—,—
		6) Prefeitura Municipal de Caconde	15.221,50	15.521,50	—,—	91,10
		7) Prefeitura Municipal de Cananéia	961,30	—,—	—,—	961,30
		8) Prefeitura Municipal de Descalvado	7.324,80	7.324,80	—,—	—,—
		9) Prefeitura Municipal de Dois Córregos	16.935,80	16.935,80	—,—	—,—
		10) Prefeitura Municipal de Duartina	5.116,00	—,—	—,—	5.116,00
		11) Prefeitura Municipal de Eldorado Paulista	4.682,80	—,—	—,—	4.682,80
		12) Prefeitura Municipal de Ibitinga	15.838,70	15.838,00	—,—	—,—
		13) Prefeitura Municipal de Jaboticabal	80.194,80	80.194,80	—,—	—,—
		14) Prefeitura Municipal de Lençóis Paulista	21.109,70	21.109,70	—,—	—,—
		15) Prefeitura Municipal de Macatuba	8.446,50	8.446,50	—,—	—,—

CÓDIGO Local	CÓDIGO Geral	DISCRIMINAÇÃO	100 RECEITA PREVISTA	101 RECEITA REALIZADA	102 — DIFERENÇAS 1959 Para mais	102 — DIFERENÇAS 1959 Para menos
		16) Prefeitura Municipal de Mirassol	21.072,90	21.072,90	—	—
		17) Prefeitura Municipal de Mococa	25.000,00	25.000,00	—	—
		18) Prefeitura Municipal de Monte Alto	29.435,40	29.435,40	—	—
		19) Prefeitura Municipal de Novo Horizonte	15.667,20	15.667,20	—	—
		20) Prefeitura Municipal de Nuporanga	7.830,40	7.830,40	—	—
		21) Prefeitura Municipal de Ourinhos	15.618,30	15.618,30	—	—
		22) Prefeitura Municipal de Pederneiras	15.780,60	15.780,60	—	—
		23) Prefeitura Municipal de Pedrinha	3.884,50	3.884,50	—	—
		24) Prefeitura Municipal de Pindamonhangaba	22.565,20	22.565,20	—	—
		25) Prefeitura Municipal de Pirajuí	64.391,90	64.391,90	—	—
		26) Prefeitura Municipal de Salto Grande	3.846,10	3.846,10	—	—
		27) Prefeitura Municipal de Santa Cruz do Rio Pardo	13.338,90	13.338,90	—	—
		28) Prefeitura Municipal de São José do Rio Preto	70.830,00	70.830,00	—	—
		29) Prefeitura Municipal de São Manuel	22.806,20	22.806,20	—	—
		30) Prefeitura Municipal de Serra Azul	3.047,30	3.047,30	—	—
		31) Prefeitura Municipal de Sertãozinho	11.038,30	11.038,30	—	—
		32) Prefeitura Municipal de Tanabi	3.992,00	3.992,00	—	—
		33) Prefeitura Municipal de Ubiaja	8.694,10	8.694,10	—	—
		2 — De empréstimos às Prefeituras Municipais, para construção de redes de águas e esgotos, de acordo com o Decreto-lei n. 15.087, de 26-10-46:				
		1) Prefeitura Municipal de Americana	37.946,90	10.000,00	—	27.946,90
		2) Prefeitura Municipal de Araçatuba	30.963,80	30.963,80	—	—
		3) Prefeitura Municipal de Araras	10.926,40	10.926,40	—	—
		4) Prefeitura Municipal de Assis	39.226,60	39.226,60	—	—
		5) Prefeitura Municipal de Avaré	45.021,70	45.021,70	—	—
		6) Prefeitura Municipal de Bauru	208.333,30	208.333,30	—	—
		7) Prefeitura Municipal de Bebedouro	9.435,70	9.435,70	—	—
		8) Prefeitura Municipal de Birigui	26.855,70	26.855,70	—	—
		9) Prefeitura Municipal de Botucatu	123.611,90	123.611,90	—	—
		10) Prefeitura Municipal de Brodowski	2.586,90	2.586,90	—	—
		11) Prefeitura Municipal de Cananeia	317,40	—	—	317,40
		12) Prefeitura Municipal de Capão Bonito	14.695,90	14.695,90	—	—
		13) Prefeitura Municipal de Cafelândia	32.595,20	32.595,20	—	—
		14) Prefeitura Municipal de Catanduva	47.828,50	47.828,50	—	—
		15) Prefeitura Municipal de Chavantes	15.046,70	15.046,70	—	—
		16) Prefeitura Municipal de Cotia	5.015,00	—	—	5.015,00
		17) Prefeitura Municipal de Duartina	15.058,50	—	—	15.058,50
		18) Prefeitura Municipal de Franca	116.941,00	116.941,00	—	—
		19) Prefeitura Municipal de Guará	12.797,50	12.797,50	—	—
		20) Prefeitura Municipal de Ibitinga	21.050,00	21.050,00	—	—
		21) Prefeitura Municipal de Igarapava	23.198,20	—	—	23.198,20
		22) Prefeitura Municipal de Indaiatuba	9.779,20	9.779,20	—	—
		23) Prefeitura Municipal de Ipaussu	13.211,80	13.211,80	—	—
		24) Prefeitura Municipal de Itaniuém	5.189,40	5.189,40	—	—
		25) Prefeitura Municipal de Itapetininga	54.261,70	54.261,70	—	—
		26) Prefeitura Municipal de Itapira	8.536,80	8.536,80	—	—
		27) Prefeitura Municipal de Itápolis	23.004,40	23.004,40	—	—
		28) Prefeitura Municipal de Itaverava	38.182,30	38.182,30	—	—
		29) Prefeitura Municipal de Jacarei	38.053,60	—	—	38.053,60
		30) Prefeitura Municipal de Laranjal Paulista	7.851,60	7.851,60	—	—
		31) Prefeitura Municipal de Leme	12.398,00	12.398,00	—	—
		32) Prefeitura Municipal de Lins	61.827,40	61.827,40	—	—
		33) Prefeitura Municipal de Marília	77.384,10	77.384,10	—	—
		34) Prefeitura Municipal de Mirassol	15.980,50	15.980,50	—	—
		35) Prefeitura Municipal de Nova Granada	18.450,00	18.450,00	—	—
		36) Prefeitura Municipal de Orlândia	4.305,40	4.305,40	—	—
		37) Prefeitura Municipal de Ourinhos	25.500,00	—	—	25.500,00
		38) Prefeitura Municipal de Palmital	20.875,00	20.875,00	—	—
		39) Prefeitura Municipal de Penápolis	50.739,30	50.739,30	—	—
		40) Prefeitura Municipal de Piquete	2.941,80	—	—	2.941,80
		41) Prefeitura Municipal de Piracaia	3.313,40	3.313,40	—	—
		42) Prefeitura Municipal de Pirajuí	12.021,70	12.021,70	—	—
		43) Prefeitura Municipal de Presidente Prudente	53.389,20	53.389,20	—	—
		44) Prefeitura Municipal de Santa Adélia	14.176,70	14.176,70	—	—
		45) Prefeitura Municipal de Santa Bárbara d'Oeste	36.037,40	36.037,40	—	—
		46) Prefeitura Municipal de Santa Cruz do Rio Pardo	34.374,70	34.374,70	—	—
		47) Prefeitura Municipal de Santo Anastácio	14.960,20	14.960,20	—	—
		48) Prefeitura Municipal de São Pedro	13.209,60	13.209,60	—	—
		49) Prefeitura Municipal de São Roque	24.894,60	24.894,60	—	—
		50) Prefeitura Municipal de Sertãozinho	19.650,10	19.650,10	—	—
		51) Prefeitura Municipal de Sorocaba	227.594,90	227.594,90	—	—
		52) Prefeitura Municipal de Tambaú	15.476,50	15.476,50	—	—
		53) Prefeitura Municipal de Tatuí	38.388,50	38.388,50	—	—
		54) Prefeitura Municipal de Taubaté	77.864,10	77.864,10	—	—
		55) Prefeitura Municipal de Tremembé	12.309,90	12.309,90	—	—
		3 — De empréstimos às Prefeituras Municipais, para financiamento de obras de abastecimento de águas e esgotos, já existentes, nos têrmos do Decreto-lei n. 16.078 de 31-12-46:				
		1) Prefeitura Municipal de Aguaí	23.784,30	23.784,30	—	—
		2) Prefeitura Municipal de Alfredo Marcondes	785,80	785,80	—	—
		3) Prefeitura Municipal de Alvares Machado	884,60	884,60	—	—
		4) Prefeitura Municipal de Americana	15.829,60	15.829,60	—	—
		5) Prefeitura Municipal de Andradina	2.224,90	2.224,90	—	—
		6) Prefeitura Municipal de Angatuba	16.977,70	16.977,70	—	—
		7) Prefeitura Municipal de Anhembi	238,20	238,20	—	—
		8) Prefeitura Municipal de Aparecida	23.096,70	23.096,70	—	—
		9) Prefeitura Municipal de Araras	34.236,90	34.236,90	—	—
		10) Prefeitura Municipal de Assis	26.179,90	26.179,90	—	—
		11) Prefeitura Municipal de Avaré	36.323,50	36.323,50	—	—
		12) Prefeitura Municipal de Bauru	33.390,70	33.390,70	—	—
		13) Prefeitura Municipal de Barueri	345,60	345,60	—	—
		14) Prefeitura Municipal de Bebedouro	62.754,80	62.754,80	—	—
		15) Prefeitura Municipal de Bôa Esperança do Sul	13.073,10	13.073,10	—	—
		16) Prefeitura Municipal de Boituva	10.269,90	10.269,90	—	—
		17) Prefeitura Municipal de Bocina	1.784,00	1.784,00	—	—
		18) Prefeitura Municipal de Buri	25.102,90	25.102,90	—	—
		19) Prefeitura Municipal de Cafelândia	45.080,00	45.080,00	—	—
		20) Prefeitura Municipal de Cajuru	11.409,80	11.409,80	—	—
		21) Prefeitura Municipal de Cândido Mota	29.557,00	29.557,00	—	—
		22) Prefeitura Municipal de Capão Bonito	8.818,20	8.818,20	—	—
		23) Prefeitura Municipal de Catanduva	18.965,70	18.965,70	—	—
		24) Prefeitura Municipal de Cedral	694,40	694,40	—	—
		25) Prefeitura Municipal de Cerqueira Cesar	44.338,50	44.338,50	—	—
		26) Prefeitura Municipal de Cerquilho	10.411,20	10.411,20	—	—
		27) Prefeitura Municipal de Colina	40.730,60	40.730,60	—	—
		28) Prefeitura Municipal de Conchas	39.936,20	39.936,20	—	—
		29) Prefeitura Municipal de Cosmópolis	20.429,80	20.429,80	—	—
		30) Prefeitura Municipal de Cotia	31.947,90	31.947,90	—	—
		31) Prefeitura Municipal de Cravinhos	27.356,50	27.356,30	—	0,20
		32) Prefeitura Municipal de Cruzeiro	44.263,20	44.263,20	—	—
		33) Prefeitura Municipal de Cunha	2.385,50	2.385,50	—	—
		34) Prefeitura Municipal de Dois Córregos	23.287,40	23.287,40	—	—
		35) Prefeitura Municipal de Duartina	6.218,60	6.218,60	—	—
		36) Prefeitura Municipal de Elias Fausto	359,90	359,90	—	—
		37) Prefeitura Municipal de Fartura	27.681,10	27.681,10	—	—
		38) Prefeitura Municipal de Franco da Rocha	31.240,80	31.240,80	—	—
		39) Prefeitura Municipal de Gália	37.139,30	37.139,30	—	—
		40) Prefeitura Municipal de Garça	54.360,30	54.360,30	—	—
		41) Prefeitura Municipal de Getulina	68.133,00	68.133,00	—	—
		42) Prefeitura Municipal de Guapiara	308,00	—	—	308,00
		43) Prefeitura Municipal de Guaraçaí	899,50	899,50	—	—
		44) Prefeitura Municipal de Guaraniaçu	39.681,40	39.681,40	—	—
		45) Prefeitura Municipal de Ibitinga	6.149,60	6.149,60	—	—
		46) Prefeitura Municipal de Igarapava	17.636,50	—	—	17.636,50
		47) Prefeitura Municipal de Indaiatuba	31.848,00	31.848,00	—	—
		48) Prefeitura Municipal de Itajobi	18.081,60	18.081,60	—	—
		49) Prefeitura Municipal de Itanhaem	17.181,80	—	—	17.181,80
		50) Prefeitura Municipal de Itapecerica da Serra	30.389,70	30.389,70	—	—
		51) Prefeitura Municipal de Itapetininga	37.847,90	37.847,90	—	—

CÓDIGO Local	CÓDIGO Geral	DISCRIMINAÇÃO	100 RECEITA PREVISTA	101 RECEITA REALIZADA	102 — DIFERENÇAS 1020 Para mais	1021 Para menos
		82) Prefeitura Municipal de Itapeva	19.848,90	19.848,90		
		83) Prefeitura Municipal de Itapuí	16.009,40	19.009,40		
		84) Prefeitura Municipal de Itatinga	12.156,90	12.156,90		
		85) Prefeitura Municipal de Iturerava	49.392,20	49.392,20		
		86) Prefeitura Municipal de Jaburicabal	10.601,80	10.601,80		
		87) Prefeitura Municipal de Jacupiranga	40.356,00	—		40.356,00
		88) Prefeitura Municipal de Jales	730,80	730,80		
		89) Prefeitura Municipal de Jaú	2.388,70	2.388,70		
		90) Prefeitura Municipal de Jundiaí	78.514,20	78.514,20		
		91) Prefeitura Municipal de Laranjal Paulista	17.290,80	17.290,80		
		92) Prefeitura Municipal de Lavrinhas	17.750,60	17.750,60		
		93) Prefeitura Municipal de Leme	4.538,70	4.538,70		
		94) Prefeitura Municipal de Lençóis Paulista	8.356,90	8.356,90		
		95) Prefeitura Municipal de Mairiporã	15.319,60	15.319,60		
		96) Prefeitura Municipal de Manduri	134.692,30	134.692,30		
		97) Prefeitura Municipal de Marília	29.471,20	29.471,20		
		98) Prefeitura Municipal de Matão	41.374,10	41.374,10		
		99) Prefeitura Municipal de Mirassol	94.536,20	94.536,20		
		100) Prefeitura Municipal de Mogi das Cruzes	4.400,80	4.400,80		
		101) Prefeitura Municipal de Monte Alto	66.069,70	66.069,70		
		102) Prefeitura Municipal de Monte Aprazível	6.538,20	6.538,20		
		103) Prefeitura Municipal de Monte Mór	2.781,80	2.781,80		
		104) Prefeitura Municipal de Nova Granada	49.819,40	49.819,40		
		105) Prefeitura Municipal de Novo Horizonte	399,40	399,40		
		106) Prefeitura Municipal de Oriente	91.336,20	91.336,20		
		107) Prefeitura Municipal de Paraguaçu Paulista	636,10	636,10		
		108) Prefeitura Municipal de Patrocínio Paulista	611,60	611,60		
		109) Prefeitura Municipal de Pedregulho	37.960,60	37.960,60		
		110) Prefeitura Municipal de Pedreira	29.296,40	29.296,40		
		111) Prefeitura Municipal de Penápolis	21.148,20	21.148,20		
		112) Prefeitura Municipal de Piedade	970,20	970,20		
		113) Prefeitura Municipal de Pindamonhangaba	78.480,60	78.480,60		
		114) Prefeitura Municipal de Pirajuí	13.097,80	13.097,80		
		115) Prefeitura Municipal de Piraçununga	18.192,20	18.192,20		
		116) Prefeitura Municipal de Pitangueiras	70.444,70	70.444,70		
		117) Prefeitura Municipal de Pompeia	69.558,80	69.558,80		
		118) Prefeitura Municipal de Porto Feliz	74.251,10	74.251,10		
		119) Prefeitura Municipal de Presidente Bernardes	46.776,60	46.776,60		
		120) Prefeitura Municipal de Presidente Prudente	71.722,30	—		71.722,30
		121) Prefeitura Municipal de Presidente Wenceslau	30.045,80	30.045,80		
		122) Prefeitura Municipal de Promissão	29.743,00	29.743,00		
		123) Prefeitura Municipal de Quatá	15.948,80	—		18.048,80
		124) Prefeitura Municipal de Registro	13.024,40	—		13.024,40
		125) Prefeitura Municipal de Rincão	69.358,30	—		
		126) Prefeitura Municipal de Rio Claro	890,50	890,50		
		127) Prefeitura Municipal de Sales de Oliveira	1.355,10	1.355,10		
		128) Prefeitura Municipal de Salto	39.393,10	39.393,10		
		129) Prefeitura Municipal de Salto Grande	9.951,30	9.951,30		
		130) Prefeitura Municipal de Santa Adélia	786,80	786,80		
		131) Prefeitura Municipal de Santa Bárbara d'Oeste	273,80	273,80		
		132) Prefeitura Municipal de Santa Gertrudes	342,20	—		343,30
		133) Prefeitura Municipal de Santa Isabel	1.371,40	1.371,40		
		134) Prefeitura Municipal de Santa Rita do Passa Quatro	1.068,60	1.068,60		443,80
		135) Prefeitura Municipal de Santo Anastácio	443,80	—		
		136) Prefeitura Municipal de Santo Antonio da Alegria	729,30	729,30		
		137) Prefeitura Municipal de São Bento do Sapucaí	49.955,80	49.955,80		
		138) Prefeitura Municipal de São José do Rio Pardo	104.023,60	104.023,60		
		139) Prefeitura Municipal de São José do Rio Preto	67.246,60	67.246,60		
		140) Prefeitura Municipal de São Manuel	11.466,10	11.466,10		
		141) Prefeitura Municipal de São Pedro	27.656,50	27.656,50		
		142) Prefeitura Municipal de São Roque	24.206,90	24.206,90		
		143) Prefeitura Municipal de Sertãozinho	8.504,30	8.504,30		
		144) Prefeitura Municipal de Tambaú	63.581,30	63.581,30		
		145) Prefeitura Municipal de Tanabi	18.843,90	18.843,90		
		146) Prefeitura Municipal de Tapiratiba	80.567,70	80.567,70		
		147) Prefeitura Municipal de Taquaritinga	29.729,70	29.729,70		
		148) Prefeitura Municipal de Tatuí	20.140,20	20.140,20		
		149) Prefeitura Municipal de Tietê	11.909,40	11.909,40		77.787,80
		150) Prefeitura Municipal de Tremembé	17.387,80	—		9.909,60
		151) Prefeitura Municipal de Tupã	9.909,60	—		
		152) Prefeitura Municipal de Ubatuba	28.053,20	28.053,20		
		153) Prefeitura Municipal de Uchôa	26.068,30	26.068,30		
		154) Prefeitura Municipal de Vargem Grande do Sul				
		4 — De empréstimos às Prefeituras Municipais, para conclusão e reforma de serviços municipais de águas e esgotos, nos termos do Decreto-lei n.o 16.672, de 31-12-46:				
		1) Prefeitura Municipal de Americana	15.760,10	15.760,10		
		2) Prefeitura Municipal de Araraquara	40.336,10	40.336,10		
		3) Prefeitura Municipal de Assis	14.498,40	14.498,40		
		4) Prefeitura Municipal de Faurs	84.273,10	84.273,10		
		5) Prefeitura Municipal de Bernardino de Campos	7.785,90	7.785,90		
		6) Prefeitura Municipal de Birigui	16.058,50	16.058,50		
		7) Prefeitura Municipal de Botucatu	16.581,90	16.091,90		
		8) Prefeitura Municipal de Itapetininga	24.029,80	24.029,80		
		9) Prefeitura Municipal de Itararé	15.221,50	13.221,50		
		10) Prefeitura Municipal de Jabuticabal	8.738,00	8.738,00		
		11) Prefeitura Municipal de Jundiaí	59.968,60	59.968,60		
		12) Prefeitura Municipal de Mirassol	15.530,90	15.530,90		
		13) Prefeitura Municipal de Monte Mór	6.958,90	6.958,90		
		14) Prefeitura Municipal de Nova Granada	3.882,80	3.882,80		
		15) Prefeitura Municipal de Orlândia	2.362,60	2.362,60		
		16) Prefeitura Municipal de Ourinhos	13.692,00	13.692,00		
		17) Prefeitura Municipal de Pontal	2.446,10	2.446,10		
		18) Prefeitura Municipal de Rio Claro	27.736,20	27.736,20		
		19) Prefeitura Municipal de São João da Boa Vista	30.966,80	30.966,80		
		20) Prefeitura Municipal de Sorocaba	92.537,10	84.237,10		
		21) Prefeitura Municipal de Tietê	6.958,90	6.958,90		
		5 — De empréstimos às Prefeituras Municipais, para financiamento de serviços de água e esgotos, nos têrmos do Decreto-lei n. 14.942, de 5-4-45:				
		1) Prefeitura Municipal de Agudos	45.365,40	45.388,40		23,00
		2) Prefeitura Municipal de Campinas	152.413,30	152.589,20		209.576,90
		3) Prefeitura Municipal de Igarapava	209.876,82	—		—
		4) Prefeitura Municipal de Mineiros do Tietê	31.309,50	31.309,50		—
		5) Prefeitura Municipal de Orlândia	78.466,00	78.466,00		—
		6) Prefeitura Municipal de Pacaembú	123.757,00	123.357,00		432,766,59
		7) Prefeitura Municipal de Piracicaba	314.167,90	314.167,90		—
		8) Prefeitura Municipal de São Vicente	462.286,80	—		—
		6 — De empréstimos às Prefeituras Municipais dos novos municípios de acôrdo com a Lei n. 2.620, de 30-1-54, destinados a atender as despesas com a instalação dos serviços administrativos municipais:				
		1) Prefeitura Municipal de Alto Alegre	42.356,40	42.356,40		
		2) Prefeitura Municipal de Anhumas	42.356,40	42.356,40		
		3) Prefeitura Municipal de Auriflama	42.356,40	42.356,40		
		4) Prefeitura Municipal de Balbinos	42.356,40	42.356,40		
		5) Prefeitura Municipal de Bálsamo	42.356,40	42.356,40		
		6) Prefeitura Municipal de Barrinha	42.356,40	42.356,40		41.356,40
		7) Prefeitura Municipal de Braúna	42.356,40	—		
		8) Prefeitura Municipal de Buritizal	42.356,40	42.356,40		44.791,70
		9) Prefeitura Municipal de Calabú	44.791,70	—		42.356,40
		10) Prefeitura Municipal de Caluá	42.356,40	—		
		11) Prefeitura Municipal de Castilho	42.356,40	42.356,40		
		12) Prefeitura Municipal de Charqueada	42.356,40	42.356,40		
		13) Prefeitura Municipal de Clementina	42.356,40	42.356,40		
		14) Prefeitura Municipal de Divinolândia	42.356,40	—		42.356,40
		15) Prefeitura Municipal de Flora Rica	42.356,40	—		42.356,40
		16) Prefeitura Municipal de Florínea	42.356,40	—		

CÓDIGO Local	CÓDIGO Geral	DISCRIMINAÇÃO	100 RECEITA PREVISTA	101 RECEITA REALIZADA	102 — DIFERENÇAS 1959 Para mais	102 — DIFERENÇAS 1961 Para menos
		17) Prefeitura Municipal de Gastão Vidigal	42.256,60	42.256,60	—	—
		18) Prefeitura Municipal de Guaiçara	42.256,60	42.256,60	—	—
		19) Prefeitura Municipal de Guamhé	44.791,70	44.791,70	—	—
		20) Prefeitura Municipal de Guapiaçu	42.256,60	42.256,60	—	—
		21) Prefeitura Municipal de Ibaté	42.256,60	42.256,60	—	—
		22) Prefeitura Municipal de Icém	42.256,60	42.256,60	—	—
		23) Prefeitura Municipal de Igaraçu do Tietê	42.256,60	42.256,60	—	—
		24) Prefeitura Municipal de Igarassú	42.256,60	42.256,60	—	—
		25) Prefeitura Municipal de Indiaporã	44.791,70	—,—	—	44.791,70
		26) Prefeitura Municipal de Iracemápolis	42.256,60	—	—	42.256,60
		27) Prefeitura Municipal de Irapuru	42.256,60	42.256,60	—	—
		28) Prefeitura Municipal de Itaju	42.256,60	42.256,60	—	—
		29) Prefeitura Municipal de Itaquaquecetuba	42.256,60	42.256,60	—	—
		30) Prefeitura Municipal de Jaguariúna	44.791,70	44.791,70	—	—
		31) Prefeitura Municipal de Lagoinha	44.791,70	44.791,70	—	—
		32) Prefeitura Municipal de Lucianópolis	42.256,60	—	—	42.256,60
		33) Prefeitura Municipal de Lupércio	42.256,60	42.256,60	—	—
		34) Prefeitura Municipal de Magda	42.256,60	42.256,60	—	—
		35) Prefeitura Municipal de Marabá Paulista	42.256,60	—	—	42.256,60
		36) Prefeitura Municipal de Mariápolis	44.791,70	—,—	—	44.791,70
		37) Prefeitura Municipal de Mauá	42.256,60	42.256,60	—	—
		38) Prefeitura Municipal de Mirante do Paranapanema	42.256,60	—,—	—	42.256,60
		39) Prefeitura Municipal de Monte Castelo	42.256,60	42.256,60	—	—
		40) Prefeitura Municipal de Muritinga do Sul	42.256,60	—	—	42.256,60
		41) Prefeitura Municipal de Nipoã	42.256,60	42.256,60	—	—
		42) Prefeitura Municipal de Nova Europa	44.791,70	44.791,70	—	—
		43) Prefeitura Municipal de Ouro Verde	42.256,60	42.256,60	—	—
		44) Prefeitura Municipal de Panorama	42.256,60	—,—	—	42.256,60
		45) Prefeitura Municipal de Paraiso	44.791,70	—,—	—	44.791,70
		46) Prefeitura Municipal de Pariquera-Açu	42.256,60	42.256,60	—	—
		47) Prefeitura Municipal de Piacatu	42.256,60	—	—	42.256,60
		48) Prefeitura Municipal de Platina	42.256,60	42.256,60	—	—
		49) Prefeitura Municipal de Poloni	42.256,60	—,—	—	42.256,60
		50) Prefeitura Municipal de Ribeirão Vermelho do Sul	44.791,70	44.791,70	—	—
		51) Prefeitura Municipal de Rinlândia	42.256,60	—,—	—	42.256,60
		52) Prefeitura Municipal de Sabino	42.256,60	—,—	—	42.256,60
		53) Prefeitura Municipal de Salto de Pirapora	42.256,60	42.256,60	—	—
		54) Prefeitura Municipal de Santa Cruz da Conceição	44.791,70	44.791,70	—	—
		55) Prefeitura Municipal de Santa Fé do Sul	44.791,70	—,—	—	44.791,70
		56) Prefeitura Municipal de Santa Mercedes	42.256,60	42.256,60	—	—
		57) Prefeitura Municipal de Santo Antonio do Jardim	42.256,60	—,—	—	42.256,60
		58) Prefeitura Municipal de Santo Antonio da Posse	42.256,60	42.256,60	—	—
		59) Prefeitura Municipal de Severinea	42.256,60	42.256,60	—	—
		60) Prefeitura Municipal de Sumaré	42.256,60	42.256,60	—	—
		61) Prefeitura Municipal de Taciba	44.791,70	44.791,70	—	—
		62) Prefeitura Municipal de Taiaçu	42.256,60	42.256,60	—	—
		63) Prefeitura Municipal de Uru	42.256,60	—,—	—	42.256,60
		64) Prefeitura Municipal de Valinhos	44.791,70	44.791,70	—	42.256,60
		7 — De Dividas Ativas Diversas			—	—,—
		Dividas ativas diversas	50.000,00	1.105.680,00	1.082.680,00	—,—
	6.13.0	**Receita de Exercicios Anteriores**				
88		**Impostos e Taxas em atraso**				
		1 — Divida Amigavel				
		1) Arrecadação no exercicio	55.000.000,00	3.552.413,60	—,—	51.447.586,40
		Adicional sobre os impostos arrecadados:				
		2) De 10%	6.000.000,00	496.881,50	—,—	5.503.118,50
		3) De 3,75%	1.500.000,00	152.311,10	—,—	1.347.688,90
		4) De majoração do Imposto Territorial Rural (Lei n. 2.626/54)	4.000.000,00	1.207.062,80	—,—	2.792.937,40
		2 — Dívida Executiva				
		1) Arrecadação no exercicio	112.000.000,00	104.569.284,70	—,—	7.430.715,30
		Adicional sôbre os impostos arrecadados (Lei n. 2.626/54)				
		2) De 10%	10.000.000,00	5.340.802,00	—,—	4.659.198,00
		3) De 3,75%	3.500.000,00	1.915.250,40	—,—	1.584.749,60
		4) De majoração do Imposto Territorial Rural (Lei n. 2.626/54)	10.000.000,00	5.395.816,00	—,—	1.604.184,00
89		Outras receitas de exercicios anteriores:				
		Arrecadação de rendas de exercicios anteriores				
		1 — Departamento de Agua as e Esgotos (Lei n. 2.627, de 20-1-54)	40.000.000,00	176.819.484,80	136.819.484,80	—,—
		2 — Taxas do Departamento de Estradas de Rodagem (Decreto-lei n 16.546, de 26-12-46)	100.000,00	24.825.317,40	24.725.317,40	—,—
		3 — Departamento de Agua as e Energia Elétrica (Lei n. 1.350, de 13-12-51)	100.000,00	—,—	—,—	100.000,00
		4 — Imprensa Oficial do Estado	9.000.000,00	17.928.827,30	8.928.827,30	—,—
		5 — Força Pública	50.000,00	—,—	—,—	50.000,00
		6 — Penitenciária do Estado	140.000,00	202.672,40	62.672,40	—,—
		7 — Diretoria do Serviço de Transito	500.000,00	602.690,00	102.690,00	—,—
		8 — De empréstimos às Municipalidades (Juros)	5.000.000,00	7.502.596,40	2.502.596,40	—,—
		9 — Outras dependências do Estado	5.000.000,00	26.727.505,30	21.677.505,30	—,—
		10 — De empréstimos às Municipalidades (Amortizações)	20.000.000,00	2.485.018,40	—,—	17.514.981,60
	6.14.0	**Receita de Indenizações e Restituições**				
90		Restituições				
		1 — Instituto Agronômico de Campinas — Luz e Força (Restituição pelo pessoal residente em próprios do Estado)	180.000,00	200.920,10	20.920,10	—,—
		2 — Serviço Florestal — Secretaria da Agricultura — Luz e Força (Restituição pelo pessoal residente em próprios do Estado)	64.800,00	63.750,80	—,—	1.049,20
		3 — Força Pública do Estado (Restituição no exercicio mediante desconto em folha de adiantamentos para requisições de fardamentos)	60.000,00	1.551.570,00	1.491.570,00	—,—
		4 — Diretoria de Aeroportos — Luz e Força (Restituição pelos locatários de áreas do Aeroporto de Congonhas)	500.000,00	864.199,90	364.199,90	—,—
91		5 — Outras dependências do Estado (Restituições diversas)	100.000,00	1.485.159,70	1.385.159,70	—,—
		Indenizações				
		1 — Força Pública do Estado	1.400.000,00	2.661.343,20	1.261.343,20	—,—
		2 — Diretoria do Serviço de Trânsito	45.000,00	58.062,50	13.062,50	—,—
		3 — Departamento Jurídico do Estado — Procuradoria do Patrimônio Imobiliário				
		1) Indenizações de despesas efetuadas pelo Estado, com a medição de terras devolutas transferidas a posseiros	153.205,80	460.825,40	308.619,60	—,—
		4 — Outras dependências do Estado				
		1) Indenizações diversas	398.501.033,20	22.434.291,30	—,—	310.066.741,10
	6.17.0	**Contribuições da União**				
92		Contribuição do Govêrno Federal, para as despesas decorrentes da execução do acôrdo para o fomento da produção animal firmado com o Ministério da Agricultura, nos têrmos do artigo 1.º § 3.º da Lei n.o 199, de 23-1-28				
93		Contribuição do Govêrno Federal, para a despesa decorrentes da execução do Código de Caça e Pesca, no território do Estado de conformidade com o acôrdo celebrado com aquele Govêrno	6.000.000,00	—,—	—,—	6.000.000,00
94		Contribuição do Govêrno Federal ao Instituto Butantã, decorrente da Lei Federal n.o 2.008, de 2-10-53, destinada à produção de sulfonas e derivados, bem como ao estudo, pesquisas e fabrico de novas substâncias empregadas no tratamento da lepra	1.100.000,00	—,—	—,—	1.100.000,00
95		Contribuição do Govêrno Federal, para os serviços de defesa sanitária vegetal, de conformidade com o acôrdo celebrado com aque-	1.900.000,00	1.900.000,00	—,—	—,—

CODIGO Local	CODIGO Geral	DISCRIMINAÇÃO	100 RECEITA PREVISTA	101 RECEITA REALIZADA	102 — DIFERENÇAS 1959 Para mais	102 — DIFERENÇAS 1959 Para menos
		le Govêrno	1.200.000,00	—,—	—,—	1.200.000,00
96		Contribuição do Govêrno Federal, para os serviços de expansão cooperativista, de conformidade com o acôrdo celebrado com aquele Govêrno em 4-1-53	100.000,00	—,—	—,—	100.000,00
97		Contribuição do Govêrno Federal, para os serviços de florestamento e reflorestamento no território do Estado, de conformidade com o Acôrdo celebrado com aquele Govêrno, em 24-5-56	5.000.000,00	5.000.000,00	—,—	—,—
98		Contribuição do Govêrno Federal, para o Fundo de Pesquisas da Divisão do Serviço de Tuberculose, criado pelo Decreto n.o 27.398, de 9-1-1950	2.000.000,00	—,—	—,—	2.000.000,00
99		Contribuição do Escritório Técnico de Agricultura (E. T. A.), do Ministério da Agricultura, para a execução do programa de trabalho relacionado com a conservação de solo e da água no Estado de São Paulo, na conformidade do contrato celebrado com aquele Govêrno	2.000.000,00	—,—	—,—	2.000.000,00
	6.19.0	**Contribuições dos Municípios**				
100		Contribuições dos Municípios, para execução do Convênio Estadual do Ensino Primário, constante dos Decretos-lei n.os 13.732, de 14-12-43 e 13.787, de 31-12-43	1.500.000,00	1.249.852,10	—,—	250.147,90
101		Contribuições dos Municípios, para a execução dos serviços de extinção de incêndios e salvamento contratados com o Corpo de Bombeiros da Fôrça Pública				
		1 — Prefeitura Municipal da Capital	7.000.000,00	7.000.000,00	—,—	—,—
		2 — Prefeitura Municipal de Santos	500.000,00	500.000,00	—,—	—,—
		3 — Prefeitura Municipal de Ribeirão Preto	450.000,00	450.000,00	—,—	—,—
		4 — Prefeitura Municipal de Jundiaí	340.000,00	340.000,00	—,—	—,—
		5 — Prefeitura Municipal de Araraquara	86.000,00	86.000,00	—,—	—,—
		6 — Prefeitura Municipal de São Carlos	110.000,00	110.000,00	—,—	—,—
		7 — Prefeitura Municipal de São José do Rio Preto	400.000,00	400.000,00	—,—	—,—
		8 — Prefeitura Municipal de Bauru	400.000,00	400.000,00	—,—	—,—
		9 — Prefeitura Municipal de Santo André	2.500.000,00	2.500.000,00	—,—	—,—
	6.20.0	**Contribuições Diversas**				
102		Quota-parte do Estado na arrecadação da taxa criada pela Lei Federal n.o 1.779-52, em virtude de convênio celebrado entre o Estado de São Paulo e o Instituto Brasileiro do Café	3.000.000,00	3.256.748,60	—,—	674.252,60
103		Quota-parte do produto da realização do ativo do Departamento Nacional do Café (em liquidação) para os serviços do empréstimo de £ 20.000.000 (Coffee Realization), nos têrmos do artigo 3.o, do Decreto-lei Federal n.o 9.610, de 28-8-46	64.248.644,00	—,—	—,—	64.248.644,00
104		Contribuição da Estrada de Ferro Sorocabana, para o pagamento das despesas de juros decorrentes da execução do Decreto-lei n.o 17.208, de 3-3-47	62.000.000,00	60.764.316,80	—,—	2.235.683,20
105		Contribuição da Estrada de Ferro Sorocabana, para o serviço de amortização e resgate de Apólices Ferroviárias, nos têrmos do parágrafo único do artigo 4.o e artigo 5.o do Decreto-lei n.o 17.208, de 3-3-47	87.311.000,00	87.311.000,00	—,—	—,—
106		Contribuição da Irmandade da Santa Casa de Misericórdia de Santos, para manutenção e desenvolvimento do Instituto Dª Escolástica Rosa (contrato celebrado em 19-12-33)	70.000,00	—,—	—,—	70.000,00
107		Contribuição do Departamento de Estradas de Rodagem, para o serviço de amortização e juros de empréstimo autorizado pelo Decreto-lei n.o 12.580, de 8-3-42 (Apólices Rodoviárias)				
		1 — Amortização	7.882.000,00	7.882.000,00	—,—	—,—
		2 — Juros	17.600.000,00	15.114.366,00	—,—	2.385.634,00
108		Contribuição do Departamento de Estradas de Rodagem, para o serviço de amortização, juros e outros encargos, relativos aos créditos especiais, a que se refere a Lei n.o 4.507, de 31-12-27 (Artigos 97 a 99)	370.268.000,00	—,—	—,—	370.268.000,00
109		Contribuição da Prefeitura Municipal de São Paulo, para o serviço do empréstimo "Apólices do IV Centenário", nos têrmos do artigo 15, da Lei n.o 1.475, de 26-12-51				
		1 — Amortização	60.000.000,00	—,—	—,—	60.000.000,00
		2 — Juros	11.943.600,00	4.469.662,50	—,—	7.568.787,50
		3 — Prêmios de sorteios	1.600.000,00	1.600.000,00	—,—	—,—
		4 — Despesa com colocação	50.000,00	4.426,50	—,—	45.573,50
110		Superintendência dos Serviços do Café				
		1 — Contribuição para pagamento de seu pessoal	35.904.900,00	37.861.951,50	1.957.451,50	—,—
	6.21.0	**Multas**				
111		Multas de mora sôbre impostos e taxas	38.000.000,00	46.721.827,50	11.721.827,50	—,—
112		Multas por infração de regulamento				
		1 — Departamento de Ordem Política e Social				
		1) Delegacia de Explosivos				
		Infração por porte de armas e outras	60.000,00	353.736,30	293.736,30	—,—
		2 — Setor de Órgãos Auxiliares Policiais	10.000,00	3.005.987,80	2.995.987,80	—,—
		1) Divisão de Rádio Difusão	250.000,00	—,—	—,—	250.000,00
		2) Secção de Fiscalização de Hotéis	350.000,00	—,—	—,—	350.000,00
		3) Divisão de Diversões Públicas	300.000,00	—,—	—,—	300.000,00
		4) Serviço de Registros de Furtos de Animais				
		3 — Diretoria do Serviço de Trânsito	45.850.250,00	49.118.003,90	—,—	3.732.746,10
		1) Multas locais	7.850.700,00	—,—	—,—	7.850.700,00
		2) Multas de outras Delegacias				
		4 — Departamento de Estradas de Rodagem				
		1) Multas em estradas de rodagem (Pertencentes ao D. E. R. nos têrmos dos artigos 17 e 18, do Decreto-lei n.o 12.640 de 26-12-46)	4.000.000,00	9.786.333,60	5.786.333,60	—,—
		5 — Departamento de Águas e Energia Elétrica				
		1) Multas diversas (Pertencentes ao D. A. E. E., nos têrmos do artigo 3.o, item XIII, Lei n.o 1.300, de 13-12-51)	10.000,00	—,—		10.000,00
		6 — Departamento de Águas e Esgotos				
		1) Multas a infratores dos regulamentos dos serviços de águas e esgotos da Capital (Pertencente ao D. A. E., nos têrmos do artigo 37, da Lei n.o 2.627, de 30-1-54)	400.000,00	546.158,00	146.158,00	—,—
		7 — Fôrça Pública do Estado				
		1) Multas diversas	9.000,00	21.675,00	12.675,00	—,—
		8 — Departamento de Obras Sanitárias				
		1) Multas a infratores dos regulamentos dos serviços de esgotos em Santos, São Vicente e Guarujá	65.000,00	101.050,00	36.050,00	—,—
		2) Multas a infratores dos regulamentos dos serviços de iluminação elétrica do Guarujá e Itapema	2.000,00	11.400,00	9.400,00	—,—
		9 — Departamento da Produção Vegetal				
		1) Multas a infratores dos regulamentos dos serviços de sigilão e fruticultura	10.000,00	104.119,00	94.119,00	—,—
		10 — Junta Comercial do Estado				
		1) Multas por infração dos regulamentos da Junta Comercial do Estado e das leis reguladoras de funcionamento das emprêsas de Armazéns Gerais e outras	1.000,00	13.750,00	8.750,00	—,—
		11 — Juízo Privativo de Menores				
		1) Multas e infratores do Código de Menores e de outras leis e similares	300.000,00	541.754,00	241.754,00	—,—
		12 — Departamento de Receita — Secretaria da Fazenda				
		1) Multas a infratores do Código de Impostos e Taxas	30.000.000,00	160.200.039,20	130.200.039,20	—,—
		13 — Departamento de Saúde do Estado	6.000.000,00	6.931.362,70	931.362,70	—,—
		1) Multas por infrações diversas da Legislação Sanitária				
		14 — Comissão Central de Compras — Secretaria da Fazenda				
		1) Multas impostas a fornecedores faltosos, nos têrmos da letra "i", § 1.o do artigo 1.o da Lei n. 511, de 18-11-48, e letra "a", artigo 23, das Condições Gerais das Concorrências	260.000,00	472.383,50	212.383,50	—,—
		15 — Outras repartições do Estado	50.000,00	928.972,70	878.972,70	—,—
		1) Multas diversas				
	6.32.0	**OPERAÇÕES DE CRÉDITO**				
113		Receita proveniente da colocação de Apólices "IV Centenário" (Lei n. 1.475, de 26-12-51)	75.500,00	66.000,00	—,—	9.500,00
113 A		Receita proveniente do financiamento concedido pelo Banco Nacio-				

CODIGO Local	CODIGO Geral	DISCRIMINAÇÃO	100 RECEITA PREVISTA	101 RECEITA REALIZADA	102 — DIFERENÇAS 1960 Para mais	102 — DIFERENÇAS 1961 Para menos
		nal de Desenvolvimento Econômico e destinado ao reaparelhamento da Estrada de Ferro Araraquara	—,—	116.433.167,20	116.433.167,20	—,—
112 2		Receita supletiva de arrecadação de apólices do empréstimo de 1.ª emissão (Lei n. 4.414-57	—,—	154.409.664,60	121.409.664,60	—,—
	2.0.0.0	RECEITA				
111		Diversas				
		1 — Secretaria da Agricultura				
		1) Renda Patrimonial das Casas de Laranja de:				
		1) Limeira	70.000,00	12.316.497,20	12.246.197,20	—,—
		2) Serrana	70.000,00	—,—	—,—	70.000,00
		2 — Secretaria da Justiça e Negócios do Interior				
		1) Departamento Jurídico do Estado (Procuradoria do Patrimônio Imobiliário)	18.500,00	870,00	—,—	17.630,00
		2) Junta Comercial do Estado	2.000,00	—,—	—,—	2.000,00
		3) Imprensa Oficial do Estado (Renda de fornecimento de papel da S. A. C.)	11.000.000,00	—,—	—,—	11.000.000,00
		3 — Secretaria da Segurança Pública				
		1) Departamento de Administração (Alfandegas)	12.000.000,00	2.755.582,20	—,—	10.244.446,80
		2) Alfandega da Barra de Itajuba	33.000,00	—,—	—,—	33.000,00
		3) Loteria Pública	250.000,00	—,—	—,—	250.000,00
		4 — Secretaria da Viação e Obras Públicas				
		Departamento de Obras Sanitárias				
		1) Hotel Glória (Lindóia)	20.000,00	9.585,90	—,—	10.414,00
		2) Hotel Lindóia	20.000,00	10.735,90	—,—	9.264,10
		3) Terrenos de Lindóia	10.000,00	13.142,10	3.147,10	—,—
		5 — Secretaria da Saúde Pública e da Assistência Social				
		Instituto Butantã				
		1) Acúdio de Prefeituras Municipais	30.000,00	—,—	—,—	30.000,00
		6 — Secretaria da Fazenda				
		1) Comissão Central de Compras				
		Receita proveniente de descontos obtidos no ato do pagamento de faturas	12.000.000,00	23.953.474,00	11.953.474,00	—,—
		2) Receitas não discriminadas	14.474.500,00	57.721.655,00	43.247.155,00	—,—
		SOMA DA RECEITA EXTRAORDINÁRIA	1.589.206.315,30	1.313.282.508,30	682.524.496,90	958.447.303,90
		TOTAL GERAL DA RECEITA DO ESTADO	56.650.333.000,00	68.406.341.946,10	13.594.166.637,40	1.838.157.691,30

CONTADORIA GERAL DO ESTADO
Em 31 de março de 1960

SECÇÃO DE CONTABILIDADE ORÇAMENTARIA
José Alfredo Alberti
Chefe de Secção
Contador — C.R.C. — Sp. 4.586

DIVISÃO DE ORÇAMENTO
Mathias Marques de Oliveira
Diretor
Contador C.R.C. — Sp. 1.772

ESTADO DE SÃO PAULO

CONTADORIA GERAL DO ESTADO

Contas do Exercício Financeiro de 1959

QUADRO COMPARATIVO DA RECEITA DO ESTADO EFETIVO E MUTAÇÕES PATRIMONIAIS PREVISTA COM A REALIZADA

DISCRIMINAÇÃO	100 — RECEITA PREVISTA Efetiva	Mutações Patrimoniais	TOTAL	101 — RECEITA REALIZADA Efetiva	Mutações Patrimoniais	TOTAL	102 Diferenças
RECEITA ORDINÁRIA							
I — Tributária							
a — Impostos	46.902.418.750,00	—,—	46.902.418.750,00	55.704.253.720,50	—,—	55.704.253.720,50	+ 8.801.834.970,50
b — Taxas	682.229.411,00	—,—	682.229.411,00	956.827.243,40	—,—	956.827.243,40	+ 274.597.831,40
Total da Receita Tributária	47.584.648.161,00	—,—	47.584.648.161,00	56.661.080.962,90	—,—	56.661.080.962,90	+ 9.076.432.801,90
II — Patrimonial	266.113.783,80	—,—	266.113.783,80	594.194.258,30	—,—	594.194.258,30	+ 328.080.474,50
III — Industrial	5.910.355.840,00	—,—	5.910.355.840,00	6.528.978.541,40	—,—	6.528.978.541,40	+ 618.622.701,40
IV — Receitas Diversas	1.300.010.000,00	—,—	1.300.010.000,00	3.308.805.675,20	—,—	3.308.805.675,20	+ 2.008.795.675,20
Total da Receita Ordinária	55.061.127.784,80	—,—	55.061.127.784,80	67.093.059.437,80	—,—	67.093.059.437,80	+ 12.031.931.653,00
RECEITA EXTRAORDINÁRIA	1.557.840.082,10	31.365.133,10	1.589.205.315,30	1.043.358.351,80	270.924.156,50	1.313.282.508,30	— 275.922.706,90
TOTAL GERAL	56.618.967.866,90	31.365.133,10	56.650.333.000,00	68.136.417.789,60	270.924.156,50	68.406.341.946,10	+ 11.756.008.946,10

CONTADORIA GERAL DO ESTADO
Em 31 de março de 1960

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ESTADO DE SÃO PAULO
CONTADORIA GERAL DO ESTADO
Contas do Exercício Financeiro de 1959

DEMONSTRAÇÃO DA RECEITA E DESPESA DO ESTADO POR INCIDENCIAS E POR SERVIÇOS

10 — RECEITA					11 — DESPESA				
INCIDENCIAS	100 — Previsão	101 — Execução	102 — Diferença	Porcentagem da maior ou menor Arrecadação	SERVIÇOS	110 — Previsão	111 — Execução	112 — Diferença	Porcentagem dos Créditos não Utilisados
0 — Sem classificação	8.065.584.629,00	11.745.260.983,20	3.679.576.144,20	+ 29,56%	0 — Administração Geral	2.646.467.094,00	2.472.542.287,90	173.924.806,10	— 6,57%
1 — Sôbre a propriedade	3.563.630.000,00	3.710.383.192,80	146.753.192,80	+ 4,12%	1 — Exação e fiscalização financeira	2.088.566.567,50	2.048.853.814,40	39.713.753,10	— 1,90%
2 — Sôbre a Circulação da riqueza	42.241.000.000,00	60.980.856.203,10	8.739.856.203,10	+ 20,69%	2 — Segurança Publica e Assistencia Social	5.563.146.537,50	5.411.108.528,70	152.037.808,80	— 2,73%
3 — Sôbre a atividade dos contribuintes	—	—	—		3 — Educação Publica	10.045.714.408,80	9.954.938.295,80	90.776.113,00	— 0,90%
4 — Resultante da Atividade do Estado	220.109.411,00	303.203.107,90	83.093.696,90	+ 37,75%	4 — Saude Publica	6.457.951.217,60	5.985.658.815,50	472.292.402,10	— 7,31%
5 — Sôbre Crédito	—	—	—		5 — Fomento	7.301.906.172,70	7.250.068.032,40	51.838.162,30	— 1,21%
6 — Sôbre o individuo	—	—	—		6 — Serviços Industriais	8.976.458.173,20	8.367.303.150,20	617.155.023,00	— 6,88%
7 — Várias Incidencias	1.555.918.750,00	1.699.658.459,10	106.718.709,10	+ 6,54%	7 — Dívida Publica	6.275.011.736,00	4.465.114.908,90	1.809.896.848,10	— 28,84%
					8 — Serviços de Utilidade Publica	5.647.693.138,70	5.603.300.862,60	44.392.276,10	— 0,81%
					9 — Encargos Diversos	14.513.060.001,70	13.813.808.495,50	701.551.505,80	— 4,82%
SOMAS	56.650.333.000,00	68.406.341.946,10	11.756.008.946,10	+ 20,75%	SOMAS	72.515.975.370,70	68.332.489.171,20	4.183.078.199,40	— 5,77%
"DEFICIT" Previsto	15.865.642.370,70	—	15.865.642.370,70		"SUPERAVIT" Verificado	—	73.444.774,80	73.444.774,80	
TOTAIS — Cr$	72.515.975.370,70	68.406.341.946,10	4.109.633.424,60		TOTAIS — Cr$	72.515.975.370,70	68.406.341.946,10	4.109.633.424,60	

SECÇÃO DE CONTABILIDADE ORÇAMENTARIA
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Contador CRC. — S. p. 4.586

CONTADORIA GERAL DO ESTADO
Em 31 de março de 1960

DIVISÃO DE ORÇAMENTO
Mathias Marques de Oliveira
Diretor
Contador CRC. — S. p. 1.773

DEMONSTRAÇÃO DA RECEITA E DA DESPESA DO ESTADO — POR NATUREZA E POR ELEMENTOS

10 — RECEITA					11 — DESPESA				
NATUREZA	100 — Previsão	101 — Execução	102 — Diferença	Porcentagem da Maior ou Menor Arrecadação	ELEMENTOS	110 — Previsão	111 — Execução	112 — Diferença	Porcentagem dos Créditos não Utilizados
RECEITA ORDINARIA					PESSOAL				
I — Receita Tributária					0 — Pessoal Fixo	18 521.492.666,80	18 [illegible] 339,10	42.893.327,50	0,23%
a) — Impostos	46.892.418.750,00	55 704.253.720,50	8.801.834.970,50	+ 18,77%	1 — Pessoal Variável	8.884.[illegible]	[illegible]	36[illegible]	4,11%
b) — Taxas	682.229.411,00	956.827.242,40	274.597.831,40	+ 40,24%	Soma da Despesa de Pessoal	27.[illegible]	[illegible]	4[illegible]	1,47%
Soma da Receita Tributária	47.084.648.161,00	56.661.080.962,90	9.076.432.801,90	+ 19,07%	MATERIAL				
II — Receita Patrimonial	366.113.783,80	594.194.258,30	228.080.474,50	+ 123,29%	2 — Material Permanente	5 207.780.105,10	4.904.[illegible]	303.[illegible]	5,83%
III — Receita Industrial	5.910.355.940,00	6.528.978.541,40	618.622.701,40	+ 10,47%	3 — Material de Consumo	5.286.777.484,60	4.6[illegible]	65[illegible]	12,34%
IV — Receitas Diversas	1.300.010.000,00	3.308.805.675,20	2.008.795.675,20	+ 154,53%	Soma da Despesa de Material	10.4[illegible]	[illegible]	[illegible]	9,11%
Soma da Receita Ordinária	55.061.127.784,80	67.093.059.437,89	12.031.931.653,00	+ 21,84%	4 — Despesas Diversas	34.[illegible]	31.[illegible]	2.8[illegible]	8,22%
RECEITA EXTRAORDINARIA	1.589.205.215,20	1.313.282.508,30	— 275.922.706,90	— 17,36%	Total Geral da Despesa	72.[illegible]	[illegible]	4.18[illegible]	5,41%
Total Geral da Receita	56.650.333.000,00	68.406.341.946,10	11.756.008.946,10	+ 20,75%					

SECÇÃO DE CONTABILIDADE ORÇAMENTARIA
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CONTADORIA GERAL DO ESTADO
Em 31 de março de 1960

DIVISÃO DE ORÇAMENTO
MATHIAS MARQUES DE OLIVEIRA
Diretor
Contador C. R. C. — Sp. 1.773

ESTADO DE SÃO PAULO
CONTADORIA GERAL DO ESTADO
Contas do Exercício Financeiro de 1959

QUADRO COMPARATIVO DA DESPESA DO ESTADO — PREVISTA COM A REALIZADA

SECRETARIAS	110 — PREVISÃO								111 — EXECUÇÃO			112 — DIFERENÇA		
	1100 — CRÉDITOS ORÇAMENTÁRIOS								CRÉDITOS			CRÉDITOS		
	11.000	11.001 — REAJUSTAMENTO		11.002 OUTROS DECRETOS		Dotação	1.101 Créditos Especiais e Extraordinários	TOTAL	1.110 Orçamentários	1.111 Especiais e Extraordinários	TOTAL	1.120 Orçamentários	1.121 Especiais e Extraordinários	TOTAL
	Orçamento	110.010 Suplementações	110.011 Reduções	110.020 Suplementações	110.021 Reduções	Líquida								
I — Assembléia Legislativa	339.811.366,10	34.730.496,50	—,—	57.002.300,00	16.114.600,00	395.429.462,60	7.795.510,60	403.224.973,20	383.751.618,00	7.080.705,70	390.832.401,70	11.677.846,70	714.724,90	12.392.571,50
II — Tribunal de Contas	71.068.000,00	837.332,25	508.332,30	26.331.200,00	1.361.200,00	96.357.000,00	—,—	96.357.000,00	92.418.395,80	—,—	92.418.395,80	3.938.604,20	—,—	3.938.604,20
III — Govêrno do Estado	88.861.000,00	6.400.050,00	1.756.800,00	19.536.233,50	935.233,50	112.094.700,00	—,—	112.094.700,00	101.876.382,30	—,—	101.876.382,30	10.217.817,70	—,—	10.217.817,70
IV — Secretaria do Govêrno	246.740.000,00	17.193.100,00	8.196.200,00	50.287.982,20	10.279.982,20	295.744.900,00	—,—	295.744.900,00	268.939.105,10	—,—	268.939.105,10	26.805.794,90	—,—	26.805.794,90
V — Secretaria da Justiça	1.061.891.000,00	402.008.000,00	30.342.100,00	205.827.495,10	24.024.326,00	1.635.060.069,10	5.390.930,20	1.640.450.999,30	1.546.875.479,10	5.369.799,70	1.552.265.278,80	88.184.590,00	1.130,50	88.185.720,50
VI — Secretaria da Segurança	3.058.083.000,00	856.627.900,00	2.010.200,00	2.169.987.016,80	83.913.016,80	4.998.774.700,00	—,—	4.998.774.700,00	4.897.811.413,50	—,—	4.897.811.413,50	100.963.286,50	—,—	100.963.286,50
VII — Secretaria da Educação	6.233.200.000,00	737.930.800,00	13.570.800,00	2.084.781.091,60	79.173.091,60	8.953.167.700,00	—,—	8.953.167.700,00	8.814.150.100,70	—,—	8.814.150.100,70	139.017.599,30	—,—	139.017.599,30
VIII — Secretaria da Saúde	3.873.152.000,00	1.506.275.400,00	13.136.600,00	717.388.000,50	50.777.927,10	6.032.900.873,40	145.000.000,00	6.177.900.873,40	5.544.844.307,00	145.000.000,00	5.689.844.307,00	488.056.566,40	—,—	488.056.566,40
IX — Secretaria do Trabalho	133.439.000,00	2.944.100,00	2.944.100,00	44.217.554,30	2.983.954,30	174.662.600,00	—,—	174.662.600,00	156.551.564,50	—,—	156.551.564,50	18.111.035,50	—,—	18.111.035,50
X — Secretaria da Agricultura	2.478.396.000,00	38.318.400,00	15.323.400,00	715.882.836,90	164.760.963,80	3.047.513.873,20	385.909.500,00	3.433.423.373,20	2.946.691.508,90	385.909.560,00	3.332.601.068,90	100.822.304,30	—,—	100.822.304,30
XI — Secretaria da Viação	11.409.359.000,00	4.731.347.300,00	4.064.800,00	5.282.364.400,90	132.800.870,00	21.270.225.030,90	450.641.848,90	21.720.866.879,80	20.618.775.619,70	450.641.848,90	21.069.417.468,60	651.449.411,20	—,—	651.449.411,20
XII — Secretaria da Fazenda	27.111.344.000,00	1.295.864.100,00	400.983.800,00	3.022.421.814,30	9.617.449.111,90	21.352.197.002,40	2.128.222.169,40	23.480.419.171,80	18.890.317.586,30	2.127.843.344,10	21.018.160.930,30	2.461.879.416,20	378.825,30	2.462.258.241,50
XIII — Poder Judiciário	836.660.000,00	32.826.000,00	5.301.000,00	190.193.700,00	13.499.700,00	1.038.888.000,00	—,—	1.038.888.000,00	948.028.814,10	—,—	948.028.814,10	90.859.185,90	—,—	90.859.185,90
Soma Cr$	56.919.774.366,10	9.586.303.629,75	496.138.132,20	13.580.940.635,10	10.197.864.976,10	69.393.015.411,69	3.122.958.958,10	72.515.975.370,70	65.211.031.892,90	3.121.965.258,40	68.332.997.171,30	4.181.983.518,70	1.091.680,70	4.183.075.199,40

NOTA

1) — A despesa da Secretaria da Fazenda desdobra-se a saber:

	Previsão	Execução	Créditos não utilizados
Parte A — Encargos Gerais do Estado	21.006.072 708,69	18.668.100.123 50	2.397.972.585 19
Parte B — Despesa da Secretaria	2.474.346.462 29	2.410.060.806 80	64.285.655 40
TOTAIS Cr$	23.480 419.171,80	21.018.160.976 30	2.462.258.241 50

SEÇÃO DE CONTABILIDADE ORÇAMENTARIA
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Chefe de Secção
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CONTADORIA GERAL DO ESTADO
Em 31 de março de 1960

DIVISÃO DE ORÇAMENTO
Mathias Marques de Oliveira
Diretor
Contador C.R.C. — Sp. 1.772

ESTADO DE SÃO PAULO
CONTADORIA GERAL DO ESTADO
Contas do Exercício Financeiro de 1959

QUADRO COMPARATIVO POR ELEMENTOS DA DESPESA PREVISTA COM A REALIZADA

SECRETARIAS	110 — PREVISÃO						111 — REALIZAÇÃO						112 Créditos Não Utilizados
	PESSOAL		MATERIAL		4 Despesas Diversas	TOTAL	PESSOAL		MATERIAL		4 Despesas Diversas	TOTAL	
	0 — Fixo	1 — Variável	2 — Permanente	3 — de Consumo			0 — Fixo	1 — Variável	2 — Permanente	3 — de Consumo			
Assembléia Legislativa Dotações Orçamentárias Créditos Especiais . . .	223.866.721,50 2.973.308,50	12.250.747,50 —	15.370.000,00 —	8.057.000,00 —	126.884.263,60 4.822.202,00	395.429.462,60 7.795.510,50	222.309.166,70 2.973.308,60	11.965.296,80 —	10.933.349,10 —	6.185.336,90 —	122.458.566,40 4.107.477,10	383.771.616,30 7.080.785,70	11.677.546,60 714.724,90
Somas . . .	226.840.030,00	12.250.747,50	15.370.000,00	8.057.000,00	131.707.185,60	403.224.973,20	225.282.475,30	11.965.296,80	10.933.349,10	6.185.336,90	126.566.043,50	390.852.401,70	12.392.571,50
Tribunal de Contas Dotações Orçamentárias Créditos Especiais . . .	76.467.732,20 —	10.702.600,00 —	3.157.667,80 —	2.718.000,00 —	3.291.000,00 —	96.357.000,00 —	74.873.399,20 —	9.792.347,90 —	2.697.722,80 —	2.444.373,60 —	2.610.952,30 —	92.418.395,80 —	3.938.604,20 —
Somas . . .	76.467.732,20	10.702.600,00	3.157.667,80	2.718.000,00	3.291.000,00	96.357.000,00	74.873.399,20	9.792.347,90	2.697.722,80	2.444.373,60	2.610.952,30	92.418.395,80	3.938.604,20
Governo do Estado Dotações Orçamentárias Créditos Especiais . . .	88.066.376,00 —	17.703.178,00 —	1.616.200,00 —	4.916.630,00 —	29.791.816,00 —	112.094.200,00 —	57.757.000,00 —	13.393.915,20 —	1.382.513,50 —	4.399.220,20 —	22.783.313,50 —	101.676.382,30 —	10.317.817,70 —
Somas . . .	88.066.376,00	17.703.178,00	1.616.200,00	4.916.630,00	29.791.816,00	112.094.200,00	57.757.000,00	13.393.915,20	1.382.513,50	4.399.220,20	22.783.313,50	101.676.382,30	10.317.817,70
Secretaria da Govêrno Dotações Orçamentárias Créditos Especiais . . .	130.216.860,00 —	22.647.540,00 —	25.522.300,00 —	16.694.000,00 —	100.674.300,00 —	295.744.900,00 —	129.641.918,20 —	20.179.049,10 —	20.263.934,20 —	10.956.622,00 —	87.897.581,60 —	268.939.105,30 —	26.805.794,90 —
Somas . . .	130.216.860,00	22.647.540,00	25.522.300,00	16.694.000,00	100.674.300,00	295.744.900,00	129.641.918,20	20.179.049,10	20.263.934,20	10.956.622,00	87.897.581,60	268.939.105,30	26.805.794,90
Secretaria da Justiça Dotações Orçamentárias Créditos Especiais e Extraordinários Somas . . .	614.541.350,00 — 614.541.350,00	120.519.110,00 5.300.930,20 125.819.040,20	41.790.700,00 — 41.790.700,00	223.472.870,00 — 223.472.870,00	624.735.930,10 — 624.735.930,10	1.625.060.060,10 5.300.930,20 1.640.450.990,30	610.538.891,50 — 610.538.891,50	126.143.791,00 5.389.799,70 125.533.590,70	18.056.836,80 — 18.056.836,80	208.149.676,40 — 208.149.676,40	589.986.283,40 — 589.986.283,40	1.546.875.479,10 5.389.799,70 1.552.265.278,80	88.184.580,00 1.130,50 88.185.730,50
Secretaria da Segurança Dotações Orçamentárias Créditos Especiais . . .	2.650.011.180,00 —	1.121.496.700,00 —	197.630.974,00 —	296.598.172,00 —	733.035.674,00 —	4.998.774.700,00 —	2.647.435.895,40 —	1.047.331.985,70 —	192.650.022,40 —	282.883.079,60 —	728.107.520,40 —	4.897.811.413,50 —	100.963.286,50 —
Somas . . .	2.650.011.180,00	1.121.496.700,00	197.630.974,00	296.598.172,00	733.035.674,00	4.998.774.700,00	2.647.435.895,40	1.047.331.985,70	192.650.022,40	282.883.079,60	728.107.520,40	4.897.811.413,50	100.963.286,50
Secretaria da Educação Dotações Orçamentárias Créditos Especiais . . .	6.871.221.340,00 —	1.103.544.640,00 —	94.636.000,00 —	135.289.000,00 —	758.476.720,00 —	8.963.167.700,00 —	6.870.477.124,10 —	1.096.025.649,70 —	72.473.527,00 —	88.372.408,30 —	686.796.491,80 —	8.814.150.100,70 —	139.017.599,30 —
Somas . . .	6.871.221.340,00	1.103.544.640,00	94.636.000,00	135.289.000,00	758.476.720,00	8.963.167.700,00	6.870.477.124,10	1.096.028.649,70	72.473.527,00	88.372.408,30	686.795.491,80	8.814.150.100,70	139.017.599,30
Secretaria da Saúde Dotações Orçamentárias Créditos Especiais e Extraordinários . . .	1.093.784.570,10 —	1.354.539.287,00 —	440.301.000,00 135.000.000,00	1.295.437.455,00 10.000.000,00	1.848.838.561,30 —	6.032.900.873,40 145.000.000,00	1.088.976.675,90 —	1.345.518.773,50 —	279.894.659,30 135.000.000,00	1.105.844.412,60 10.000.000,00	1.721.819.785,70 —	5.544.844.307,00 145.000.000,00	488.056.566,40 —
Somas . . .	1.093.784.570,10	1.354.539.287,00	575.301.000,00	1.305.437.455,00	1.848.838.561,30	6.177.900.873,40	1.088.976.675,90	1.345.518.773,50	514.894.659,30	1.115.844.412,60	1.721.819.785,70	5.679.844.307,00	488.056.566,40

SECRETARIAS	110 — PREVISÃO						111 — REALIZAÇÃO						112 Créditos Não Utilizados
	PESSOAL		MATERIAL		4 Despesas Diversas	TOTAL	PESSOAL		MATERIAL		4 Despesas Diversas	TOTAL	
	0 — Fixo	1 — Variável	2 — Permanente	3 — de Consumo			0 — Fixo	1 — Variável	2 — Permanente	3 — de Consumo			
Secretaria do Trabalho Dotações Orçamentárias Créditos Especiais . . .	126.065.814,00 —,—	21.837.600,00 —,—	7.751.000,00 —,—	9.089.000,00 —,—	13.889.186,00 —,—	174.663.600,00 —,—	134.725.283,20 —,—	18.883.056,10 —,—	3.431.934,10 —,—	1.935.074,70 —,—	7.977.726,70 —,—	156.953.074,80 —,—	18.111.053,20 —,—
Somas . . .	126.065.814,00	21.837.600,00	7.751.000,00	9.089.000,00	13.889.186,00	174.663.600,00	134.725.283,20	18.883.056,10	3.431.934,10	1.935.074,70	7.977.726,70	156.953.074,80	18.111.053,20
Secretaria da Agricultura Dotações Orçamentárias Créditos Especiais . . .	859.909.230,90 —,—	396.781.483,20 —,—	27.976.459,20 385.909.500,00	672.979.127,40 —,—	961.797.672,40 —,—	3.647.513.673,20 385.909.500,00	869.967.901,80 —,—	361.746.309,10 —,—	23.113.465,30 385.909.500,00	737.466.739,30	895.272.048,40 —,—	3.293.691.068,90 385.091.500,00	100.822.264,21 —,—
Somas . . .	859.909.230,90	396.781.483,20	413.885.959,20	672.979.127,40	961.797.672,40	3.433.423.373,20	869.967.901,80	361.746.309,10	409.027.965,30	737.466.739,30	895.272.048,40	3.293.691.068,90	100.822.264,21
Secretaria de Viação Dotações Orçamentárias Créditos Especiais e 4. Extraordinários . . .	159.935.544,30 —,—	4.150.211.697,60 —,—	2.118.229.699,70 220.641.848,90	2.969.261.450,20 —,—	13.472.466.696,10 250.000.000,00	21.270.295.050,90 470.641.848,90	157.796.297,10 —,—	4.049.521.015,50 —,—	1.963.163.319,20 220.641.848,90	2.023.222.148,00 —,—	12.425.971.909,90 220.000.000,00	20.618.775.319,70 470.641.848,90	651.449.411,20 —,—
Somas . . .	159.935.544,30	4.150.211.697,60	2.348.871.541,60	2.969.261.450,20	13.722.466.696,10	21.739.936.879,80	157.796.297,10	4.049.521.015,50	2.183.804.163,10	2.023.222.148,00	12.645.971.909,90	21.089.417.168,80	651.449.411,20
Secretaria da Fazenda Dotações Orçamentárias Créditos Especiais . . .	5.300.370.362,50 281.772,70	383.482.932,60 —,—	954.231.751,80 1.268.900.650,00	106.612.000,00 —,—	15.487.799.854,50 658.029.913,10	21.232.797.007,40 2.128.229.169,40	5.292.950.814,05 281.772,70	378.992.135,30 —,—	148.700.253,70 1.268.900.650,00	86.389.997,30 —,—	12.881.255.365,90 658.051.087,80	18.878.727.566,20 2.127.843.364,10	467.679.416,20 378.825,30
Somas . . .	5.300.652.135,20	383.482.932,60	1.433.132.401,80	106.612.000,00	16.286.829.867,60	23.460.419.171,80	5.293.143.589,75	378.992.135,30	1.417.600.744,20	86.389.997,30	13.539.306.453,70	21.006.570.930,30	2.469.358.241,50
Poder Judiciário Dotações Orçamentárias Créditos Especiais . . .	645.720.480,00 —,—	165.491.960,00 —,—	59.214.549,00 —,—	48.642.800,00 —,—	109.815.220,90 —,—	1.028.885.000,00 —,—	627.956.476,90 —,—	126.737.896,30 —,—	47.643.532,30 —,—	48.836.792,10 —,—	101.850.206,70 —,—	948.028.814,10 —,—	80.859.185,90 —,—
Somas . . .	645.720.480,00	165.491.960,00	59.214.549,00	48.642.800,00	109.815.220,90	1.028.885.000,00	627.956.476,90	126.737.896,30	47.643.532,30	48.836.792,10	101.850.206,70	948.028.814,10	80.859.185,90
Encargos Gerais Dotações Orçamentárias Créditos Especiais e Extraordinários . . .	16.838.227.582,50 3.265.084,30	5.889.181.445,90 5.390.930,20	2.187.258.275,60 2.029.451.839,50	2.276.777.484,60 10.000.000,00	33.211.500.022,00 1.060.892.115,10	60.363.015.411,00 3.122.859.958,10	18.785.384.256,50 3.265.084,30	5.522.333.021,30 5.389.780,70	2.883.799.039,70 2.030.451.839,50	4.624.296.850,20 10.000.000,00	30.394.768.136,70 1.087.756.564,90	65.211.001.899,90 3.121.853.278,40	4.181.583.518,70 1.006.680,70
TOTAL GERAL — Cr$	16.831.482.666,80	5.894.572.376,10	5.397.189.109,10	5.256.797.484,60	34.296.252.138,10	72.515.973.370,70	18.788.649.339,80	5.578.722.801,00	4.904.250.859,20	4.634.296.850,20	31.477.027.301,60	68.382.897.171,30	4.183.078.199,40

SECÇÃO DE CONTABILIDADE ORÇAMENTARIA
José Alfredo Alberti
Chefe de Secção
Contador C. R. C. — Sp. 4.256

CONTADORIA GERAL DO ESTADO
Em 21 de Março de 1969

DIVISÃO DE ORÇAMENTO
Mathias Marques de Oliveira
Diretor
Contador C. R. C. — Sp. 1.773

ESTADO DE SÃO PAULO

CONTADORIA GERAL DO ESTADO

Contas do Exercício Financeiro de 1959

QUADRO COMPARATIVO DA DESPESA DO ESTADO EFETIVA E DE MUTAÇÕES PATRIMONIAIS PREVISTA COM A REALIZADA

DISCRIMINAÇÃO	110 — PREVISÃO			111 — REALIZAÇÃO			112
	Despesa Efetiva	Despesa de Mutações Patrimoniais	TOTAL	Despesa Efetiva	Despesa de Mutações Patrimoniais	TOTAL	Créditos não Utilizados
Assembléia Legislativa							
Dotações Orçamentárias	380.058.462,60	15.370.000,00	395.428.462,60	372.818.366,90	16.933.346,10	389.751.816,60	11.677.646,60
Créditos Especiais	7.795.510,60	—,—	7.795.510,60	7.080.785,70	—,—	7.080.785,70	714.724,90
Somas . . .	387.854.973,20	15.370.000,00	403.224.973,20	379.899.152,60	16.933.346,10	396.832.601,70	12.392.371,50
Tribunal de Contas							
Dotações Orçamentárias	93.190.332,30	2.137.667,80	96.327.000,00	89.720.673,00	2.697.722,50	92.418.395,50	3.908.604,30
Créditos Especiais	—,—	—,—	—,—	—,—	—,—	—,—	—,—
Somas . . .	93.190.332,30	2.137.667,80	96.327.000,00	89.720.673,00	2.697.722,50	92.418.395,50	3.908.604,30
Governo do Estado							
Dotações Orçamentárias	110.478.000,00	1.616.300,00	112.094.300,00	100.493.868,80	1.382.513,50	101.876.382,30	10.217.617,70
Créditos Especiais	—,—	—,—	—,—	—,—	—,—	—,—	—,—
Somas . . .	110.478.000,00	1.616.300,00	112.094.300,00	100.493.868,80	1.382.513,50	101.876.382,30	10.217.617,70
Secretaria do Governo							
Dotações Orçamentárias	270.222.700,00	25.522.300,00	295.744.900,00	248.675.170,90	20.263.934,20	268.939.105,10	26.805.794,90
Créditos Especiais	—,—	—,—	—,—	—,—	—,—	—,—	—,—
Somas . . .	270.222.700,00	25.522.300,00	295.744.900,00	248.675.170,90	20.263.934,20	268.939.105,10	26.805.794,90
Secretaria da Justiça							
Dotações Orçamentárias	1.318.269.279,10	321.790.750,00	1.640.060.029,10	1.248.818.643,30	298.056.836,80	1.546.875.479,10	88.184.550,00
Créditos Especiais e Extraordinários	5.390.930,30	—,—	5.390.930,30	5.389.786,70	—,—	5.389.786,70	1.150,50
Somas . . .	1.323.660.209,40	321.790.750,00	1.645.450.959,40	1.254.208.443,00	298.056.836,80	1.552.265.278,80	88.185.700,50
Secretaria da Segurança							
Dotações Orçamentárias	4.301.143.736,00	697.630.974,00	4.998.774.700,00	4.205.761.391,10	692.050.022,40	4.897.811.413,50	100.963.286,50
Créditos Especiais	—,—	—,—	—,—	—,—	—,—	—,—	—,—
Somas . . .	4.301.143.736,00	697.630.974,00	4.998.774.700,00	4.205.761.391,10	692.050.022,40	4.897.811.413,50	100.963.286,50
Secretaria da Educação							
Dotações Orçamentárias	8.456.531.700,00	494.636.000,00	8.951.167.700,00	8.341.676.573,70	472.473.527,00	8.814.150.100,70	139.017.599,30
Créditos Especiais	—,—	—,—	—,—	—,—	—,—	—,—	—,—
Somas . . .	8.456.531.700,00	494.636.000,00	8.951.167.700,00	8.341.676.573,70	472.473.527,00	8.814.150.100,70	139.017.599,30
Secretaria da Saúde							
Dotações Orçamentárias	5.092.299.973,40	940.301.000,00	6.032.900.973,40	4.664.959.967,70	879.884.050,30	5.544.844.507,00	488.056.566,40
Créditos Especiais e Extraordinários	10.000.000,00	135.000.000,00	145.000.000,00	10.000.000,00	135.000.000,00	145.000.000,00	—,—
Somas . . .	5.102.299.973,40	1.075.301.000,00	6.177.900.973,40	4.674.959.967,70	1.014.884.050,30	5.689.844.507,00	488.056.566,40
Secretaria do Trabalho							
Dotações Orçamentárias	166.811.000,00	7.751.000,00	174.562.000,00	153.119.630,40	3.431.934,10	156.551.564,50	18.111.035,50
Créditos Especiais	—,—	—,—	—,—	—,—	—,—	—,—	—,—
Somas . . .	166.811.000,00	7.751.000,00	174.562.000,00	153.119.630,40	3.431.934,10	156.551.564,50	18.111.035,50
Secretaria da Agricultura							
Dotações Orçamentárias	3.030.427.413,90	27.076.458,30	3.047.513.872,20	2.923.573.013,60	21.118.466,30	2.946.691.508,90	100.822.364,30
Créditos Especiais	—,—	385.909.500,00	385.909.500,00	—,—	385.909.500,00	385.909.500,00	—,—
Somas . . .	3.030.427.413,90	412.985.958,30	3.433.423.372,20	2.923.573.013,60	409.027.966,30	3.332.601.008,90	100.822.364,30
Secretaria da Viação							
Dotações Orçamentárias	19.151.895.338,20	2.119.339.892,70	21.270.225.006,90	18.055.813.300,50	1.963.192.319,20	20.018.775.619,70	651.449.411,20
Créditos Especiais e Extraordinários	220.000.000,00	230.641.845,90	450.641.545,90	220.000.000,00	230.641.845,90	450.641.845,90	—,—
Somas . . .	19.371.895.338,20	2.349.971.543,60	21.720.866.870,80	18.275.813.300,50	2.193.834.165,10	21.069.417.465,60	651.449.411,20

DISCRIMINAÇÃO	113 — PREVISÃO			111 — REALIZAÇÃO			112
	Despesa Efetiva	Despesa de Mutações Patrimoniais	TOTAL	Despesa Efetiva	Despesa de Mutações Patrimoniais	TOTAL	Créditos não Utilizados
Secretaria da Fazenda							
Dotações Orçamentárias	17.691.581.008,60	3.670.615.993,40	21.362.197.002,40	16.679.382.481,70	2.210.935.164,50	18.890.317.586,20	2.461.879.416,20
Créditos Especiais	859.321.388,80	1.268.900.491,60	2.128.222.880,40	856.942.983,50	1.268.509.480,60	2.127.843.344,10	378.835,30
Soma . . .	18.550.902.397,40	4.939.516.485,00	23.490.419.882,80	17.536.325.465,20	3.479.535.645,10	21.018.160.930,30	2.462.258.241,50
Poder Judiciário							
Dotações Orçamentárias	969.973.468,00	59.214.540,00	1.029.188.008,00	900.385.361,80	47.643.552,30	948.028.914,10	80.959.185,90
Créditos Especiais	—	—	—	—	—	—	—
Somas . . .	969.973.468,00	59.214.540,00	1.029.188.008,00	900.385.361,80	47.643.552,30	948.028.914,10	80.959.185,90
Recapitulação							
Dotações Orçamentárias	61.010.002.894,00	8.383.013.517,60	69.393.015.411,60	56.584.998.022,40	8.626.033.870,50	65.211.031.892,90	4.181.983.518,70
Créditos Especiais e Extraor. Inativos	1.102.508.129,00	2.020.451.829,50	3.122.959.958,10	1.101.413.448,90	2.020.451.829,50	3.121.865.278,40	1.094.680,70
Total Geral — Cr$	62.112.511.023,00	10.403.464.347,10	72.515.975.370,70	58.686.411.471,30	8.646.485.700,00	69.332.897.171,30	4.183.078.199,40

CONTADORIA GERAL DO ESTADO
Em 31 de março de 1960

SEÇÃO DE CONTABILIDADE ORÇAMENTÁRIA
José Alfredo Alberti
Chefe de Secção
Contador C.R.C. — Sp. 4.586

DIVISÃO DE ORÇAMENTO
Mathias Marques de Oliveira
Diretor
Contador C.R.C. — Sp. — 1.773

ESTADO DE SÃO PAULO
CONTADORIA GERAL DO ESTADO
Contas do Exercício Financeiro de 1959
3 — BALANÇO FINANCEIRO

30 — RECEITA				31 — DESPESA			
300 RECEITA ORÇAMENTARIA				310 DESPESA ORÇAMENTARIA			
3000 Receita Ordinária				3100 Despesa Ordinária			
Conforme anexo n. 1		67.693.659.437,80		Conforme anexo n. 1		69.211.021.892,50	
3001 Receita Extraordinária				3101 Créditos Especiais e Extraordinários			
Idem, idem		1.313.282.508,30	68.406.341.946,10	Idem, idem		3.171.975.278,40	62.332.337.171,50
301 RECEITA EXTRAORÇAMENTARIA				311 DESPESA EXTRAORÇAMENTARIA			
3010 Dívida Flutuante				3110 — Dívida Flutuante			
30100 Restos a Pagar				31100 Restos a Pagar			
Despesas a Pagar do exercício de 1959, escrituradas nas verbas orçamentárias e aos créditos especiais e extraordinários, em contra-partidas:				Liquidados no exercício: Despesas de Pessoal, Material e Serviços . Juros de Letras do Tesouro a Pagar . Juros, Prêmios e Resgate de Títulos da Dívida Interna Fundada	5.910.700.550,20 83.616.661,40		
Despesas de Pessoal, Material e Serviços . Juros de Letras do Tesouro a Pagar .. .. . Juros, Prêmios e Resgate de Títulos da Dívida Interna Fundada	12.032.312.721,20 16.873.161,10 1.512.163.361,50				1.170.984.295,00	7.178.600.568,40	
Amortização e Juros a Pagar da Dívida Externa	97.626.400,00	13.658.974.543,70		31101 Restituições a Pagar			
30101 Restituições a Pagar				Liquidadas no exercício		1.091.844,10	
Restituições do exercício de 1959, anuladas nas rubricas orçamentárias em contra-partidas		2.716.473,10		31102 Depósitos			
30102 Depósitos				Conforme anexo n. 2		5.886.480.223,20	
Conforme anexo n. 2		6.190.114.329,40		31103 Operações de Crédito			
30103 Operações de Crédito				Liquidação de adiantamentos recebidos de Bancos e Correspondentes		2.802.701,50	
Adiantamentos recebidos de Bancos e Correspondentes		82.381.700,00		31104 Bônus do Tesouro			
3012 Serviço da Defesa do Café				Diferença entre a emissão e o resgate		200.645.400,00	
30120 Serviço da Defesa do Café				31105 Promissórias do Tesouro			
Conforme anexo n. 3		1.647.500.648,20		Diferença entre a emissão e o resgate		12.450.300,00	
3013 Despesas Diferidas				31106 Letras do Tesouro			
a) da Dívida Fundada				Diferença entre a emissão e o resgate		33.400.000,00	
Regularização de Despesas Diferidas	315.708.001,70			3111 Dívida Fundada			
b) da Dívida Flutuante				31110 Dívida Interna Fundada			
Regularização de Despesas Diferidas	387.691.900,60	703.399.662,30		Valor de Apólices e Obrigações Amortizadas		31.316.300,60	
3018 Diversos				31111 Dívida Externa Fundada			
30189 Diversas Contas				Aplicação de fundos remetidos aos banqueiros sôbre diversos empréstimos .. .. Menos: - Anulação de aplicação do exercício anterior	33.502.946,00 9.896.638,50	23.606.320,50	
Conforme anexo n. 4		2.858.355.033,60	84.948.242.307,10	3112 Serviço da Defesa do Café			
				31120 Serviço da Defesa do Café			
				Conforme anexo n. 3		1.647.500.648,20	
				3113 Despesas Diferidas			
				a) Da Dívida Fundada			
				Despesas Diferidas das Apólices do Empréstimo de 1957 .. 9.538.368,60			
				Juros de Apólices do Empréstimo de 1957, a Vencer ... 118.668.000,00	128.206.368,60		
				b) Da Dívida Flutuante			
				Diferença de Preço da Dívida em Bônus	338.592.833,70	466.799.721,70	
				3119 Diversos			
				31199 Diversas Contas			
				Conforme anexo n. 4		3.371.354.878,80	18.669.640.812,40
SOMA — Cr$			93.352.584.350,30	SOMA — Cr$			87.190.346.983,70
309 SALDOS DO EXERCICIO ANTERIOR				319 SALDOS PARA O EXERCICIO SEGUINTE			
Conforme anexo n. 5			5.212.944.271,40	Conforme anexo n. 5			13.369.181.540,90
TOTAL — Cr$			98.565.528.624,60	TOTAL — Cr$			98.565.528.524,60

CONTADORIA GERAL DO ESTADO
Em 31 de Março de 1960

SECÇÃO DE CENTRALIZAÇÃO FINANCEIRA
Mário Turcatti
Chefe de Secção
Contador C.R.C. — Sp. 4.507

DIVISÃO DE CONTABILIDADE FINANCEIRA
Belmiro Nascimento Martins
Diretor da Divisão
Contador C.R.C. — Sp. 19.634

VISTO:
Henrique Dante d'Auria
Contador Geral do Estado
Contador C.R.C. — Sp. 11.578

ESTADO DE SÃO PAULO

CONTADORIA GERAL DO ESTADO

Contas do Exercício Financeiro de 1959

DEMONSTRAÇÃO DA RECEITA E DA DESPESA ORÇAMENTARIA DO BALANÇO FINANCEIRO

ANEXO N. 1

300 — RECEITA ORÇAMENTARIA				310 — DESPESA ORÇAMENTARIA			
INCIDENCIAS	Ordinária	Extraordinária	TOTAL	SERVIÇOS	Ordinária	Créditos Especiais e Extraordinários	TOTAL
0 — Sem classificação	10.431.978.474,90	1.313.382.508,30	11.745.360.983,20	0 — Administração Geral	2.465.461.503,20	7.080.785,70	2.472.542.287,90
1 — Sôbre a propriedade ..	3.710.383.192,80	—,—	3.710.383.192,80	1 — Exação e fiscalização financeira	2.035.652.814,40	13.200.000,00	2.048.852.814,40
2 — Sôbre a circulação da riqueza	50.860.856.203,10	—,—	50.860.856.203,10	2 — Segurança Pública e Assistência Social	5.405.719.729,00	5.380.799,70	5.411.100.528,70
3 — Sôbre a atividade dos contribuintes ..	—,—	—,—	—,—	3 — Educação Pública	9.770.138.395,80	184.800.000,00	9.954.938.395,80
4 — Resultante da atividade do Estado	303.269.107,90	—,—	303.269.107,90	4 — Saúde Pública	5.840.658.815,50	145.000.000,00	5.985.658.815,50
5 — Sôbre Rédito	—,—	—,—	—,—	5 — Fomento	5.024.658.510,40	1.595.900.500,00	7.220.559.010,40
6 — Sôbre o individuo	—,—	—,—	—,—	6 — Serviços Industriais	8.049.661.301,30	307.641.848,90	8.357.303.150,20
7 — Várias incidências	1.086.638.459,10	—,—	1.086.638.459,10	7 — Dívida Pública	4.465.114.908,90	—,—	4.465.114.908,90
				8 — Serviços de utilidade pública	8.460.300.863,50	143.000.000,00	8.603.300.863,50
				9 — Encargos diversos	13.083 665.151,80	719.843.344,10	13.813.508.495,90
TOTAL Cr$	67.003.059.437,80	1.313.382.508,30	68.406.341.946,10	TOTAL Cr$	65.211.031.893,80	3.121.863.278,40	68.332.897.172,20

CONTADORIA GERAL DO ESTADO

EM 31 DE MARÇO DE 1959

SECÇÃO DE CENTRALIZAÇÃO FINANCEIRA
Mário Turcatti
Chefe de Secção
Contador C.R.C. - Sp. 4.907

DIVISÃO DE CONTABILIDADE FINANCEIRA
Belmiro Nascimento Martins
Diretor de Divisão
Contador C.R.C. - Sp. 19.834

ESTADO DE SÃO PAULO

CONTADORIA GERAL DO ESTADO

Contas do Exercício Financeiro de 1959

DEMONSTRAÇÃO DAS CONTAS DE RECEITA E DESPESA QUE CONSTITUEM O TITULO — "DEPOSITOS" — DO BALANÇO FINANCEIRO

ANEXO N. 2

CONTAS	SALDOS EM 31-12-58		MOVIMENTO EM 1959		TRANSFERENCIAS PATRIMONIAIS		SALDOS DO EXERCICIO		SALDOS EM 31-12-59	
	Devedores	Credores	30102 Receita	31102 Despesa	Ativo	Passivo	Devedores	Credores	Devedores	Credores
Bens de Ausentes	—,—	1.583.146,80	134.990,00	9.254,20	—,—	—,—	—,—	181.736,40	—,—	1.710.683,20
Caixa Beneficente da Força Pública	—,—	3.215,70	—,—	—,—	—,—	—,—	—,—	—,—	—,—	3.215,70
Caixa Economica do Estado-Estado de São Paulo	—,—	10.302 628,80	351.636.614,60	311.378 887,10	—,—	—,—	—,—	49.277.727,50	—,—	50.040.356,40
Cofre de Orfãos	—,—	1.388.807,50	6.303,80	6.422,50	—,—	—,—	58,70	—,—	—,—	1.388 487,80
Consignações Diversas	—,—	129.861.350,00	814.550.940,00	832.103 936,30	—,—	—,—	17.551.986,30	—,—	—,—	106.429 364,30
Contribuição pró Campanha para a Aviação Civil	—,—	5.071,70	—,—	—,—	—,—	—,—	—,—	—,—	—,—	5 071,70
Depósitos de Diversas Origens	—,—	419.706.309,10	675 056.810,40	644.007 642,70	—,—	—,—	—,—	31.049.167,70	—,—	450.815 375,80
Instituto de Aposentadoria e Pensões dos Comerciários	—,—	173.505,50	3.214,00	4 .52,8	—,—	—,—	933,8	—,—	—,—	177 .66,70
Instituto de Apcsentadoria e Pensões dos Industriários	—,—	1.196.043 50	5.289.440,70	5.014 770,20	—,—	—,—	—,—	274.670,50	—,—	1.470 714,00
Instituto Nacional do Mate	—,—	287,40	—,—	—,—	—,—	—,—	—,—	—,—	—,—	287,40
Legião Brasileira de Assistência	—,—	80.468,90	13.849,10	9 .36,10	—,—	—,—	—,—	4.713,60	—,—	95.122,50
Prefeituras Municipais — C/ Especial de Depósitos	—,—	273.294,80	—,—	—,—	—,—	—,—	—,—	—,—	—,—	273.294,80
Caixa Estadual de Casas para o Povo	—,—	627.816.183,80	79.993.296,20	133 141,40	—,—	—,—	—,—	79.859.354,60	—,—	707.669 737,60
Caixa Beneficente da Guarda Civil — C/ Vinculada	—,—	2.446.321,10	24.607,00	—,—	—,—	—,—	—,—	24.607,00	—,—	2.470.928,10
Instituto de Aposentadoria e Pensões dos Empregados em Transportes e Cargas	—,—	115.237,10	7.368,70	105.442,80	—,—	—,—	98.173,6	—,—	—,—	17.963 50
Instituto de Previdência Fundação da Casa Popular - C/ Decreto-lei n. 17.233, de 21-5-1947	—,—	29.918.121,70	4.299 656.362,00	4.032.56 .078,00	—,—	—,—	—,—	178 420.733,60	—,—	308.409.804,70
	—,—	165.139.113,60	—,—	—,—	—,—	—,—	—,—	—,—	—,—	165.139 113,60
Fundação da Casa Popular - C/ Prestações de Mutuários	—,—	26.272,80	9.338,20	52,80	—,—	—,—	—,—	5.723,10	—,—	31.283,30
Associação dos Funcionários Públicos	—,—	6.105 720,20	55.678.137,40	55.442.587,70	—,—	—,—	—,—	235.539,70	—,—	6.339 259,90
Associação Paulista de Medicina — C/ Taxa de Assistência aos Médicos	—,—	3.303.962,60	8.637.097,10	8.705 609,30	—,—	—,—	2.098 813,10	—,—	—,—	1.224.850,30
TOTAL — Cr$	—,—	1.393.684.001,30	6.195.114.339,40	5.886.480 223,30	—,—	—,—	19.719.669,4	328.352.783,00	—,—	1.702.316.117,50

CONTADORIA GERAL DO ESTADO
Em 31 de Março de 1960

SECÇÃO DE CENTRALIZAÇÃO FINANCEIRA
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Contador C.R.C. — Sp. 4.907

DIVISÃO DE CONTABILIDADE FINANCEIRA
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Contador C.R.C. — Sp. 19.634

ESTADO DE SÃO PAULO

CONTADORIA GERAL DO ESTADO

Contas do Exercício Financeiro de 1959

DEFESA DO CAFÉ
BALANÇO DE RECEITA E DESPESA

Anexo n. 3

30.120 — RECEITA			31.120 — DESPESA		
INSTITUTO BRASILEIRO DO CAFÉ			INSTITUTO BRASILEIRO DO CAFÉ		
c/Indenização de Cafés Baixos	1.880.156,70		c/Serviços de Empréstimo de £ 20.000.000		
c/Cafés Transferidos	499.316.540,10		c/Operações de Café para Resgate e Serviço do Empréstimo de £	208.328.627,40	
c/Sobras da Taxa de 3 Schillings	80.362.688,10		20.000.000	22.976.094,60	235.304.922,0
c/Cota-parte de Cr$ 6,00 por Saca de Café Exportado	113.007.405,70				
c/Café Cedidos ao Governo Federal	3.009.289,30		EMPRÉSTIMOS		
c/Títulos de seu Aceite Descontados pelo Governo do Estado — s/Resgate com Juros Acrecidos (Processos ns. G-33.942/59 e G-672/44)	22.922.306,30	710.389.375,10	Empréstimo Externo de £ 20.000.000	443.107.600,00	
			Obrigações do Café	71.581.080,00	514.688.680,00
GOVÊRNO FEDERAL			SOBRAS DA TAXA DE 3 SCHILLINGS		80.362.688,10
c/Decreto-lei n. 5.919/43 — Empréstimo de £ 20.000.000		812.115.539,60	FUNDO PARA O SERVIÇO DE EMPRÉSTIMO DE £ 20.000.000 — CBANCO DO BRASIL		471.801,20
RENDA E DESPESA DA DEFESA DO CAFÉ		223.322.127,60	LIQUIDAÇÃO DE OPERAÇÕES SÔBRE TÍTULOS DO EMPRÉSTIMO DE £ 20.000.000		1.213.813,38
PRÊMIO DE REEMBOLSO Empréstimo de £ 20.000.000		44.310.740,00	CAIXA COMUM		42.75..494,9
DIFERENÇA DE CAMBIO Café		326.426.903,70	LIQUIDAÇÃO DE ADIANTAMENTOS RECEBIDOS Bancos e Correspondentes		722.847.480,97
BANCOS E CORRESPONDENTES Saldo de exercício anterior		6.011.033,50			
TOTAL — Cr$		1.947.500.968,30	TOTAL — Cr$		1.947.500.648,20

CONTADORIA GERAL DO ESTADO
Em 31 de março de 1960

SECÇÃO DE CENTRALIZAÇÃO FINANCEIRA
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ESTADO DE SÃO PAULO

CONTADORIA GERAL DO ESTADO

Contas do Exercício Financeiro de 1959

DEMONSTRAÇÃO DAS CONTAS DE RECEITA E DESPESA QUE CONSTITUEM O TITULO "DIVERSAS CONTAS" DO BALANÇO FINANCEIRO

ANEXO N. 4

RECEITA

ESTRADAS DE FERRO		
Estrada de Ferro Sorocabana		
c/Juros de Apólices Ferroviárias	11.106,60	
c/Especial de Regularização — Lei n. 1.822-51 — Decreto n. 21.065-51	176.000.000,00	
c/Fundo de Melhoramentos	157.832.483,80	
c/Desconto a seu Favor de Cotas dos Municípios — Artigo 67 da Constituição Estadual	532.200,40	
c/Fundo de Renovação	28.397.604,20	
Estrada de Ferro Araraquara		
c/Especial de Regularização — Lei n. 1.822-51 — Decreto n. 21.065-51	50.000.000,00	
c/Fundo de Melhoramentos	14.403.800,40	
c/Fundo de Renovação	14.403.800,40	
Estrada de Ferro Campos do Jordão		
c/Fundo de Melhoramentos	622.366,40	
Estrada de Ferro São Paulo e Minas		
c/Fundo de Melhoramentos	1.784.580,70	
c/Fundo de Renovação	1.784.580,70	
Estrada de Ferro Bragantina		
c/Fundo de Melhoramentos	1.165.361,10	
c/Fundo de Renovação	948.161,10	
c/Responsabilidade por Excesso de Despesa Realizada sôbre a Finada em 1954	839.164,00	412.726.308,60
EXATORIAS		
c/Saldos a Favor	30.656,20	
c/Rendas a Classificar	612.614.663,80	
c/Adicional de 10% a Classificar	13.804.146,50	
Caixa e Tesouraria — c/Saldos a Favor	3.327,90	
Pagadoria — c/Movimento de Fundos	0,10	
Recebedoria — c/Movimento de Fundos	99.096.041,80	
DD.RR.F. — c/Saldos a Ajustar de Impostos e Taxas	90.493,60	
DD.RR.F. — c/Impostos e Taxas	67.291,40	725.766.665,30
PREFEITURAS		
Prefeitura da Capital		
c/Cotas do Impôsto sôbre Transações	296.345.500,10	
c/Participação em Prêmios de Apólices do IV Centenário não Colocadas	612.000,00	
c/Serviços — a/Conta	50.977,20	
c/Impostos e Taxas — a/Conta	153.969,20	
Prefeitura de Mogi Mirim		
c/Empréstimo	46.823,20	
Prefeitura de Santos		
c/Contribuição para Manutenção do Corpo de Bombeiros	500.000,00	
Prefeitura de Casa Branca		
c/Pagamento Antecipado da Taxa de Calçamento	33.679,70	
Prefeituras Municipais		
c/Cotas do Impôsto sôbre Transações	8.231.852,00	
c/Cotas Apuradas — Artigo 67 da Constituição Estadual	281.839.870,90	887.821.032,90
DIVERSAS CONTAS		
Govêrno Federal		
c/Fundos Recolhidos dos Cupons Atrasados (Anteriores ao Decreto-lei Federal n. 6.019-43) em UU.S$.$, que aguardam apresentação	15.562,60	
c/Fundos Recolhidos dos Cupons do Plano "A" em UU.S$.$, que aguardam apresentação	158.582,80	
a/Geral de Juros decorrente do Encontro de Contas	18.795.210,00	
c/Cota-Parte do Impôsto sôbre Transações	248.518.768,70	
a/Adiantamento para as Obrigações da Dívida Externa em UU.S$.$	104.736.915,60	
Diversos		
Govêrno do Estado — c/Despesa Paga no Exercício de 1958, a Reclassificar	468.461,20	
Govêrno do Estado — c/Responsabilidade por Excesso de Despesa Realizada sôbre a Empenhada no Exercício de 1958 (verbas ns. 7, 9 e 13 — Processo n. G-9.387-59)	6.606.987,40	
Secretaria do Govêrno — c/Despesa Paga do Exercício de 1958, a Reclassificar	16.076,80	
Secretaria da Justiça — Sede — c/Movimento Interno	4.000,00	
Secretaria da Justiça — c/Despesa Paga de Exercício de 1958, a Reclassificar	71.724,80	
Secretaria da Justiça — c/Responsabilidade por Excesso de Despesa Realizada sôbre a Empenhada no Exercício de 1958 (verbas ns. 42 e 45 — Processo n. G-9.344-59)	5.907.260,30	
Secretaria da Segurança — c/Adiantamento para Custeio da Viagem da Comissão de Reforma da Polícia de		

DESPESA

ESTRADAS DE FERRO		
Estrada de Ferro Sorocabana		
c/Amortização de Apólices Ferroviárias	276.000,00	
c/Movimento Interno	58.209.633,80	
Estrada de Ferro Araraquara		
c/Movimento Interno	33.364.304,80	
Estrada de Ferro Campos do Jordão		
c/Fundo de Renovação	216.414,60	
c/Movimento Interno	1.334.806,80	
Estrada de Ferro São Paulo e Minas		
c/Movimento Interno	11.240.051,70	
Estrada de Ferro Bragantina		
c/Movimento Interno	7.563.133,80	112.836.316,10
EXATORIAS		
c/Rendas de Outros Municípios	120.413.021,40	
c/Rendas Recolhidas na Capital	80.916.234,80	
c/Dívida Executiva	19.972.723,80	
c/Adicional de 10%	10.214.053,00	
c/Bônus Rotativos Recolhidos	21.001.900,00	
c/Movimento de Fundos	194.656,20	
c/Impostos e Taxas	1.243.445,20	
Coletoria de Mogi-Mirim — c/Despesa Paga sem Crédito Correspondente — (Processo DRF-4 n. 3 378-5?)	1.000,00	
DD.RR.F. — c/Saldo a Ajustar de Movimento de Fundos	88.479,50	
DD.RR.F. — c/Movimento de Fundos	251.488.962,40	
DD.RR.F. — c/Transferências de Depósitos	3.739,30	
DD.RR.F. — Serviço de Fundos da Fôrça Pública — c/Movimento de Fundos	65.868,70	805.602.183,10
PREFEITURAS		
Prefeitura da Capital		
c/Contribuição para Manutenção do Corpo de Bombeiros	7.008.000,00	
c/Contribuição nas Despesas do Empréstimo do IV Centenário	6.604.182,80	
Prefeitura de Jundiaí		
c/Contribuição para Manutenção do Corpo de Bombeiros	240.000,00	
Prefeitura de Araraquara		
c/Contribuição para Manutenção do Corpo de Bombeiros	66.000,00	
Prefeitura de São Carlos		
c/Contribuição para Manutenção do Corpo de Bombeiros	110.000,00	
Prefeitura de Santo André		
c/Contribuição para Manutenção do Corpo de Bombeiros	2.560.000,00	
Prefeitura de Baurú		
c/Contribuição para Manutenção do Corpo de Bombeiros	400.000,00	
Prefeitura de São José do Rio Preto		
c/Contribuição para Manutenção do Corpo de Bombeiros	460.000,00	
Prefeituras Municipais		
c/Dívida Executiva	15.665,10	
c/Impostos	16.467,00	16.851.764,90
DIVERSAS CONTAS		
Govêrno Federal		
c/Geral	89.307.008,80	
c/Encontro de Contas com o Estado de São Paulo	405.407.283,80	
c/Recebedoria Federal em São Paulo — Arrecadação do Impôsto de Renda	138.496.168,20	
c/Banco do Brasil — Resgate de Bônus	382.161.986,10	
Diversos		
Govêrno do Estado — c/Despesa Paga do Exercício de 1958, a Reclassificar	64.118,50	
Govêrno do Estado — c/Excesso de Despesa Realizada sôbre a Prevista no Exercício de 1959, a Apurar (verba 10-8.07.0-A e 14-8.09.0-A)	1.072.117,80	
Secretaria do Govêrno — c/Excesso de Despesa Realizada sôbre a Prevista no Exercício de 1959, a Apurar (verba n. 18-04.1)	4.181.396,50	
Secretaria da Justiça — c/Adiantamento aos Membros do Ministério Público	174.387,50	
Secretaria da Justiça — c/Alugueis em Atraso, Honorários Advocatícios e Custas em Processos de Ação de Despejo, a Classificar	87.251,60	
Secretaria da Segurança — c/Despesa Paga do Exercício de 1958, a Reclassificar	886.979,60	
Secretaria da Segurança — c/Excesso de Despesa Realizada sôbre a Prevista no Exercício de 1959, a Apurar (verbas ns. 63-8.04.0-A, 73-8.24.1 e 101-8.05.0-A)	387.686,40	
Secretaria da Educação — c/Excesso de		

RECEITA

São Paulo a Londres, a Classificar ..	211.142,90
Secretaria da Segurança — c/Adiantamento para Despesa Com o Policiamento Preventivo durante os Finados, a Classificar	30.000,00
Secretaria da Segurança — c/Adiantamentos para Despesas de Estadia, Taxas e outras a serem feitas pelos integrantes da Comissão de Reforma da Policia de São Paulo na Inglaterra — Processo n. G-8.139-58, a Classificar	400.000,00
Secretaria da Segurança — c/Adiantamentos de Duodécimos referentes a Diligências Policiais, a Classificar ..	3.770.980,00
Secretaria da Segurança — c/Adiantamentos para Instalação de Postos de Serviço de Identificação, — Processos ns. G-8.806-58 e G-13.387-58 a Classificar	800.000,00
Secretaria da Segurança — c/Despesa Paga do Exercicio de 1956, a Rectasificar	13.194,60
Secretaria da Segurança — c/ Despesa com o Policiamento Preventivo dos Festejos Carnavalescos, a Classificar ..	150.000,00
Secretaria da Segurança — c/Excesso de Despesa Realizada sôbre a Dotação Autorizada em 1956 (Processo n. G-8.712-57)	927.643,80
Secretaria da Segurança — c/ Pagamentos efetuados sem Dotação Correspondente (Processo n. G-1.584-58)	76.500,00
Secretaria da Segurança — c/ Responsabilidade por Excesso de Despesa Realizada sôbre a Empenhada no Exercicio de 1958 (verbas ns. 68, 71, 81, 106, 107, 91, 112 e 116 — Processo n. G-9.365-59) ...	13.004.365,10
Secretaria da Educação — c/ Aluguéis, em Atraso, Honorários Advocatícios e Custas em Processos de Ação de Despejo, a Classificar	5.160,00
Secretaria da Educação — c/ Responsabilidade por Excesso de Despesa Realizada sôbre a Prevista no Exercicio de 1956 — Processo n. G-8.404-58	1.337.752,10
Secretaria da Educação — c/ Responsabilidade por Excesso de Despesa Realizada sôbre a Empenhada no Exercicio de 1958 (verbas ns. 131 e 151 — Processo n. G-9.363-59)	3.541.516,80
Secretaria da Saúde — c/ Despesa Paga do Exercicio de 1958, a Reclassificar	16.392.350,00
Secretaria da Saúde — c/ Responsabilidade por Excesso de Despesa Realizada sôbre a Empenhada no Exercicio de 1958 — Processo n. G-9.366-59	737.165,30
Secretaria do Trabalho — c/ Responsabilidade por Excesso de Despesa Paga sôbre a Realizada no Exercicio de 1958	1.085,50
Secretaria da Agricultura — c/ Responsabilidade por Excesso de Despesa Paga sôbre a Realizada no Exercicio de 1958 ..	4.742.982,90
Secretaria da Viação — c/ Adiantamento para Pagamento ao Pessoal da Navegação Santense Ltda., a Classificar	405.000,00
Secretaria da Viação — c/ Despesa Paga do Exercicio de 1958, a Reclassificar	83.736,20
Secretaria da Viação — c/ Responsabilidade por Excesso de Despesa Realizada sôbre a Empenhada no Exercicio de 1958 (verbas ns. 276 e 280 — Processo n. G-9.361-59)	558.046,00
Secretaria da Fazenda — c/ Aluguéis em Atraso, Honorários Advocatícios e Custas em Processos de Ação de Despejo, a Classificar	2.354.245,40
Secretaria da Fazenda — c/ Despesa Paga do Exercicio de 1958, a Reclassificar	9.351.019,70
Secretaria da Fazenda — c/ Despesas Suplitas a Registro "A Posteriori" — Saldo Anterior a 1956	27.300,00
Secretaria da Fazenda — c/ Excesso de Realizações em Dotações Autorizadas em 1957	1.935,40
Secretaria da Fazenda — c/ Pagamento sem Crédito Correspondente (Processo n. G-32.558-54)	29.206,40
Secretaria da Fazenda — c/ Pagamento de Dívida Prescrita — Processo n. G-24.922-49	45,50
Secretaria da Fazenda — c/ Responsabilidade por Excesso de Despesa Realizada sôbre a Empenhada no Exercicio de 1958 (verbas ns. 299, 315, 330, 223, 236, 237, 303, 328, 336 e 340 — Processo n. G-9.367-59)	4.321.322,80
Tribunal de Justiça — c/ Despesas Pagas nas Exatorias	2.952.490,80
Tribunal de Justiça — c/ Despesa Paga do Exercicio de 1958, a Reclassificar	164.489,80
D.A.E.E. — c/ Arrecadação do Adicional de 3,75 % — Lei n. 3.529-58	129.863.554,30
Departamento de Águas e Esgotos de São Paulo — c/ Fornecimentos e Serviços ..	720.599,30
D.E.R. — c/ Contribuições — Apólices Rodoviárias	4.339.340,00
Departamento Jurídico do Estado — c/ Apólices "Mojiana"	1.149.000,00
D.S.I. — c/ Responsabilidade por Excesso de Despesa Realizada sôbre a Empenhada do Exercicio de 1951 (verba n. 397-4.41.410 — Processo n. G-27.275-51) ..	16.947,50
D.S.I. — c/ Responsabilidade por Pagamento de Despesa sem Crédito Correspondente	80.352,30
Ações da Cia. Mojiana de Estradas de Ferro — c/ Aquisições a Realizar	14.175.000,00
Apólices do IV Centenário Premiadas e não Colocadas	41.000,00 4.000,40
Caixas Responsáveis	
Carteira de Seguro contra o Granizo — c/ C.P.A.P.	1.372.618,70
Comissão da Produção Agro-Pecuária — c/ Movimento Interno	10.121.293,00
Comissão do IV Centenário da Cidade de São Paulo — c/ Produto da Colocação de Apólices	66.000,00
Custas Adiantadas pela Fazenda em Executivos Fiscais — c/ Avaliadores	1.072.333,10
Custas Adiantadas pela Fazenda em Executivos Fiscais — c/ Oficiais de Justiça	123.004,90
Defesa do Café	42.751.654,10
Diretoria de Aeroportos — c/ Movimento Interno	2.613,30
Exatores Responsáveis	- 16.866.705,40
Empresa Oficial do Estado — c/ Movimento Interno	645.464,00

DESPESA

Despesa Realizada sôbre a Prevista no Exercicio de 1959, a Apurar (verbas ns. 122-8.32.0-A e 177-8.46.1)	14.988.078,30
Secretaria da Saúde — c/Adiantamento para Aquisição de duas Viaturas tipo Hospital-Volante a ser feita ao Govêrno do Estado do Espirito Santo, a Classificar (Processo n. G-31.158-59)	11.000.000,00
Secretaria da Saúde — c/Adiantamento para Recondicionamento da Caldeira do Hospital Regional em Pariquera-Açú, a Classificar	20.000,00
Secretaria da Saúde — c/Aluguéis em Atraso, Honorários Advocatícios e Custas em Processos de Ação de Despejo, a Classificar	31.560,00
Secretaria da Saúde — c/Despesa Paga do Exercicio de 1959, a Reclassificar ..	1.173.206,50
Secretaria do Trabalho — c/Responsabilidade por Excesso de Despesa Realizada sôbre a Prevista no Exercicio de 1958 (verba n. 218 — Representação C-42 n. 25-59)	111.696,10
Secretaria da Agricultura — c/Comissões e Despesas Bancárias da C.F.A.P., a Classificar	40.153,30
Secretaria da Agricultura — c/Excesso de Despesa Realizada sôbre a Prevista no Exercicio de 1958, a Apurar (verba n. 223-8.54.4-490-1)	428.668,90
Secretaria da Agricultura — c/ Responsabilidade por Excesso de Despesa Paga sôbre a Requisitada no Exercicio de 1958 (verba n. 258-8.32.1 — Representação C-42 n. 17-59)	5.150.400,00
Secretaria da Viação — Sede — c/ Suprimentos	67,80
Secretaria da Viação — SASC — c/ Pagamento Efetuado sem Crédito Correspondente (Processo SASC n. 839-57)	11.733,30
Secretaria da Fazenda — c/ Despesas em Ações de Despejo Movidas contra a Fazenda, a Classificar	83.783,30
Secretaria da Fazenda — c/ Despesa Paga do Exercicio de 1959, a Reclassificar ..	91.840,30
Secretaria da Fazenda — c/ Excesso de Despesa Realizada sôbre a Prevista no Exercicio de 1959, a Apurar (verba n. 226-8.13.0-C)	194.180,60
Secretaria da Fazenda — c/ Fornecimento de Transportes feito pela Companhia Paulista de Estradas de Ferro a Diversas Secretarias de Estado, a Classificar	2.306.821,80
Secretaria da Fazenda — c/ Pagamentos de Restos a Pagar de 1951, Prescritos — Processo TC n. 13.723-59	5.833,30
Secretaria da Fazenda — c/ Subscrição de Ações das Usinas Elétricas de Paranapanema S/A — USELPA — Processo n. G-28.224-59, a Classificar	800.000.000,00 8.395.388,00
Tribunal de Justiça — c/ Suprimentos ..	
Tribunal de Justiça — c/ Adiantamentos aos Membros do Ministério Público	5.100,00
Tribunal de Justiça — c/ Adiantamentos aos Membros do Poder Judiciário	3.155.275,30 825.574,60
Fôrça Pública — c/ Suprimentos	
Fôrça Pública — c/ Despesas Pagas nas Exatorias	2.940.352,10
Fôrça Pública — c/ Despesas Pagas nas Pagadorias da Secretaria da Fazenda, na Capital	74.998.245,60
Departamento da Despesa — c/ Pagamento Efetuado sem Crédito Correspondente	46,50
Departamento de Profilaxia da Lepra — c/ Suprimentos	5.411.809,50
Departamento de Profilaxia da Lepra — c/ Movimento Interno	30.063.554,60 70.404,30
D.E.R. — c/ Fornecimentos e Serviços ..	
Banco do Estado de São Paulo S/A — Agência do Rio de Janeiro — c/ Resgate de Bônus Rotativos	1.740.000,00
Banco do Estado de São Paulo S/A — c/ Empréstimos para Obras do IV Centenário da Cidade de São Paulo	38.633.633,30
Banco F. Barreto S/A — c/ Pagamento de Juros da D.I.F. (Mocóca)	3.787,50
Banque de Paris et Pays Bas — c/ Serviço do Empréstimo Externo	23.997,70
Barclays Bank Ltd. — c/ Cobrança de Cupons	142,20
Autonomias Administrativas — c/ Despachos Aduaneiros	1.446.529,40 21.000,00
C.S.-91 — c/ Movimento de Fundos	1.545.396,40
C.S.-92 — c/ Movimento de Fundos	
C.S.-93 — c/ Responsabilidade por Excesso de Despesa Realizada sôbre a Prevista no Exercicio de 1958 (verba n. 345-4.40	1.044.861,20
Caixa Beneficente da Guarda Civil — c/ Contribuições do Estado	375.000,00
Carteira de Seguros contra o Granizo — c/ Arrecadação a Transferir	21.474.934,30
Comissão do IV Centenário — c/ Adiantamento do Produto da Colocação de Apólices	2.769.866,70
Comissão Central de Compras — c/ Suprimentos	22.640.943,80
Comissão de Produção Agro-Pecuária — c/ Suprimentos	10.133.940,30
Corretagem a Pagar sôbre Subscrições de Bônus para Liquidação da Dívida Flutuante	19.923,00 2.544,50
Diretoria de Aeroportos — c/ Saldos	
Fundo de Assistência ao Menor (F.A.M.) — s/ Cota-Parte na Arrecadação das Majorações de Impostos — Lei n. 1.676-53	7.465.369,40
Fundo Especial de Amortização da Dívida Pública	8.451.616,00
Imprensa Oficial do Estado — c/ Suprimentos	948.974,60
Instituto Brasileiro do Café — c/ Cafés Requisitados pelo Estado D.N.C., em 1952	37.668.360,60
Instituto de Café do Estado de São Paulo — c/ Contribuição de 1958, a Recolher	13.538.073,00
Instituto de Café do Estado de São Paulo — c/ Encontro de Contas com o Govêrno Federal	10.000.000,00
Instituto de Café do Estado de São Paulo — c/ Geral	15.485,30
Instituto de Previdência — c/ Contribuições do Estado, a Apropriar	482.334.913,70
Instituto de Previdência — c/ Inativos, a Apropriar	32.998.725,10
Junta Comercial do Estado — c/ Movimento Interno	4.000,00
Ministério Público — c/ Despesas Pagas nas Exatorias	1.850.300,00

RECEITA			DESPESA		
Instituto de Café do Estado de São Paulo — c/ Contribuição de 1958, a Recolher	31.362.515,50		Pagamentos com Desconto do Exercício de 1959, a Classificar	83.516.270,60	
Instituto de Café do Estado de São Paulo — c/ Juros das Apólices de 1957 — Provenc n. G-2.025-58	10.777.786,50		Repartições do Estado — c/ Despachos Aduaneiros	21.984.868,60	
Instituto de Café do Estado de São Paulo — c/ Restante da Contribuição de 1957, a Recolher	9.433.666,40		Repartições Requisitantes — c/ Movimento de Fundos	33.477.153,60	
Letras a Receber	31.500.000,00		Recebedores e Pagadores	5.000,00	
Operações de Convenio	51.810,00		Recebedoria da Capital — c/ Movimento de Fundos	203.896.581,40	
Pagamentos com Desconto do Exercício de 1964, a Classificar	107,30		Renato Corvello — c/ Responsabilidade por Bêns entregues, sem cobertura, ao prepesto do Corretor Oficial Rodolfo Tabyra	2.935,40	
Pagamentos com Desconto do Exercício de 1955, a Classificar	209.484,60		Responsabilidades por Pagamentos de "Restos a Pagar" Prescritos	89.909,10	
Pagamentos com Desconto do Exercício de 1956, a Classificar	7.131.586,70		Restos a Pagar de 1955 — O.D. — Secretaria da Segurança	31.033.143,70	
Pagamentos com Desconto do Exercício de 1957, a Classificar	2.050.764,30		Restos a Pagar de 1954 — Processo n. G-36.305-59	2.349.533,50	
Pagamentos com Desconto do Exercício de 1958, a Classificar	15.418.301,20		S.C.S.-910 — c/ Movimento de Fundos	237.395,10	
Responsáveis Diversos	27.308,30		Santa Casa de Misericórdia de São Paulo — c/ Cota-Parte na Arrecadação das Majorações de Impostos — Lei n. 1.470-51	3.176.888,40	
Rodolfo Tabyra — c/ Cobertura de Responsabilidade Imposta a Renato Corvello (Processo n. G-1.353-54)	3.000.000,00		Serviços Públicos do Guarujá — c/ Movimento Interno	610.879,20	
S.C.S.-910 — c/ Movimento de Fundos	265.955.410,30		Fundos de Pesquisas e Outros — c/ Adiantamentos	25.057,00	
Secção Aduaneira do Estado — c/ Despachos em Andamento	21.969.043,30		Sericicola	43.000,00	
Secção Aduaneira do Estado — c/ Movimento de Fundos	2.733.319,60		Ensino Profissional — c/ Movimento Extraorçamentário	9.166.776,10	
Secção Aduaneira do Estado — c/ Movimento Interno	889,70		Instituto Agronômico de Campinas	808.857,80	
Serviço de Agua de Santos e Cubatão — c/ Suprimentos	10.570,20		Mecanização e Conservação do Solo	7.238.605,90	
Tesoureiros Responsáveis	2.588.336,30		Produção Vegetal		
Vencimentos, Salários, Proventos e Vantagens não Reclamados — Capital	3.446.620,30		Departamento de Defesa Sanitária da Agricultura (Instituto Biológico)	3.283.978,90	
Vencimentos, Salários, Proventos e Vantagens não Reclamados — Interior	6.422.885,80		Fomento Zootécnico	6.486.862,90	
Fundos de Pesquisas e Outros — c/ Receita não Aplicada no Exercício	9.838.601,00		Serviço Florestal	3.560.760,10	
Instituto Agronômico	2.184.408,40		Ensino Agricola	465.083,50	
Mecanização e Conservação do Solo	27.171.738,60		Instituto de Botânica	50.827,20	
Produção Vegetal			Geográfico e Geológico	498.450,50	
Departamento de Defesa Sanitária da Agricultura (Instituto Biológico)	2.141,70		Sericicola	421.580,30	
Fomento Zootécnico	7.115.003,50		Soja	2.300.630,90	
Serviço Florestal	2.439.813,20		Ensino Profissional	3.066.446,10	
Ensino Agricola	2.234.313,00		Fomento à Cultura da Seringueira	726.241,10	
Geográfico e Geológico	463.873,80		Imigração e Colonização	498.000,00	
Sericicola	820.736,00		Instituto de Cardiologia	1.527.663,80	
Soja	3.449.486,30		Instituto Butantã	1.429.486,30	
Ensino Profissional	3.913.316,50		Fomento do Trigo	4.780.263,30	
Instituto Adolfo Lutz	2.907.385,30		Departamento de Zoologia	6.884,00	2.726.074.674,70
Fomento à Cultura da Seringueira do Estado de São Paulo	179.089,80				
Instituto de Cardiologia	805.174,70				
Imigração e Colonização	23.241,40				
Instituto de Botânica	99.998,40				
Puericultura	34.974,30				
Instituto Butantã	2.362.710,30				
Fomento e Propaganda ao Cooperativismo	136.232,90				
Instituto Pasteur	1.080.629,30				
Fomento do Trigo	10.509.897,30				
Departamento de Zoologia	33.383,80				
Clemente Ferreira	90.000,00				
Fundos de Pesquisas e Outros — c/ Movimento Extraorçamentário					
Pesquisas e Propaganda de Assistência ao Cooperativismo	2.481,80	1.120.941.026,80			
TOTAL Cr$		2.856.255.033,60	TOTAL Cr$		3.731.354.878,80

CONTADORIA GERAL DO ESTADO
Em 31 de março de 1960

SECÇÃO DE CENTRALIZAÇÃO FINANCEIRA
Mário Turcatti
Chefe de Secção
Contador C.R.C. — Sp. 4.907

DIVISÃO DE CONTABILIDADE FINANCEIRA
Belmiro Nascimento Martins
Diretor de Divisão
Contador C.R.C. — Sp. 10.834

ESTADO DE SÃO PAULO
CONTADORIA GERAL DO ESTADO
Contas do Exercício Financeiro de 1959
DEMONSTRAÇÃO DOS "SALDOS DE EXERCICIOS" DO BALANÇO FINANCEIRO

ANEXO N.º 5

309 — SALDOS DO EXERCICIO ANTERIOR			319 — SALDOS PARA O EXERCICIO SEGUINTE		
3.090 — SALDOS VINCULADOS			3.190 — SALDOS VINCULADOS		
Para o Serviço da Dívida Externa Fundada	50.262.656,00		Para o Serviço da Dívida Externa Fundada	191.491.843,30	
Da Unificação da Dívida do Estado	80.380.963,00		Da Unificação da Dívida do Estado	59.372.383,02	
Depositos Vinculados da Dívida Flutuante	774.001.888,80	925.591.726,82	Depositos Vinculados da Dívida Flutuante	—	200.864.235,30
3.091 — SALDOS DISPONIVEIS			3.191 — SALDOS DISPONIVEIS		
Em moeda corrente:			Em moeda corrente:		
Na Tesouraria Geral do Estado	144.738.346,30		Na Tesouraria Geral do Estado	378.498.045,80	
Em poder de Exatorias, Pagadorias e Tesourarias	834.788.357,00		Em poder de Exatorias, Pagadorias e Tesourarias	1.384.924.425,80	
Depositados em Bancos e varios Estabelecimentos	3.350.855.940,70	4.330.383.644,00	Depositados em Bancos e varios Estabelecimentos	9.445.744.844,30	11.178.317.315,60
SOMAS — Cr$		5.212.964.371,40	SOMAS — Cr$		11.369.181.540,90

CONTADORIA GERAL DO ESTADO
EM 31 DE MARÇO DE 1960

SECÇÃO DE CENTRALIZAÇÃO FINANCEIRA
Mario Turcatti
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DIVISÃO DE CONTABILIDADE FINANCEIRA
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ESTADO DE SÃO PAULO
CONTADORIA GERAL DO ESTADO
Contas do Exercício Financeiro de 1959
4 — MOVIMENTO DE TESOURARIA

40 — RECURSOS RECEBIDOS				41 — RECURSOS APLICADOS				
400 DEBITOS CONTRAIDOS				410 DEBITOS LIQUIDADOS				
4000 Dívida Flutuante				4100 Dívida Flutuante				
40000 — Restos a Pagar				41000 — Restos a Pagar				
Diferença entre as somas despendidas e as recolhidas		208.824.116,30		Pagamentos realizados no exercício:				
40008 — Operações de Tesouraria				Despesas de Pessoal, Material e Serviços		5.810.980.550,30		
Diferença dos adiantamentos recebidos do Banco e Correspondente sôbre as Rendas Diversas		79.209.809,59		Juros de Letras do Tesouro a Pagar		35.020.691,10		
				Juros, Prêmios e Resgate de Títulos da Dívida Interna Fundada		1.179.804.556,60	7.125.695.598,40	
40009 — Despesas de Despesas a Diferidas:				41001 — Restituições a Pagar			1.691.844,10	
Regularização de Despesas a Diferidas: Amortização do Fundo de Renda e Dívida Flutuante a apurada até 31-12-54				41002 — Depósitos a Pagar no exercício		289.885.400,00		
		394.140.722,50		Diferença entre a emissão e o resgate				
				Saldo		538.582.352,70	828.467.752,70	
		8.210.600,00		Diferença de Prêmio de Emissão				
4000 Diversos				Menos — Regularização de Despesas Diferidas:				
Conforme anexo n. 1		846.602.831,87	1.294.789.272,49	Diferença de Prêmio de Emissão			291.282.233,20	
401 CREDITOS RECEBIDOS								
Conforme anexo n. 2		875.757.344,16						
402 CONTAS DO EXERCICIO		1.111.865.157,90		41003 — Prêmios de Emissão de Títulos da Dívida Interna Fundada			280.182.650,50	
403 CONTAS DE ORDEM				Diferença entre a emissão e o resgate				
404 EXECUÇÃO ORÇAMENTÁRIA		58.426.343.346,10		Menos — Regularização de Despesas Diferidas:			12.439.800,00	
Receita Realizada				Prêmios de Emissão de Títulos da Dívida Interna Fundada				
				Juros de Prêmios do Tesouro			11.946.191,70	
							1.413.208,30	
				41004 — Letras do Tesouro				
				Diferença entre a emissão e o resgate			23.400.000,00	
				Menos — Regularização de Despesas Diferidas:				
				Juros de Letras do Tesouro			16.378.181,70	
				4101 Dívida Fundada				
				41010 — Dívida Interna Fundada				
				Títulos de Empréstimos Amortizados		31.838.200,00		
				Menos — Depósitos para Aplicação em Empréstimo de 1957		9.538.303,00		
				Juros a Apolices do Empréstimo de 1957		119.668.600,00	139.502.568,67	
				Menos — Regularização de Despesas Diferidas:				
				Despesas com emissão de Apólices Valendo-se				
				Rendas		3.719.823,60		
				Retenções de Apólices do Empréstimo de 1957		8.828.188,30		
				Juros de Apólices do Empréstimo de 1957, a Vencer		120.000.000,00	115.708.091,70	
				41011 — Dívida Externa Fundada				
				Aplicação de fundos remetidos aos Bancos			23.702.249,06	
				Menos — Amortização de aplicação do exercício anterior			2.926.870,36	
				4100 DIVERSOS				
				CONSUMOS				
				411 CREDITOS RECEBIDOS				
				Conforme anexo n. 2				
				412 CONTAS DO EXERCICIO				
				Conforme anexo n. 3				
				413 EXECUÇÃO ORÇAMENTÁRIA				
				Despesa Realizada				
				Menos — Restituições a Pagar:				
				Despesa de Pessoal, Material e Serviços		13.090.817.731,10		
				Juros de Letras do Tesouro a Pagar		16.878.181,10		
				Juros, Prêmios e Resgate de Títulos da Dívida Interna Fundada		1.515.165.560,20		
				Amortização e Juros a Pagar da Dívida Externa		57.878.000,00	14.679.574.580,40	
				Restituições a Pagar			2.116.473,10	
		71.658.740.196,39		SOMA DOS RECURSOS APLICADOS				
409 DISPONIBILIDADES PARA O EXERCICIO DE 1960		1.313.946.577,40		419 DISPONIBILIDADES PARA O EXERCICIO DE 1960				
Conforme anexo n. 4		4.871.084.372,50		Conforme anexo n. 4				
TOTAL — Cr$		76.871.084.372,50		TOTAL — Cr$				

SECÇÃO DE CENTRALIZAÇÃO FINANCEIRA
Maria Thereza
Chefe de Secção
Contador C. R. C. — Sp. 4.907

CONTADORIA GERAL DO ESTADO
Em 31 de Março de 1960
DIVISÃO DE CONTABILIDADE FINANCEIRA
Waldemar Martins
Contador C. R. C.

VISTO:
Henrique Dias d'Avila
Contador Chefe do Setor
Contador C. R. C. — Sp. 11.278

Diretor da Divisão

Henrique Dias d'Avila
Contador Chefe do Setor
Contador C. R. C. — Sp. 11.278

Diretor da Divisão

ESTADO DE SÃO PAULO

CONTADORIA GERAL DO ESTADO

Contas do Exercício Financeiro de 1959

DEMONSTRAÇÃO DAS CONTAS QUE CONSTITUEM O TITULO "DIVERSOS" DOS GRUPOS "DEBITOS CONTRAIDOS" E "DEBITOS LIQUIDADOS" DO BALANÇO FINANCEIRO

(MOVIMENTO DA TESOURARIA)

ANEXO N. 1

4.000 — DÉBITOS CONTRAIDOS			4.100 — DÉBITOS LIQUIDADOS		
ESTRADAS DE FERRO			**ESTRADAS DE FERRO**		
Estrada de Ferro Sorocabana			Estrada de Ferro Sorocabana		
c/ Juros de Apólices Ferroviárias	11.106,00		c/ Amortização de Apólices Ferroviárias	270 000,00	
c/ Desconto a seu Favor de Cotas dos Municípios — Artigo 27 da Constituição Estadual	533.208,40		Estrad ade Ferro Campos do Jordão		
c/ Fundo de Renovação	28.397.664,20		c/ Fundo de Renovação	316.414,40	
Estrada de Ferro Araraquara			c/ Movimento Interno	1.894.805,80	2.321.220,20
c/ Fundo de Melhoramentos	14.402.800,40		**EXATORIAS**		
c/ Fundo de Renovação	14.402.800,40		c/ Rendas de Outros Municípios	120.413.021,40	
Estrada de Ferro Campos do Jordão			c/ Rendas Recolhidas na Capital	80.914.234,80	
c/ Fundo de Melhoramentos	622.396,40		c/ Dívida Executiva	19.972.723,80	
Estrada de Ferro São Paulo e Minas			c/ Adicional de 10%	10.214.053,60	
c/ Fundo de Melhoramentos	1.784.580,70		c/ Impostos e Taxas	306.129,30	
c/ Fundo de Renovação	1.784.580,70		DD.RR.F. — c/ Movimento de Fundos	251.498.862,40	
Estrada de Ferro Bragantina			DD.RR.F. — c/ Transferência de Depósitos	2.739,30	493.310.858,40
c/ Fundo de Melhoramentos	1.165.361,10		**PREFEITURAS**		
c/ Fundo de Renovação	966.161,10	64.054.660,40	Prefeituras Municipais		
EXATORIAS			c/ Dívida Executiva	15.055,10	
c/ Saldos a Favor	20.696,30		c/ Impostos	16.467,00	31.522,10
DD.RR.F. — c/ Saldos a Ajustar de Impostos e Taxas	90.493,80		**DIVERSAS CONTAS**		
DD.RR.F. — c/ Impostos e Taxas	67.291,40	168.481,20	Govêrno Federal		
PREFEITURAS			c/ Geral	80.397.008,80	
Prefeitura da Capital			c. Recebedoria Federal em São Paulo — Arrecadação do Impôsto de Renda	138.496.168,30	
c/ Cotas do Impôsto sôbre Transações	296.845.960,10		c/ Banco do Brasil — Resgate de Bônus	982.151.786,10	
c/ Participação em Prêmios de Apólices do IV Centenário não Colocadas	612.000,00		Diversos		
c/ Serviços a/ Conta	50.277,20		Tribunal de Justiça — c/ Suprimentos	5.507.688,40	
c/ Impostos e Taxas — a/ Conta	151.969,20		Fôrça Pública — c/ Suprimentos	825.574,60	
Prefeituras Municipais			Fôrça Pública — c/ Despesas Pagas nas Exatorias	2.949.392,10	
c/ Cotas do Impôsto sôbre Transações	8.231.852,60	306.400.650,10	Fôrça Pública — c/ Despesas Pagas nas Pagadorias da Secretaria da Fazenda, na Capital	74.044.395,30	
DIVERSAS CONTAS			Departamento de Profilaxia da Lepra — c/ Suprimentos	5.411.806,50	
Govêrno Federal			Departamento de Profilaxia da Lepra — c/ Movimento Interno	29.931.841,70	
c/ Cota-Parte do Impôsto sôbre Transações	248.518.768,70		D.E.R. — c/ Fornecimentos e Serviços	70.404,30	
c/ Adiantamento para as Obrigações da Dívida Externa, em UU.S$. $	104.726.915,60		Banco do Estado de São Paulo S/A. — c/ Empréstimo para Obras do IV Centenário da Cidade de São Paulo	36.633.632,20	
Diversos			Banco F. Barreto S/A. — c/ Pagamento de Juros da D.I.F. (Mocóca)	3.787,50	
Tribunal de Justiça — c/ Despesas Pagas nas Exatorias	2.952.490,00		C.S.-92 — c/ Movimento de Fundos	1.545.396,40	
D.A.F.E. — c/ Arrecadação do Adicional de 2,75% — Lei n. 3.329-58	120.863.554,30		Caixa Beneficente da Guarda Civil — c/ Contribuições do Estado	375.000,00	
Departamento de Águas e Esgotos de São Paulo — c/ Fornecimentos e Serviços	720.599,20		Comissão Central de Compras — c/ Suprimentos	17.170.646,10	
Carteira de Seguros contra o Granizo — c/ C.P.A.F.	4.370.618,70		Corretagem a Pagar sôbre Subscrições de Bônus para Liquidação da Dívida Flutuante	39.932,00	
Custas Adiantadas pela Fazenda em Executivos Fiscais — c/ Oficiais de Justiça	133.004,90		Fundo de Assistência ao Menor (F.A.M.) — a/ Cota-Parte na Arrecadação das Majorações de Impostos — Lei n. 1.470-51	7.463.268,40	
Rodolfo Tabyra — c/ Cobertura de Responsabilidade Imposta a Renato Corvello (Processo n. G-1.355-54)	3.068.000,00		Fundo Especial de Amortização da Dívida Pública	5.461.616,00	
Secção Aduaneira do Estado — c/ Movimento de Fundos	5.733.313,60		Instituto Brasileiro do Café — c/ Cafés Requisitados pelo Extinto D.N.C., em 1953	27.686.360,60	
Serviço de Água de Santos e Canalização — c/ Suprimentos	10.579,20		Instituto de Café do Estado de São Paulo — c/ Geral	19.485,20	
Vencimentos, Salários, Proventos e Vantagens não Reclamadas — Capital	2.446.620,20		Repartições Requisitantes — c/ Movimento de Fundos	33.477.152,80	
Vencimentos, Salários, Proventos e Vantagens não Reclamadas — Interior	6.422.885,80		Recebedores e Pagadores	5.000,00	
Fundos de Pesquisas e Outros — c/ Movimento Extraorçamentário			Recebedoria da Capital — c/ Movimento de Fundos	103.806.581,40	
Pesquisas e Propaganda de Assistência ao Cooperativismo	2.461,00	489.008.751,20	S.C.S.-616 — c/ Movimento de Fundos	155.195,60	
			Santa Casa de Misericórdia de São Paulo — c/ Cota-Parte na Arrecadação das Majorações de Impostos — Lei n. 1.470-51	8.176.353,40	
			Serviços Públicos do Guarujá — c/ Movimento Interno	610.579,20	
			Fundos de Pesquisas e Outros — c/ Movimento Extraorçamentário		
			Instituto Agronômico de Campinas	8.108.776,10	
			Mecanização e Conservação do Solo	926.827,80	
			Produção Vegetal	7.226.605,90	
			Departamento de Defesa Sanitária da Agricultura (Instituto Biológico)	1.253.978,90	
			Fomento Zootécnico	6.689.582,90	
			Serviço Florestal	2.500.766,10	
			Ensino Agrícola	213.688,10	
			Instituto de Botânico	50.237,30	
			Geográfico e Geológico	468.430,50	
			Sericícola	431.690,30	
			Soja	2.360.680,80	
			Ensino Profissional	3.066.446,70	
			Fomento à Cultura da Seringueira	726.343,10	
			Imigração e Colonização	428.866,50	
			Instituto de Cardiologia	1.527.063,80	
			Instituto Butantã	1.429.506,30	
			Fomento do Trigo	4.789.363,30	1.019.177.551,70
TOTAL		868.632.551,80	TOTAL		1.506.841.152,40

CONTADORIA GERAL DO ESTADO
Em 31 de março de 1960

SEÇÃO DE CENTRALIZAÇÃO FINANCEIRA
Mário Turcatti
Chefe de Seção
Contador C.R.C. — Sp. 4.807

DIVISÃO DE CONTABILIDADE FINANCEIRA
Belmiro Nascimento Martins
Diretor de Divisão
Contador C.R.C. — Sp. 12.824

ESTADO DE SÃO PAULO

CONTADORIA GERAL DO ESTADO

Contas do Exercício Financeiro de 1959

DEMONSTRAÇÃO DAS CONTAS QUE CONSTITUEM OS TITULOS "CREDITOS RECEBIDOS" E "CREDITOS CONSTITUIDOS" DO BALANÇO FINANCEIRO (MOVIMENTO DE TESOURARIA)

ANEXO N. 1

401 — CREDITOS RECEBIDOS			4.1-CREDITOS CONSTITUIDOS		
ESTRADAS DE FERRO			ESTRADAS DE FERRO		
Estrada de Ferro Sorocabana			Estrada de Ferro Sorocabana		
c/Especial de Regularização — Lei n. 1.322-51 — Decreto n. 21.008-51	177.000.000,00		c/Movimento Interno	58.329.000,00	
c/Fundos de Melhoramentos	93.91 .319,36		Estrada de Ferro Araraquara		
Estrada de Ferro Araraquara			c/Movimento Interno	10.36 .044,80	
c/Especial de Regularização — Lei n. 1.322-51 — Decreto n. 21.008-51	50.000.000,00		Estrada de Ferro São Paulo e Minas		
Estrada de Ferro Bragantina			c/Movimento Interno	1..341 .351,70	
c/Responsabilidade por Excesso de Despesa Realizada sobre a Fixada em 1954	939.161,60	270.755.362,60	Estrada de Ferro Bragantina		
			c/Movimento Interno	1 58 .32.,95	110 305.085,00
EXATORIAS			EXATORIAS		
Pagadoria — c/Movimento de Fundos	0,10		c/Bônus Rotativos Recolhidos	21.30 .300,00	
Recebedoria — c/Movimento de Fundos	93.068.511,40	93.068.511,40	c/Movimento de Fundos	19 .30.,..	
			DD.RP.F. — c/Saldo a Ajustar de Movimento de Fundos	8 .470,00	
PREFEITURAS			DD.RH.F. — serviço de Fundos da Fazenda Pública — c/Movimento de Fundos	6 .366,70	21.351.002,80
Prefeitura de Moji Mirim					
c/Empréstimo	46.823,26		PREFEITURAS		
Prefeitura de Santos			Prefeitura da Capital		
c/Contribuição para Manutenção do Corpo de Bombeiros	500.009,00		c/Contribuição para Manutenção do Corpo de Bombeiros	7.000 .00,00	
Prefeitura de Casa Branca			c/Contribuição nas Despesas de Empréstimo do IV Centenário	6 .0 .,82,66	
c/Pagamento Antecipado da Taxa de Calçamento	33.979,70	580.802,96	Prefeitura de Jundiaí		
			c/Contribuição para Manutenção do Corpo de Bombeiros	347 .00,00	
DIVERSAS CONTAS			Prefeitura de Araraquara		
Governo Federal			c/Contribuição para Manutenção do Corpo de Bombeiros	66.000,00	
c/Fundos Recolhidos dos Cupons Atrasados (Anteriores ao Decreto-lei Federal n. 6.019-43 em UU.SS.$, que aguardam apresentação	15.502,00		Prefeitura de São Carlos		
c/Fundos Recolhidos dos Cupons do Plano "A" em UU.SS.$, que aguardam apresentação	156.583,90		c/Contribuição para Manutenção do Corpo de Bombeiros	110.000,00	
c/Geral de Juros decorrente do Encontro de Contas	18.795.310,00		Prefeitura de Bauru		
Diversos			c/Contribuição para Manutenção do Corpo de Bombeiros	400.000,00	
Governo do Estado — c/Despesa Paga do Exercício de 1958, a Reclassificar	453.461,90		Prefeitura de São José do Rio Preto		
Governo do Estado — c/Responsabilidade por Excesso de Despesa Realizada sobre a Empenhada no Exercício de 1958 (verbas ns. 7, 9 e 13 — Processo n. G-9.362-59)	6.006.887,40		c/Contribuição para Manutenção do Corpo de Bombeiros	400.50 .00	14.329.182,89
Secretaria do Govêrno — c/Despesa Paga do Exercício de 1958,a Reclassificar	16.016,00		DIVERSAS CONTAS		
Secretaria da Justiça — c/Despesa Paga do Exercício de 1958, a Reclassificar	71.724,80		Diversos		
Secretaria da Justiça — c/Responsabilidade por Excesso de Despesa Realizada sobre a Empenhada no Exercício de 1958 (verbas ns. 42 e 46 — — Processo n. G-9.304-59)	5.997.350,30		Secretaria da Justiça — c/Adiantamento aos Membros do Ministério Público	174.287,50	
Secretaria da Segurança — c/Adiantamento para Custeio de Viagem da Comissão de Reforma da Polícia de São Paulo a Londres, a Classificar	211.142,90		Secretaria da Saúde — c/Aluguéis em Atraso, Honorários Advocatícios e Custas em Processos de Ação de Despejo, a Classificar	31.500,00	
Secretaria da Segurança — c/Adiantamento para Despesas com o Policiamento Preventivo durante os Pinadas, a Classificar	30.000,00		Secretaria da Agricultura — c/Comissões e Despesas Bancárias da C.P.A.P. a Classificar	40.153,50	
Secretaria da Segurança — c/Adiantamentos para Despesas de Estadia, Taxas e outras a serem feitas pelos integrantes da Comissão de Reforma da Polícia de São Paulo na Inglaterra — Processo n. G-8.129-58 a Classificar	400.000,00		Secretaria da Fazenda — c/Despesa em Ações de Despejo Movidas contra a Fazenda, a Classificar	67.753,20	
Secretaria da Segurança — c/Adiantamentos de Duodécimos referentes a Diligências Policiais, a Classificar	3.770.980,00		Secretaria da Fazenda — c/Fornecimento de Transportes feito pela Companhia Paulista de Estradas de Ferro a Diversas Secretarias de Estado, a Classificar	2.206.821,80	
Secretaria da Segurança — c/Adiantamentos para Instalação de Postos de Serviço de Identificação — Processos ns. G-8.805-58 e G-13.387-58 a Classificar	800.000,00		Tribunal de Justiça — c/Adiantamentos aos Membros do Ministério Público	5.100,00	
Secretaria da Segurança — c/Despesa Paga no Exercício de 1958, a Reclassificar	13.194,60		Departamento da Despesa — c/Pagamento efetuado sem Crédito Correspondente	48,90	
Secretaria da Segurança — c/Despesas com o Policiamento Preventivo dos Festejos Carnavalescos, a Classificar	150.000,00		Autonomias Administrativas — c/Drapachos Aduaneiros	1.446.639,40	
Secretaria da Segurança — c/Excesso de Despesa Realizada sôbre a Dotação Autorizada em 1958 (Processo n. G-8.712-57)	927.643,80		C.S. — 81 — c/Movimento de Fundos	21.089,00	
Secretaria da Segurança — c/Pagamentos efetuados sem Dotação Correspondente (Processo n. G-1.584-58)	76.500,00		Carteira de Seguro contra o Granizo — c/Arrecadação a Transferir	21.474.934,20	
Secretaria da Segurança — c/Responsabilidade por Excesso de Despesa Realizada sôbre a Empenhada no Exercício de 1958 (verbas ns. 68 71, 81, 106, 107 91, 113 e 115 — Processo n. G-9.365-59)	13.064.365,10		Comissão do IV Centenário — c/Adiantamento do Produto de Colocação de Apólices	2.769.860,70	
Secretaria da Educação — c/Aluguéis em Atraso, Honorários Advocatícios e Custas em Processos de Ação de Despejo, a Classificar	5.100,00		Ministério Público — c/Despesas Pagas nas Exatorias	1.850.000,00	
Secretaria da Educação — c/Responsabilidade por Excesso de Despesa Realizada sôbre a Prevista no Exercício de 1958 — Processo n. G-.... 5.404-58	1.337.752,10		Repartições do Estado — c/Despachos Aduaneiros	21.984.888,00	
Secretaria da Educação — c/Responsabilidade por Excesso de Despesa Realizada sôbre a Empenhada no Exercício de 1958 (Verbas ns. 131 e 151 — Processo n. G-9.363-59)	3.541.514,00		Renato Corvello — c/Responsabilidade por Bônus entregues sem cobertura ao preposto do Corretor Oficial Rodolfo Tebyra	1.935,40	
Secretaria da Saúde — c/Despesa Paga no Exercício de 1958, a Reclassificar	16.282.353,00		Responsabilidade por Pagamentos de "Restos a Pagar" Prescritos	86.903,10	93.181.333,90
Secretaria da Saúde — c/Responsabilidade por Excesso da Despesa Realizada sôbre a Empenhada no Exercício de 1958 — Processo n. G-9.366-59	737.165,30				
Secretaria do Trabalho — c/Responsabilidade por Excesso de Despesa Paga sôbre a Realizada no Exercício de					

Anexo n. 2 — Fls 2

411 — CREDITOS RECEBIDOS			411 — CREDITOS CONSTITUIDOS		
1958	1.385,50				
Secretaria da Agricultura — c/Responsabilidade por Excesso de Despesa Paga sôbre a Reatamento no Exercício de 1958	4.742.985,00				
Secretaria da Viação — c/Adiantamento, para Pagamento no Fiscal da Navegação Santens Ltda a Classificar	400.000,00				
Secretaria da Viação — c/Despesa Paga no Exercício de 1958 a Reclassificar	83.436,20				
Secretaria da Viação — c/Responsabilidade por Excesso de Despesa Realizada sôbre a Empenhada no Exercício de 1956 (verbas ns. 276 e 280 — Processo n. G-9.367-56)	558.346,00				
Secretaria da Fazenda — c/Alcances em Atraso, Honorários Advocatícios e Custas em Processos de Ação de Despejo, a Classificar	5.154.245,40				
Secretaria da Fazenda — c/Despesa Paga no exercício de 1958 a Reclassificar	3.751.910,70				
Secretaria da Fazenda — c/Despesa Saltas a Registro "A Posteriori" — Saldo do Anterior a 1956	37.700,00				
Secretaria da Fazenda — c/Excesso de Reavaliações em Dotações Autorizadas em 1957	1.933,60				
Secretaria da Fazenda — c/Pagamento sem Crédito Correspondente (Processo no. 7-37.558-54)	35.206,40				
Secretaria da Fazenda — c/Responsabilidade por Excesso de Despesa Realizada sôbre a Empenhada no Exercício de 1958 Verbas ns. 290, 315, 320, 322, 326, 327, 328, 336 e 340 — Processo n. 3 9.367-59)	4.892.328,80				
Tesouraria da Justiça — c/Despesa Paga no Exercício de 1958 a Reclassificar	164.489,80				
D.E.R. — c/Contribuições — Anôlices Recebidas	3.387.363,00				
Departamento Jurídico do Estado — c/ Anôlices "Mojiana"	1.149.000,00				
D.S.I. — c/Responsabilidade por Excesso de Despesa Realizada sôbre a Empenhada no Exercício de 1951 (verba n. 397 — 4.41.4'0) — Processo n. G.21.275-51	16.947,50				
D.S.I. — c/Responsabilidade por Pagamento de Despesa sem Crédito Correspondente	80.342,30				
Anôlices do IV Centenário Premiadas e não Colocadas	41.900,00				
Caixas Responsáveis	4.000,40				
Comissão da Produção Agro-Pecuária — c/Movimento Interno	10.121.293,90				
Comissão do IV Centenário da Cidade de São Paulo — c/Produto da Colocação de Anôlices	68.900,00				
Custas Adiantadas pela Fazenda em Executivos Fiscais — c/Avaliadores	90.000,30				
Defesa do Café	42.751.434,10				
Diretoria de Aeroportos — c/Movimento Interno	2.012,30				
Exatores Responsáveis	16.956.709,40				
Imprensa Oficial do Estado — c/Movimento Interno	645.464,00				
Instituto de Café do Estado de São — c/ Contribuição de 1958 a Recolher	21.362.315,50				
Instituto de Café do Estado de São Paulo — c/Reagste da Contribuição de 1957 a Recolher	9.433.666,40				
Letras a Receber	31.500.000,00				
Pagamentos com Desconto do Exercício de 1954 a Classificar	107,30				
Pagamentos com Desconto do Exercício de 1955, a Classificar	209.484,60				
Pagamentos com Desconto do Exercício de 1956, a Classificar	7.131.506,70				
Pagamentos com Descontos do Exercício de 1957 a Classificar	1.950.784,30				
Pagamentos com Desconto do Exercício de-1958 a classificar	15.418.301,20				
Responsáveis Diversos	27.296,30				
S.C.S. 919 — c/Movimento de Fundos	245.955.410,20				
Secção Aduaneira do Estado — c/Despachos em Andamento	11.949.042,30				
Secção Aduaneira do Estado — c/Movimento Interno	539,70				
Tesoureiros Responsáveis	2 388 336,30	511.332 646,90			
TOTAL — Cr$		875.787.344,10	TOTAL — Cr$		199.357 61= 40

CONTADORIA GERAL DO ESTADO
EM 31 DE MARÇO DE 1960

SECÇÃO DE CENTRALIZAÇÃO FINANCEIRA

Mário Turcatti
Chefe de Secção
Contador C.R.C. Sp. 4.907

DIVISÃO DE CONTABILIDADE FINANCEIRA

Belmiro Nascimento Martins
Diretor de Divisão
Contador C.R.C. Sp. 19.834

ESTADO DE SÃO PAULO
CONTADORIA GERAL DO ESTADO
Contas do Exercício Financeiro de 1959

DEMONSTRAÇÃO DAS CONTAS QUE CONSTITUEM O TITULO "CONTAS DO EXERCICIO" DO BALANÇO FINANCEIRO
(MOVIMENTO DE TESOURARIA)

412 — CONTAS DO EXERCICIO

ESTRADAS DE FERRO		
Estradas de Ferro Sorocabana		
c/ Fundo de Melhoramentos	77.916.265,50	77.916.265,50
EXATORIAS		
c/ Rendas, a Classificar	612.814.662,80	
c/ Adicional de 10%, a Classificar	13.864.146,50	
Caixa e Tesouraria — c/ Saldos a Favor	3.337,90	
Recebedoria — c/ Movimento de Fundos	6.027.530,50	632.509.672,70
PREFEITURAS		
Prefeituras Municipais		
c/ Cotas Apuradas — Artigo 67 da Constituição Estadual	281.839.570,80	281.839.570,80
DIVERSAS CONTAS		
Diversos		
Secretaria da Justiça — Sede — c/ Movimento Interno	4.000,00	
Secretaria da Fazenda — c/ Pagamento de Dívida Prescrita — Processo n. C-24.922/49	48,50	
D.E.R. — c/ Contribuições — Apólices Rodoviárias	340.375,00	
Ações da Cia. Mojiana de Estradas de Ferro — c/ Aquisições a Realizar	14.175.000,00	
Custas Adiantadas pela Fazenda em Executivos Fiscais — c/ Avaliadores	982.322,80	
Instituto de Café do Estado de São Paulo — c/ Juros de Apólices de 1957 — Processo n.º C-2.032/58	10.777.786,50	
Operações de Conversão	51.819,00	
Fundos de Pesquisas e Outros — c/ Receita não Aplicada no Exercício		
Instituto Agronômico	9.838.601,00	
Mecanização e Conservação do Solo	2.184.468,40	
Produção Vegetal	37.171.728,30	
Departamento de Defesa Sanitária da Agricultura (Instituto Biológico)	2.141,70	
Fomento Zootécnico	7.115.001,00	
Serviço Florestal	2.438.913,30	
Ensino Agrícola	2.224.313,05	
Geográfico e Geológico	463.672,90	
Sericícola	229.776,00	
Soja	3.449.486,20	
Ensino Profissional	3.912.316,50	
Instituto Adolfo Lutz	2.807.285,30	
Fomento à Cultura da Seringueira do Estado de São Paulo	179.068,80	
Instituto de Cardiologia	895.174,70	
Imigração e Colonização	22.141,40	
Instituto de Botânica	93.908,40	
Puericultura	34.574,30	
Instituto Buntantã	2.363.719,90	
Fomento e Propaganda ao Cooperativismo	138.332,90	
Instituto Pasteur	1.080.629,20	
Fomento do Trigo	16.509.897,20	
Departamento de Zoologia	33.393,80	
Clemente Ferreira	60.000,00	119.579.928,50

402 — CONTAS DO EXERCICIO

EXATORIAS		
c/ Impostos e Taxas	939.321,90	
Coletoria de Moji Mirim — c/ Despesa Paga sem Crédito Correspondente (Processo n.º D.R.F. - 4-3.372/59)	1.000,00	940.321,90
PREFEITURAS		
Prefeitura de Santo André		
c/ Contribuição para Manutenção do Corpo de Bombeiros	2.500.000,00	2.500.000,00
DIVERSAS CONTAS		
Govêrno Federal		
c/ Encontro de Contas com o Estado de São Paulo	405.497.263,80	
Diversos		
Govêrno do Estado — c/ Despesa Paga do Exercício de 1958, a Reclassificar	64.118,30	
Govêrno do Estado — c/ Excesso da Despesa Realizada sôbre a Prevista no Exercício de 1959, a Apurar (verbs (10-8.07.0-A e 14-8.09.0-A)	1.072.117,60	
Secretaria do Govêrno — c/ Excesso de Despesa Realizada sôbre a Prevista no Exercício de 1959, a Apurar (verba n.º 18-04.1)	4.181.296,50	
Secretaria da Justiça — c/ Aluguéis em Atraso, Honorários advocatícios e Custas em Processos de Ação de Despejo, a Classificar	67.251,60	
Secretaria da Segurança — c/ Despesa Paga do Exercício de 1959, a Reclassificar	583.979,00	
Secretaria da Segurança — c/ Excesso de Despesas Realizada sôbre a Prevista no Exercício de 1959, a Apurar (verbas n.º 63-8.04.0-A, 73-8.24.1 e .... 101.8.00.0-A)	381.696,40	
Secretaria da Educação — c/ Excesso de Despesa Realizada sôbre a Prevista no Exercício de 1959, a Apurar (verba n.º 123-8.33.0-A e 177-8.46.1)	14.988.078,20	
Secretaria da Saúde — c/ Adiantamento para Recondicionamento de Caldeira de Hospital Regional em Pariquera-Açú, a Classificar	20.000,00	
Secretaria da Saúde — c/ Despesa Paga do Exercício de 1959, a Reclassificar	1.173.206,50	
Secretaria do Trabalho — c/ Responsabilidade por Excesso de Despesa Realizada sôbre a Prevista no Exercício de 1958 (verba n.º 218 — Representação C-42 n.º 28/59)	111.696,10	
Secretaria da Agricultura — c/ Excesso de Despesa Realizada sôbre a Previsão do Exercício de 1959, a Apurar (verba n.º 233-8.54.4.490-1)	438.668,50	
Secretaria da Agricultura — c/ Responsabilidade por Excesso de Despesa Paga sôbre a Requisitado no Exercício de 1958 (verba n.º 256-8.32.1 — Repr. C-42 n.º 17/59)	5.150.400,00	
Secretaria da Viação — Sede — c/ Suprimentos	67,80	
Secretaria da Viação — S.A.S.C. — c/ Pagamento efetuado sem Crédito Correspondente (Processo SASC n.º .... 839/57)	11.733,30	
Secretaria da Fazenda — c/ Despesa Paga do Exercício de 1959, a Reclassificar	91.840,30	
Secretaria da Fazenda — c/ Excesso de Despesa Realizada sôbre a Prevista no Exercício de 1959, a Apurar (verba n.º 336-8.13.0-C)	154.180,60	
Secretaria da Fazenda — c/ Pagamentos de Restos a Pagar de 1951, Prescritos — Processo T.C. n.º 13 923/58)	5.833,30	
Secretaria da Fazenda — c/ Subscrição de Ações das Usinas Elétricas de Paranapanema S.A. — USELPA — Processo n.º C-28.324/59, a Classificar	600.000.000,00	
Tribunal de Justiça — c/ Adiantamentos aos Membros do Poder Judiciário	3.155.275,20	
Tribunal de Justiça — c/ Suprimentos	2.887.599,60	
Fôrça Pública — c/ Despesas Pagas nas Pagadorias da Secretaria da Fazenda Capital	393.850,30	
Departamento de Profilaxia da Lepra — c/ Movimento Interno	161.712,90	
Banco do Estado de São Paulo S.A. — Agência do Rio de Janeiro — c/ Resgate de Bônus Rotativos	1.740.000,00	
Banque de Paris et Pays Bas — c/ Serviço do Empréstimo Externo	23.987,70	
Barclays Bank Ltd. — c/ Cobrança de Cupons	142,20	
C.S. — 26 — c/ Responsabilidade por Excesso de Despesa Realizada sôbre a Prevista no Exercício de 1958 (verba n.º 346-4.45)	1.044.861,20	
Comissão Central de Compras — c/ Suprimentos	5.470.397,70	
Comissão de Produção Agro-Pecuária — c/ Suprimentos	10.132.940,30	
Diretoria de Aeroportos — c/ Suprimentos	2.544,50	
Imprensa Oficial do Estado — c/ Suprimentos	648.674,60	
Instituto de Café do Estado de São Paulo — c/ Contribuição de 1959, a Recolher	13.538.673,90	
Instituto de Café do Estado de São Paulo — c/ Encontro de Contas com o Govêrno Federal	10.000.000,00	

411 — CONTAS DO EXERCICIO			402 — CONTAS DO EXERCICIO		
			Instituto de Previdência — c/ Contribuições do Estado, a Apropriar	469.224.913,70	
			Instituto de Previdência — c/ Inativos a Apropriar	32.968.723,10	
			Junta Comercial do Estado — c/ Movimento Interno	4.000,80	
			Pagamentos com Desconto do Exercício de 1959 a Classificar	33.518.270,00	
			Restos a Pagar de 1954 — Processo n.º G-26.295-59	2.249.892,50	
			Restos a Pagar de 1955 — O.D. — Secretaria da Segurança	31.033.142,70	
			S.C.S. — 916 — c/ Movimento de Fundos	182.201,50	
			Fundos de Pesquisas e Outros — c/ Adiantamento		
			Sericicola	26.650,00	
			Ensino Profissional	43.600,00	
			Fundos de Pesquisas e Outros - c/ Movimento Extraorçamentário		
			Ensino Agricola	281.375,40	
			Departamento de Zoologia	6.084,00	1.069.715.789,10
TOTAL — Cr$		1.111.915.131,60	TOTAL — Cr$		3.067.164.111,60

CONTADORIA GERAL DO ESTADO

Em 31 de março de 1960

SECÇÃO DE CENTRALIZAÇÃO FINANCEIRA
Mário Turvatti
Chefe de Secção
Contador C.R.C. - Sp. 4.907

DIVISÃO DE CONTABILIDADE FINANCEIRA
Belmiro Nascimento Martins
Diretor de Divisão
Contador C.R.C. — Sp. 10.894

ESTADO DE SÃO PAULO

CONTADORIA GERAL DO ESTADO

Contas do Exercício Financeiro de 1959

DEMONSTRAÇÃO DAS "DISPONIBILIDADES RECEBIDAS DO EXERCICIO DE 1958" E DAS "DISPONIBILIDADES PARA O EXERCICIO DE 1960" DO BALANÇO FINANCEIRO

(MOVIMENTO DE TESOURARIA)

Anexo n.o 4

409 — DISPONIBILIDADE RECEBIDAS DO EXERCICIO DE 1958			419 — DISPONIBILIDADES PARA O EXERCICIO DE 1960		
4.090 — SALDOS VINCULADOS			4.190 — SALDOS VINCULADOS		
Para o Serviço da Dívida Externa			Para o Serviço da Dívida Externa		
Fundos	50.222.855,00		Fundos	131.491.040,30	
Da Unificação da Dívida do Estado	99.386.083,00		Da Unificação da Dívida do Estado	89.372.383,00	
Depósitos Vinculados da Dívida Flutuante	774.001.288,80	923.501.726,80	Depósitos Vinculados da Dívida Flutuante	—,—	180.664.223,30
4.091 — SALDOS DISPONIVEIS:			4.191 — SALDOS DISPONIVEIS		
Em moeda corrente:			Em moeda corrente:		
Na Tesouraria Central	114.778.346,30		Na Tesouraria Central	378.498.045,60	
Em poder de Exatorias, Pagadorias e Tesourarias	824.738.257,60		Em poder de Exatorias Pagadorias e Tesourarias	1.354.074.425,80	
Depositados em Bancos e vários Estabelecimentos	3.380.855.040,70	4.320.382.644,60	Depositados em Bancos e vários Estabelecimentos	9.440.744.844,20	11.178.317.315,60
SOMAS		5.219.944.271,40	SOMAS		11.360.181.540,90

CONTADORIA GERAL DO ESTADO

Em 31 de março de 1960

SECÇÃO DE CENTRALIZAÇÃO FINANCEIRA
Mário Turvatti
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Contador C.R.C. — Sp. 4.907

DIVISÃO DE CONTABILIDADE FINANCEIRA
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ESTADO DE SÃO PAULO
CONTADORIA GERAL DO ESTADO
Contas do Exercício Financeiro de 1959

1 — BALANÇO PATRIMONIAL

20 — ATIVO

200 — ATIVO FINANCEIRO				
2000 — Disponível				
Em moeda corrente:				
Na Tesouraria Central	378.408.045,60			
Em poder de Exatorias Pagadorias e Tesourarias	1.354.974.425,80	1.733.372.471,40		
Depositados em Bancos e outros estabelecimentos		9.443.744.844,30	11.178.317.315,90	
2001 — Vinculado				
Bancos e Correspondentes — Depósitos da Dívida Unificada		80.373.383,00	—	
Bancos e Correspondentes — Depósitos para o Serviço da Dívida Externa		131.491.943,30	190.864.326,30	
2002 — Realisável				
Valores do Estado:				
Ações de Bancos, Companhias e Outros Valores		1.692.286.490,60		
Bancos e Correspondentes		84.094.880,40		
Dívida Ativa				
Saldo da Escriturada até o Encerramento do Exercício		3.191.815.806,00		
Diversos Responsáveis		84.304.118,80		
Devedores Diversos				
Conforme anexo n. 1		1.582.309.335,00		
Diversas Contas				
Conforme anexo n. 2		3.814.101.769,30	10.418.902.379,80	21.788.143.920,70
201 — ATIVO PERMANENTE				
2010 — Bens Imóveis		4.931.015.731,70		
2011 — Bens Móveis		3.631.314.402,30	8.562.330.134,00	
2012 — Bens de Natureza Industrial				
Imóveis		4.645.833.610,30		
Móveis		532.000.494,00	5.177.834.104,30	
2013 — Bens Recebidos em Comodato				
Imóveis		8.831.731,30		
Móveis		378.089,70	9.209.820,90	
2019 — Diversos				
Despesa Diferidas da Dívida Pública		1.638.302.511,30		
Entidades Autárquicas e Oficiais — c/ Ativo				
Conforme anexo n. 10		48.455.098.153,70	50.093.407.665,00	63.872.841.725,00
SOMA				85.670.985.645,70
202 — SALDO ECONOMICO				
2020 — Passivo Descoberto				10.962.134.354,00
SOMA				96.633.119.997,70
203 — ATIVO COMPENSADO				
2030 — Valores em Poder de Terceiros				
Devedores por Títulos em Caução		220.045.000,00		
Devedores por Títulos em Custódia		248.632.174,40		
Devedores por Títulos em Cobrança		230.428.960,80	799.106.168,20	
2031 — Caixa de Valores de Terceiros				
Caixa de Depósitos		147.300.676,70		
Caixa de Cauções		162.689.400,00		
Caixa de Fianças		465.262.700,00		
Caixa de Obrigações de Guerra		1.576.500,00		
Caixa de Estampilhas de Estatística		1.227.802,60		
Caixa de Apólices do IV Centenário, Colocadas e Representadas por Cautelas		2.436.500,00	780.493.579,30	
2032 — Caixa de Valores Nominais Emitidos				
Caixa de Títulos		313.807.400,00		
Caixa de Estampilhas		2.884.183.842,30		
Cartões para Carga de Selagem Mecânica		3.761.560.000,00		
Cautela de Bônus		1.102.121.100,00	8.061.672.342,30	
2039 — Diversos				
Responsabilidades de Terceiros		411.107.103,40		
Contrapartida de Responsabilidades do Estado		49.540.841.297,50		
Contrapartidas das Garantias Prestadas pelo Estado		3.189.148.093,00		
Diversas Contas				
Conforme anexo n. 9		107.610.033.389,10		
PLANO DE AÇAO DO GOVERNO				
Conforme anexo n. 12:				
Despesa Prevista		100.000.000.000,00		
Despesa Autorizada		7.408.590.000,05		
Despesa Realizada		6.365.981.974,50	113.774.571.974,50	274.535.761.797,50	284.167.033.887,30
				279.850.153.785,00
TOTAL CR$				

21 — PASSIVO

210 — PASSIVO FINANCEIRO				
2100 — Exigível				
Restos a Pagar			20.441.273.946,00	
Restituições a Pagar			3.385.083,10	
Depósitos				
Conforme anexo n. 3			1.702.318.117,50	
Bancos e Correspondentes			189.193.681,90	
Credores Diversos				
Conforme anexo n. 1			2.836.472.657,00	
Diversas Contas				
Conforme anexo n. 2			1.960.853.966,50	27.135.274.551,90
211 — PASSIVO PERMANENTE				
2110 — Dívida não Consolidada				
Bônus Rotativos		3.163.043.000,00		
Promissórias do Tesouro		153.126.487,90		
Letras do Tesouro		162.750.000,00	3.478.919.487,90	
2111 — Dívida Consolidada				
Dívida Externa Fundada				
Conforme anexo n. 7		7.930.330,90		
Dívida Interna Fundada				
Conforme anexo n. 8		16.575.522.798,50	16.583.453.129,40	
2112 — Credores por Bens Cedidos em Comodato			9.209.820,90	
2119 — Diversos				
Fundo Especial de Amortização da Dívida Pública		1.104.745,90		
Entidades Autárquicas e Oficiais — c/ Passivo				
Conforme anexo n. 11		30.055.712.513,80		
Patrimônio Líquido das Entidades Autárquicas		9.399.385.838,90	48.455.098.152,70	48.456.202.898,60	89.527.845.345,90
SOMA				95.663.119.997,70
213 — PASSIVO COMPENSADO				
2130 — Contrapartidas de Valores em Poder de Terceiros				
Caução de Títulos		220.045.000,00		
Custódia de Títulos		248.632.174,40		
Cobrança de Títulos		230.428.960,80	799.106.168,20	
2131 — Contrapartidas de Valores de Terceiros				
Depósitos		147.300.676,70		
Cauções		162.689.400,00		
Fianças		465.262.700,00		
Governo Federal — c/ Obrigações de Guerra		1.576.500,00		
Governo Federal — c/ Estampilhas de Estatística		1.227.802,60		
Apólices do IV Centenário, Colocadas e Representadas por Cautelas		2.436.500,00	780.493.579,30	
2136 — Contrapartidas de Valores Nominais Emitidos				
Contrapartidas das Caixas de Títulos		313.807.400,00		
Contrapartidas das Caixas de Estampilhas		2.884.183.842,30		
Emissão de Cartões para Carga de Selagem Mecânica		3.761.560.000,00		
Portadores de Cautelas de Bônus		1.102.121.100,00	8.061.672.342,30	
2139 — Diversos				
Contrapartidas das Responsabilidades de Terceiros		411.107.103,40		
Responsabilidades do Estado		49.540.841.297,50		
Garantias Prestadas pelo Estado		3.189.148.093,00		
Diversas Contas				
Conforme anexo n. 9		107.610.033.389,10		
PLANO DE AÇAO DO GOVERNO				
Conforme anexo n. 12:				
Previsão da Despesa		100.000.000.000,00		
Autorização da Despesa		7.408.590.000,00		
Realização de Despesa		6.365.981.974,50	113.774.571.974,50	274.535.761.797,50	284.167.033.887,30
				279.850.153.785,00
TOTAL CR$				

CONTADORIA GERAL DO ESTADO
EM 31 DE MARÇO DE 1960

DIVISÃO DE CONTABILIDADE PATRIMONIAL
Martin Blanco
Diretor de Divisão, Substituto
Contador C.R.C. — Sp. 9909

VISTO!
Henrique Dante d'Auria
Contador Geral do Estado
Contador C.R.C. — Sp. — n. 11.575

ESTADO DE SÃO PAULO

CONTADORIA GERAL DO ESTADO

Contas do Exercício Financeiro de 1959

DEMONSTRAÇÃO DA CONTA PATRIMONIAL

2030 — PATRIMONIO

20200 — VARIAÇÕES PASSIVAS			20201 — VARIAÇÕES ATIVAS		
202000 — DESPESA ORÇAMENTARIA			202010 — RECEITA ORÇAMENTARIA		
Ordinária			Ordinária		
Por Serviços			Por Incidências		
Administração Geral	2.465.461.503,36		Sem Classificação	10.431.978.474,80	
Enação e Fiscalização Financeira	2.035.652.814,40		Sôbre a Propriedade	3.710.383.193,80	
Serviços de Segurança Pública e Assistência Social	5.405.719.729,00		Sôbre a Circulação de Riquezas	50.880.896.203,10	
Serviços de Educação Pública	9.770.138.269,80		Resultante da Atividade do Estado	363.262.107,00	
Serviços de Saúde Pública	5.840.658.815,50		Várias Incidências	1.866.632.459,10	67.052.868.427,80
Fomento	5.894.658.510,45		Extraordinária		
Serviços Industriais	8.049.663.301,30		Por Incidência		
Serviços da Dívida Pública	4.866.114.908,90		Sem Classificação		1.312.582.508,30
Serviços de Utilidade Pública	8.460.300.863,05				
Encargos Diversos	13.099.066.351,60	66.311.031.802,90			
Créditos Especiais e Extraordinários					
Por Serviços					
Administração Geral	7.680.385,70				
Enação e Fiscalização Financeira	13.300.000,00				
Serviços de Segurança Pública e Assistência Social	5.389.799,70				
Serviços de Educação Pública	184.800.000,00				
Serviços de Saúde Pública	145.020.000,00				
Fomento	1.305.500.500,00				
Serviços Industriais	307.641.948,50				
Serviços de Utilidade Pública	142.000.000,00				
Encargos Diversos	719.843.344,10	2.121.865.278,40			68.433.941.946,10
202001 — MUTAÇÕES PATRIMONIAIS			202011 — MUTAÇÕES PATRIMONIAIS		
Cobrança da Dívida Ativa		74.857.656,00	Construção e Aquisição de Imóveis		802.594.466,70
Alienação de Imóveis		196.783.588,00	Aquisição de Móveis		2.616.722.397,20
Alienação de Móveis		1.754.484.839,20	Aquisição de Títulos		373.878.445,60
Recebimento de Créditos (Por Títulos Orçamentários)		468.218.033,20	Amortização da Dívida (Por Verbas Orçamentárias)		905.484.656,60
Diversos (Depreciações, Superveniências Passivas, Insubsistências Ativas, Efeitos do Exercício Financeiro e Constituição de Dívidas)		393.294.650,10	Diversos (Valorizações, Superveniências Ativas, Insubsistências Passivas, Efeitos do Exercício Financeiro, Extinção de Dívidas e Exercício Industrial)		1.047.782.324,60
		2.732.738.166,56			5.747.262.144,70
RESULTADO ECONOMICO DO EXERCICIO "Superavit" verificado		3.087.966.753,00			
TOTAL Cr$		74.153.604.690,80	TOTAL Cr$		74.153.604.690,80

DEMONSTRAÇÃO DO SALDO DESTA CONTA

Saldo Devedor no Exercício de 1958	13.150.169.007,00
"Superavit" no Exercício de 1959	3.087.966.753,00
Passivo descoberto que passa para o exercício de 1960	10.062.134.254,00

DIVISÃO DE CONTABILIDADE PATRIMONIAL
Martin Blanco
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CONTADORIA GERAL DO ESTADO
EM 31 DE MARÇO DE 1960

VISTO:
Henrique Dande d'Amria
Contador Geral do Estado
Contador C.R.C. — S.p. — 11.578

ESTADO DE SÃO PAULO

CONTADORIA GERAL DO ESTADO

Contas do Exercício Financeiro de 1959

DEMONSTRAÇÃO DAS CONTAS QUE CONSTITUEM O TITULO "DEVEDORES E CREDORES DIVERSOS" — (x) NO BALANÇO PATRIMONIAL DO EXERCICIO DE 1959

ANEXO N. 1

TITULOS	DEVEDORES		CREDORES		SALDOS	
	Parcial	Total	Parcial	Total	Devedores	Credores
GOVERNO FEDERAL		207.289.813,39		946.039.815,60		248.750.005,20
Prefeituras Municipais						
Município da Capital	119.782.474,40		889.789.806,50			
Outras Prefeituras	10.963.410,50	130.725.884,90	72.562.971,20	962.352.467,70		831.627.382,80
Entidades Autárquicas						
Caixa Econômica do Estado de São Paulo	1.043.603,80		355.372.851,00			
Caixa Beneficente da Guarda Civil			450.000,00			
Departamento de Águas e Energia Elétrica			231.187.882,80			
Departamento de Águas e Esgotos	87.473,80		4.791.769,50			
Departamento de Estradas de Rodagem			409.945,00	892.273.368,30		
Instituto de Previdência do Estado	502.223.630,80					89.518.483,90
Diversos		507.354.914,40		317.807.665,40	13.141.517,00	
		550.948.523,40				
SOMA Cr$		1.582.309.339,00		2.656.472.657,00	13.141.517,00	1.369.304.836,90

CONTADORIA GERAL DO ESTADO
EM 31 DE MARÇO DE 1960

(x) A demonstração dos elementos analíticos destas contas se encontram no anexo n. 4.

SECÇÃO DE CENTRALIZAÇÃO PATRIMONIAL
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DIVISÃO DE CONTABILIDADE PATRIMONIAL
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Diretor de Divisão, Substituto
Contador C.R.C. — Sp. 9860

ESTADO DE SÃO PAULO

CONTADORIA GERAL DO ESTADO

Contas do Exercício Financeiro de 1959

DEMONSTRAÇÃO DAS CONTAS QUE CONSTITUEM O TITULO "DIVERSAS CONTAS" — (X) NO BALANÇO PATRIMONIAL DO EXERCICIO DE 1959

ANEXO N. 2

TITULOS	DEVEDORAS		CREDORAS		SALDOS	
	Parcial Cr$	Total Cr$	Parcial Cr$	Total Cr$	Devedoras Cr$	Credoras Cr$
REPARTIÇÕES						
Govêrno do Estado	1.136.236,10					
Secretaria do Govêrno	4.181.295,50					
Secretaria do Trabalho	111.696,10					
Secretaria da Justiça	6.905.123,00		40.221.524,80			
Secretaria da Segurança	19.069.836,30					
Secretaria da Educação	18.972.586,30		2.332.819,40			
Secretaria da Saúde	29.506.009,80		114.412.483,40			
Secretaria da Agricultura	41.030.678,80		934.617.723,00			
Secretaria da Viação	2.361.990.218,70		853.097.130,00	1.979.681.781,20	1.748.178.712,00	
Secretaria da Fazenda	1.233.368.271,10	3.727.890.408,20				6.609.823,00
PODER JUDICIÁRIO		6.609.823,00				78.669.561,80
DIVERSAS		79.049.447,40		970.885,80		
SOMA Cr$		3.814.101.769,20		1.980.652.666,80	1.833.449.103,40	

(X) A demonstração dos elementos analíticos destas contas se encontram no Anexo n. 5

CONTADORIA GERAL DO ESTADO
Em 31 de Março de 1960

SECÇÃO DE CENTRALIZAÇÃO PATRIMONIAL

Mauricio Barrak
Chefe de Secção, Substituto
Contador C.R.C. — Sp — 1165

DIVISÃO DE CONTABILIDADE PATRIMONIAL

Martin Blanco
Diretor de Divisão, Substituto
Contador C.R.C. — Sp. 9860

ESTADO DE SÃO PAULO

CONTADORIA GERAL DO ESTADO

Contas do Exercício Financeiro de 1959

DEMONSTRAÇÃO DAS CONTAS QUE CONSTITUEM O TITULO "DEPOSITOS" NO BALANÇO PATRIMONIAL DO EXERCICIO DE 1959

ANEXO N. 3

Bens de Ausentes	1.716.583,20
Cofre de Orfãos	1.382.748,80
Prefeituras Municipais — c/ Especial de Depósitos	975.394,60
Caixa Beneficente da Guarda Civil — c/ Vinculada	2.470.828,15
Caixa Econômica do Estado de São Paulo	50.040.394,40
Caixa Beneficente da Fôrça Pública	3.915,75
Caixa Estadual de Casas para o Povo (C.E.C.A.P.) — c/ Lei n. 1478-51	787.662.737,60
Instituto de Aposentadoria e Pensões dos Comerciários	177.548,70
Instituto de Aposentadoria e Pensões dos Industriários	1.472.714,00
Instituto de Aposentadoria e Pensões dos Empregados em Transportes e Cargas	12.063,50
Instituto de Aposentadoria e Pensões dos Bancários	295.406.964,70
Instituto de Previdência do Estado de São Paulo	887,40
Instituto Nacional do Mate	31.358,20
Fundação da Casa Popular — c/ Prestadores de Mutuários	83.123,50
Legião Brasileira de Assistência	5.071,70
Contribuições Pró Campanha para a Aviação Civil	108.829.364,30
Consignações Diversas	430.810.353,80
Depósitos de Diversas Origens	6.339.259,80
Associação dos Funcionários Públicos	162.152.113,80
Fundação da Casa Popular — c/ Decreto n. 17.235, de 21-5-47	1.934.000,50
Associação Paulista de Medicina — c/ Taxa de Assistência aos Médicos	
TOTAL Cr$	1.702.312.317,50

CONTADORIA GERAL DO ESTADO
Em 31 de março de 1960

SEÇÃO DE CENTRALIZAÇÃO PATRIMONIAL

Mauricio Barrak
Chefe de Secção, Substituto
Contador C.R.C. — Sp. 1.165

DIVISÃO DE CONTABILIDADE PATRIMONIAL

Martin Blanco
Diretor de Divisão, Substituto
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ESTADO DE SÃO PAULO

CONTADORIA GERAL DO ESTADO

Contas do Exercício Financeiro de 1959

DEMONSTRAÇÃO DAS CONTAS QUE CONSTITUEM O TÍTULO "DEVEDORES E CREDORES" NO BALANÇO PATRIMONIAL DO EXERCÍCIO DE 1959

ANEXO N 4

TÍTULOS	DEVEDORES		CREDORES		SALDOS	
	Parcial	Total	Parcial	Total	Devedor	Credor
GOVERNO FEDERAL						
c/Repartições Federais — Fornecimentos do D.A.E.	1.917.993,50					
c/Auxílio para a execução da Lei de Caça e Pesca	3.273.000,00					
c/Estrada de Ferro Central do Brasil — Transportes	135.222,80					
c/Estrada de Ferro Central do Brasil — Impostos e Taxas	108.436,30					
c/Adiantamento à Diretoria do Ensino — Processo n. G-34.077-49	5.000.000,00					
c/Autarquias Federais — Fornecimentos do D.A.E.	4.732.053,00					
c/Remessas para Operações da Dívida Fundada em £, em US$ e em Cr$	173.459.475,10					
c/Fundos Recolhidos dos Cupons Atrasados (Anteriores ao Decreto Federal n. 6.026-43), em US$, que aguardam apresentação	96.636,20					
c/Fundos Recolhidos dos Cupons do Plano "A" em US$ que aguardam apresentação	1.314.865,90					
c/Departamento dos Correios e Telégrafos — (Proc. n. 3.079-56)	12.921,40					
c/Geral			17.665,00			
c/Descontos para obrigações de Guerra			175.026,60			
c/Recebedoria Federal em São Paulo — Arrecadação do Impôsto de Renda			9.304.455,70			
c/Impôsto de 1,40% das Vendas e Consignações (Proc. n. R-646-47)			1.121.622,70			
Quota-parte do Impôsto s/Transações			615.497.391,10			
c/Adiantamento p/ as Obrigações da Dívida Externa, em US$			317.273.510,10			
c/Venda de Bens Imóveis			960.000,00			
c/Estrada de Ferro Central do Brasil — Transportes			1.364.633,60			
C.A.P. dos Serviços Públicos em São Paulo — c/Quota de Previdência Condicionada à Liquidação de Contas do D.A.E., pelo Govêrno Federal			197.527,60			
C.A.P. dos Serviços Públicos em São Paulo — c/Quota de Previdência Condicionada à Liquidação de Contas do D.A.E., pela Prefeitura Municipal da Capital			227.389,50			
C.A.P. dos Serviços Públicos em São Paulo — c/Quota de Previdência Condicionada à Liquidação de Contas do D.A.E., pela Prefeitura Municipal de Santo André			423,70			
c/Encontro de Contas com o Estado	407.233.306,90	597.260.813,30		946.039.815,60		348.759.002,30
PREFEITURAS MUNICIPAIS						
Município da Capital						
n/Conta	28.210.384,70					
e/Conta			2.569.863,20			
c/Serviços — n/Conta	9.110.250,30					
c/Contribuição para Manutenção do Corpo de Bombeiros	35.000.000,00					
c/Arrecadação de Impostos — n/Conta	31.790.600,60					
c/Arrecadação de Impostos — a/Conta	3.978.630,99					
c/Serviços — a/Conta			3.869.729,10			
c/Aquisição de Móveis			3.751,00			
c/Impostos e Taxas — a/Conta			428.404,90			
c/Promissórias			6.735.980,80			
c/Quotas de Impôsto sôbre Transações			582.135.871,30			
c/Participações em Prêmios de Apólices do IV Centenário não colocadas			12.319.350,00			
c/Quotas Apuradas — Artigo 67 da Constituição Estadual			281.839.530,90			
c/Impostos e Taxas — n/Conta			27.365,10	869.789.896,50		770.027.422,10
c/Contribuição nas Despesas do Empréstimo do IV Centenário	12.012.868,80	119.702.474,40				
Outras Prefeituras						
Empréstimos do Estado — c/Movimento de Fundos	1.634 865,00					
Santos — c/Contribuição para Manutenção do Corpo de Bombeiros	1.560.000,00					
Santos — c/Construção de Túneis — Monte Serrat — (Proc. G-6.578-53)			3.986.772,80			
Mogi Mirim — c/Empréstimo	1.076.936,80					
Casa Branca — c/Pagamento Antecipado da Taxa de Calçamento	359.242,30					
Santo André — c/Serviços do D.A.E.	12.362,90					
Jundiaí — c/Contribuições para a Manutenção do Corpo de Bombeiros	1.360.000,00					
Araraquara — c/Contribuição para Manutenção do Corpo de Bombeiros	2h4.000,00					
Guarujá — Impostos sôbre Cassinos — 20%			26.260 00	4 023.052,80		
Santo André — c/Contribuição para Manutenção do Corpo de Bombeiros	2.500.000,00					
Bauru — c/Contribuição para Manutenção do Corpo de Bombeiros	1.200.000,00					
São Carlos — c/Contribuição para Manutenção do Corpo de Bombeiros	220.000,00					
São José do Rio Prêto — c/Contribuição para Manutenção do Corpo de Bombeiros	860.000,00	10.036 346 00			6.902.293,20	
DIVERSAS						
c/Despachos Aduaneiros		56.264,50				
c/Impostos sôbre Mineração			32.472,50			
c/Dívida Executiva			10.520.465,50			
c/Decreto n. 13.384, de 20-3-1943, art. 6.0			162,50			
c/Decreto n. 15.067, de 10-10-1945, artigos 5.0 e 7.0			144.006,00			
c/Impostos			7.132.535,80			
c/Quota do Impôsto sôbre Transações			44.709.873,10	68.539.518,40		68.503.253,90
ENTIDADES AUTÁRQUICAS						
Caixa Econômica do Estado de São Paulo						
c/Caixa Econômica do Estado de São Paulo						

TITULOS	DEVEDORES		CREDORES		SALDOS	
	Parcial	Total	Parcial	Total	Devedor	Credor
c/Movimento de Fundos		1.043.009,80		355.373.801,00		354.330.247,20
Instituto de Previdência do Estado de São Paulo						
c/Contribuição a Apropriar		502.223.636,80			502.223.636,80	
Departamento de Estradas de Rodagem						
c/Contribuições — Apólices Rodoviárias				409.945,00		409.945,00
Departamento de Águas e Esgotos						
c/Pagamento de Aluguéis e Prêmios de Seguro		87.673,80				
c/Taxas de Águas e Esgotos Arrecadadas pela Secretaria da Fazenda			2.589.806,50			
c/Fornecimentos de Serviços			1.201.962,90	4.791.769,50		4.704.095,70
Departamento de Águas e Energia Elétrica						
Arrecadação do Adicional 3,75% — Lei n. 3.239-59				231.187.802,80		231.187.802,80
Caixa Beneficente da Guarda Civil						
c/Contribuições do Estado				459.000,00		459.000,00
DIVERSOS						
Custas Adiantadas pela Fazenda em Executivos Fiscais — c/Arrladores			962.322,80			
Resgate de Títulos da Dívida Externa — c/Depósitos Vinculados	2.980.511,50					
Comissão do IV Centenário — c/Adiantamentos Produto da Colocação de Apólices	345.038.205,00					
Comissão do IV Centenário da Cidade de São Paulo — c/Produto Colocação de Apólices	2.384.973,30					
Responsabilidade por Pagamentos de "Restos a Pagar" — Prescritos	106.922,60	350.948.522,40				
Credores por Depósitos Públicos			568.058,70			
Ações da Cia. Mogiana de Estradas de Ferro — c/Aquisição a Realizar			14.175.000,00			
Monte Socorro de Campinas — c/Liquidação			316.613,70			
Caixa e Tesouraria — c/Saldos a Favor			3.337,80			
Rodolfo Tabira — c/Cobertura da Responsabilidade Imposta a Renato Corvello — Processo n. G-1.352-54			6.164.268,90			
Cia. Siderúrgica Paulista — c/Credores de Integralização de Ações Subscritas pelo Estado			134.999.977,75			
Custas Adiantadas pela Fazenda em Executivos Fiscais — c/Oficiais de Justiça			2.782.529,60			
Santa Casa de Misericórdia de São Paulo — c/Quota parte na Arrecadação das Majorações de Impostos — Lei n. 1.470-51			6.966.430,70			
Correspondentes a Pagar c/Subscrição de Bônus para Liquidação da Dívida Flutuante			389.940,90			
Vencimentos, salários, proventos e vantagens não reclamados — Capital			28.554.040,30			
Vencimentos, salários, proventos e vantagens não reclamados — Interior			11.157.180,60			
Entidades Assistenciais, Culturais, Beneficentes e outros c/Auxílio			541.000,00			
Fundo de Assistência ao Menor (FAM) s/ Quota-parte na arrecadação de Impostos — Lei n. 1.470-51			13.743.040,80			
Credores por Prestações de Imóveis Alienados			3.928.826,90			
Credores por Empréstimos de Bens e Valores			110.234.453,60			
Credores Diversos de Repartições			2.194.984,40	337.807.005,40	19.141.517,00	
SOMA		1.582.309.335,00		2.858.472.657,60	502.208.447,00	1.778.431.769,00

CONTADORIA GERAL DO ESTADO
Em 31 de Março de 1960

SECÇÃO DE CENTRALIZAÇÃO PATRIMONIAL
Mauricio Barrak
Chefe de Secção, Substituto
Contador C.R.C. — Sp. 1.165

DIVISÃO DE CONTABILIDADE PATRIMONIAL
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ESTADO DE SÃO PAULO

CONTADORIA GERAL DO ESTADO

Contas do Exercício Financeiro de 1959

DEMONSTRAÇÃO DAS CONTAS QUE CONSTITUEM O TITULO "DIVERSAS CONTAS" NO BALANÇO PATRIMONIAL DO EXERCICIO DE 1959

ANEXO N. 5

TITULOS	DEVEDORAS		CREDORAS		SALDO	
	Parcial	Total	Parcial	Total	Devedor	Credor
REPARTIÇÕES						
Govêrno do Estado						
Excesso de Despesa Realizada sôbre a Prevista no Exercício de 1959, a apurar	1.072.117,80					
Despesa paga do Exercício de 1958, a Reclassificar	64.118,30	1.136.236,10			1.136.236,10	
Secretaria do Govêrno						
Excesso de Despesa Realizada sôbre a Prevista no Exercício de 1959, a apurar		4.181.296,50			4.181.296,50	
Secretaria do Trabalho						
Responsabilidade por Excesso de Despesa Realizada sôbre a Prevista no Exercício de 1958		111.696,10			111.696,10	
Secretaria da Justiça						
Apólices da Moglana	700.000,00					
Excesso de Realizações em Dotações Autorizadas em 1959 — (Proc. G-8403-56)	2.485.264,80					
Movimento de Fundos	3.577.813,30					
Despesa de Juros e Custas Acrescida sôbre Desapropriação de Imóvel — (Proc. G-27213-53), a Classificar	69.584,90					
Despesas Sujeitas a Registros "a posteriori" — Saldo anterior a 1958	300,00					
C/ Alugueis em atraso, Honorários Advocatícios e Custas em Processo de Ação de Despejo, a Classificar	67.251,60					
Despesa paga no Exercício de 1958 a Reclassificar	5.350,00	6.895.123,60			6.895.122,60	
Secretaria da Segurança						
Excesso de Realizações em Dotações Autorizadas em 1956 — (Proc G-8712-57)	8 225.167,60					
Excesso de Despesa sôbre a Prevista no Exercício de 1959, a apurar	381.696,40					
Excesso de Despesa Realizada sôbre a Prevista no Exercício de 1958 (Proc. G-8402-56)	7.060.838,80			40.221.624,80		
Movimento de Fundos						
Despesa com Imissão de Posse de Imóvel — (Proc. n. G-14738-54) a Classificar	3.179.860,00					
Despesa com Policiamento Preventivo dos Festejos Carnavalescos a Classificar	120.000,00					
Despesa paga no Exercício de 1958, a Reclassificar	113.414,10					
Despesa paga no Exercício de 1958, a Reclassificar	386.979,60	19.069.886,50				20.551.738,30
Secretaria da Educação						
Excesso de Realizações em Dotações Autorizadas em 1956 — (Proc. G-8711-57)	1.784.153,10					
Excesso de Despesa Realizada sôbre a Prevista no Exercício de 1959, a apurar	14.888.078,20					
Excesso de Realizações em Dotações Autorizadas em 1953 — (Proc. G-8404-56)	2.063.635,90					
C/ Alugueis em Atraso, Honorários Advocatícios e Custas em Processo de Ação de Despejo, a Classificar	36.713,70	18.872.580,90			18 872.580,90	
Secretaria da Saúde						
Excesso de Despesa Realizada sôbre a Empenhada no Exercício de 1958 — (Proc. G-8306-59)	6 984.168,10					
Fundo de Puericultura — c/ Responsabilidade por Pagamento de Despesa sem Dotação Orçamentária Correspondente no Exercício de 1958	30.570,30					
Fundo de Pesquisa do Instituto Adolfo Lutz — c/ Receita não Aplicada no Exercício			2.807.285,30			
Fundo de Pesquisa do Instituto de Cardiologia — c/ Receita não Aplicada no Exercício			805.174,70			
Fundo de Puericultura — c/ Receita não Aplicada no Exercício			34.574,30			
Fundo de Pesquisa do Instituto Butantã — c/ Receita não Aplicada no Exercício			3 363.710,90			
Fundo de Pesquisa do Instituto Pasteur — c/ Receita não Aplicada no Exercício			1.980.629,20			
Fundo de Pesquisa Clemente Ferreira — c/ Receita não Aplicada no Exercício			60.000,00			
Fundo de Pesquisa do Instituto Butantã - c/ Movimento Extraorçamentário			181.436,00			
Despesa Decorrente da Elevação de Vencimento e Salários de 1953 — (Leis ns. 1855-52 e 1309-51), a Classificar	673.602,50					
Despesas Sujeitas a Registro "a posteriori"	11.082.560,00					
Despesa paga do Exercício de 1958 a Reclassificar	561 902,40					
Despesa paga do Exercício de 1958 a Reclassificar	1.473.206,50	10.506.309,90		7.332.819,40	13.173.190,40	
Secretaria da Agricultura						
Operações de Compra e Venda de Feijão — (Proc. G-7306-53)	3.530.664,00					
Excesso de Despesa Realizada sôbre a Prevista no Exercício de 1959, a apurar	428.668,90					

TITULOS	DEVEDORAS		CREDORAS		SALDOS	
	Parcial	Total	Parcial	Total	Devedor	Credor
Excesso de Despesa Realizada sôbre a Empenhada no Exercício de 1956 ..	406,50					
Excesso de Despesa Realizada sôbre a Empenhada no Exercício de 1954 ..	10.910,80					
Excesso de Despesa Realizada sôbre a Empenhada no Exercício de 1956 — (Proc. D. R. F-7 n. 626-56)	2.400,80					
Excesso de Despesa Paga sôbre a Requisitada no Exercício de 1958	5.150.400,90					
Credores por Fornecimentos de Sementes			11.384.633,50			
Carteira de Seguro Contra o Granizo ..	21.008.898,40					
Fundo Sericícula — c/ Adiantamento ..	35.857,00					
Fundo do Ensino Profissional — c/ Adiantamento	43.600,00					
Fundo de Pesquisa do Instituto Agronômico — c/ Receita não Aplicada no Exercício			9.838.601,00			
Fundo de Mecanização e Conservação do sôlo — c/ Receita não Aplicada no Exercício			2.184.406,40			
Fundo da Produção Vegetal — c/ Receita não Aplicada no Exercício ..			37.171.738,50			
Fundo de Pesquisa de D. D. S. A. — Instituto Biológico — c/ Receita não Aplicada no Exercício			2.141,70			
Fundo de Pesquisa e Fomento Zootécnico — c/ Receita não Aplicada no Exercício			7.115.001,60			
Fundo de Pesquisa do Serviço Florestal — c/ Receita não Aplicada no Exercício			2.438.913,30			
Fundo de Ensino Agrícola — c/ Receita não Aplicada no Exercício			3.324.313,60			
Fundo Geográfico e Geológico — c/ Receita não Aplicada no Exercício ..			463.673,90			
Fundo Sericícula — c/ Receita não Aplicada no Exercício			329.776,00			
Fundo da Soja — c/ Receita não Aplicada no Exercício			2.449.686,30			
Fundo do Ensino Profissional — c/ Receita não Aplicada no Exercício			3.913.316,50			
Fundo de Fomento à Cultura da Seringueira do Estado de São Paulo — c/ Receita não Aplicada no Exercício			179.068,80			
Fundo de Imigração e Colonização — c/ Receita não Aplicada no Exercício .			23.141,40			
Fundo de Pesquisa do Instituto de Botânica — c/ Receita não Aplicada no Exercício			93.998,40			
Fundo de Fomento de Propaganda do Cooperativismo — c/ Receita não Aplicada no Exercício			138.223,90			
Fundo de Fomento do Trigo — c/ Receita não Aplicada no Exercício			16.509.697,20			
Fundo de Pesquisa do Departamento de Zoologia — c/ Receita não Aplicada no Exercício			33.383,80			
Fundo de Pesquisa do Instituto Agronômico de Campinas — c/ Movimento Extraorçamentário			1.249.015,60			
Fundo de Mecanização e Conservação do Sôlo — c/ Movimento Extraorçamentário			8.206.794,50			
Fundo da Produção Vegetal — c/ Movimento Extraorçamentário			9.469.040,60			
Fundo de Pesquisa do Departamento de Defesa Sanitária da Agricultura — (Instituto Biológico) — c/ Movimento Extraorçamentário			441.780,70			
Fundo Florestal — c/ Movimento Extraorçamentário			353.583,30			
Fundo do Ensino Agrícola — c/ Movimento Extraorçamentário	281.375,40					
Fundo para Inventos e Pesquisas — c/ Movimento Extraorçamentário			230.230,50			
Fundo do Ensino Profissional — c/ Movimento Extraorçamentário			26.583,60			
Fundo de Fomento à Cultura da Seringueira do Estado de São Paulo — c/ Movimento Extraorçamentário			7.859,80			
Fundo de Fomento e Propaganda do Cooperativismo — c/ Movimento Extraorçamentário			5.099,70			
Fundo de Pesquisa do Departamento de Zoologia — c/ Movimento Extraorçamentário	6.684,60					
Secretaria da Agricultura						
c/ Movimento de Fundos	10.132.940,30					
Contribuição ao Seminário Latino-Americano sôbre Problema da Terra a Classificar	200.000,00					
Despesa Complementar Decorrente da Desapropriação de Imóvel — Processo n. G-9115-54, a Classificar ..	104.580,00					
Comissões e Despesas Bancárias da C.F.A.P., a Classificar	96.843,80					
Despesa Sujeitas a Registro "a posteriori"	6.250,00	41.020 070,90		114.612.483,40		73.302.694,50
Secretaria da Viação						
Movimento de Fundos				632.325,10		632.325,10
ESTRADAS DE FERRO						
Sorocabana						
c/ Especial de Regularização — Lei n. 1522-51 — Decreto n. 21065-51		1.821.929.167,20				
Juros de Apólices Ferroviárias			415.501,60			
Fundos de Melhoramentos			77.916.265,50			
Fundo de Renovação			580.937.532,40			
c/ Especial de Acôrto — Lei n. 1522-51 — Decreto n. 21065-51			23.818.660,80			
Saldo do Crédito Concedido para Regularização de Despesa — Lei n. 1522-51			149.140.115,80			
Despesas de 1954, a Liquidar			2.705.908,90			
Descontos a si Favor de Cotas dos Municípios (Artigo 67 — Constituição Estadual)			879.386,80	835.093.371,80	986.235.705,40	
Araraquara						
c/ Especial de Regularização — Lei n. 1522-51 — Decreto n. 21065-51	536.353.201,80					
Fundo de Renovação						
Fundo de Melhoramento		56.056 787,00	33.029.893,80			
c/ Especial de Acôrto — Lei n. 1522-51 — Decreto n. 21065-51	33.404.857,70	569.758.159,50	33.029.893,80		493.606.371,90	

CÓDIGO Local	CÓDIGO Geral	DISCRIMINAÇÃO		100 RECEITA PREVISTA	101 RECEITA REALIZADA	102 — DIFERENÇAS 1020 Para mais	1021 Para menos
		Bragantina					
		Excesso de Despesa Realizada sôbre a Fixada para 1964	311 002,00				
		Fundo de Melhoramentos		7.412.582,60			
		Fundo de Renovação		7.105.382,40			
		Despesa de 1964, a Liquidar		264.841,50	24.662.808,70		24.550.814,70
		Campos do Jordão					
		Fundo de Melhoramentos		1.426.417,20			
		Fundo de Renovação		297.633,30	1.124.551,20		1.724.551,30
		São Paulo-Minas					
		Fundo de Melhoramentos		7.868.710,50			
		Fundo de Renovação		7.776.171,10	15.644.881,60		38.644.881,60
		Secretaria da Fazenda					
		Instituto de Café do Estado de São Paulo					
		c/ Encontro de Contas c/ o Govêrno Federal	10.000.000,00				
		c/ Em Suspenso	289.552,70				
		c/ Contribuição de 1959, a Recolher	38.538.073,90				
		Instituto do Café do Estado de São Paulo — c/ Conta		6.510,10			
		c/ Geral		49.018,50			
		Excesso de Contribuições Recolhidas Referente a 1951, a apurar		90.084,90			
		c/ Juros das Apólices — 1957 — Processo 3022-59	23.827 826,60	10.777.186,90	10.829.800,90	13.996.116,60	
		Exatorias					
		Saldos a Favor		240.140,50			
		c/ Renda a Classificar		813.614.063,80			
		c/ Adicional de 10%, a Classificar		13.864.140,50			
		Movimento de Fundos	506.229,00				
		Impostos e Taxas	939.321,80				
		Bônus Rotativos Recolhidos	21.949.500,00	23.033.051,00			
		Renda de outros Municípios		9.892.429,30			
		Rendas Recolhidas na Capital		6.466.381,70			
		Dívida Executiva					669.126.977,50
		Porcentagem de Caixas Econômicas	22.517,90	6.336.729,40	671.946.546,10		
		Adicional de 10%	22.827 668,60			5.470.397,70	
		Comissão Central de Compras					
		c/ Suprimentos	5.470.397,70			1.070.000,00	
		Diretoria da Dívida Pública					
		Movimento de Fundos	1.070.000,00				
		Seção Aduaneira do Estado					
		Despachos em Andamento	1.938.979,20		3.868.669,70		2.326.987,50
		Movimento de Fundos					
		Departamento de Serviços do Interior					
		Responsabilidade por Pagamento de Despesa e Empenho	84.923,30				
		DD.RR.F. — Saldos a Ajustar	4.876.115,70				
		DD.RR.F. — c/ Serviço de Fundos da Fôrça Pública — c/ Movimentos de Fundos	350.946,10	1.316 880,80			
		DD.RR.F. — c/ Impostos e Taxas		864,70	3.330.834,50	2.778.840,60	
		DD.RR.F. — Transferências de Depósitos	8.909.305,10				
		Recebedorias da Capital					
		Impostos e Taxas	4.300,00		20.926.697,50		38.923.946,50
		Movimento de Fundos					
		Pagadorias da Capital			35.761,00		35.761,00
		c/ Movimento de Fundos					
		Diversos					
		Repartições do Estado — c/ Despachos Aduaneiros	89-611.200,60				
		Autonomias Administrativas — c/ Despachos Aduaneiros	21.656.645,60				
		Banco do Estado de São Paulo — Agência Rio de Janeiro — c/ Resgate de Bônus Rotativos	3.740.600,00				
		Excesso de Despesa Realizada sôbre a Prevista no Exercício de 1959 a apurar	354.180,60				
		Excesso de Despesa Realizada sôbre a Prevista no Exercício de 1955 — (Processo n. G-8401-56)	303.800.602,10				
		Excesso de Despesa Realizada sôbre a Empenhada no Exercício de 1955 — (Processo n. G-8267-59)	1.438.840,70				
		Excesso de Despesa Realizada sôbre a Prevista no Exercício de 1956	3.044.861,30				
		Dívida Externa Fundada — c/ Serviço		2.225.150,10			
		Operações da Dívida Externa Fundada — c/ a Regularizar		51.745.711,20			
		Serviços da Dívida Externa — c/ Processo n. G-32097-47		669.674,20			
		Serviço da Dívida Externa — c/ Processo n. G-14859-48		95.441,60			
		Serviço da Dívida Externa — c/ Processo n. G-14860-48		95.441,60			
		Serviço da Dívida Externa — c/ Processo n. G-30052-47		301.392,00			
		Serviço da Dívida Externa — c/ Processo n. G-33316-47		490.068,30			
		Serviço da Dívida Externa — c/ Processo n. G-8539-48		376.972,50			
		Movimento de Fundos — S.C. — 946	383.301,50				
		Repartições Requisitadas — c/ Movimento de Fundos		51.435.245,30			
		Títulos da Dívida Externa Fundada — Convertidos	111.804.666,10				
		Repartições — c/ Movimento Interno	306.527.750,30	48.721.946,80			
		Despesas em Ações de Despejo Movidas contra, a Fazenda, a Classificar	381.388,80				
		Despesas Sujeitas à Registro "a posteriori"	616.808.946,10				
		Despesa paga no Exercício de 1959, a Reclassificar	91.840,60	2.178.538 819,80	276.666.886,90	297.430.068,90	

TITULOS	DEVEDORAS		CREDORAS		SALDOS	
	Parcial	Total	Parcial	Total	Devedor	Credor
Poder Judiciário						
Tribunal de Justiça — c/ Movimento de Fundos		6.900.823,00			6.900.823,00	
Diversos						
Restos a Pagar de 1954 — Processo G-36305/59	2.249.833,50					
Desapropriações — c/ Decreto n. 11185, de 26-8-1940	3.511.809,00					
Responsabilidades Abonadas aguardando abertura de Crédito Especial	298.959,00					
Bancos e Correspondentes — c/ Movimento de Fundos			919.000,00			
Operações de Convênio			31.819,00			
Subscrição de Apólices do IV Centenário	50.240,00					
Pagamentos — c/ Desconto do Exercício de 1955, a Classificar	15.114.068,00					
Pagamentos — c/ Desconto do Exercício de 1956, a Classificar	2.858.088,50					
Pagamentos — c/ Desconto do Exercício de 1957, a Classificar	15.816.670,60					
Pagamentos — c/ Desconto do Exercício de 1958, a Classificar	6.253.593,40					
Pagamentos — c/ Desconto do Exercício de 1959, a Classificar	33.519.278,00	92.040.447,40		970.685,00	78.689.561,80	
Somas Cr$		3.814.101.769,20		1.980.653.600,80	2.630.338.500,30	796.870.397,90

CONTADORIA GERAL DO ESTADO
Em 31 de março de 1960

SECÇÃO DE CENTRALIZAÇÃO PATRIMONIAL
Mauricio Barrak
Chefe de Secção, Substituto
Contador C. R. C. — Sp. 1165

DIVISÃO DE CONTABILIDADE PATRIMONIAL
Martin Blanco
Diretor de Divisão, Substituto
Contador C. R. C. — Sp. 0960

ESTADO DE SÃO PAULO

CONTADORIA GERAL DO ESTADO

Contas do Exercício Financeiro de 1959

DEMONSTRAÇÃO DAS CONTAS QUE CONSTITUEM A "DÍVIDA FLUTUANTE DO ESTADO" DE ACÔRDO COM O BALANÇO PATRIMONIAL DO EXERCÍCIO DE 1959

ANEXO N. 6

BÔNUS DO TESOURO		2.163.043.000,00
PROMISSÓRIAS DO TESOURO		153.196.497,98
LETRAS DO TESOURO		163.750.000,00
RESTOS A PAGAR		20.441.373.946,69
RESTITUIÇÕES A PAGAR		3.365.082,19
ENTIDADES AUTÁRQUICAS E OFICIAIS		
D.A.E. — c/ Taxas de Água e Esgotos arrecadadas pela Secretaria da Fazenda	3.589.000,00	
Caixa Beneficente da Guarda Civil de São Paulo — c/ Contribuição do Estado	450.000,00	4.039.000,00
DEPÓSITOS DIVERSOS		
Fundação da Casa Popular — c/ Decreto n. 17.215, de 31-3-47	165.139.113,60	
Bens de Ausentes	1.716.562,30	
Cofre de Órfãos	1.398.748,80	
Prefeituras Municipais — c/ Especial de Depósitos	275.294,80	
Caixa Beneficente da Guarda Civil — c/ Vinculados	3.470.938,10	
Caixa Econômica do Estado de São Paulo	50.640.356,40	
Caixa Beneficente da Polícia Pública	3.215,70	
Caixa Estadual de Casas para o Povo (C.E.C.A.P.) — c/ Lei n. 1470-51	707.609.737,50	
Instituto de Aposentadoria e Pensões dos Comerciários	177.366,70	
Instituto de Aposentadoria e Pensões dos Industriários	1.470.714,00	
Instituto de Aposentadoria e Pensões dos Empregados em Transportes e Cargas	17.063,40	
Instituto de Previdência do Estado de São Paulo	206.408.984,70	
Instituto Nacional do Mate	887,40	
Fundação da Casa Popular — c/ Prestações de Mutuários	31.558,30	
Legião Brasileira de Assistência	95.122,90	
Associação Paulista de Medicina — c/ Taxa de Assistência aos Médicos	1.324.050,50	
Associação dos Funcionários Públicos	6.239.359,90	
Contribuições pró Campanha para a Aviação Civil	5.071,70	
Consignações Diversas	196.429.264,30	
Depósitos de Diversas Origens	450.813.375,80	1.702.318.119,50
TOTAL Cr$		20.329.970.440,46

CONTADORIA GERAL DO ESTADO
Em 31 de março de 1960

SECÇÃO DE CENTRALIZAÇÃO PATRIMONIAL
Mauricio Barrak
Chefe da Secção, Substituto
Contador C.R.C. — Sp. 1165

DIVISÃO DE CONTABILIDADE PATRIMONIAL
Martin Blanco
Diretor da Divisão, Substituto
Contador C.R.C. — Sp. 0960

ESTADO DE SÃO PAULO

CONTADORIA GERAL DO ESTADO

Contas do Exercício Financeiro de 1959

DIVIDA EXTERNA FUNDADA AO ENCERRAR-SE O EXERCICIO DE 1959

DECRETO-LEI FEDERAL N. 6.019 DE 22-11-1943 — (X)

SALDOS EM CIRCULAÇÃO CALCULADOS AO CAMBIO AO PAR DE ACÔRDO COM O DECRETO-LEI FEDERAL N. 2.416 — 17-7-1940

ANEXO N. 7

Empréstimos	Moedas	TAXAS DE JUROS		LIQUIDO EM CIRCULAÇÃO CONFORME BALANÇO DE 1958			AMORTIZAÇÕES EM 1959			LIQUIDO EM CIRCULAÇÃO EM 31 DE DEZEMBRO DE 1959			Moeda Nacional	
		Plano A	Plano B	Plano A	Plano B	Total Moeda Estrangeira	Plano A	Plano B	Total	Plano A	Plano B	Total Moeda Estrangeira	Ao Câmbio ao Par	Ao Câmbio Oficial
1921	Dolar	2 1/2	3 3/4	274.000,00	38.500,00	312.500,00	53.300,00	2.250,00	55.730,00	220.900,00	36.250,00	256.730,00	470.108,20	4.687.710,00
1935	Dolar	2 1/2	3 3/4	766.300,00	353.750,00	1.120.350,00	5.350,00	20.750,00	26.350,00	761.000,00	333.000,00	1.094.000,00	2.003.114,00	20.028.480,00
1926	Dolar	2 1/4	3 3/4	831.600,00	49.750,00	881.250,00	82.500,00	3.000,00	85.500,00	449.000,00	46.750,00	495.750,20	907.718,20	9.079.590,00
1926	Dolar	2	3 3/4	1.230.500,00	—,—	1.230.500,00	249.000,0	—,—	249.000,00	981.500,00	—,—	981.500,00	1.797.126,00	18.569.900,00
				2.802.500,00	442.000,00	3.244.500,00	390.500,00	26.000,00	416.500,00	2.412.000,00	416.000,00	2.828.000,00	5.178.067,20	53.365.780,00
				—,—	—,—	2.739.500,00	—,—	—,—	—,—	—,—	—,—	2.739.500,00	2.752.272,00	18.763.315,20
1921	Florins			—,—	—,—	2.739.500,00	—,—	—,—	—,—	—,—	—,—	2.739.500,00	2.752.272,00	18.763.315,20
		F —,—	—,—	—,—	—,—	2.739.500,00	—,—	—,—	—,—	—,—	—,—	—,—	7.930.339,20	73.369.075,20
Totais	Cr$													

RESUMO

US$ — ao câmbio a par de Cr$ 1.831 = ... Cr$ 5.178.067,20 e ao câmbio Oficial de Cr$ 18,82 = ... Cr$ 53.365.780,00
Fls. — ao câmbio a par de Cr$ 0,736 = ... Cr$ 2.752.272,00 e ao câmbio oficial de Cr$ 5,0176 = ... Cr$ 18.763.315,20

TOTAL = ... Cr$ 7.930.339,20 TOTAL = ... Cr$ 73.369.075,20

(X) — O Empréstimo em Florins ainda não está incluido nas disposições do Decreto-lei Federal n. 6.019 de 23 de novembro de 1943

CONTADORIA GERAL DO ESTADO

Em 31 de Março de 1960

SECÇÃO DE REGISTRO DE BENS E VALORES
Valéria Jananão
Chefe de Secção — Substituta
Contador — CRC — Sp. — n. 19.973

DIVISÃO DE CONTABILIDADE PATRIMONIAL
MARTIN BLANCO
Diretor de Divisão — Substituto
Contador — CRC — Sp. n. 2.488

ESTADO DE SÃO PAULO
CONTADORIA GERAL DO ESTADO
Contas do Exercício Financeiro de 1959

DÍVIDA INTERNA FUNDADA
1) — CIRCULAÇÃO EM 31 DE DEZEMBRO DE 1959

ANEXO N.º 8

Série	LEGISLAÇÃO: Lei	LEGISLAÇÃO: Decretos	FINALIDADES	PRAZO: Em Anos	PRAZO: Vencimento em	JUROS: Taxa %	JUROS: Epoca do Pagamento	EMISSÃO: AUTORIZADA	EMISSÃO: REALIZADA: Até 1958	EMISSÃO: REALIZADA: Em 1959	EMISSÃO: TOTAL	AMORTIZAÇÃO: Até 1958	AMORTIZAÇÃO: Em 1959	AMORTIZAÇÃO: TOTAL	SALDO EM CIRCULAÇÃO
8.ª	1197 de 29-12-1909	1893 de 23- 6-1910	Consolidação da Dívida Flutuante	50	1960	6%	Abr. e Out.	10.000.000,00	10.000.000,00	—.—	10.000.000,00	3.468.500,00	6.531.500,00	10.000.000,00	—.—
9.ª	1314 de 24-10-1910	1957 de 28-11-1910	Aquisição de prédios escolares na Capital e Interior (1)	50	1970	6%	Abr. e Out.	10.500.000,00	10.500.000,00	—.—	10.500.000,00	4.071.000,00	6.429.000,00	10.500.000,00	—.—
11.ª	1590-A de 27-12-1917	3013 de 7- 3-1918	Liquidação de Sentença Judicial — Questão-Cabalero	40	1960	6%	Abr. e Out.	2.500.000,00	2.500.000,00	—.—	2.500.000,00	580.000,00	1.920.000,00	2.500.000,00	—.—
12.ª	1643 de 31-12-1918	3138 de 30-12-1919	Rescisão do arrendamento da Estrada de Ferro Sorocabana	40	1961	6%	Jan. e Jul.	48.694.000,00	48.694.000,00	—.—	48.694.000,00	30.520.000,00	18.174.000,00	48.694.000,00	—.—
13.ª	1719 de 30-12-1919	3152 de 4- 2-1920	Comemoração do Centenário da Independência do Brasil	40	1961	6%	Abr. e Out.	18.000.000,00	18.000.000,00	—.—	18.000.000,00	7.278.000,00	10.722.000,00	18.000.000,00	—.—
14.ª	1739 de 14-10-1920	3262 de 21-10-1920	Pagamento de Sentenças Judiciais em que a Fazenda decaiu	50	1973	6%	Abr. e Out.	5.000.000,00	5.000.000,00	—.—	5.000.000,00	1.726.000,00	3.276.000,00	5.000.000,00	—.—
	2507 de 31-12-1935	7304 de 10- 1-1936	Unificação e Conversão da Dívida Interna Fundada	40	1976	8%	Mensalmente	300.000.000,00	300.000.000,00	—.—	300.000.000,00	51.144.000,00	4.197.000,00	55.341.000,00	244.659.000,00
	2507 de 31-12-1935	8177 de 5- 3-1937	Unificação e Conversão da Dívida Interna Fundada	40	1976	8%	Mensalmente	300.000.000,00	300.000.000,00	—.—	300.000.000,00	37.806.000,00	1.360.000,00	39.166.000,00	260.834.000,00
	2507 de 31-12-1935	9575 de 30- 9-1938	Unificação e Conversão da Dívida Interna Fundada	40	1976	8%	Mensalmente	300.000.000,00	300.000.000,00	—.—	300.000.000,00	31.773.000,00	1.662.000,00	33.435.000,00	266.565.000,00
		7231 de 21- 6-1935	Consolidação da Dívida Flutuante e Custeio de Obras Reprodutivas	40	1975	5%	Abr. e Out.	200.000.000,00	200.000.000,00	—.—	200.000.000,00	39.390.800,00	160.609.200,00	200.000.000,00	—.—
1.ª	12580 de 5- 3-1942	12700 de 12- 5-1942	Obras de Melhoramentos e Duplicação da Rêde Rodoviária Estadual	30	1971	7%	Mai. e Nov.	30.000.000,00	30.000.000,00	—.—	30.000.000,00	1.919.000,00	2.253.000,00	3.344.000,00	26.656.000,00
2.ª	12580 de 5- 3-1942		Obras de Melhoramentos e Duplicação da Rêde Rodoviária Estadual	30	1972	7%	Mai. e Nov.	40.000.000,00	40.000.000,00	—.—	40.000.000,00	2.399.000,00	2.099.000,00	5.398.000,00	34.602.000,00
3.ª	12580 de 5- 3-1942		Obras de Melhoramentos e Duplicação da Rêde Rodoviária Estadual	30	1973	7%	Mai. e Nov.	50.000.000,00	50.000.000,00	—.—	50.000.000,00	2.671.000,00	1.806.000,00	4.477.000,00	45.523.000,00
4.ª	12580 de 5- 3-1942		Obras de Melhoramentos e Duplicação da Rêde Rodoviária Estadual	30	1974	7%	Mai. e Nov.	60.000.000,00	60.000.000,00	—.—	60.000.000,00	2.479.000,00	2.896.000,00	5.375.000,00	54.625.000,00
5.ª	12580 de 5- 3-1942		Obras de Melhoramentos e Duplicação da Rêde Rodoviária Estadual	30	1975	7%	Mai. e Nov.	70.000.000,00	31.342.000,00	—.—	31.342.000,00	1.402.000,00	849.000,00	2.251.000,00	48.091.300,00
	14744 de 23- 5-1945	14764 de 4- 6-1945	Unificação da Dívida Pública do Estado Consolidando a Flutuante e Convertendo e Fundada (2)	44	1988	6%	Mensalmente	4.200.000.000,00	4.200.000.000,00	—.—	4.200.000.000,00	91.867.000,00	26.512.000,00	118.379.000,00	4.081.621.000,00
		17203 de 3- 5-1947	Obras de Melhoramentos e Eletrificação da Estrada de Ferro Sorocabana	20	1967	7%	Mensalmente	900.000.000,00	900.000.000,00	—.—	900.000.000,00	39.000.000,00	5.815.000,00	35.815.000,00	864.185.000,00
		18485 de 17-12-1948	Obras e Serviços Públicos pertinentes às Estâncias do Estado	30	1976	7%	Anualmente	50.000.000,00	50.000.000,00	—.—	50.000.000,00	—.—	16.000.000,00	16.000.000,00	34.000.000,00
	1598 de 6- 6-1952		Aquisição de Ações Integralizadas da Cia. Mogiana de Estradas de Ferro	50	2002	7%	Mensalmente	130.000.000,00	106.615.600,00	—.—	106.615.600,00	—.—	—.—	—.—	106.615.600,00
	1478 de 28-12-1951		Custeio das Comemorações do IV Centenário da Fundação da Cidade de São Paulo	10	1961	6%	Mar. e Set.	600.000.000,00	176.871.500,00	66.000,00	176.937.500,00	705.000,00	192.000,00	808.000,00	176.129.500,00
	4475 de 28-12-1957		Empréstimo de 1957	30	1987	8%	Anualmente	3.600.000.000,00	3.342.600.000,00	134.400.000,00	3.477.000.000,00	—.—	115.500.000,00	115.500.000,00	3.361.500.000,00
								10.914.694.000,00	10.202.123.100,00	134.466.000,00	10.336.589.100,00	349.338.300,00	389.854.700,00	739.193.000,00	9.696.406.100,00

(1) De acôrdo com o artigo 4.o do Decreto 1.957 de 28- 11-1910 o prazo do resgate é a contar de setembro de 1920
(2) De acôrdo com o artigo 7.o do Decreto-lei ni 14.744 de 23-5-1945 o prazo do resgate é a partir de 1950

ESTADO DE SÃO PAULO

CONTADORIA GERAL DO ESTADO

Contas do Exercício Financeiro de 1959

DIVIDA INTERNA FUNDADA

ANEXO N. 8

LEGISLAÇÃO		FINALIDADES	PAGAMENTOS FEITOS PELO GOVERNO FEDERAL		TOTAL	OPERAÇÕES EFETUADAS NOS TERMOS DO CONTRATO		TOTAL	TOTAIS	AMORTIZAÇÕES		TOTAL	SALDO EM CIRCULAÇÃO
Leis	Decretos		Até 1958 Cr$	EM 1959 Cr$	Cr$	Até 1958 Cr$	Em 1959 Cr$	Cr$	Cr$	Até 1958 Cr$	Em 1959 Cr$	Cr$	
Decreto-Lei n. 6019 de 23-11-1943 e n. 7293 de 18-12-45		Govêrno Federal — c) Empréstimo Interno de Conversão da Dívida Externa.	84.248.107,00	—	84.248.107,00	—	—	—	84.248.107,00	11.308.987,60	—	11.308.987,60	72.939.120,00
2.285 de 27-12-1953.		Banco do Brasil S/A. — c) Especial de Unificação e Composição de Dívidas Contrato de 17-10-1958	—	—	—	10.808.702.280,10	—	10.808.702.280,10	10.808.702.280,10	3.006.040.845,20	906.484.656,40	3.912.525.501,60	6.896.177.578,50
			84.248.107,00	—	84.248.107,00	10.808.702.280,10	—	10.808.702.280,10	10.892.950.387,10	3.017.349.832,80	906.484.656,40	3.923.833.638,60	6.969.116.698,50
												Total Cr$ ...	16.575.522.798,50

RESUMO

1) Circulação ... ...

ESTADO DE SÃO PAULO

CONTADORIA GERAL DO ESTADO

Contas do Exercício Financeiro de 1959

DEMONSTRAÇÃO DAS CONTAS DO ATIVO E PASSIVO COMPENSADOS QUE CONSTITUEM O TITULO "DIVERSAS CONTAS" NO BALANÇO PATRIMONIAL DO EXERCICIO DE 1959

ANEXO N. 9

ATIVO

	Cr$	Cr$
Bônus do Tesouro para Emissão		623 772,00
Dívida não Consolidada — Leis ns. 2412-53, 2958-55 e 3300-58		27.446.631.736,40
Devedores por Multas		3 164 500,00
Contrapartida de Restos a Pagar c/ Prescrição Interrompida		2.781 247,10
Contas a Reajustar		26.885 930,70
Contas de Fornecedores de Serviços com Desconto		78.960 357,70
Adicional de 10% — Lei n. 2412-53 — Arrecadado		8.402.435 381,60
Bens de Menores		754 942,70
Bens Cedidos ao Estado, a Título Precário		63.076 266,10
Devedores por Bens Cedidos em Comodato		65.767,10
Bens Cedidos ao Estado a Título de Empréstimo		19.788 982,30
Unificação da Dívida Pública		12.373.796 706,60
Diferenças de Inventários, a Pesquisar		4.997 297,50
Bens da União Sob Administração do Estado		7.663.817,00
ENTIDADES AUTARQUICAS E OFICIAIS — C. ATIVO		
Caixa Econômica do Estado de São Paulo	17.860.065.587,00	
Bolsa Oficial de Café e Mercadorias de Santos	4.453.000,00	
Caixa Beneficente da Força Pública	341.808.215,00	
Departamento de Águas e Energia Elétrica	1.444.034.692,30	
Departamento de Águas e Esgotos	3.885.712.271,50	
Departamento de Estradas de Rodagem	5.851.857.757,00	
Hospital das Clínicas	2.304.525,00	
Instituto de Pesquisas Tecnológicas	11.023.115,00	
Instituto de Previdência do Estado	28.095.059.503,60	
Universidade de São Paulo	1.570.963.692,50	
Faculdade de Farmácia e Odontologia de Araraquara	176.918,00	
Faculdade de Farmácia e Odontologia de Piracicaba	13.877.341,00	
Faculdade de Filosofia, Ciências e Letras de Assis	7.000.000,00	59.088.426.619,30
TOTAL CR$		107.610.033.389,10

PASSIVO

	Cr$	Cr$
Contrapartidas de Bônus do Tesouro para Emissão		626 772,00
Dívida não Consolidada a Resgatar com o Produto do Adicional de 10% — Lei n. 2412-53		27.446.631.736,40
Multas Impostas		3.164 500,00
Restos a Pagar — c/ Prescrição Interrompida		2.781 247,10
Reajustamento de Contas		26.885 930,70
Fornecedores de Serviços c/ Desconto		78.960 357,70
Arrecadação do Adicional de 10% — Lei n. 2412-53		8.402 435 381,60
Beneficiários de Heranças		754 941,70
Credores por Bens Cedidos ao Estado, a Título Precário		63 076 266,10
Bens Cedidos em Comodato		65.767,10
Credores por Bens Cedidos ao Estado a Título de Empréstimo		19.788 982,30
Unificação da Dívida Pública		12.373.796 706,60
Contrapartida de Diferenças em Inventários, a Pesquisar		4.997.297,50
Contrapartida de Bens da União sob Administração do Estado		7.663.817,00
ENTIDADES AUTARQUICAS E OFICIAIS — C. PASSIVO		
Caixa Econômica do Estado de São Paulo	17.860.065.587,00	
Bolsa Oficial de Café e Mercadorias de Santos	4.453.000,00	
Caixa Beneficente da Força Pública	341.808.215,00	
Departamento de Águas e Energia Elétrica	1.444.034.692,30	
Departamento de Águas e Esgotos	3.885.712.271,50	
Departamento de Estradas de Rodagem	5.851.857.757,00	
Hospital das Clínicas	2.304.525,00	
Instituto de Pesquisas Tecnológicas	11.023.115,00	
Instituto de Previdência do Estado	28.095.059.503,60	
Universidade de São Paulo	1.570.963.692,50	
Faculdade de Farmácia e Odontologia de Araraquara	176.918,00	
Faculdade de Farmácia e Odontologia de Piracicaba	13.877.341,00	
Faculdade de Filosofia, Ciências e Letras de Assis	7.000.000,00	59.088.426.619,30
TOTAL CR$		107.610.033.389,10

CONTADORIA GERAL DO ESTADO
Em 31 de março de 1960

SECÇÃO DE CENTRALIZAÇÃO PATRIMONIAL
Mauricio Barrak
Chefe de Secção, Subst.
Contador C.R.C. — S.P. 1165

DIVISÃO DE CONTABILIDADE PATRIMONIAL
Martin Blanco
Diretor de Divisão, Subst.
Contador C.R.C. — S.P. 9869

ESTADO DE SÃO PAULO

CONTADORIA GERAL DO ESTADO

Contas do Exercício Financeiro de 1959

DEMONSTRAÇÃO DAS CONTAS QUE CONSTITUEM "ENTIDADES AUTARQUICAS E OFICIAIS" DO ATIVO, DE ACORDO COM O BALANÇO PATRIMONIAL DO EXERCICIO DE 1959

ANEXO N. 10

ENTIDADES AUTARQUICAS E OFICIAIS — ATIVO	C/BENS IMOVEIS	C/BENS MOVEIS	C/VALORES E CREDITOS DIVERSOS	TOTAIS DO ATIVO
	Cr$	Cr$	Cr$	Cr$
Caixa Econômica do Estado de São Paulo	733.631.233,40	186.111.095,00	17.584.523.096,20	18.478.266.029,60
Bolsa Oficial de Café e Mercadorias de Santos	6.394.400,00	133.130,60	1.024.945,40	7.552.473,40
Caixa Beneficente da Força Pública	61.057.899,10	1.350.004,80	399.813.079,70	461.897.073,60
Caixa Beneficente da Guarda Civil	26.031.766,10	11.246.270,60	165.905.948,10	203.183.984,80
Departamento de Águas e Energia Elétrica	283.917.979,90	153.510.561,60	1.629.851.218,50	2.067.279.760,40
Departamento de Águas e Esgotos	3.133.383.196,10	602.539.364,90	1.420.551.202,40	5.155.473.763,40
Departamento de Estradas de Rodagem	52.174.731,80	1.382.918.087,40	3.998.091.269,00	5.433.184.088,20
Hospital das Clínicas	—	149.038.804,20	182.938.529,30	331.977.333,50
Instituto de Pesquisas Tecnológicas	73.811.260,90	45.330.974,30	47.924.868,10	166.997.133,50
Instituto de Previdência do Estado	4.002.424.156,90	24.417.458,10	9.464.082.046,60	13.551.517.661,60
Universidade de São Paulo	1.362.073.762,80	496.464.061,60	408.587.491,10	2.267.125.315,50
Faculdade de Farmácia e Odontologia de Araçatuba	286.733,40	2.522.397,40	715.382,70	3.524.513,50
Faculdade de Farmácia e Odontologia de Araraquara	5.119.147,90	4.896.966,10	3.703.068,80	13.719.182,80
Faculdade de Farmácia e Odontologia de Piracicaba	—,—	13.050.483,30	5.407.744,30	18.458.227,60
Hospital das Clínicas de Ribeirão Preto	—,—	6.606.635,20	6.272.784,40	12.879.419,60
Faculdade de Filosofia, Ciências e Letras de Assis	—,—	8.682.854,70	2.764.325,50	11.446.978,20
Faculdade de Filosofia, Ciências e Letras de Marília	—,—	3.332.790,80	5.738.814,90	9.062.605,70
Faculdade de Filosofia, Ciências e Letras de Rio Claro	—,—	2.215.428,40	19.061.309,50	21.276.968,90
Faculdade de Farmácia e Odontologia de São José dos Campos	—,—	2.617.798,20	2.138.826,60	4.756.624,80
TOTAIS	9.791.513.397,40	3.112.235.817,30	35.551.351.976,10	48.455.086.193,70

CONTADORIA GERAL DO ESTADO
Em 31 de março de 1960

SECÇÃO DE CENTRALIZAÇÃO PATRIMONIAL
Mauricio Barrak
Chefe de Secção, Substituto
Contador C.R.C. — Sp. 1165

DIVISÃO DE CONTABILIDADE PATRIMONIAL
Martin Blanco
Diretor de Divisão, Substituto
Contador C.R.C. — Sp. 9869

ESTADO DE SÃO PAULO

CONTADORIA GERAL DO ESTADO

Contas do Exercício Financeiro de 1959

DEMONSTRAÇÃO DAS CONTAS QUE CONSTITUEM "ENTIDADES AUTARQUICAS E OFICIAIS" DO PASSIVO DE ACORDO COM O BALANÇO PATRIMONIAL DO EXERCICIO DE 1959

ANEXO N.º 11

ENTIDADES AUTÁRQUICAS E OFICIAIS — C/PASSIVO	
Caixa Econômica do Estado de São Paulo	18.281.863.196,90
Bolsa Oficial de Café e Mercadorias de Santos	1.005.943,40
Caixa Beneficente da Força Pública	13.873.784,80
Caixa Beneficente da Guarda Civil	54.894.426,70
Departamento de Águas e Energia Elétrica	304.786.639,20
Departamento de Águas e Esgotos	2.543.263.258,80
Departamento de Estradas de Rodagem	4.154.606.782,50
Hospital das Clínicas	167.048.860,80
Instituto de Pesquisas Tecnológicas	5.368.396,10
Instituto de Previdência do Estado	13.246.778.646,10
Universidade de São Paulo	290.363.431,20
Faculdade de Farmácia e Odontologia de Araçatuba	807.488,40
Faculdade de Farmácia e Odontologia de Araraquara	1.647.110,60
Faculdade de Farmácia e Odontologia de Piracicaba	4.021.853,70
Hospital das Clínicas de Ribeirão Prêto	4.054.481,40
Faculdade de Filosofia, Ciências e Letras de Assis	1.004.365,10
Faculdade de Filosofia, Ciências e Letras de Marília	1.000.883,60
Faculdade de Filosofia, Ciências e Letras de Rio Claro	904.000,20
Faculdade de Farmácia e Odontologia de São José dos Campos	1.216.000,00
SOMA PARCIAL	39.000.713.519,80
Patrimônio Líquido	9.300.385.638,90
TOTAL Cr$	48.455.099.152,70

CONTADORIA GERAL DO ESTADO
Em 31 de Março de 1960.

SECÇÃO DE CENTRALIZAÇÃO PATRIMONIAL
Mauricio Barrar
Chefe de Secção, substituto
Contador C.R.C. - Sp. 1165

DIVISÃO DE CONTABILIDADE PATRIMONIAL
Martin Bianco
Diretor de Divisão Substituto
Contador C.R.C. - Sp. 9000

ESTADO DE SÃO PAULO

CONTADORIA GERAL DO ESTADO

DEMONSTRAÇÃO DAS CONTAS QUE CONSTITUEM A DESPESA PREVISTA, AUTORIZADA E REALIZADA, DO PLANO DE AÇÃO DO GOVERNO, DE ACORDO COM O ATIVO E PASSIVO COMPENSADOS, DO BALANÇO PATRIMONIAL DO EXERCÍCIO DE 1959

ANEXO N. 12

ATIVO			PASSIVO		
DESPESA PREVISTA			**PREVISÃO DA DESPESA**		
Despesa Prevista — 1959 conforme anexo n. 13	8.832.000.000,00		Previsão da Despesa — 1959 Conforme anexo n. 13	8.832.000.000,00	
Despesa Prevista — 1960	24.932.000.000,00		Previsão da Despesa — 1960	24.932.000.000,00	
Despesa Prevista — 1961	30.347.000.000,00		Previsão da Despesa — 1961	30.347.000.000,00	
Despesa Prevista — 1962	35.089.000.000,00	100.000.000.000,00	Previsão da Despesa — 1962	35.089.000.000,00	100.000.000.000,00
DESPESA AUTORIZADA			**AUTORIZAÇÃO DA DESPESA**		
Despesa Autorizada para 1959 conforme anexo n. 13	7.408.500.000,00		Autorização da Despesa para 1959 Conforme anexo n. 13	7.408.500.000,00	
Despesa Autorizada para 1960	—,—		Autorização da Despesa para 1960	—,—	
Despesa Autorizada para 1961	—,—		Autorização da Despesa para 1961	—,—	
Despesa Autorizada para 1962	—,—	7.408.500.000,00	Autorização da Despesa para 1962	—,—	7.408.500.000,00
DESPESA REALIZADA			**REALIZAÇÃO DA DESPESA**		
Despesa Realizada em 1959 conforme anexo n. 13	6.348.981.974,50		Realização da Despesa em 1959 Conforme anexo n. 13	6.348.981.974,50	
Despesa Realizada em 1960	—,—		Realização da Despesa em 1960	—,—	
Despesa Realizada em 1961	—,—		Realização da Despesa em 1961	—,—	
Despesa Realizada em 1962	—,—	6.348.981.974,50	Realização da Despesa em 1962	—,—	6.348.981.974,50
TOTAL		113.756.981.974,50	TOTAL		113.756.981.974,50

CONTADORIA GERAL DO ESTADO
Em 31 de Março de 1960

SECÇÃO DE REGISTRO DE BENS E VALORES
Valdeir Jannuzio
Chefe de Secção, Substituto
Contador C.R.C. — Sp. — n. 16.975

DIVISÃO DE CONTABILIDADE PATRIMONIAL
Martin Bianco
Diretor de Divisão, Substituto
Contador — C.R.C. — Sp. 9000

ESTADO DE SÃO PAULO
CONTADORIA GERAL DO ESTADO

DEMONSTRAÇÃO DAS CONTAS QUE CONSTITUEM A DESPESA PREVISTA, AUTORIZADA E REALIZADA NO EXERCICIO DE 1959, DO PLANO DE AÇÃO DO GOVERNO

ANEXO N. 13

	SETORES	Despesa Prevista no Plano de Ação	CREDITOS AUTORIZADOS			Diferença entre a despesa prevista e os créditos autorizados	DESPESA REALIZADA			Diferença entre o total autorizado e a despesa realizada		Diferença entre a despesa prevista e a realizada
			Orçamentários	Especiais	Total		Do Orçamento	Do Créditos Especiais	Total	Do Orçamento	Do Créditos Especiais	
A	Educação, Cultura e Pesquisa	824.000.000,00	400.000.000,00	202.950.000,00	602.950.000,00	221.050.000,00	400.000.000,00	169.800.000,00	569.800.000,00	—	33.150.000,00	254.200.000,00
B	Justiça e Segurança Pública	898.000.000,00	780.000.000,00	118.000.000,00	898.000.000,00	—	780.000.000,00	—	780.000.000,00	—	118.000.000,00	118.000.000,00
C	Saúde Pública e Assistência Social	935.000.000,00	800.000.000,00	135.000.000,00	935.000.000,00	—	800.000.000,00	135.000.000,00	935.000.000,00	—	—	—
D	Sistemas de Água e Esgôto	130.000.000,00	50.000.000,00	50.000.000,00	100.000.000,00	30.000.000,00	49.869.562,20	50.000.000,00	99.869.562,20	130.437,80	—	30.130.437,80
E	Energia	2.586.000.000,00	920.000.000,00	1.946.000.000,00	2.566.000.000,00	—	920.000.000,00	1.000.000.000,00	1.920.000.000,00	—	646.000.000,00	646.000.000,00
F	Ferrovias	450.000.000,00	450.000.000,00	—	450.000.000,00	—	372.402.912,30	—	372.402.912,30	77.597.087,70	—	77.597.087,70
G	Rodovias	1.270.000.000,00	1.000.000.000,00	—	1.000.000.000,00	270.000.000,00	1.000.000.000,00	—	1.000.000.000,00	—	—	270.000.000,00
H	Pontes Municipais	250.000.000,00	—	—	—	250.000.000,00	—	—	—	—	—	250.000.000,00
I	Aeroportos, Portos e Navegação	118.000.000,00	—	93.000.000,00	93.000.000,00	25.000.000,00	—	93.000.000,00	93.000.000,00	—	—	25.000.000,00
J	Armazenagem e Embalagem	110.000.000,00	—	110.000.000,00	110.000.000,00	—	—	110.000.000,00	110.000.000,00	—	—	—
K	Abastecimento	230.000.000,00	—	180.470.000,00	180.470.000,00	49.530.000,00	—	180.470.000,00	180.470.000,00	—	—	49.530.000,00
L	Rêde de Experimentação e Fomento Agro-Pecuário	461.000.000,00	—	373.170.000,00	373.170.000,00	87.830.000,00	—	205.439.500,00	205.439.500,00	—	167.730.500,00	255.560.500,00
M	Fundo de Expansão Agro-Pecuária	250.000.000,00	—	—	—	250.000.000,00	—	—	—	—	—	250.000.000,00
N	Fundo de Expansão da Indústria de Base	125.000.000,00	—	—	—	125.000.000,00	—	—	—	—	—	125.000.000,00
O	Fundo de Financiamento das Indústrias de Bens de Produção	125.000.000,00	—	—	—	125.000.000,00	—	—	—	—	—	125.000.000,00
P	Participação na Grande Indústria de Base	—	—	—	—	—	—	100.000.000,00	100.000.000,00	—	—	—
	Banco do Estado de São Paulo S.A.	100.000.000,00	—	100.000.000,00	100.000.000,00	—	—	—	—	—	—	—
	TOTAIS	8.832.000.000,00	4.400.000.000,00	3.006.590.000,00	7.406.590.000,00	1.423.410.000,00	4.322.272.474,50	2.043.709.500,00	6.365.981.974,50	77.727.525,50	964.880.500,00	2.466.018.025,50

SECÇÃO DE REGISTRO DE PENS E VALORES
Valéria Jazadis
Chefe de Secção — Substituta
Contador C.R.C. — Sp. — 19.979

CONTADORIA GERAL DO ESTADO
Em 31 de março de 1960
Henriana Dante d'Avila
Contadora Geral do Estado
Contador C.R.C. — Sp. — n. 11.578

DIVISÃO DE CONTABILIDADE PATRIMONIAL
Mario Pisano
Diretor da Divisão, Substituto
Contador C.R.C. — Sp. — 9.369

DIÁRIO OFICIAL
do Estado de São Paulo (Estados Unidos do Brasil)

ESTADO DE SÃO PAULO
CONTADORIA GERAL DO ESTADO

DEMONSTRAÇÃO DAS CONTAS QUE CONSTITUEM A DESPESA PREVISTA, AUTORIZADA E REALIZADA NO EXERCÍCIO DE 1959, DO PLANO DE AÇÃO DO GOVERNO
DISCRIMINAÇÃO DOS SETORES

ANEXO N. 14

DISCRIMINAÇÃO DOS SETORES	Despesa Prevista no Plano de Ação	CRÉDITOS AUTORIZADOS			Diferença entre a despesa prevista e os créditos autorizados	DESPESA REALIZADA			Diferença entre o autorizado e a despesa realizada		Diferença entre a despesa prevista e a realizada
		Orçamentários	Especiais	Total		De Orçamento	De Créditos Especiais	Total	De Orçamento	De Créditos Especiais	
1 — EDUCAÇÃO, CULTURA E PESQUISA	854.000.000,00	400.000.000,00	202.950.000,00	602.950.000,00	— 251.050.000,00	400.000.000,00	169.800.000,00	569.800.000,00	—,—	— 33.150.000,00	— 284.200.000,00
1 — Ensino Primário	255.000.000,00	399.821.160,90	—,—	399.821.160,90	+ 144.821.160,90	399.821.160,90	—,—	399.821.160,90	—,—	—,—	+ 144.821.160,90
2 — Ensino Secundário	—,—	—,—	—,—	—,—	—,—	—,—	—,—	—,—	—,—	—,—	—,—
3 — Ensino Profissional	178.000.000,00	478.839,10	—,—	478.839,10	— 177.521.160,90	478.839,10	—,—	478.839,10	—,—	—,—	— 177.521.160,90
4 — Cidade Universitária	150.000.000,00	—,—	97.800.000,00	97.800.000,00	— 52.200.000,00	—,—	97.800.000,00	97.800.000,00	—,—	—,—	— 52.200.000,00
5 — Outros Institutos e Faculdades da Universidade de São Paulo	128.000.000,00	—,—	69.150.000,00	69.150.000,00	— 58.850.000,00	—,—	59.150.000,00	59.150.000,00	—,—	— 10.000.000,00	— 68.850.000,00
6 — Faculdades Isoladas	106.000.000,00	—,—	36.000.000,00	36.000.000,00	— 70.000.000,00	—,—	12.850.000,00	12.850.000,00	—,—	— 23.150.000,00	— 93.150.000,00
8 — Estímulo à Cultura	8.000.000,00	—,—	—,—	—,—	— 8.000.000,00	—,—	—,—	—,—	—,—	—,—	— 8.000.000,00
Despesa a Apropriar	1.000.000,00	—,—	—,—	—,—	— 1.000.000,00	—,—	—,—	—,—	—,—	—,—	— 1.000.000,00
2 — JUSTIÇA E SEGURANÇA PÚBLICA	898.000.000,00	780.000.000,00	118.000.000,00	898.000.000,00	—,—	780.000.000,00	—,—	780.000.000,00	—,—	— 118.000.000,00	— 118.000.000,00
1 — Casa de Detenção de São Paulo	291.000.000,00	294.165.000,00	—,—	294.165.000,00	+ 3.165.000,00	294.165.000,00	—,—	294.165.000,00	—,—	—,—	+ 3.165.000,00
2 — Estabelecimentos Penais	227.000.000,00	227.000.000,00	—,—	227.000.000,00	—,—	227.000.000,00	—,—	227.000.000,00	—,—	—,—	—,—
3 — Serviço de Menores	61.000.000,00	7.000.000,00	—,—	7.000.000,00	— 54.000.000,00	7.000.000,00	—,—	7.000.000,00	—,—	—,—	— 54.000.000,00
4 — Edifícios e Bens Administrativos	6.000.000,00	6.000.000,00	—,—	6.000.000,00	—,—	6.000.000,00	—,—	6.000.000,00	—,—	—,—	—,—
6 — Fardas	40.000.000,00	40.000.000,00	—,—	40.000.000,00	—,—	40.000.000,00	—,—	40.000.000,00	—,—	—,—	—,—
6 — Delegacias e Cadeias	209.000.000,00	186.399.212,00	118.000.000,00	304.399.212,00	+ 104.399.212,00	186.399.212,00	—,—	186.399.212,00	—,—	— 118.000.000,00	— 13.600.788,00
7 — Veículos e Equipamentos	72.000.000,00	19.435.788,00	—,—	19.435.788,00	— 53.564.212,00	19.435.788,00	—,—	19.435.788,00	—,—	—,—	— 53.564.212,00
3 — SAÚDE PÚBLICA E ASSISTÊNCIA SOCIAL	935.000.000,00	800.000.000,00	135.000.000,00	935.000.000,00	—,—	800.000.000,00	135.000.000,00	935.000.000,00	—,—	—,—	—,—
1 — Administração e Outros Serviços	133.000.000,00	72.633.177,50	129.477.072,80	202.110.250,30	+ 69.110.250,30	72.633.177,50	129.477.072,80	202.110.250,30	—,—	—,—	+ 69.110.250,30
2 — Unidades Sanitárias	108.000.000,00	3.063.013,50	—,—	3.063.013,50	— 104.936.986,50	3.063.013,50	—,—	3.063.013,50	—,—	—,—	— 104.936.986,50
3 — Assistência Materno-Infantil	2.000.000,00	—,—	—,—	—,—	— 2.000.000,00	—,—	—,—	—,—	—,—	—,—	— 2.000.000,00
4 — Assistência Hospitalar Geral e Subvenções	263.000.000,00	300.000.000,00	—,—	300.000.000,00	+ 37.000.000,00	300.000.000,50	—,—	300.000.000,50	—,—	—,—	+ 37.000.000,50
5 — Endemias Rurais e Epidemiologia	16.000.000,00	790.443,00	—,—	790.443,00	— 15.209.555,00	790.443,00	—,—	790.443,00	—,—	—,—	— 15.209.555,00
6 — Assistência Médica Especializada	338.000.000,00	43.750.774,80	—,—	43.750.774,80	— 294.249.225,20	43.750.774,85	—,—	43.750.774,85	—,—	—,—	— 294.249.225,15
7 — Laboratórios e Produção Industrial	56.000.000,00	48.985.712,20	—,—	48.985.712,20	— 7.014.287,80	48.985.712,20	—,—	48.985.712,20	—,—	—,—	— 7.014.287,80
8 — Assistência Social	19.000.000,00	—,—	—,—	—,—	— 19.000.000,00	—,—	—,—	—,—	—,—	—,—	— 19.000.000,00
Despesa a Apropriar	—,—	330.756.877,00	5.522.927,20	336.279.804,20	+ 336.279.804,20	330.756.877,00	5.522.927,20	336.279.804,25	—,—	—,—	+ 336.279.804,25

ANEXO N. 14

DISCRIMINAÇÃO DOS SETORES	Despesa Prevista no Plano de Ação	CRÉDITOS AUTORIZADOS			Diferença entre a despesa prevista e os créditos autorizados	DESPESA REALIZADA			DIFERENÇA ENTRE O TOTAL AUTORIZADO E A DESPESA REALIZADA		Diferença entre a despesa prevista e a realizada
		Orçamentários	Especiais	Total		De Orçamento	De Créditos Especiais	Total	De Orçamento	De Créditos Especiais	
D — SISTEMAS DE ÁGUA E ESGOTO	120.000.000,00	50.000.000,00	50.000.000,00	100.000.000,00	— 20.000.000,00	49.999.562,20	50.000.000,00	99.999.562,20	— 130.437,80	—,—	— 20.130.437,80
1 — Serviço de Água e Esgôto na Região de Santos	100.000.000,00	50.000.000,00	50.000.000,00	100.000.000,00	—,—	49.999.562,20	50.000.000,00	99.999.562,20	— 130.437,80	—,—	— 130.437,80
2 — Instalações do D.A.E.	20.000.000,00	—,—	—,—	—,—	— 20.000.000,00	—,—	—,—	—,—	—,—	—,—	— 20.000.000,00
E — ENERGIA	2.566.000.000,00	920.000.000,00	1.646.000.000,00	2.566.000.000,00	—,—	920.000.000,00	1.000.000.000,00	1.920.000.000,00	—,—	— 646.000.000,00	— 646.000.000,00
Recursos Adicionais do Plano de Ação											
a) — Obras em Andamento:											
CHESF	1.000.000.000,00	—,—	1.000.000.000,00	1.000.000.000,00	—,—	—,—	1.000.000.000,00	1.000.000.000,00	—,—	—,—	—,—
USELPA	831.000.000,00	100.000.000,00	600.000.000,00	700.000.000,00	— 131.000.000,00	100.000.000,00	—,—	100.000.000,00	—,—	— 600.000.000,00	— 731.000.000,00
DAEE	425.000.000,00	820.000.000,00	46.000.000,00	866.000.000,00	+ 441.000.000,00	820.000.000,00	—,—	820.000.000,00	—,—	— 46.000.000,00	+ 395.000.000,00
b) — Obras Novas:											
1 — Chavantes (200.000 Kw)	100.000.000,00	—,—	—,—	—,—	— 100.000.000,00	—,—	—,—	—,—	—,—	—,—	— 100.000.000,00
2 — Graminha — Peradouro (70.000 Kw)	160.000.000,00	—,—	—,—	—,—	— 160.000.000,00	—,—	—,—	—,—	—,—	—,—	— 160.000.000,00
3 — Barirí (132.000 Kw)	50.000.000,00	—,—	—,—	—,—	— 50.000.000,00	—,—	—,—	—,—	—,—	—,—	— 50.000.000,00
F — FERROVIAS	456.000.000,00	456.000.000,00	—,—	456.000.000,00	—,—	372.402.913,30	—,—	372.402.913,30	— 77.597.086,70	—,—	— 77.597.086,70
1 — Via Permanente	243.000.000,00	204.800.000,00	—,—	204.800.000,00	— 38.200.000,00	204.800.000,00	—,—	204.800.000,00	—,—	—,—	— 38.200.000,00
2 — Material Rodante e de Tração	42.000.000,00	42.000.000,00	—,—	42.000.000,00	—,—	41.702.913,30	—,—	41.702.913,30	— 297.086,70	—,—	— 297.086,70
3 — Sinalização, Comunicações e Eletrificação	25.000.000,00	41.100.000,00	—,—	41.100.000,00	+ 16.100.000,00	41.100.000,00	—,—	41.100.000,00	—,—	—,—	+ 16.100.000,00
4 — Construções, Equipamentos e Diversos	140.000.000,00	84.800.000,00	—,—	84.800.000,00	— 55.200.000,00	84.800.000,00	—,—	84.800.000,00	—,—	—,—	— 55.200.000,00
Despesas a Adorar	—,—	77.300.000,00	—,—	77.300.000,00	+ 77.300.000,00	—,—	—,—	—,—	— 77.300.000,00	—,—	—,—
G — RODOVIAS	1.270.000.000,00	1.000.000.000,00	—,—	1.000.000.000,00	— 270.000.000,00	1.000.000.000,00	—,—	1.000.000.000,00	—,—	—,—	— 270.000.000,00
H — PONTES MUNICIPAIS	250.000.000,00	—,—	—,—	—,—	— 250.000.000,00	—,—	—,—	—,—	—,—	—,—	— 250.000.000,00
1 — Obras	150.000.000,00	—,—	—,—	—,—	— 150.000.000,00	—,—	—,—	—,—	—,—	—,—	— 150.000.000,00
2 — Auxílios	100.000.000,00	—,—	—,—	—,—	— 100.000.000,00	—,—	—,—	—,—	—,—	—,—	— 100.000.000,00
3 — Estudos	—,—	—,—	—,—	—,—	—,—	—,—	—,—	—,—	—,—	—,—	—,—
I — AEROPORTOS, PORTOS E NAVEGAÇÃO	118.000.000,00	—,—	93.000.000,00	93.000.000,00	— 25.000.000,00	—,—	93.000.000,00	93.000.000,00	—,—	—,—	— 25.000.000,00
1 — Aeroporto Internacional de Viracopos	43.000.000,00	—,—	40.500.000,00	40.500.000,00	— 2.500.000,00	—,—	40.500.000,00	40.500.000,00	—,—	—,—	— 2.500.000,00
2 — Outros Aeroportos, Portos e Navegação	75.000.000,00	—,—	52.500.000,00	52.500.000,00	— 22.500.000,00	—,—	52.500.000,00	52.500.000,00	—,—	—,—	— 22.500.000,00
J — ARMAZENAGEM E ENSILAGEM	110.000.000,00	—,—	110.000.000,00	110.000.000,00	—,—	—,—	110.000.000,00	110.000.000,00	—,—	—,—	—,—
K — ABASTECIMENTO	230.000.000,00	—,—	180.470.000,00	180.470.000,00	— 49.530.000,00	—,—	180.470.000,00	180.470.000,00	—,—	—,—	— 49.530.000,00

ANO LXX
NÚMERO 169

Diário Oficial

ESTADO DE SÃO PAULO — (ESTADOS UNIDOS DO BRASIL)

DOMINGO,
31 DE JULHO DE 1960

ANEXO N. 14

DISCRIMINAÇÃO DOS SETORES	Dotações Fixadas na Lei de Meios	CRÉDITOS AUTORIZADOS			Diferença entre a dotação e os créditos autorizados	DESPESA REALIZADA			DIFERENÇA ENTRE O TOTAL AUTORIZADO E A DESPESA REALIZADA		Diferença entre a despesa prevista e a realizada
		Orçamentário	Especiais	Total		Orçamento	De Créditos Especiais	Total	De orçamento	De Créditos Especiais	
L — REDE DE EXPERIMENTAÇÃO E POMICULTURA AGRO-PECUÁRIO	461.000.000,00	—	373.170.000,00	373.170.000,00	— 87.830.000,00	—	205.439.500,00	205.439.500,00	—	—167.730.500,00	—251.660.500,00
1 — Fomento Vegetal	39.000.000,00	—	—	—	— 39.000.000,00	—	—	—	—	—	— 39.000.000,00
2 — Fomento Animal	2.000.000,00	—	—	—	— 2.000.000,00	—	—	—	—	—	— 2.000.000,00
3 — Pesca	—	—	—	—	—	—	—	—	—	—	—
4 — Fomento Econômico	26.000.000,00	—	—	—	— 26.000.000,00	—	—	—	—	—	— 26.000.000,00
5 — Defesa Sanitária	50.000.000,00	—	—	—	— 50.000.000,00	—	—	—	—	—	— 50.000.000,00
6 — Melhoramento	5.000.000,00	—	—	—	— 5.000.000,00	—	—	—	—	—	— 5.000.000,00
7 — Mecanização e Inversos	19.000.000,00	—	—	—	— 19.000.000,00	—	—	—	—	—	— 19.000.000,00
8 — Indústrias e Comércio	10.000.000,00	—	—	—	— 10.000.000,00	—	—	—	—	—	— 10.000.000,00
9 — Limagem e Levantamento Aerofotogramétrico	—	—	—	—	—	—	—	—	—	—	—
0 — Diversos	3.000.000,00	—	—	—	— 3.000.000,00	—	—	—	—	—	— 3.000.000,00
Despesa a Apropriar	291.000.000,00	—	83.802.100,00	83.802.100,00	— 207.197.900,00	—	83.802.100,00	83.802.100,00	—	—	— 119.827.100,00
M — FUNDO DE EXPANSÃO AGRO-PECUÁRIA	200.000.000,00	—	289.367.900,00	289.367.900,00	+ 89.367.900,00	—	119.637.000,00	119.637.000,00	—	—167.730.500,00	—258.000.900,00
		—	—	—	—259.900.000,00	—	—	—	—	—	—
N — FUNDO DE EXPANSÃO DA INDUSTRIA DE BASE	125.000.000,00	—	—	—	—125.000.000,00	—	—	—	—	—	—125.000.000,00
O — FUNDO DE FINANCIAMENTO DAS INDUSTRIAS DE BENS DE PRODUÇÃO	125.000.000,00	—	—	—	—125.000.000,00	—	—	—	—	—	—125.000.000,00
P — PARTICIPAÇÃO NA GRANDE INDUSTRIA DE BASE	—	—	—	—	—	—	—	—	—	—	—
BANCO DO ESTADO DE SÃO PAULO S.A.	100.000.000,00	—	289.000.000,00	189.000.000,00	—	—	189.000.000,00	189.000.000,00	—	—	—
TOTAIS Cr$	5.832.000.000,00	4.609.800.000,00	3.808.380.000,00	7.408.180.000,00	—1.432.419.000,00	4.223.722.474,50	2.043.799.500,00	6.265.981.974,50	— 77.727.525,50	—864.869.500,00	—2.468.618.025,50

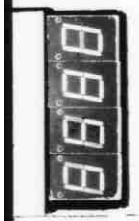
SECÇÃO DE REGISTRO DE BENS E VALORES
Chefe de Secção — Waldir Bonsedo
Contador — C.R.C. — Sp. 19.972

DIVISÃO DE CONTABILIDADE PATRIMONIAL
Mario Blasco
Diretor da Divisão
Contador C.R.C. — Sp. — 5469

CONTADORIA GERAL DO ESTADO
Em 31 de março de 1960
Henrique Diniz d'Avila
Contador Geral do Estado
Contador C.R.C. — Sp. — n. 11.378

DEPARTMENT OF STATE, U. S. A.
WASHINGTON 25, D. C.

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(Drafting Office and Officer)

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DEPARTMENT OF STATE

832.10/8-360

(9)

Memorandum of Conversation

DATE: August 3, 1960

SUBJECT: Export-Import Bank Loan

PARTICIPANTS: Ambassador Walther Moreira Salles of Brazil
Mr. A. W. Hemba, Officer in Charge of Brazilian Affairs

(11)

COPIES TO: ARA - Mr. Rubottom - 2
EST - Mr. Boonstra (1cc)
EST/B - Mr. Hemba (2cc) - 2
Embassy Rio de Janeiro
E -
ED -
Exim Bank -

AUG 5 1960

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832.10/8-360

The Ambassador referred to the recent visit to Washington by Dr. Israel PINHEIRO da Silva, the Mayor of Brasilia. The Ambassador said that Mr. Pinheiro, while in Washington, approached the Export-Import Bank for a loan of $8 million to assist in financing public housing in Brasilia and farm machinery for small farmers near Brasilia to help step up the supply of food for Brasilia. The Ambassador pointed out that Brazil is paying, for the months of July and August, 1960, the $1 million installments on its $300 million loan of 1954. He remarked that these two payments equal the total amount of the loan sought by Mr. Pinheiro. At this point our conversation terminated for the Ambassador was called into the Secretary's office, but it was perfectly clear that he was seeking the Department's support of Mr. Pinheiro's request for a loan of $8 million.

I told the Ambassador that Mr. Pinheiro's approach to the Export-Import Bank was previously unknown to us but that I would check into it.

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AUG 10 1960

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Rec'd: August 8, 1960
10:16 p.m. 8 04

FROM: Rio de Janeiro

TO: Secretary of State

NO: 244, August 8, 7 p.m.

Brazilian press has been giving widespread publicity to Agence France Presse story, datelined August 6, Washington, quoting "Helvin Stone, President, Machine Affiliates, Inc.," as stating EXIM Bank has "completely suspended" all loans to Brazil. In same story, press quotes "authoritative Brazilian circles" in Washington to effect EXIM Bank has rejected twenty "flawless" loan applications by Brazil because of unresolved divergencies between Brazil and International Monetary Fund.

I would appreciate advice as to facts, if any, behind these allegations.

CABOT

VHD:APM-2

832.10/8-860 HBS

airgram sent 8-11-60 amf

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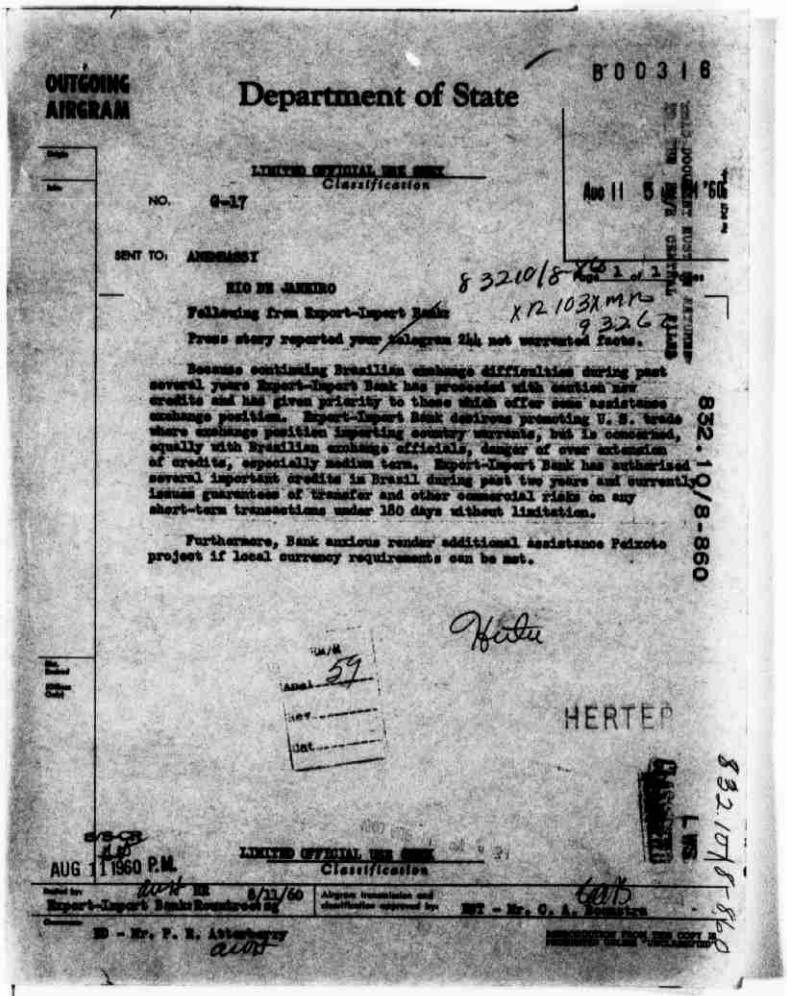
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OUTGOING AIRGRAM

Department of State

B 00316

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NO. G-17

Aug 11 5 PM '60

SENT TO: AMEMBASSY

RIO DE JANEIRO

832.10/8-860

Following from Export-Import Bank:

Press story reported your telegram 214 not warranted facts.

Because continuing Brazilian exchange difficulties during past several years Export-Import Bank has proceeded with caution new credits and has given priority to those which offer some assistance exchange position. Export-Import Bank desirous promoting U. S. trade where exchange position importing country warrants, but is concerned, equally with Brazilian exchange officials, danger of over extension of credits, especially medium term. Export-Import Bank has authorized several important credits in Brazil during past two years and currently issues guarantees of transfer and other commercial risks on any short-term transactions under 180 days without limitation.

Furthermore, Bank anxious render additional assistance Peixoto project if local currency requirements can be met.

HERTER

832.10/8-860

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AUG 11 1960 P.M.

Export-Import Bank:Rosenbrock:ag 8/11/60

EB - Mr. P. E. Atterbury

WE - Mr. C. A. Rossiter

0858

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(Security Classification)

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832.10/8-1260

FOREIGN SERVICE DESPATCH

FROM: AMEMBASSY, RIO DE JANEIRO

122
DESP. NO.

TO: THE DEPARTMENT OF STATE, WASHINGTON.

August 12, 1960
DATE

REF:

AUG 12 1960

For Dept. Use Only

ACTION REC'D: 8/16

INFO

DEPT. RIM/R-2 REP-1 IRC-7 E-7 ICA-11 COM-5 C/A-10 FAB-3 TR-3 XMB-4 OTHER

SUBJECT: Possible Request for U. S. Assistance to Help Cover Anticipated Balance of Payments Deficit

There is enclosed herewith a memorandum summarizing a conversation with Sr. Paulo Poock Correa, Director of the Exchange Department of the Bank of Brazil, during which Sr. Poock Correa stated that he thinks that Finance Minister Paes de Almeida and Ambassador Walther Moreira Salles are planning to seek U. S. Government balance of payments assistance of some sort, possibly by way of rescheduling of Brazilian debts at the Export-Import Bank or by a request for new money. Sr. Poock Correa made that statement following a brief discussion of Brazil's balance of payments prospects for the last half of 1960. He estimates that the deficit in convertible currencies for that period will total approximately $260 million, of which payments totaling approximately $83 million may be postponable, reducing the deficit to $177 million. He estimates also that it will be possible to increase swaps and advance payments on some Brazilian exports in the total amount of $50 million, thereby possibly reducing the uncovered deficit to $127 million.

For the Ambassador:

Herbert K. May

Herbert K. May
Treasury Attaché

CAA informed aw

Coordinated:

William A. Fowler

William A. Fowler
Counselor of Embassy
for Economic Affairs

Encl: As stated

HKMay:dh
REPORTER

CONFIDENTIAL

DEPARTMENT OF STATE
BUREAU OF INTER-AMERICAN AFFAIRS
AUG 24 1960

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SEP 14 1960

832.10/8-1260

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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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Memorandum of Conversation with Sr.
Paulo Poock Correa, August 12, 1960

1. Poock Correa told me that the SUMOC Council has not yet approved his exchange budget proposal for the last half of 1960. He said that he hopes that such approval will be obtained at the SUMOC Council meeting in Brasilia next week. Meanwhile, he showed me his proposal which provided for a deficit of approximately $260 million in all convertible currencies. He stated that the actual deficit during that period might be reduced by the amount of what he called "postponable" payments. He referred, in that connection, to the present exchange commitments (which are included in his proposed budget) of $25 million on the outstanding $200 million gold collateral loan and $47.7 million owing to the International Monetary Fund, and to the "gentlemen's agreement" which he has reached with officials of The Light for deferring approximately $10 million of interest payments. If each of those items is postponed, they would total approximately $83 million, thereby reducing the deficit during the last half of 1960 to $177 million. He said that he believes that there may be an increase in outstanding swaps of $30 million during the last half of 1960 and the Bank of Brazil may be able to receive $20 million as advance payment on some Brazilian exports during that period. This would reduce the financing problem to $127 million.

2. After stating that he did not know how he would be able to cover the prospective deficit of $127 million or more during the last half of 1960, Poock Correa abruptly told me that he would definitely be accompanying Finance Minister Paes de Almeida to Washington late in September for the Fund and Bank meetings. He asked whether I was planning to be there at that time. I stated that I have no present plans for going to Washington and asked whether he thought that there was any special reason that I should do so. He paused and then stated, "I don't know definitely what is in the minds of Sebastião (Paes de Almeida) or Walther Moreira Salles, but I think that they are planning to present some sort of request to your Government. Maybe, they are only going to ask for a rescheduling of our debts, or maybe they are going to ask for new money. I don't know".

Herbert K. May
Treasury Attaché
August 12, 1960

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832.10/8-1960

FOREIGN SERVICE DESPATCH

FROM : Amconsul SÃO PAULO — 68 DESP. NO.

TO : THE DEPARTMENT OF STATE, WASHINGTON. — August 19, 1960 DATE

REF : CERP Section D, Item IV-A-1; despatch 465, June 20, 1960

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ARA-4 RM/R-2 MER-1 INR-7 E-7 ICA-11 COM-6 CIA-10 FRB-3 TR-3 XMB-4

SUBJECT: Plan of Action and Government Finances

The São Paulo State Government Plan of Action (despatch 13 of July 14, 1959) is moving ahead, except in respect to the special "Funds" outlined in the master plan (Fund for Agricultural Expansion, Fund for Expanding Basic Industry, and Fund for Financing Industries Making Production Goods).

The law establishing the Plan of Action stipulated that regulations for the operation of these funds should be issued by the Executive authority within 30 days from the date of the law, but the regulations governing the three funds have not yet been issued and no money has been made available under them. All three of the funds are for the purpose of making financing facilities available in the respective fields.

Discreet inquiry about six weeks ago elicited the information that the funds would soon be activated, and more recently there was some mention made of plans to activate the Agricultural Expansion Fund, but so far nothing has developed. Special credits (authorized by the law) would have to be opened to provide the money for these funds. One of the authorized sources for that money is the excess of collections over revenue estimated in the budget. In recent years ad valorem sales tax revenue has been greater than budgetary estimates, because of price rises resulting from inflation. In 1959 the excess was over Cr$8 billion for the full year.

The situation in 1960 is somewhat different. Sales tax revenue for the year was estimated at Cr$62.6 in the 1960 budget, and collections during the first six months came to Cr$30.5 billion, which proportionately is slightly under the budgetary estimate. A preliminary figure for July, however, shows sales tax revenue in that month as Cr$6.1 billion. If this rate is maintained during the remainder of the year, and it seems likely that it will be, sales tax revenue during the second half of the year should net Cr$36.6 billion and this produce an excess of Cr$4.5 billion over the budgetary estimate for the full year. This excess would just about cover the 1960 budgetary deficit. The budget originally was voted with a deficit of Cr$0.5 billion. This deficit later was increased by Cr$4.3 billion through an adjustment in government salaries (despatch 28

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

DEPARTMENT OF STATE BUREAU OF INTER-AMERICAN AFFAIRS AUG 29 1960

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of January 28, 1960). Nothing would therefore be left over for other purposes. The Government is authorized to undertake credit operations to meet the needs of the Plan of Action not covered by budgetary allocations, but apparently it does not wish to borrow money to put into funds designed to provide cheap credit facilities.

William P. Cochran, Jr.
Consul General

0862

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FOREIGN SERVICE DESPATCH

FROM : AMEMBASSY, RIO DE JANEIRO 169
DESP. NO.

TO : THE DEPARTMENT OF STATE, WASHINGTON.

REF : CERP B 3 III, B4, and Sec. BIIIC
Embdes 85 dated Aug. 1, 1960 and
Embdes 122 dated Aug. 12, 1960

August 30, 1960
DATE

AUG 31 1960

ACTION / INFO / DEPT / OTHER
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Dea-4 Rep-1 RmR-2 INR-7 E-5 ICA-11
Com-8 TRS-3 FRB-2 XMB-4 Tar-2
Cia-10 Army-4 Navy-2 NSA-2

SUBJECT: Foreign Exchange Budget, Last Half 1960

The Brazilian foreign exchange budget for the last half of 1960, applicable to convertible currencies only, calls for a deficit during that period of $259.8 million. Six thermofax copies of that budget, as approved by the SUMOC Council on August 20, 1960, are transmitted herewith as Enclosure 1. It will be noted that the estimated deficit consists of $183.7 million in U. S. dollars and the equivalent of $76.1 million in other convertible currencies.

When Sr. Paulo Poock Correa, Director of the Exchange Department of the Bank of Brazil, presented a copy of the exchange budget to the reporting officer on July 29, he reiterated the comments which he had earlier made on this subject and which were reported in the first paragraph of Enclosure 1 to Embassy Despatch 122. That is, he believes that the Bank of Brazil will find the means to cover approximately $133 million of that deficit, thereby reducing its financing problem to $127 million. He continues to be uncertain as to the means which might have to be employed to cover the $127 million. He did, however, state that he is preparing a complete itemization of all of Brazil's international payment obligations for the remainder of 1960, with the objective of taking that compilation to Washington. As reported in Embassy Airgram G-70 of August 30, he expects to leave for Washington on September 16, somewhat in advance of the scheduled meetings of the Governors of the International Monetary Fund, the International Bank and the International Finance Corporation.

For the Ambassador:
Herbert K. May
Treasury Attaché

Coordinated:
William A. Fowler
Counselor of Embassy
for Economic Affairs
Encl: As stated

HKMay:dh
REPORTER

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

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D169 Rio ... ania

- OPERAÇÕES DE CÂMBIO -

ORÇAMENTO PARA O 2º SEMESTRE DE 1960

- MOEDAS CONVERSÍVEIS -

Anexo III

(Unidade: US$ 1 000 000)

ESPECIFICAÇÃO	MOEDAS CONVERSÍVEIS		TOTAL
	USA	OUTRAS	
RECEITA	304,9	134,8	439,7
EXPORTAÇÕES	302,8	131,8	434,6
-Café	225,0	75,0	300,0
-Cacau	22,0	20,5	42,5
-Petróleo	16,5	-	16,5
-Outros produtos, negociáveis no Mercado de Taxa Livre	39,3	36,3	75,6
TRANSAÇÕES FINANCEIRAS	2,1	3,0	5,1
-Amortização de empréstimo à Finlândia	0,9	-	0,9
-Outros	1,2	3,0	4,2
DESPESA	488,6	210,5	699,1
COMPROMISSOS JÁ ASSUMIDOS	369,5	183,6	553,1
IMPORTAÇÕES	249,7	140,3	390,0
-Petróleo e derivados	59,1	5,5	64,6
-PVC à Construtora do Cabedo	106,2	79,9	186,1
-Aparelhos e Papel para Bôrnes	2,0	1,4	3,4
-Borracha	9,4	3,7	13,1
-Indústria automobilística - CKD's	24,5	16,8	41,3
-Certificados com a sem Prioridade Cambial	44,5	33,0	81,5
TRANSAÇÕES FINANCEIRAS	39,1	3,0	42,0
-BIRD/AIDA - juros dos empréstimos de US$ 300, 400 e 450 milhões	4,1	-	4,1
-Comércio de Banqueiros | juros de empréstimo de US$ 300 milhões	28,5	-	28,5
| juros de empréstimo de US$ 50 milhões	0,6	-	0,6
-Dívida Pública Externa	6,0	3,0	12,0
-Brazil & Rivers, Light & Power - 1787 - juros	30,4	-	30,4
EMPRÉSTIMOS COMPENSATÓRIOS	52,7	27,4	101,1
-BIRD/AIDA - amortização de empréstimo de US$ 300 milhões	24,5	-	24,5
-Comércio de Banqueiros | amortização de empréstimo de US$ 50 milhões	3,7	-	3,7
| amortização de empréstimo de US$ 200 milhões	25,0	-	25,0
-Diversões Especiais em $	-	11,1	11,1
-Fundo Monetário Internacional	24,7	23,0	47,7
COMPROMISSOS A SEREM ASSUMIDOS	119,1	26,7	147,8
-Petróleo e Derivados	61,7	6,6	68,3
-PETROMAR - ampliação Ilha NPN	1,4	-	1,4
-Estradas de Ferro - equipamentos	1,4	-	1,4
-Ministério da Aeronáutica	3,9	-	3,9
-Ministério da Marinha	-	3,3	3,3
-Serviços de Navegação Aérea	2,0	-	2,0
-Livros, Jornais & Revistas	0,6	1,8	2,4
-Grupo ISEB - reparos & equipamentos	1,6	-	1,6
-Companhia Siderúrgica Nacional	1,8	-	1,8
-Borracha	2,5	-	2,5
-Bibliotecas Governamentais & Organizações de Serviços Públicos	2,0	-	2,0
-Superintendência do Desenvolvimento do Nordeste - SUDENE	1,2	-	1,2
-Trigo - Importação Privada	1,0	-	1,0
-Leilão em Bolsa	15,0	15,0	30,0
TRANSAÇÕES FINANCEIRAS	19,6	0,6	19,6
-Delegação do Tesouro Brasileiro em New York	0,6	-	0,6
-Portos & Aeroportos	2,0	0,6	2,6
-PETROMAR - Serviços Técnicos	2,0	-	2,0
S A L D O	183,7	76,1	259,8

-Julho, 1960-

Encl 1
Copy 1
Dispatch

AIR POUCH
PRIORITY

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(Security Classification)

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832.10/8-3160
ESMB

FOREIGN SERVICE DESPATCH

FROM : AMEMBASSY, RIO DE JANEIRO

175
DESP. NO.

August 31, 1960
DATE

TO : THE DEPARTMENT OF STATE, WASHINGTON.

REF : EMBDESPS No.85, Aug.1, and No.169, August 30, 1960.

AUG 31 1960

For Dept. Use Only	ACTION	DEPT.
	REC'D 9-6	INFO OTHER

DEPT. Rep-1 RMR-2 INR*-7 E*-7 ICA-11
OTHER Cia-10 Com*-8 TR*-3 FRB*-2 XMB-4

SUBJECT: OFFICIAL BALANCE OF PAYMENTS RESULTS, July, 1960.

Foreign exchange liquidations by the Bank of Brazil during July resulted in a convertible currency deficit of $21.0 million, as compared with the deficit of $22.4 million which had been budgeted for that month. There was neither a surplus nor a deficit in the purchases and sales of inconvertible currencies. Six thermofax copies of the Bank of Brazil's summary of July transactions are herewith transmitted as Enclosure 1. Its summary of the means by which the deficit was covered (principally swaps and use of commercial bank credit lines) is transmitted, also through six thermofax copies, as Enclosure 2.

It will be noted that convertible currency export receipts totalled $6.4 million more than had been budgeted, coffee exports alone being $8.7 million more than budgeted. Also, the Bank purchased $3.6 million in the free market, covering non-export transactions, although no such purchases had been budgeted. The Bank's net position was aided, furthermore, by the fact that it again took advantage of its July 1956 agreement, as amended, with the Export-Import Bank to defer the $4,0 million payment which had been budgeted for July. On the other hand, import payments totalled $9.1 million more than had been budgeted, including extra payments of $3.7 million (freight included) for petroleum and derivatives.

For the Ambassador:

Herbert K. May
Treasury Attaché

Coordinated:
William A. Fowler
Counselor of Embassy
for Economic Affairs

Enclosures: 2, as stated.

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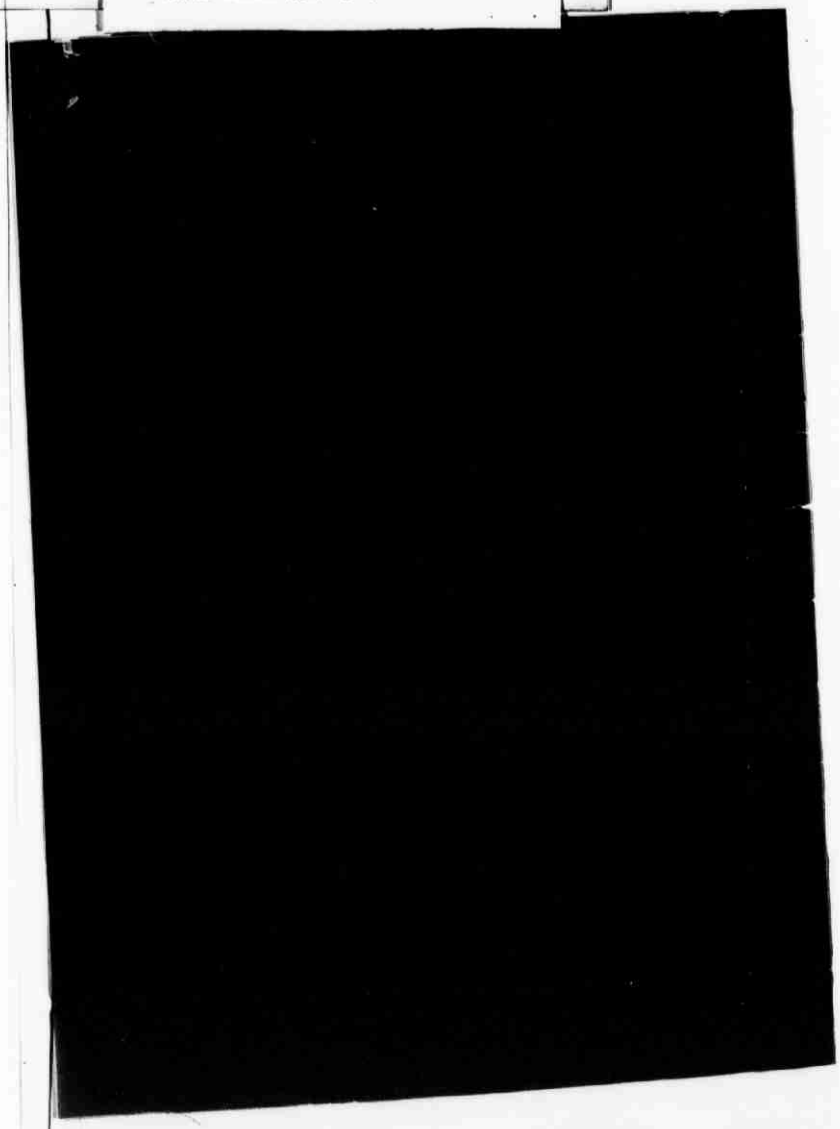
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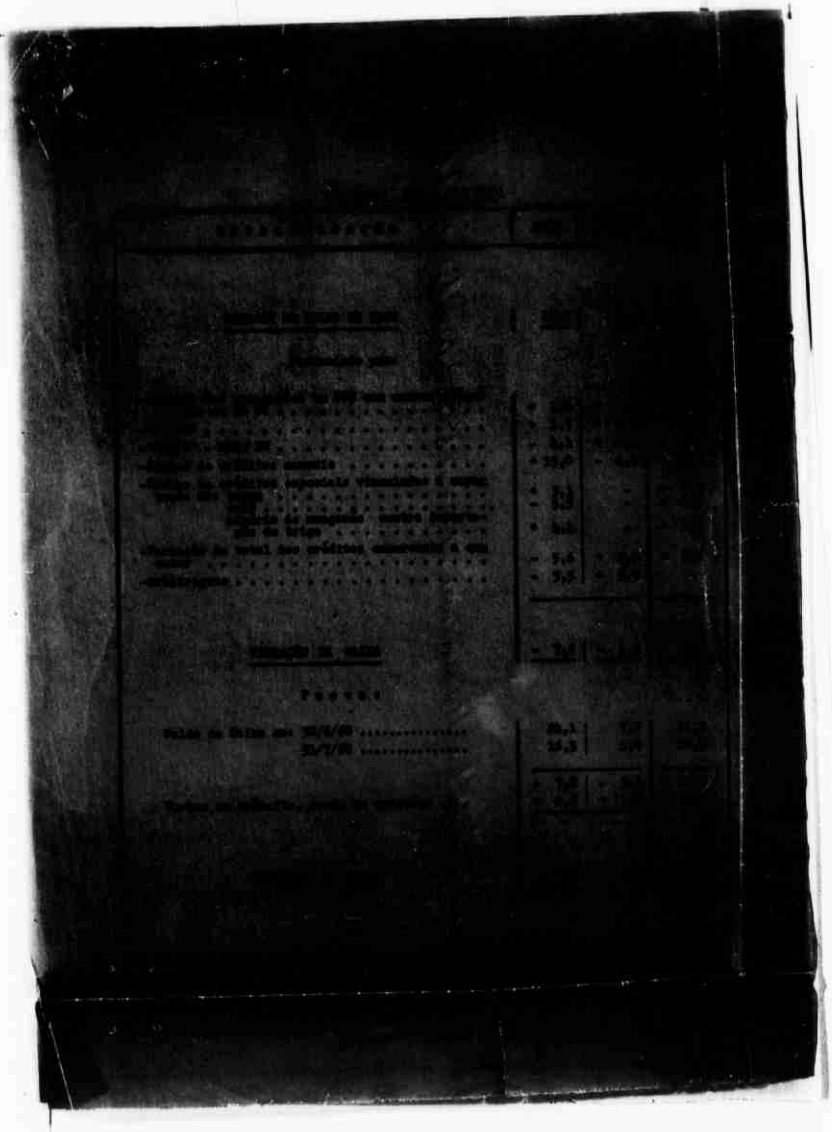
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ENCLOSURES NOS. 1 AND 2 TO DESPATCH NO.175
DATED AUGUST /31, 1960, FROM AMEMBASSY,RIO



0866



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FOREIGN SERVICE DESPATCH

FROM : AMEMBASSY, RIO DE JANEIRO · 173 — DESP. NO.

TO : THE DEPARTMENT OF STATE, WASHINGTON. — August 31, 1960 — DATE

REF : EMBDESPS No.83, Aug.1, and No.119, August 30, 1960.

For Dept. Use Only	ACTION	DEPT.
	REC'D	INFO OTHER

SUBJECT: OFFICIAL BALANCE OF PAYMENTS RESULTS, July, 1960.

Foreign exchange liquidations by the Bank of Brazil during July resulted in a convertible currency deficit of $21.0 million, as compared with the deficit of $22.4 million which had been budgeted for that month. There was neither a surplus nor a deficit in the purchases and sales of inconvertible currencies. Six thermofax copies of the Bank of Brazil's summary of July transactions are herewith transmitted as Enclosure 1. Its summary of the means by which the deficit was covered (principally swaps and use of commercial bank credit lines) is transmitted, also through six thermofax copies, as Enclosure 2.

It will be noted that convertible currency export receipts totalled $3.4 million more than had been budgeted, coffee exports alone being $8.7 million more than budgeted. Also, the Bank purchased $5.0 million in the free market, covering non-export transactions, although no such purchases had been budgeted. The Bank's net position was aided, furthermore, by the fact that it again took advantage of its July 1958 agreement, as amended, with the Export-Import Bank to defer the $4.0 million payment which had been budgeted for July. On the other hand, import payments totalled $9.1 million more than had been budgeted, including extra payments of $5.7 million (freight included) for petroleum and derivatives.

For the Ambassador:

Herbert K. May
Treasury Attaché

Coordinated:

William A. Fowler
Counselor of Embassy
for Economic Affairs

Enclosures: 2, as stated.

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Control: 2577
Rec'd: September 5, 1960
7:26 p.m.

FROM: Rio de Janeiro

TO: Secretary of State

NO: 364, September 5, 3 p.m.

Embassy Airgram G-154 May 9.

In Chamber speech yesterday front-paged JORNAL DO BRAZIL and mentioned briefly other papers, UDN Deputy Meneses Cortes attacked preference board directors REDE Ferroviaria for Budd over ACF in diesel car purchase. Cortes stated EX-IM Bank had made known Newton Paiva REDE financial director bad impression decision caused. Read document which he said was letter from Paiva to Mello Leitao President REDE reporting EX-IM reaction. Suggested 30 million cruzeiros of excess cost, which he claimed totalled $847,000, may have been diverted to Lott campaign funds.

Excerpt from Paiva letter given in press account agrees with document dated June 20 in Embassy possession and represented to be translation letter from Paiva to Leitao. Source document OFF of Cobrasma, ACF Brazil associate, who said ACF to give copy EX-IM Bank.

CABOT

L/2

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FOREIGN SERVICE DESPATCH

FROM : AMEMBASSY, RIO DE JANEIRO — 214 DESP. NO.

TO : THE DEPARTMENT OF STATE, WASHINGTON. — September 12, 1960 DATE

REF : CERP, Section B, III, E-1, April 3, 1957
Embdespatches 78, July 29 & 197, Sept. 6, 1960 Enclosures

	ACTION	DEPT.
For Dept. Use Only	REC'D 9-19	INFO OTHER

SUBJECT: Bank of Brazil Balance Sheet, July, 31, 1960.

BEGIN UNCLASSIFIED

The following conclusions may be drawn from analysis of the Bank of Brazil's balance sheet for July 31, 1960 (enclosed), in comparison with that for the previous month:

(1) Outstanding loans by the Bank, other than to the National Treasury, increased in July by Cr$3,440 million, following an increase of Cr$6,968 million during June. The increase in July, 1959, was Cr$1,536 million. Outstanding loans of the Bank of Brazil, other than to the National Treasury, are summarized below, in millions of cruzeiros, as of selected dates:

	Dec. 31, 1958	July 31, 1959	Dec. 31, 1959	June 30, 1960	July 31, 1960
Loans to the Public	115,971	123,881	134,038	150,058	153,513
Loans to State & Municipal Govts .	13,617	13,223	13,063	12,747	12,624
To Autarchies ...	4,456	5,565	7,482	5,499	5,607
Total, excluding Nat'l Treasury ..	134,044	142,669	154,583	168,304	171,744

(2) Outstanding rediscounts by the Bank of Brazil at the Carteira de Redescontos increased during July, 1960, by Cr$1,006 million, following an increase of Cr$1,665 million in June. Rediscounts by the Bank in July, 1959, increased by Cr$2,454 million (disregarding the "encampaçÃo"). Since total rediscounts by the Carteira increased by Cr$2,368 million in July, 1960, rediscounts for commercial banks must have increased by Cr$1,362 million.

832.10/9-1260 HBS

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DEPARTMENT OF STATE
BUREAU OF
INTER-AMERICAN AFFAIRS
SEP 23 1960

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

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(3) The sum of the various Bank of Brazil accounts derived from agio profits increased during July by Cr$6,993 million. This item had decreased by Cr$2,517 million in June and had decreased by Cr$4,192 million in July, 1959.

(4) It is estimated that the outstanding total of "swaps" negotiated by the Bank of Brazil during the first seven months of 1960 increased by approximately Cr$6.7 billion. This would indicate an increase of approximately Cr$3.0 billion in the outstanding total of swaps during the month of July. These estimates are based upon the Embassy's understanding that increases or decreases in that account, "Operações de Cambio á Ordem do Tesouro Nacional; Outras Contas Vinculadas ao Cambio" are almost entirely the consequence of "swap" transactions.

END UNCLASSIFIED

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(5) It is estimated that the net debtor position of the National Treasury at the Bank of Brazil increased during the first seven months of 1960 by approximately Cr$19.2 billion, including an estimated increase of approximately Cr$4.7 billion during the month of July. This compares with an increase of Cr$16.4 billion during the first seven months of 1959, including an increase of Cr$0.2 million during July, 1959. The Embassy will hereafter report changes in the net debtor position on an Official Use Only basis inasmuch as the data for the Embassy's estimate are in part derived from unpublished statistics. The published monthly balance sheets of the Bank of Brazil continue to provide the major data comprised within the net debtor position, in accordance with the footnote appearing on Page 1 of Despatch 23, July 11, 1960. However, the Embassy has recently learned that following the transfer of the Agio Account, "Fundo para Eventuais Diferenças de Cambio" (Fund for Exchange Differences) to the order of the Treasury late in 1959, the Treasury proceeded to use the deposits in that account for the purpose of financing budgetary deficits. Accordingly, SUMOC, and the Embassy, are at present determining the net debtor position by adding increases in the unpublished account, "Fundo para Eventuais Diferenças de Cambio" to the data used in the footnote to Despatch 23.

END OFFICIAL USE ONLY

For the Ambassador:

Herbert K. May
Treasury Attaché

Coordinated:

William A. Fowler
Counselor for
Economic Affairs

Enclosures:
6 copies of Bank of Brazil balance sheet, July 31, 1960.

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0871

BANCO DO BRASIL S.A.

BALANCETE EM 30 DE JUNHO DE 1980

APRA

— COMPREENDENDO DIREÇÃO GERAL E AGÊNCIAS NO PAÍS (644) E NO EXTERIOR (8) —

2180

ATIVO

Cr$

DISPONIBILIDADE

Caixa			
Bancos			
Agências no exterior (total do disponível)		51.881.701,90	7.080.778.955,60

REALIZÁVEL

Operações de crédito, à ordem do Tesouro Nacional:			
Correspondentes no país	5.594.728.087,60		
Outras contas	21.193.344.008,40	26.788.272.096,00	
Aplicações em Caixa			
Do Sistema de Crédito Cível			
Do Sistema de Crédito Rural e Industrial			
Do Sistema de Crédito Especial e Industrial			
Do Sistema de Crédito Cível			
Do Sistema de Crédito Rural e Industrial			
Do Sistema de Crédito Especial e Industrial			
Títulos descontados			
Do Sistema de Crédito Cível			
Do Sistema de Crédito Rural e Industrial			
Do Sistema de Crédito Especial e Industrial		49.828.591.742,30	
Outros créditos e valores			
Créditos			
Títulos a receber de ações próprias	3.891.181.466,70		
Créditos em liquidação	3.315.750.243,59		
Recolhimentos do Banco e do Crédito, exigíveis à vista	73.377.694,20		
Outros recolhimentos obrigatórios (Resolução 5.179, de 28-5-80)	4.177.111.476,90		
Recolhimentos do Banco e do Crédito, especiais obrigatórios	7.707.099.505,50		
Compra e venda de produtos de empresas	3.000.000.579,10		
Caixa de Mobilização Bancária, conta de movimentação de operações	915.892.108,70		
BNH Nacional (Decreto-lei 73, de 21-11-66)			
Contribuição anual de 1% sobre os depósitos	300.000.000,00		
da loteria encontrada (Decreto 80.007, de 20-6-77)	175.401.300,50		
Correspondentes no país	2.913.923.425,00		
Outras contas			
Valores			
Títulos e valores mobiliários:			
Ações e outras obrigações (custo)	298.253.136,00		
Títulos públicos	41.961.920,00		
Outros títulos e valores mobiliários	765.791.359,60	1.106.169.415,10	
Imóveis não destinados a uso do Banco	866.322.853,50	34.527.910.417,10	
Direção Geral e Agências (contas de resultados internos)		634.049.490.987,60	
Agências no exterior (total do realizável)		1.328.231.381,70	991.939.982.989,10

IMOBILIZADO

Imóveis de uso do Banco	3.864.719.673,70		
Móveis e utensílios	807.383.000,00		
Material de expediente	303.067.197,00	4.975.136.043,00	
Agências no exterior (total do imobilizado)		114.922.785,70	5.090.096.859,30

DE RESULTADO PENDENTE

Despesas de juros e descontos	850.165.782,50		
Despesas gerais	11.307.436,10		
Despesas diversas	3.150.783.931,80		
Outras contas de resultado pendente	1.550.707.735,00	5.063.329.085,30	
Agências no exterior (total do resultado pendente)		19.137.217,80	5.082.466.245,00
			1.009.201.546.416,90

DE COMPENSAÇÃO

Valores em custódia	552.903.935.977,30		
Bens e valores recebidos em garantia	2.567.777.497,00		
Outras contas de compensação	87.436.115.431,00	92.003.893.474,00	346.389.227.051,80
Agências no exterior (total de compensação)		166.940.117.520,00	
		92.541.026.114,70	
		1.561.805.403,30	261.330.774.814,00

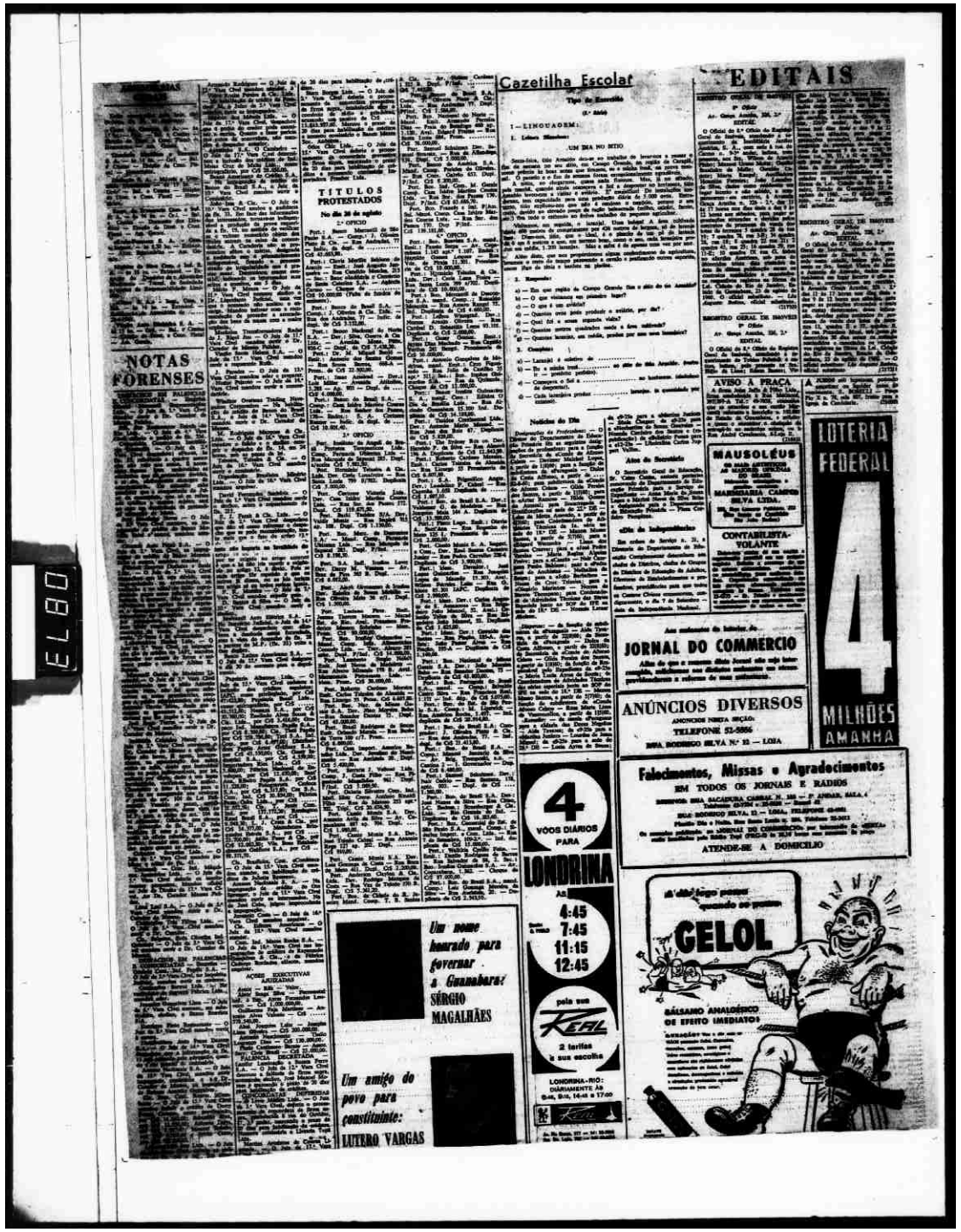
PASSIVO

NÃO EXIGÍVEL

Capital			
Fundo de reserva		250.000.000,00	
Lucros a pagar		6.150.000.000,00	
Fundo de amortização de títulos, ações e obrigações		6.240.621.111,50	
Fundo para prejuízos eventuais		2.345.000.000,00	14.985.621.111,50
Fundo para o desenvolvimento de atividades de interesse público			110.000.000,00
Agências no exterior (total do não exigível)			10.000.000,00

EXIGÍVEL

Operações de crédito, à ordem do Tesouro Nacional:			
Correspondentes no exterior		12.345.000.000,00	
Obrigações em moedas estrangeiras		1.000.000.000,00	
Recursos obrigatórios (Circular 24.006, de 28-5-80)		2.000.000.000,00	15.345.000.000,00
Outras contas vinculadas à emissão			
Depósitos à vista e a curto prazo			
Do Tesouro Nacional:			
À movimentação da conta do Tesouro Nacional	58.765.802.197,10		
Fundo de investimento (Dec.-lei 2.292, de 21-11-86)	25.982.459,60		
Fundo de [illegible]	3.870.000.025,00		
Fundo de modernização e redenção de títulos públicos	21.458.316.861,70		
Fundo de Mobilização Econômica	1.000.000.000,00		
Fundo para reforço [illegible]	700.147,80		
Fundo especial para [illegible]			
Recursos do BID (Lei 5.564, de 14-12-67 — Art. 10)	534.701.714,90		
Outros créditos	16.000.000.000,00	77.236.701.000,00	
Do governo estadual			
Do governo municipal			
De outras entidades públicas			
De emprego:			
Superintendência de Moeda e do Crédito:			
Conta de fundos	30.779.708.771,30		
Contas de juros	925.540.000,00		
Fundo Monetário Internacional	4.474.105.156,10		
Banco Internacional de Desenvolvimento	161.106.710,00	38.317.560.685,00	
Caixa de Mobilização Bancária	2.479.402.909,00		
Outras entidades	25.190.850.843,70	68.987.803.588,00	
De bancos		20.007.700.000,00	
Do público (compulsórios):			
Judiciais (Decreto-lei 1.077, de 26-1-41)	4.486.709.191,70		
De empresas concessionárias de serviços públicos (Decreto-lei 1.077, de 26-1-41)	478.994.300,00		
Obrigatórios de bancos mutualistas (Decreto-lei 9.159, de 10-4-46)	31.307.553,30		
Depósitos para investimentos (Lei 1.474, de 26-11-51)	720.000.179,00		
Outros depósitos obrigatórios	187.807.000,00	4.001.140.000,00	
Do público (diversos):			
Sem limite	15.413.000.000,00		
Limitados	1.674.101.000,00		
Populares	6.000.000.000,00		
Sem juros	1.196.000.000,00		
Outros depósitos	2.727.707.353,00	29.011.000.000,00	
Saldos credores de cooperativas		000.000.000,00	000.000.000.000,00
DEPÓSITOS A PRAZO			
De autoridades		2.001.000.000,00	
Do público (compulsórios):			
Judiciais (Decreto-lei 1.077, de 26-1-41)		19.000.000,00	
Do público (diversos):			
De aviso prévio	220.324.700,00		
A prazo fixo	250.000.000,00	000.000.000,00	2.000.000.000,00
OUTRAS RESPONSABILIDADES			
Títulos sedecentrados:			
Comerciais	18.999.981.100,10		
Contratos de Cadernos de Crédito Agrícola e Industrial	29.333.989.865,00	48.983.971.971,70	
Mobilização de créditos em estrangeiro		2.000.000.000,00	
Caixa de Mobilização Bancária (Bancomatic)		4.000.000.000,00	
Carteira de Colonização, conta de recursos		181.140.702,00	
Bônus e letras hipotecárias da Carteira de Crédito Agrícola e Industrial, em circulação		951.000.000,00	
Correspondentes no país		48.130.971,00	
Ordens de pagamento		3.272.070.000,00	
Cobrança efetuada, em trânsito		9.143.004.907,00	
Cheques do país		2.007.730.000,00	
Dividendos a pagar		14.320.000,00	
Outras contas de passivo exigível		14.130.310.100,00	77.000.000.000,00
Direção Geral e Agências (contas de resultados internos)			451.000.000.000,00
Agências no exterior (total do exigível)			1.000.000.000,00
DE RESULTADO PENDENTE			
Receitas de juros, descontos, comissões e diversas		5.169.413.904,10	
Outras contas de resultado pendente		14.979.941.400,00	20.149.355.404,10
Agências no exterior (total do resultado pendente)			30.000.000,00
			1.000.000.000,00
DE COMPENSAÇÃO			
Depósitos de valores em garantia e custódia			300.000.000.000,00
Depositantes de ativos para alienação:			
De país		100.137.456.627,00	
De exterior		882.001.150,00	100.000.117.000,00
Outras contas de compensação			31.341.000.125,70
Agências no exterior (total de compensação)			1.341.000.000,00



NOTAS FORENSES

TÍTULOS PROTESTADOS

No dia 24 de agôsto

1º OFÍCIO

2º OFÍCIO

Cazetilha Escolar

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EM TODOS OS JORNAIS E RADIOS

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4 MILHÕES AMANHÃ

4 VÔOS DIÁRIOS PARA LONDRINA

Às 4:45 7:45 11:15 12:45

pela sua REAL

2 tarifas à sua escolha

LONDRINA-RIO: DIÁRIAMENTE ÀS 9-45, 11-45 e 17-00

Um nome honrado para governar a Guanabara: SÉRGIO MAGALHÃES

Um amigo do povo para constituinte: LUTERO VARGAS

GELOL

BÁLSAMO ANALGÉSICO DE EFEITO IMEDIATO

INCOMING TELEGRAM *Department of State* ACTION COPY

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CONFIDENTIAL NUMBERED

Classification Control: 16855

Rec'd: September 26, 1960 9:56 p.m.

Action ARA

Info SS G SP L H E UMSC UIGC ICA INR CIA NSA COM XMB FRB TRSY RMR

FROM: Rio de Janeiro

TO: Secretary of State

NO: 446, September 26, 5 p.m.

SENT DEPARTMENT 446, BELO HORIZONTE UNNUMBERED.

Airpouching Embassy despatch 264 CEMIG request two and one-half million dollar loan to cover dollar obligations due September 1960 -- February 1961 amounting one million, another 600,000 due March-July 1961 and 900,000 to complete Tres Marias electric power system to extent 260,000 KW.

I am aware of 1957 and 1958 Tres Marias approaches to Export-Import Bank and in general terms reasons for Bank's negative reaction. Since then US-Brazil relations have worsened and feeling that US has neglected Brazil, if not adopted a punitive attitude attributable largely to our dislike of Petrobras, has grown. Act of Bogota has brought about an improved atmosphere and new hope for the future. This atmosphere will dissipate and the hope be disappointed if we fail to act in spirit of Bogota in dealing with current and emerging issues. It is in this spirit that I hope the current request in regard to Tres Marias will be favorably considered.

During Washington consultations both before and since taking charge here I was given to understand that although balance-of-payments assistance to Brazil was dependent on adoption meaningful stabilization program door open to consideration development loans on merits. Fact is, however, no Export-Import Bank loan for development given Brazil since I arrived unless financing Boeing sale to Varig could be considered in that category rather than as exporter credit. This fact has been given widespread publicity in form quotes from speeches by Moreira Salles, Hanson's letter, and otherwise. This situation has also been used to support thesis USG denying aid to Kubitschek regime and saving it all for Janio.

Early favorable

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832.10/9-2660 HBS

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-2- 446, September 26, 5 p.m. from Rio de Janeiro

Early favorable consideration Tres Marias request would help clear the air and is, I believe, clearly justifiable on economic grounds. It would, it seems to me, be small price to pay for identifying USG with a great power project which since it is in last stages completion should now enjoy a high priority and in which private US interests are concerned not only as suppliers of equipment but also as potential consumers Tres Marias power. Loan requested too small in my opinion to raise question Brazil's over-all ability service foreign debt. It would, I believe, be absurd not to lend our support to this great power project so vitally connected with other industrialization schemes being completed as scheduled when so little is needed to insure its completion. I emphatically trust Export-Import Bank will be willing to loan required amount.

CABOT

SMD:HC/2

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OUTGOING AIRGRAM

Department of State

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NO. G-46

Oct 5 8 00 PM

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SENT TO: Amembassy RIO DE JANEIRO

832.10/9-2660

Page 1 of 4 Pages

Eximbank has furnished following comment on Embtel 446: Consistent with reiterated position consider development projects which would make contribution or at least not aggravate existing exchange problem, Eximbank prepared give immediate consideration request from CEMIG. In March 1959 Eximbank permitted credit authorized for CEMIG to be used for installations necessary to link Tres Marias to CEMIG facilities at Belo Horisonte. Embtel represents first indication of possible approach Eximbank for credit $2.5 million for "final stages" Tres Marias.

It is assumed Embassy Despatch 264 will clarify purpose of request which, according to EmbTel 446, appears principally for refunding previously arranged obligations. This appears to indicate difficulty of attempting clearly distinguish between so-called development projects and present problems arising, at least in part, from failure follow sound fiscal policies.

Embassy, of course, well aware that problems which have made it difficult for Eximbank even to give assistance to U. S. exporters in sales to Brazil have been caused by Brazilian fiscal situation without relation to Petrobras. Credits extended by Eximbank in Brazil since creation of Petrobras are best answer to such ill-founded claims.

Dist. Desired (Offices Only)

If some question exists as to whether VARIG proposal is exporter credit instead of development credit, then there is even less reason to doubt willingness of Eximbank to be of assistance regardless of type of credit in cases which can be justified in light of existing situation.

Following receipt of copy of letter December 4 from Ambassador to Rubottom, Eximbank informed Moreira Salles and American & Foreign Power of willingness to consider credit of approximately $46 million for completion Peixoto project as of importance to assure power for industrialized area. Despite reiteration Eximbank offer, AMFP has not (rpt not) been able conclude local financing previously promised by BNDE.

832.10/9-2660

LWS

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Drafted by: Eximbank: H. Arey

Airgram transmission and classification approved by: S/S-CR

Phil Atterberry

Clearances: EST: Mr. Boonstra
ED: Mr. Randall

OCT 5 1960 PM

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Presently before Eximbank Board is proposal finance aircraft for Panair do Brasil. In August at the request Brazilian Embassy Eximbank authorized credit of $500 thousand dollars for additional equipment for Brazilian company Bimetal. Bank has received and is giving consideration to application for approximately one million dollars to finance project to establish soluble coffee plant in Brazil designed to increase exports of coffee by opening up new markets. Only other credits pressed by Brazilian representatives, including Moreira Salles, have been those for such items as housing and hotels for NOVOCAP and Brazilia. Such projects should not require foreign purchases suggested and admittedly were presented to Eximbank because of inability obtain financing in local market. Eximbank offered consider request for U. S. equipment for plant to manufacture components prefabricated housing provided such plant would not (rpt not) add to import requirements for raw and unfinished materials.

Eximbank has discouraged applications for medium term supplier credits in absence showing equipment would be used to improve present exchange situation. In personal conversations Moreira Salles had always expressed agreement this approach.

Possibly additional projects would have been presented to Eximbank if both MinFin and Moreira Salles had not been aware and possibly shared Eximbank concern with Brazilian internal fiscal situation which makes it difficult if not impossible to estimate cost of new projects. COSIPA is example of project undertaken without adequate financing of local costs. Continued inflation and failure to deal with fiscal problems cannot be ignored in consideration development projects.

) DILLON
Dillon
~~Herter~~ acting

(~~RAH~~)

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AIR POUCH
PRIORITY

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FOREIGN SERVICE DESPATCH

FROM : AMEMBASSY, RIO DE JANEIRO
264
DESP. NO.

TO : THE DEPARTMENT OF STATE, WASHINGTON.
September 26, 1960
DATE

REF : CERP - D-V-A-5

SEP 27 1960

For Dept. Use Only
ACTION: ARA-4
REC'D: 10/3
INFO DEPT.: R14/A-2 REP-1 INR-7 E-7 ICA-11
OTHER: CCM-5 CIA-10 FRB-3 XMB-4 DLF-1 IN-7 FPC-1 ARMY-5 NSA-2

SUBJECT: TRES MARIAS - REQUEST FOR FINANCIAL ASSISTANCE

Mario Bhering, Vice President of Centrais Elétricas de Minas Gerais (CEMIG), came in to see the Ambassador for the purpose of discussing dollar-financing difficulties in completing the Três Marias project on schedule and of requesting the assistance of the United States Government in overcoming these difficulties.

He left with the Ambassador a letter dated September 21, 1960, with an attached memorandum entitled "Notes on the Três Marias Financing Situation." The letter and attachment are reproduced in Enclosure 1.

It will be noted that reference is made in the memorandum to two earlier attempts (1957 and 1958) to obtain financial assistance from the Export-Import Bank. The present request is for US$2,500,000 to cover dollar purchases and services between now and July 1961, of which US$1,000,000 is said to be "of immediate necessity."

The Embassy's comments will be sent in a separate communication.

For the Ambassador:

William A. Fowler
Counselor of Embassy
for Economic Affairs

Enclosure: (1) Letter and attached memorandum, as stated.

cc: AMCONSULATE, Belo Horizonte.

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Page 1 of
Encl. No. 1
Desp. No. 264
From Amembassy, Rio

COPY

CENTRAIS ELETRICAS DE MINAS GERAIS S.A.

Companhia de Eletricidade do Alto Rio Doce
Companhia de Eletricidade do Alto Rio Grande
Companhia de Eletricidade do Médio Rio Doce

Tel.4-0370
End.Teleg.CEMIG

Avenida Afonso Pena 726-22º
Caixa Postal 992
Belo Horizonte - Brasil

Belo Horizonte, September 21st, 1960
5722/60DV

Honourable John Moors Cabot,
American Ambassador,
American Embassy,
Rio de Janeiro

Dear Mr. Ambassador:

Following our conversations in Três Marias, we have the pleasure to attach a note on the financing situation of the project.

As you had the opportunity to see, Três Marias is now approaching its final stage, but we are encountering serious difficulties in keeping the desired rate of construction due to the lack of proper financing in dollars. On the other hand, it is imperative that the first generating units start producing next year.

We greatly appreciate your interest in the matter and hope having the cooperation of the U.S. Government to finish this important enterprise.

We remain at your disposal for any further information you may be requiring.

Sincerely yours,

(Sgd.) Mario Bhering
Vice-President

CEMIG Rio Office,
Mr. Antonio Carlos Bastos,Mgr.,
Tel. 32-4552
Rua São José, 90, 11º

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NOTES ON THE TRÊS MARIAS FINANCING SITUATION

1. HISTORY

Três Marias is a multi-purpose development built on the upper São Francisco river, consisting of a 20 million cu.yds. earth-fill dam (5th in the world) with power facilities for a final capacity of 520,000 kW.

The dam will impound 20 billion cu.m of water producing the following benefits:

a) Prevent flooding of a large area of margin lands;

b) Ensure year-round navigation in a stretch of 1,300 km in the middle valley;

c) Enable the installation of 520,000 kW at the site;

d) Permit some 400,000 kW of extra firm capacity in Paulo Afonso.

The first effective steps to build Três Marias were taken in June 1956, when Centrais Elétricas de Minas Gerais S.A. (CEMIG) signed with Comissão do Vale do São Francisco (CVSF), a Federal authority, an agreement for the construction providing that:

a) All hydraulic structures were to be financed by the Federal Government;

b) CEMIG was nominated general contractor for construction and design;

c) The power facilities were to be financed, installed and operated by CEMIG.

In December 1956 tenders were invited for construction and the contract awarded to a group of United States firms: Morrison-Knudsen Co. Inc.(sponsor), Utah Construction, Kaiser Engineers and Raymond Concrete Pile Co.

Construction was started in May 1957 and has been maintained at a very rapid rhythm, the program being to close the gates by the end of 1960, start storage and operate the first unit as soon as water level permits (probably by middle 1961).



2. IMPORTANCE OF THE PROJECT.

Speaking only of the power production potential, it can be said that the power of Três Marias is of the utmost importance to the economy of the country. Approximately 85% of CEMIG's generation is consumed by the industries, half of them being heavy metalurgical consumers.

Depending on the Três Marias power are enterprises like Usiminas (500,000 ton steel mill), Belgo-Mineira (expanding to 500,000 ton steel capacity), Companhia Siderúrgica Mannesmann (expanding to 300,000 ton steel capacity), Alcan (aluminium smelting plant expanding from 13,000 ton capacity), Alcoa-Byington (25,000 ton/year aluminium smelting plant), several other ferro-alloy, zinc and cement plants.

Production of unit nº 1 is vital next year, nº 2 & 3 are required in 1962 and nº 4 by 1963. Any delays in the construction will result in a serious electric power crisis in the central region of Minas Gerais, including the Belo Horizonte area.

3. CRUZEIRO COST AND FINANCING.

The dam should cost US$45,000,000 (x) from which US$31,000,000 represent local costs and US$14,000,000 costs in foreign exchange.

The power facilities for 4 units (260,000 kW) are estimated at US$34,500,000 from which US$17,000,000 are local costs and the rest foreign exchange costs.

When completed with 8 units, transmission lines and main substation, Três Marias will cost approximately US$193/kW, if the total costs of the dam were to be charged to power which will not be the case, since part of this cost will be allocated to navigation and flood control. However, even on this basis, it compares well with large hydroelectric developments in the United States, where costs per kW range from US$200 to US$250.

The local costs of the first stage (260,000 kW) are being financed with budgetary appropriations from CVSF with a loan from the Development Bank (BNDE) and with CEMIG's own funds.

4. FOREIGN EXCHANGE COST AND FINANCING.

For the first stage which contemplates the installation of 260,000 kW in the period 1961/1963 the foreign exchange cost will be US$31,500,000.

(x) Rate of conversion US$ = Cr$180.



With the exception of US$250,000 taken from a loan made by Exim Bank to CEMIG in 1956, none of these funds came from either Exim, International Bank or any other similar finance institution.

From the total amount of US$31,500,000 approximately US$15,500,000 comes from 3 to 7 year credits extended by European and United States manufacturers, the latter being mainly construction plant suppliers. The remaining US$15,000,000 represent cash payments for purchases of equipment, spare parts, services of U.S. personnel and fees.

CEMIG has twice sought the assistance of Exim Bank for Três Marias:

The first time in April 1957, when a credit of US$10,000,000 was discussed informally through Morrison-Knudsen to cover construction equipment, purchasing and expenses with US personnel, engineering and fees.

The second time in April 1958, when a formal application for a US$5,000,000 long term loan was made to Exim to assist the financing of the transmission line from Três Maria to Belo Horizonte and main substation.

In both cases, no assistance could be obtained; in the first case, Exim gave as the main reason for its refusing to assist, the low priority of Três Marias in the Brazilian Government electrification program; in the second case, we were informed by the Bank that the general finance situation of Brazil had caused a suspension of new loans.

5. PRESENT SITUATION

The dam is now 85% constructed. The power facilities for units 1 & 2 are 60% constructed and construction for units 3 & 4 is starting. Três Marias is today the largest center of construction activity in Brazil, after Brasília.

However, the fact of having to cover the local costs and a great part of the dollar costs on a very short term basis is causing great difficulties and CEMIG fears it will be unable to meet the required payments to the contractor and to the suppliers. This may result in a reprograming of the job which will have serious effects in the power supply.

Commitments presently outstanding amount to approximately US$1,000,000 in the period Sept. 60/Feb. 61 ascending to US$1,600,000 until July 1961. In addition to this amount, CEMIG needs approximately US$900,000 to complete the electric power system necessary to place 260,000 kW in service.



Resuming, the requirements to cover expenses incurred with U.S. purchases and services are US$2,500,000 of which US$1,000,000 are of immediate necessity. It would be desirable if the above amounts were made available under a loan with a period of grace of at least three years followed by a period of repayment of 5 to 7 years.

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Control: 17381
Rec'd: September 27, 1960
2:28 p.m.

FROM: Rio de Janeiro

TO: Secretary of State

NO: 448, September 27, Noon

According O GLOBO, Finance Minister Paes de Almeida reached twofold agreement with various US commercial banks last week (A) permitting deferral until 1961 $25 million payment on gold collateral loan which had been scheduled October 1960, and (B) obtaining new gold collateral loan $10 million.

Embassy would appreciate details that agreement, if actually concluded. Also would appreciate advice any other financial discussions being held by Paes de Almeida.

CABOT

TR/1

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OCT 10 1960
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1960 SEP 30 PM 2 25

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Origin

Info

SENT TO: AmEmbassy, RIO DE JANEIRO 422

your [redacted] 448

Your info confirmed to Department by senior official Chase-Manhattan New York. October 1960 $25 million payment deferred to April 1, 1961 to coincide next scheduled payment due that date. New $10 million gold collateral loan for 18 months also approved.

Berlin
(JPY)

DILLON

(55)

Drafted by: OFD:FN:BEByron:mlb-9/29/60

Telegraphic transmission and classification approved by: FN-John Parke Young JPY

Clearance: ARA:EST - L.Briggs (by phone)

S/S-CR
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SEP 30 1960 P.M.

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FOREIGN SERVICE DESPATCH

FROM : AMEMBASSY, RIO DE JANEIRO

273
DESP. NO.

TO : THE DEPARTMENT OF STATE, WASHINGTON.

September 28, 1960
DATE OCT 4 1960

REF :

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53	ARA-4	RM/R-2 REP-1 INR-7 E-7 ICA-11
	REC'D 10/11	INFO OTHER CIA-10 COM-8 TR-3 FRB-7 TREASURY-14

DEPARTMENT OF STATE
BUREAU OF
INTER-AMERICAN AFFAIRS
OCT 14 1960

SUBJECT: Recent Financial Developments

There is enclosed herewith a table summarizing certain selected financial indicators for the first seven months of 1960, as compared with those for the same period of 1959. The first nine of the indicators are concerned principally with the internal financial situation of Brazil, while the tenth indicator is concerned principally with Brazil's external financial situation. An analysis of recent financial developments based primarily on the enclosed table appears below:

Rm/Rpts 10/18/60

A. The Internal Financial Situation

1. Price Movements

According to the cost of living index of the Ministry of Labor for Rio, the increase registered during the first seven months of 1960 amounted to 21.0% as compared with 21.2% during the same period of 1959. On the other hand, the cost of living index of the Getulio Vargas Foundation showed an increase of only 8.0% during the first seven months of 1960 as compared with 27.1% during the same period of 1959. It is believed that the actual increase in the cost of living during the first seven months of 1960 was somewhere between the amounts indicated by the Ministry of Labor and the Getulio Vargas Foundation.

2. Money Supply Movements

Additional paper money was issued in the amount of Cr$10.8 billion (7.0 percent) during the first seven months of 1960 as compared with Cr$8.1 billion (6.8 percent) during the first seven months of 1959. Total "money" (paper money plus short-term bank deposits) held by the public (i.e., outside the banking system) increased by an estimated Cr$54.8 billion (10.9 percent) during the first seven months of 1960

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as compared with Cr$57.6 billion (14.7 percent) during the same period of 1959.

3. Principal Factors Accounting for Money Supply Movements

In summary, the financial practices of the Brazilian Government during the first seven months of 1960 would have resulted in a far greater increase of the money supply (and, therefore, far greater inflationary pressures) if it had not been for the counter-inflationary effects of two measures: the increased offerings of PVC's on the commercial import auctions, and the forced purchase of Bank of Brazil letters by Brazilian exporters. (§) The discussion below will cover, first, the factors tending to expand the money supply (a through d) and, then, the factors tending to counteract that expansion (e), although it will be recognized that the various factors are closely inter-related and that the distinctions drawn between them are to some extent arbitrary.

The major factors tending to increase money supply were as follows:

a. Increase of direct financing by the Bank of Brazil: During the first seven months of 1960, the Bank of Brazil increased its net loans to the Treasury by an estimated Cr$19.1 billion. In addition, the Bank's outstanding "other" loans increased by an estimated Cr$16.6 billion (loans to the private sector of the economy increasing by Cr$18.9 billion while there was a decrease of Cr$2.4 billion in loans to State and Municipal Governments plus "autarquias" and other governmental entities). Net loans to the Treasury accordingly totalled Cr$2.7 billion more, while "other" loans totalled Cr$8.0 billion more, than during the comparable period of 1959.

b. Increase of Rediscounts by Bank of Brazil to other Banks: Whereas the Rediscount Department of the Bank of Brazil had reduced its outstanding rediscounts for other banks during the first seven months of 1959 by Cr$4.0 billion (thereby substantially curbing the lending power of those banks), the Rediscount Department increased such rediscounts by Cr$4.4 billion during the first seven months of 1960 (thereby substantially fortifying the lending capacity of those banks).

(§) The IMF "loan" of $47.7 million in May, 1960, made it possible for the Bank of Brazil to honor some of the PVC's and exchange contracts sold prior to the end of January, 1960. However, that "loan" had little, if any counter-inflationary effect during the first seven months of 1960.



c. Increase of Commercial Bank Loans: Loans by the commercial banks (other than the Bank of Brazil) to the public increased by an estimated Cr$49.4 billion during the first seven months of 1960 as compared with Cr$25.2 billion during the same period of 1959. The increased ability of the commercial banks to expand its loans during 1960 has, of course, been a function of the credit expansion (summarized above) by the Bank of Brazil and the Rediscount Department of that Bank, as well as of the other financial developments summarized below.

d. Continuation of Coffee Stockpiling by Brazilian Government: There will be a more extensive discussion under (e) below, of the impact upon Brazil's internal financial situation deriving from Brazil's balance of payments position and from the operations of its foreign exchange system. It is important to note at this point, however, that much of the most important use being made of Brazil's net agio (exchange surcharge) "profits" has been the purchase of coffee by the Brazilian Government for stockpiling purposes, and that such purchases totalled Cr$15.0 billion during the first seven months of 1960, as compared with Cr$18.0 billion during the same period of 1959.

While some of the factors related to Brazil's balance of payments and to the operations of its foreign exchange system have tended to be inflationary, they were more than counterbalanced during the first seven months of 1960 by other, closely-related, factors. It is considered useful, for the purpose of this despatch, to treat these various factors collectively, as factors tending, on a net basis, to restrain the increase of money supply:



e. Increase of net "profits" derived from foreign exchange transactions: For the purposes of this despatch, it is considered useful to reclassify some of the enclosed indicators as follows:

		1st 6 mos. '59	1st 7 mos. '59	1st 6 mos. '60	1st 7 mos. '60
IX a.	Gross Agio Receipts				
IX a.1.	From Regular Sales	69.9	84.6	84.3	95.1
IX a.2.	From Supplementary Sales	-.-	-.-	4.2	5.4
IX a.3.	Total	69.9	84.6	88.5	100.5
IX d.3	Less: Deferred Collections	3.9	10.6	8.8	6.5
	Gross "Actual" Receipts	66.0	74.0	79.7	94.0
IX b.	Bonificações	26.1	32.6	23.6	29.3
IX d.4	Net Free Market Purchases	7.6	7.6	20.6	20.6
VIII	Net Swaps	6.3	9.7	3.7	6.7
	Total Foreign Exchange Purchases	40.0	49.9	47.9	56.6
	Net Exchange Sale "Profits"	26.0	24.1	31.8	37.4
VI	Bank Letters Sold to Exporters	-.-	-.-	8.8	9.5
	Counter-Inflationary Effect of Exchange Transactions	26.0	24.1	40.6	46.9

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It will be noted from the above table that gross "actual" receipts from the sale of PVCs exceeded total payments by the Bank of Brazil for the purchase of foreign exchange by Cr$37.4 billion during the first seven months of 1960 as compared with Cr$24.1 billion during the same period of 1959. In addition, exporters selling their foreign exchange proceeds in the free market during the first seven months of 1960 were compelled (pursuant to SUMOC Instruction 192 of December 31, 1959) to purchase Cr$9.5 billion of six-month letters of the Bank of Brazil, so that the aggregate counter-inflationary impact of all foreign exchange operations during that period totalled Cr$46.9 billion as compared with Cr$24.1 billion during the same period of 1959.

The importance of the counter-inflationary effects of Brazil's foreign exchange transactions during the first part of 1960 was so great that it is considered desirable to provide some additional comments concerning those effects, as follows:

First, it is important to note that while the sale of Bank of Brazil Letters to exporters disposing of their proceeds in the free market would have had no counter-inflationary effect, beginning July 4, if the amount of export proceeds sold in that market had remained constant, there was an increase of Cr$0.7 billion yield to the Government from this measure during July because of an increase in the sale of exports through the free market. The Bank of Brazil Letters, which first became available for sale on January 4, 1960, mature at the end of six months from date of issue. Accordingly, the yield from sale of such Letters beginning July 4 have had to be applied against redemption of Letters issued six months previously. The sale of new Letters will be counter-inflationary only to the extent, if any, that export proceeds sold in the free market exceed those sold six months previously.

Second, the counter-inflationary effects of the foreign exchange transactions of the Bank of Brazil were largely achieved by the increased sale of PVC's during the first seven months of 1960 despite the serious balance of payments deficit being incurred during that period despite the estimate by the Bank of an even greater balance of payments deficit during the remainder of 1960; reference Embassy Despatches 84 and 85, dated August 1, 1960. "Regular" offerings and sales of convertible currencies on the commercial import auctions alone averaged about $6.0 million weekly during the first seven months of 1960 as compared with about $5.2 million weekly during the first seven months of 1959. In addition, the "supplementary" sales of convertible currency, which began immediately following the issuance of SUMOC Instruction 193, dated March 25, 1960, had totalled $24.9 million, yielding agios amounting to Cr$5.4 billion by the end of July.



On the other hand, cruzeiro payments by the Bank for the foreign exchange it acquired during the first seven months of 1960 (Cr$56.6 billion) increased substantially over its payments during the same period of 1959 (Cr$49.9 billion) partially reflecting the fact that convertible currency purchases of export proceeds by the Bank of Brazil this year had amounted to $535.0 million, which was $28.0 million more than during the same period last year. There were, of course, two additional reasons for the increased cost of foreign exchange purchases: 1) The rate of exchange applicable to exports of coffee and cacao during the first half of 1960 was Cr$76.00 per dollar and amounted to Cr$90.00 per dollar in July, as compared with the effective rate of Cr$60.00 per dollar during the first half of 1959; 2) A major consequence of SUMOC Instruction 192 of December 31, 1959, was to eliminate the automatic sales to the Bank of Brazil of the proceeds of most exported products so that "official market" purchases by the Bank totalled only $403.4 million (almost entirely coffee and cacao) during the first seven months of 1960 as compared with $462.7 million during the same period of 1959, thereby compelling the Bank of Brazil to meet part of its convertible currency requirements in 1960 by the purchase of $131.6 million in the free market at a cost of Cr$20.6 billion.

B. The External Financial Situation

No effort will be made here to analyze Brazil's external financial situation. Attention will be called at this point only to the following facts:

1. Total exports of Brazil yielded $595.6 million in convertible currencies during the first seven months of 1960 as compared with $553.9 million during the same period last year.

2. Because of the effect of SUMOC Instruction 192, discussed above, $192.2 million of total convertible currency exports through July, 1960, went into the free market as compared with $71.2 million through July, 1959. The portion recovered from the free market by the Bank amounted to $90.9 million through July, 1960, whereas the amount recovered through July, 1959 totalled $24.3 million.

For the Ambassador:
Herbert K. May
Treasury Attaché

Coordinated:
William A. Fowler
Counselor of Embassy
for Economic Affairs

cc: AMEMBASSY BUENOS AIRES
(Attn: Mr. Robert G. Walker)
Enclosures: As stated.

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COMPARATIVE FINANCIAL INDICATORS, 1959 and 1960
(Billions of cruzeiros, except for foreign trade data which are in millions of dollars)

		1st 6 Months 1959	1st 7 Months 1959	1st 6 Months 1960	1st 7 Months 1960
I.	Cost of Living Index, Rio				
	a. Getulio Vargas Foundation	23.5%	27.1%	6.3%	8.0%
	b. Ministry of Labor	19.9%	21.2%	13.0%	21.0%
II.	Increase of Money Supply				
	a. Paper Currency Issue	5.5 (4.6%)	8.1 (6.8%)	8.7 (5.6%)	10.8 (7.0%)
	b. "Money" in Hands of Public	38.6 (10.9%)	51.6 (14.7%)	49.4(§) (9.9%)	54.8(§) (10.9%)
III.	Treasury Cash Deficit				
	a. Financed by Bank of Brazil	16.2	16.4	15.9	19.1
	b. Treasury Letters	1.8	2.0	4.1	2.8
	c. Total	18.0	18.4	20.0	21.9
IV.	Increase of Direct Financing by Bank of Brazil				
	a. Net Debtor Position of Treasury	16.2	16.4	15.9	19.1
	b. Other Loans	7.1	8.6	13.3	16.6
	c. Purchase of Export-Import Commodities	3.4	3.6	1.1	-.-
V.	Increase of Rediscounts by Bank of Brazil to Other Banks	-4.3	-4.0	3.1	4.4
VI.	Increase of Bank of Brazil Letters Held by Exporters	-.-	-.-	8.8	9.5

(§) Estimated

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		1st 6 Months 1959	1st 7 Months 1959	1st 6 Months 1960	1st 7 Months 1960
VII.	Increase of Commercial Bank Loans				
	a. To Treasury	2.0	1.9	1.1(§)	1.3(§)
	b. To Public	19.4	25.2	43.8(§)	49.4(§)
VIII.	Increase of Swaps	6.3	9.7	3.7	6.7
IX.	Net Agio Position:				
	a. Gross Receipts				
	1. From "Regular" Sales	69.9	84.6	84.3	95.1
	2. From "Supplementary" Sales	-.-	-.-	4.2	5.4
	3. Total	69.9	84.6	88.5	100.5
	b. Bonificações	26.1	32.6	23.6	29.3
	c. Net Receipts	43.8	52.0	64.9	71.2
	d. Use of Net Receipts				
	1. Purchase of Coffee	14.0	18.0	15.0	15.0
	2. Subsidies to Producers	1.5	1.9	1.4	1.8
	3. "Loans" for Subsequent Agio Payments	3.9	10.6	8.8	6.5
	4. Net Free Market Purchases	7.6	7.6	20.6	20.6
	5. Other Uses	2.9	4.2	4.8	5.2
	6. Total Uses	29.9	42.3	50.6	49.1
	e. Allocation to "Funds"	13.9	9.7	14.3	22.1

(§) Estimated

E680

	1st 6 Months 1959	1st 7 Months 1959	1st 6 Months 1960	1st 7 Months 1960
X. Foreign Trade Payments, in Convertible Currencies:				
a. Export Receipts				
1. Official Market	$393.1	$482.7	$336.4	$403.4
2. Free Market	55.1	71.2	166.3	192.2
3. Total	448.2	553.9	502.7	595.6
b. Import Payments, CIF (1959) and FOB (1960)	358.7	427.4	456.6	535.0
c. Export Receipts - Balance	89.5	126.5	46.1	60.6
d. Free Market Receipts not Acquired by Bank of Brazil	31.1	46.9	87.0	101.3
e. Bank of Brazil Export Receipts Balance	58.4	79.6	-40.9	-40.7

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FOREIGN SERVICE DESPATCH

FROM : AMEMBASSY, RIO DE JANEIRO — 293 DESP. NO.

TO : THE DEPARTMENT OF STATE, WASHINGTON. — October 4, 1960 DATE

REF : CERP, Section B, III, E-1, April 3, 1957
Embdespatches 214, Sept. 12 & 291, Oct. 4, 1960 Enclosures

For Dept. Use Only	ACTION	DEPT.
20	ARA-4 *	RM/R-2 REP-1 INR-7 * E-7 ICA-11
	REC'D 10-10-60	INFO OTHER * Com-8 TR-3 * FRB-3 * XMA-4 CIA-10

SUBJECT: Bank of Brazil Balance Sheet, August 31, 1960

DEPARTMENT OF STATE
BUREAU OF
INTER-AMERICAN AFFAIRS
OCT 7 1960

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The following conclusions may be drawn from analysis of the Bank of Brazil's balance sheet for August 31, 1960 (enclosed), in comparison with that for the previous month:

(1) Outstanding loans by the Bank, other than to the National Treasury, increased in August by Cr$10,643 million, following an increase of Cr$3,440 million during July. The increase in August, 1959, was Cr$2,193 million. Outstanding loans of the Bank of Brazil, other than to the National Treasury, are summarized below, in millions of cruzeiros, as of selected dates:

	Dec. 31, 1958	Aug. 31, 1959	Dec. 31, 1959	July 31, 1960	Aug. 31, 1960
Loans to the Public	115,971	125,685	134,038	153,513	162,647
Loans to State and Municipal Govts. ...	13,617	13,097	13,063	12,624	13,627
To Autarchies	4,456	6,080	7,482	5,607	6,113
Total, excluding Nat'l Treasury	134,044	144,862	154,583	171,744	182,387

(2) Outstanding rediscounts by the Bank of Brazil at the Carteira de Redescontos increased during August, 1960, by Cr$2,993 million, following an increase of Cr$1,006 million in July. Rediscounts by the Bank in August, 1959, decreased by Cr$337 million (disregarding the "encampação"). Since total rediscounts by the Carteira increased by Cr$2,441 million in August, 1960, rediscounts for commercial banks must have decreased by Cr$582 million.

Rm/R file 10/7/60
REA/A
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OCT 4 1960

832.10/10-460 HBS

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(3) The sum of the various Bank of Brazil accounts derived from agio profits decreased during August by Cr$601 million. This item had increased by Cr$6,997 million in July and had decreased by Cr$7,099 million in August, 1959.

(4) It is estimated that the outstanding total of "swaps" negotiated by the Bank of Brazil increased during August by Cr$2.9 billion, following an increase of Cr$6.7 billion during the first seven months of 1960. These estimates are based upon the Embassy's understanding that increases or decreases in the account, "Operações de Cambio á Ordem do Tesouro Nacional; Outras Contas Vinculadas ao Cambio" are almost entirely the consequence of "swap" transactions.

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(5) It is estimated that the net debtor position of the National Treasury at the Bank of Brazil increased during the first eight months of 1960 by approximately Cr$21.4 billion, including an estimated increase of approximately Cr$2.2 billion during the month of August. This compares with an increase of Cr$18.1 billion during the first eight months of 1959, including an increase of Cr$0.9 million during August, 1959. See Embassy Despatch 214 for a description of the method by which the "net debtor position" is now being computed.

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For the Ambassador:

Herbert K. May

Herbert K. May
Treasury Attaché

Coordinated:

William A. Fowler

William A. Fowler
Counselor for
Economic Affairs

Enclosures:
6 copies of Bank of Brazil balance sheet, August 31, 1960.

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Enclosure to Rio de Janeiro 293

BANCO DO BRASIL S. A.

BALANCETE EM 31 DE AGÔSTO DE 1960

— COMPREENDENDO DIREÇÃO GERAL E AGÊNCIAS NO PAÍS (446) E NO EXTERIOR (4) —

ATIVO

			Cr$
DISPONIVEL			
Caixa:			
Em moeda corrente	5.741.884.730,10		
Em outras moedas	8.102.813,60	5.749.987.543,70	
Agências no exterior (total do disponível)		62.727.928,20	5.812.715.471,90
REALIZAVEL			
Operações de câmbio, à ordem do Tesouro Nacional:			
Correspondentes no exterior	2.618.880.833,80		
Outras contas vinculadas a câmbio	26.065.546.706,70	28.684.427.540,50	
EMPRÉSTIMOS EM CONTA			
Da Carteira de Crédito Geral			
Ao Tesouro Nacional:			
Saldo das contas de arrecadação e disponibilidade do exercício fiscal corrente	34.646.055.759,10		
Contribuições para o Fundo Monetário Internacional e Banco Internacional de Desenvolvimento	4.028.036.102,50		
Outros débitos	62.565.949.455,90	101.240.041.407,50	
A governos estaduais	12.731.689.302,70		
A governos municipais	720.640.273,20		
A outras entidades públicas	22.897.283,20		
A autarquias	4.078.419.155,50		
A bancos			
Por conta própria	625.834.898,00		
Por conta da Caixa de Mobilização Bancária	11.144.189.910,70		
Ao comércio, (operações específicas sôbre café, trigo nacional e estrangeiro, algodão, juta e cêra de carnaúba)	6.904.342.201,60		
Ao comércio (outras operações)	7.443.948.665,00		
À indústria (operações específicas sôbre café, trigo nacional e estrangeiro, algodão, juta e cêra de carnaúba)	1.023.335.400,00		
À indústria (outras operações)	22.197.982.229,50		
À lavoura (operações específicas sôbre café, trigo nacional e estrangeiro, algodão, juta e cêra de carnaúba)	1.790.838.498,70		
À lavoura (outras operações)	32.396.898,80		
À pecuária	133.857.170,50		
À particulares	393.028.653,20		
A diversos, em moeda/ouro	119.856.635,10	170.422.726.683,40	
Da Carteira de Crédito Agrícola e Industrial			
Agrícolas	37.007.140.553,60		
Agro-industriais	33.726.213,20		
Agropecuários	1.533.820.726,00		
Pecuários	12.796.967.869,80		
Industriais	17.606.229.345,90		
Em letras hipotecárias	560.782,50		
Sôbre produtos agrícolas decorrentes de contratos com o Govêrno Federal (Cláusulas de produção nacional — Lei 1.506, de 15-12-51)	1.180.406.488,70		
Outros empréstimos	2.241.305.155,00		
Rivieros, em moeda/ouro	725.801.861,10	70.637.938.944,90	241.060.665.628,30
TITULOS DESCONTADOS			
Da Carteira de Crédito Geral			
A governos estaduais	100.000.000,00		
A governos municipais	74.960.029,10		
A autarquias	2.011.812.287,30		
A bancos:			
Por conta própria	338.700.000,00		
Por conta da Caixa de Mobilização Bancária	134.211.238,10		
Ao comércio (operações específicas sôbre café, trigo nacional e estrangeiro, algodão, juta e cêra de carnaúba)	1.124.107.146,70		
Ao comércio (outras operações)	11.185.801.911,50		
À indústria (operações específicas sôbre café, trigo nacional e estrangeiro, algodão, juta e cêra de carnaúba)	4.177.128.856,10		
À indústria (outras operações)	30.922.225.232,70		
À lavoura (operações específicas sôbre café, trigo nacional e estrangeiro, algodão, juta e cêra de carnaúba)	330.301.778,70		
À lavoura (outras operações)	1.916.971.421,00		
À pecuária	2.174.091.873,50		
À particulares	119.943.494,60	54.810.255.710,90	
OUTROS CREDITOS E VALORES			
Créditos			
Títulos a receber de conta própria	3.348.848.914,70		
Créditos em liquidação	2.326.988.591,60		
Superintendência da Moeda e do Crédito a/entrega correspondente a depósitos obrigatórios (Decreto-lei 9.159, de 10-4-46)	31.327.533,20		
Superintendência da Moeda e do Crédito, c/depósito obrigatório	3.880.812.846,70		
Compra e venda de produtos exportáveis	4.798.511.683,50		
Compra e venda de produtos de importação	1.918.187.156,40		
Caixa de Mobilização Bancária, conta de transferência de depósitos bancários (Decreto 36.781, de 18-1-55)	935.867.354,40		
Comissão executiva do plano de recuperação econômico-rural da lavoura cacaueira (Decreto 40.387, de 20-2-57)	500.000.000,00		
Correspondentes no país	147.212.009,50		
Outras contas	2.581.990.329,20		
Valores			
Títulos e valores mobiliários:			
Apólices e outras obrigações federais	254.352.134,80		
Apólices estaduais	36.925,00		
Outros títulos e valores mobiliários	749.662.167,20	1.004.011.226,30	
Imóveis não destinados a uso do Banco		1.210.402.726,60	22.490.558.692,10
Direção Geral e Agências (contas de relações internas)		675.648.252.136,30	
Agências no exterior (total do realizável)		1.516.761.115,60	1.022.211.169.223,70
IMOBILIZADO			
Imóveis de uso do Banco	4.026.881.790,30		
Móveis e utensílios	882.483.325,30		
Material de expediente	261.746.134,80	5.171.111.250,40	
Agências no exterior (total do imobilizado)		124.024.300,30	5.295.135.560,70
DE RESULTADO PENDENTE			
Despesas de juros e comissões	1.104.561.267,20		
Despesas de impostos	28.132.762,50		
Despesas gerais e outras despesas administrativas	3.395.405.488,30		
Outras contas de resultado pendente	1.992.389.838,00	6.518.489.356,40	
Agências no exterior (total do resultado pendente)		36.959.134,50	6.555.448.710,90
			1.039.874.459.967,20
DE COMPENSAÇÃO			
Valores em garantia	266.931.847.051,20		
Valores depositados:			
Ouro do Tesouro Nacional (254.760.817,031 g.)	5.845.010.783,90		
Outros valores depositados	84.211.757.364,70	90.056.768.148,60	356.988.615.599,80
Efeitos a receber de conta alheia		172.961.677.297,70	
Outras contas de compensação		95.866.072.218,10	
Agências no exterior (total de compensação)		1.057.391.063,50	625.973.956.179,10
			1.665.848.416.146,30

PASSIVO

			Cr$
NÃO EXIGIVEL			
Capital		600.000.000,00	
Fundo de reserva	276.574.508,90		
Fundo de previdência	4.129.483.461,00		
Fundo de amortização de imóveis, móveis e utensílios	4.269.421.111,30		
Fundo para prejuízos eventuais	2.345.288.302,80	11.000.967.385,00	
Fundo para o desenvolvimento de iniciativas de interêsse público		116.077.921,30	
Agências no exterior (total do não exigível)		50.456.084,00	11.767.489.491,30
EXIGIVEL			
Operações de câmbio, à ordem do Tesouro Nacional:			
Correspondentes no exterior	12.931.140.564,10		
Obrigações em moedas estrangeiras por empréstimos contraídos	1.155.284.480,10		
Depósitos obrigatórios (Decreto 34.578, de 26-5-54)	205.220.940,70		
Outras contas vinculadas a câmbio	3.818.567.640,50	17.310.360.040,40	
Depósitos à vista e a curto prazo			
Do Tesouro Nacional:			
À disposição de entidades federais	29.171.971.053,30		
Fundo de valorização (Dec. 25.147, de 20-6-48)	25.274.373,40		
Fundo de pavimentação de estradas de rodagem (Lei 2.975, de 27-12-55)	4.267.933.095,80		
Fundo de modernização e recuperação da lavoura nacional	20.301.612.757,60		
Fundo de recuperação econômico-rural da lavoura cacaueira	1.000.000.000,00		
Fundo para amparo à lavoura cafeeira	700.145,80		
Fundo especial para concessão de subsídio à fabricantes no país (Lei 3.244, de 14-8-57 — Art. 58)	371.790.772,00		
Outros créditos	17.106.901.580,80	72.444.273.758,70	
De governos estaduais		490.528.036,40	
De governos municipais		321.711.153,10	
De outras entidades públicas		3.963.372.963,00	
De autarquias:			
Superintendência da Moeda e do Crédito:			
Conta de fundos	30.278.687.944,70		
Contas de juros	925.348.002,80		
Fundo Monetário Internacional	6.474.105.511,30		
Banco Internacional de Desenvolvimento	143.106.220,00	37.817.448.208,80	
Caixa de Mobilização Bancária	2.490.467.767,30		
Outras autarquias	22.969.001.920,50	65.272.917.896,60	
De bancos		40.951.028.479,40	
Do público (compulsórios):			
Judiciais (Decreto-Lei 3.077, de 26-2-41)	4.697.041.381,80		
De empresas concessionárias de serviços públicos (Decreto-lei 3.077, de 26-2-41)	681.516.480,70		
Obrigatórios de lucros extraordinários (Decreto-lei 9.257, de 10-4-46)	31.021.963,50		
Depósitos para investimentos (Lei 3.470, de 28-11-58)	724.218.251,50		
Outros depósitos obrigatórios	167.915.353,50	6.101.713.430,80	
Do público (diversos):			
Sem limite	16.324.194.255,30		
Limitados	5.714.458.973,00		
Populares	7.324.380.329,20		
Sem juros	2.784.568.145,40		
Outros, depósitos	2.798.308.178,60	30.946.108.879,50	
Saldos credores de empréstimos		899.460.553,20	219.541.111.392,80
DEPÓSITOS A PRAZO			
De autarquias	2.884.859.936,50		
Do público (compulsórios):			
Judiciais (Decreto-lei 3.077, de 26-2-41)	19.380.290,60		
Do público (diversos):			
De aviso prévio	330.910.217,60		
A prazo fixo	329.514.987,10	660.465.124,70	3.564.725.341,80
OUTRAS RESPONSABILIDADES			
Títulos redescontados:			
Comerciais	17.575.948.267,40		
Contratos da Carteira de Crédito Agrícola e Industrial	31.340.936.781,80	48.916.885.049,20	
Mobilização de créditos em moeda/ouro		2.000.000.000,00	
Caixa de Mobilização Bancária (Suprimentos)		4.664.676.144,70	
Carteira de Colonização (cont. de recursos)		181.353.363,00	
Bônus e letras hipotecárias da Carteira de Crédito Agrícola e Industrial, em circulação		751.639.000,00	
Correspondentes no país		68.169.147,40	
Ordens de pagamento		3.254.475.859,90	
Cobrança efetuada, em trânsito		5.890.709.616,70	
Clientes do país		1.951.028.597,10	
Dividendos a pagar		8.477.893,60	
Outros contas de passivo exigível		15.415.837.189,10	82.482.891.432,70
Direção Geral e Agências (contas de relações internas)		673.082.130.511,80	
Agências no exterior (total do exigível)		1.437.484.864,30	997.518.771.486,80
DE RESULTADO PENDENTE			
Rendas de juros, descontos, comissões e diversas	4.784.971.738,50		
Outras contas de resultado pendente	25.730.883.761,50	30.515.855.500,00	
Agências no exterior (total do resultado pendente)		44.333.339,30	30.560.189.039,30
			1.039.874.459.967,20
DE COMPENSAÇÃO			
Depositantes de valores em garantia e custódia		356.988.615.599,80	
Depositantes de efeitos para cobrança:			
Do país	171.704.892.400,40		
Do exterior	756.784.807,30	172.461.677.297,70	
Outras contas de compensação		95.866.072.218,10	
Agências no exterior (total de compensação)		1.057.391.063,50	625.973.956.179,10
			1.665.848.416.146,30

Para que o Brasil continue trilhando o caminho da ordem e do desenvolvimento:



Para Presidente da Republica:
MARECHAL TEIXEIRA LOTT

ANÚNCIOS DIVERSOS

ANUNCIOS NESTA SEÇÃO:
TELEFONE 52-5556
RUA RODRIGO SILVA N.º 12 — LOJA

INFORMAÇÕES

ASSEMBLEIAS

BRASUS Rádio e Televisão S. A.

ASSEMBLEIA GERAL EXTRAORDINARIA

Convidam-se os senhores acionistas a se reunirem em Assembléia Geral Extraordinária no dia 5 do mesmo próximo vindouro, às 11 horas, na Avenida Antonio Rio Branco, 1, 3º andar, sala 325, a fim de deliberarem sôbre a seguinte ordem do dia:

a) mudança das atividades e consequente reforma dos Estatutos;

b) eleição da Diretoria e dos membros do Conselho Fiscal;

c) fixação dos honorários da Diretoria, e dos membros do Conselho Fiscal; e

d) assuntos gerais.

Rio de Janeiro, 20 de setembro de 1960. — **Oldemar Schmitz**, Diretor Vice-Presidente. (217250)

BRACOPAR — Cia. Brasileira de Participações

ASSEMBLEIA GERAL ORDINARIA

São convidados os Srs. Acionistas a se reunirem em Assembléia Geral Ordinária, na sede social à Avenida Rio Branco n. 81 — 21º andar, nesta Capital, às 10 horas do dia 17 de outubro de 1960, a fim de deliberarem sôbre o seguinte:

a) Aprovação do Relatório da Diretoria, Balanço, Conta de Lucros e Perdas, bem como o Parecer do Conselho Fiscal, referentes ao exercício de 1959;

b) Eleição da nova Diretoria, para o triênio 1960/1962, e do Conselho Fiscal e seus suplentes para o mesmo período;

c) Assuntos gerais.

Rio de Janeiro, 29 de setembro de 1960. — **Jean Richemond**, Diretor-Superintendente. (216897)

PRECISA — Participações, Engenharia, Comércio e Indústria S/A.

ASSEMBLEIA GERAL EXTRAORDINARIA

Ficam convidados os Srs. Acionistas da Precisa — Participações, Engenharia, Comércio e Indústria S.A. a se reunirem em assembléia no dia 22 de outubro de 1960, às 14,30 horas, na sede social, à Rua Buenos Aires n. 68, na Cidade do Rio de Janeiro, a fim de tratarem da seguinte ordem do dia:

a) Discussão e deliberação sôbre a mudança da Diretoria para a transferência da sede social para a Cidade de São Paulo;

b) Outros assuntos de interêsse social.

Rio de Janeiro, 27 de setembro de 1960. — **Karl Gerhard Katz de Castro**, Diretor-Superintendente. (216681)

S. A. Casa Domingos Joaquim da Silva Materiais para Construção

ASSEMBLEIA GERAL EXTRAORDINARIA

Primeira Convocação

São convidados os Srs. Acionistas para comparecer à Assembléia Geral Extraordinária, a ser realizada na sede da sociedade, na rua Bernardo Guimarães n. 82, nesta Capital, no dia 10 de outubro próximo, às 11 horas, a fim de deliberar sôbre propostas da Diretoria para reforma do capital social e outros assuntos de interêsse social.

Rio de Janeiro, 29 de setembro de 1960. — **Joaquim Nunes da Fonseca Sobrinho**, Diretor Presidente. — **Nelson de Almeida**, Diretor Secretário.

Companhia Industrial Ferrini

Eng. Paulo de Frontin (Radeio)

CHAMADA DE CAPITAL

São convidados os Srs. Acionistas que subscreveram o aumento do capital social de Cr$ 40.000.000,00 para Cr$ 50.000.000,00, realizado e Assembléia pela 3ª Assembléia Geral Extraordinária de 30 de setembro de 1960, a comparecer à sede social (5 andares próprios) à Avenida 15 de Novembro n. 43, para realizar a integralização do aumento de 50% (cinquenta por cento) do valor das ações subscritas.

O pagamento deverá ser feito nos Escritórios da Companhia em Paulo de Frontin (RJ) ou em São Paulo.

Eng. Paulo de Frontin (Radeio), 30 de setembro de 1960. — *Jayr Lisboa Ferrini*, Diretor Comercial.

Empreiteira de Revestimentos e Alvenaria Lisboeta Sociedade Anônima

ASSEMBLEIA GERAL EXTRAORDINARIA

São convidados os Senhores Acionistas da Empreiteira de Revestimentos e Alvenaria Lisboeta S. A. a se reunirem em Assembléia Geral Extraordinária, em sua sede social, à Avenida Prado Junior n. 227, nesta cidade, às 15 horas do dia 17 de outubro de 1960, a fim de deliberarem e decidirem sôbre a substituição da legenda Diretor Técnico assentada do texto dos Estatutos.

Rio de Janeiro, 27 de setembro de 1960. — **Manoel Pedro Lisbo de Carvalho Neto**, Diretor-Secretário. (216833)

WILSON KING S. A. (Automóveis)

ASSEMBLEIA GERAL EXTRAORDINARIA

Convocação

São convidados os Srs. Acionistas de Wilson King S. A. (Automóveis), para se reunirem em Assembléia Geral Extraordinária, a ser realizada no dia 13 de outubro de 1960, às 14 horas, na sede social, na Avenida Rio Branco n. 185, 30º andar, a fim de deliberar sôbre a seguinte ordem do dia:

a) Aumento do Capital Social;

b) Outros assuntos de interêsse social.

Rio de Janeiro, 29 de setembro de 1960. — **Nicola de Sousa**, Diretor Superintendente. — *Diretor F. Rodrigues Filho*, Diretor-Tesoureiro.

S. A. Casa Domingos Joaquim da Silva Materiais para Construção

ASSEMBLEIA GERAL EXTRAORDINARIA

São convidados os Srs. Acionistas para comparecer à Assembléia Geral Extraordinária, a ser realizada na sede da sociedade, na rua Bernardo Guimarães n. 82, nesta Capital, no dia 10 de outubro próximo, às 11 horas, a fim de deliberar sôbre propostas da Diretoria para reforma do capital social e outros assuntos de interêsse social.

Rio de Janeiro, 29 de setembro de 1960. — **Joaquim Nunes da Fonseca Sobrinho**, Diretor Presidente. — **Nelson de Almeida**, Diretor Secretário.

Laboratório Mythonil S. A.

ASSEMBLEIA GERAL EXTRAORDINARIA

«Ele convidados os Srs. Acionistas a se reunirem em Assembléia Geral Extraordinária, às 11,30 horas do dia 6 de Outubro do corrente ano, na sede social, à rua Adolfo Lutz n. 62, nesta cidade, para deliberar sôbre a seguinte ordem do dia:

a) Ratificação das deliberações tomadas na Assembléia Geral Ordinária de 9 de Abril p. passado a fim

Porcelana D. Pedro II S. A.

ASSEMBLEIA GERAL EXTRAORDINARIA

Edita de Convocação

Ficam os Senhores Acionistas convidados a se reunirem em Assembléia Geral Extraordinária, no próximo dia 30 de setembro de 1960, às 10 horas, na sede social à Rua Francisco Eugenio n. 136, para o fim de deliberarem sôbre assuntos gerais.

Rio de Janeiro, 20 de setembro de 1960. — Adenjá Marques do Monteiro, Diretor Presidente. (217762)

«A UNIVERSAL» Companhia Nacional de Seguros Gerais

ASSEMBLEIA GERAL EXTRAORDINARIA

Terceira convocação

Não tendo havido número legal para a reunião marcada para hoje, são novamente convidados os senhores acionistas de «A UNIVERSAL» Companhia Nacional de Seguros Gerais para se reunirem em Assembléia Geral Extraordinária a ser realizada no próximo dia 4 de outubro, às 10 (dez) horas, em sua sede social na Avenida Graça Aranha n. 416, 7º pavimento, a fim de deliberarem sôbre a proposta do Conselho Fiscal, para aprovar o aumento do capital social da Companhia de Cr$ 1.000.000,00 para Cr$ 6.000.000,00, mediante a subscrição particular de Cr$ 5.000.000,00, com a realização de 20% no ato da subscrição.

Na forma do estatutos, foram suspensas as transferências de ações até a realização da Assembléia.

Rio de Janeiro, 27 de setembro de 1960. — A Diretoria, **Manoel Antônio dos Santos, Manoel Duarte Rib, Ernesto Alves da Castro.** (217764)

Emprêsa Municipal de Ônibus S/A.

ASSEMBLEIA GERAL EXTRAORDINARIA

Convocação

A Diretoria convida os senhores acionistas para se reunirem em Assembléia Extraordinária, no seu sede social, 1 Av. Guilherme Maxwell, 210, às 15 horas do dia 26 de Setembro corrente, a fim de tomarem conhecimento e deliberarem sôbre a seguinte ordem do dia:

a) eleição de 2 dos Diretores, e eleição de seus substitutos;

b) reforma dos Estatutos, e

c) assuntos de interesse geral.

Rio, 14 de Setembro de 1960. — *Aníbal Monteiro Filho*, Dir. Presidente. (217762)

Laboratórios Primá S/A. (Indústria e Comércio)

ASSEMBLEIA GERAL EXTRAORDINARIA

Convidam-se os senhores acionistas para, no próximo dia 6 de outubro, às 14 horas, reunirem-se em Assembléia Geral Extraordinária na sede social, à Rua da Alfândega n. 138, a fim de tomarem conhecimento da integralização do aumento do capital social votado pela Assembléia Geral Extraordinária realizada em 6 de junho de 1960.

Rio de Janeiro, 27 de setembro de 1960. — (a) **L. Amengual** — Diretor Gerente.

ERICSSON DO BRASIL Comércio e Indústria S. A.

ASSEMBLEIA GERAL EXTRAORDINARIA

Ficam convidados os senhores acionistas para se reunirem em Assembléia Geral Extraordinária na Sede da Companhia, à Avenida Presidente Vargas, 642, 10º andar, no dia 6 de outubro de 1960, às 15 horas para:

a) — deliberarem sôbre a abertura da Filial, em Brasília; b) — Tomarem de qualquer outro assunto de interêsse social.

Rio de Janeiro, 23 de setembro de 1960. — (a.) **Bent Oscar Eaglhoff** — Diretor-Presidente.

Importadora Goldpar S. A.

ASSEMBLEIA GERAL ORDINARIA

São convidados os Senhores Acionistas da Importadora Goldpar S. A., a se reunirem em Assembléia Geral Ordinária, a realizar-se em sua sede social à Avenida 7 de Setembro número 120, 11º andar, sala 1.111 e 1.116, no dia 10 de outubro de 1960, às 10 horas, a fim de deliberarem sôbre a seguinte ordem do dia:

a) — Discussão e votação do Balanço da Diretoria, Balanço Geral, Conta de Lucros & Perdas e Parecer do Conselho Fiscal, relativos ao exercício encerrado em 30 de junho de 1960;

b) — Eleição do Conselho Fiscal e seus suplentes para o corrente exercício, com a fixação de seus honorários.

— Assuntos de interêsse geral.

Rio de Janeiro, 28 de setembro de 1960. — João Peres — Diretor-Presidente. (216858)

SOMAPI S/A. Comércio Indústria

ASSEMBLEIA GERAL EXTRAORDINARIA

Ficam convocados os Senhores Acionistas desta sociedade a se reunirem em Assembléia Geral Extraordinária, no dia 10 de Outubro de 1960, às 9 horas em nossa sede social, à Praça Pio X, Nº 9, 3º/91, nesta cidade, a fim de deliberarem sôbre a alteração dos Estatutos.

Rio de Janeiro, 29 de Setembro de 1960. — **Mansilhaes Schapi** — Diretor-Presidente. (216879

MACIFE S/A., Materiais de Construção

ASSEMBLEIA GERAL EXTRAORDINARIA

Ficam convidados os Srs. acionistas para se reunirem em assembléia geral extraordinária, no dia 11 de outubro de 1960, às 15,00 horas, na sede social, 2 Avenida Presidente Vargas, 309-3º andar, a fim de to-

Unica Auto Ônibus Sociedade Anônima

EDITAL DE CONVOCAÇÃO

Ficam convocados os senhores acionistas da Emprêsa Unica Auto Ônibus S/A., para a Assembléia Geral Extraordinária que será realizada na dia 20 de Outubro de 1960, às dezesseis (16) horas, na sede social, na Avenida Brasil n. 2.439, nesta cidade, para deliberarem sôbre:

1) Reunião do Diretor Presidente;

2) Proposta da Diretoria de alteração do capitulo do estatuto que trata da administração;

3) Eleição ou cargos vagos e os que forem criados;

4) Fixação de honorários dos Diretores.

Rio de Janeiro, 28 de Setembro de 1960. — A Diretoria — **Elias Pena** Fraiha. (217522

Mercados Frigoríficos Puga S. A. «Merpuga»

ASSEMBLEIA GERAL EXTRAORDINARIA

2ª Convocação

São convidados os Srs. Acionistas a se reunirem em Assembléia Geral Extraordinária em sua sede social, no 9º andar, sala 914, nesta Capital, a fim de deliberarem sôbre a seguinte Ordem do Dia:

a) Eleição da Diretoria para o período de cinco (5) anos a partir de 15 de Outubro de 1960 a 15 de Outubro de 1965;

b) Alteração do Artigo 10, parágrafo UNICO do Estatuto da Sociedade;

c) Eleição do Conselho Deliberativo para o período de 15 de Outubro de 1960 a 15 de Outubro de 1965;

d) Assuntos de interêsse social.

Rio de Janeiro, 23 de Setembro de 1960 — **João** (ilegível) — Diretor-Presidente. **Antonio da Silva Cid** — Diretor-Superintendente.

Mercados Frigoríficos Puga S. A. «Merpuga»

ASSEMBLEIA GERAL ORDINARIA

2ª Convocação

São convidados os Srs. Acionistas a se reunirem em Assembléia Geral Ordinária, a realizar-se na dia 6 de Outubro de 1960, às 15 horas em seu escritório central Av. Nilo Peçanha n. 20-6º andar, grupo 614, nesta Capital, a fim de deliberarem sôbre a seguinte Ordem do Dia:

a) Tomar conhecimento e deliberarem sôbre o Relatório da Diretoria, Balanço Geral, conta de Lucros e Perdas e Parecer do Conselho Fiscal, referentes ao exercício de 1959;

b) Eleição do Conselho Fiscal para exercício 1960;

c) Fixação dos honorários dos membros efetivos do Conselho Fiscal;

d) Assuntos de interêsse social.

Rio de Janeiro, 28 de Setembro de 1960. — **João Francisco Coutto Pupo** — Diretor-Presidente. **Antonio da Silva Cid** — Diretor-Superintendente.

TRIUNFO S. A. Indústria e Comércio de Bicicletas e Acessórios

ASSEMBLEIA GERAL EXTRAORDINARIA

Convocação

Ficam convidados os Srs. Acionistas da TRIUNFO S. A. INDUSTRIA E COMERCIO DE BICICLETAS E ACESSORIOS, a se reunirem em Assembléia Geral Ordinária, na sua sede social localizada na Rua Conselheiro Saraiva, 618, parte Central, no dia 17 de outubro de 1960, às 14,00 horas, a fim de deliberarem sôbre a seguinte

ORDEM DO DIA:

«Ratificação das deliberações tomadas em Assembléia Geral Ordinária de 29 de abril de 1960, tendo em vista a inobservância na referida ata deste, do disposto no art. 88, § 1º, do Decreto-Lei n. 2.627/40».

Rio de Janeiro, 27 de Setembro de 1960. — a) Clóvis Corrêa de Sousa — Diretor-Presidente.

Companhia de Ferro Maleável

ASSEMBLEIA GERAL EXTRAORDINARIA

Convocação

Os senhores acionistas da COMPANHIA DE FERRO MALEAVEL, são convidados a se reunirem em Assembléia Geral Extraordinária no dia 8 de outubro de 1960, às 10 horas, na sede social, à Rua Conselheiro Cruzeiro de Sá n. 17, a fim de deliberarem sôbre a seguinte ordem do dia:

a) — Tomarem conhecimento e aprovarem o relatório dos administradores do aumento do Capital, aprovado pela Assembléia Geral Extraordinária de 27 de junho de 1960;

b) — Tomarem conhecimento do relatório final sôbre o aumento do capital aprovado pela diretoria na reunião da referida Assembléia sôbre citada, bem assim da prolongação do prazo de sua gestão até 30 de setembro de 1960;

c) — Modificarem os estatutos sociais.

d) — Elegerem uma nova Diretoria, para completar o resto do Mandato de atual Diretoria, findando-se em setembro.

— Nomearem um Amante Técnico junto a Diretoria Efetiva, fixando-lhe os honorários e prazo de sua gestão.

f) — Autorizarem a transferência para o Fundo de Reserva, os Dividendos não reclamados e que se referem a artigo 99 do Decreto Lei n. 2.627.

Rio de Janeiro, 27 de setembro de 1960. — **Harry Rabe Estill**, Diretor Gerente.

Correia Jardim Importadora S/A.

ASSEMBLEIA GERAL EXTRAORDINARIA

Convocação

Ficam convidados os Srs. Acionistas da CORREIA JARDIM IMPORTADORA S. A. a se reunirem em Assembléia Geral Extraordinária, na sede social localizada na Rua Candelária, 604, nesta Capital, no dia 11 de outubro de 1960, às 10,00 horas, a fim de deliberarem sôbre a seguinte

ORDEM DO DIA:

«Ratificação das deliberações tomadas em Assembléia Geral Ordinária de 29 de abril de 1960, tendo em vista a inobservância, na convocação dessa, do disposto no art. 87, § 1º, do Decreto-Lei n. 2.627/40».

Rio de Janeiro, 23 de Setembro de 1960. — a) **Clóvis Corrêa de Sousa** — Diretor.

DIVERSAS

Cia. de Intercâmbio e Participações «INTERPARA»

AVISO

Acham-se à disposição dos Srs. Acionistas, na sede da Sociedade, na Rua do Rosário, 67 — 9º andar, nesta Cidade, os documentos a que se refere o artigo 99 do Decreto-Lei n. 2.627 de 26 de setembro de 1940, referente ao exercício social findo em 30 de junho de 1960.

Rio de Janeiro, 22 de setembro de 1960. — *Cia. de Intercâmbio e Participações «INTERPARA»*.

Câmara Sindical da Bôlsa de Valores do Rio de Janeiro

VENDAS JUDICIAIS

O Corretor Lincoln Rodrigues, designado pela Câmara Sindical, a fim de comparecer ao ato ora designado pelo Dr. Juiz de Direito da 3a. Vara do Cível e Sumários, realizará em leilão na Bôlsa, do dia 4 de outubro, às 12 horas, 42 ações, Ordinárias de Cr$ ..... 1.000,00, 50% e 70 ações Diretas ilocadas de Cr$ 1.000,00, 50%, nominativas, pertencentes ao espólio de Agenor Machado Pinheiro, Secretaria da Câmara Sindical da Rio de Janeiro, em 27 de Setembro de 1960. — *José Willemsens Junior*, Presidente. (218102

Câmara Sindical da Bôlsa de Valores do Rio de Janeiro

VENDAS JUDICIAIS

O Corretor José Willemsens Junior, designado pela Câmara Sindical a dar cumprimento ao alvará do Dr. Juiz de Direito da 2ª Vara de Órfãos e Sucessões, penhorá em leilão na Bôlsa do dia 4 de Outubro, 20 ações da Cia. de Seguros Argos Fluminense, pertencentes ao Espólio de Cesaltina Sousa Pereira Cova.

Secretaria da Câmara Sindical do Rio de Janeiro, em 27 de Setembro de 1960. — **Paulo Ernesto Tolle Holbeen** — Vice-Presidente. (218101

MC KINLAY S/A.

Acham-se à disposição dos Senhores Acionistas, na sede da Sociedade à Rua da Quitanda n. 191, 8º andar, os documentos a que se refere o artigo 99 do Decreto Lei n. 2.627.

Rio de Janeiro, 27 de setembro de 1960 — **Harry Rabe Estill**, Diretor Gerente.

Câmara Sindical da Bôlsa de Valores do Rio de Janeiro

VENDAS JUDICIAIS

O Corretor Manoel Rodrigues Duarte Reis, designado pela Câmara Sindical a dar cumprimento ao alvará do Dr. Juiz de Direito da 2a. Vara de Órfãos e Sucessões, realizará em leilão na Bôlsa, do dia 4 de Outubro, 230 ações preferenciais do Banco Industrial Brasileiro S. A. — Cr$ 200,00, cons. e 10 ações ordinárias do Banco Santo Matior S.A. nom. pertencentes ao Espólio de Jair de Alcantara, Secretaria da Câmara Sindical da Rio de Janeiro, em 27 de Setembro de 1960. — *José Willemsens Junior*, Presidente. (218100

Banco Mercantil do Rio de Janeiro S. A.

AVISO

Fazem suspensas as transferências de ações desta Emprêsa a partir de 5 (cinco) de outubro de 1960, até a data da realização da Assembléia Geral Extraordinária, convocada para 11 (onze) de outubro de 1960.

Rio de Janeiro, 28 de setembro de 1960. — *João Ribeiro Júnior*, Presidente. — *Darcel Lisboa*, Diretor.

Armazéns Gerais Mac S/A.

Acham-se à disposição dos Senhores Acionistas, na sede da Sociedade à Rua da Quitanda n. 191, 8º andar, os documentos a que se refere o artigo 99 do Decreto Lei n. 2.627.

Rio de Janeiro, 27 de setembro de 1960 — **Harry Rabe Estill**, Diretor Gerente.

BANCO DO COMÉRCIO S. A.

SUBSCRIÇÃO DE AUMENTO DO CAPITAL

De Cr$ 180.000.000,00, para Cr$ 300.000.000,00

São convidados os Senhores Acionistas a, dentro do prazo improrrogável de 45 (quarenta e cinco) dias, ou seja, até 5 de novembro p.f., subscreverem as ações que lhes competirem por direito de preferência, nas fôrmas da deliberação tomada pela Assembléia Geral Extraordinária realizada em 27 de julho p. findo.

Os boletins de subscrição encontram-se na Sede do Banco, à Rua Buenos Aires n.º 146, nesta Capital, devendo o subscritor realizar ao ato Cr$ 100,00 (cem cruzeiros) por ação, correspondente a 50% (cinquenta por cento) de seu valor nominal.

Os acionistas residentes fora da sede poderão fazer suas subscrições por carta com fôrma reconhecida, acompanhando da importância respectiva, e cuja a indicação de nacionalidade, estado civil, profissão, residência, número de ações que possui e número de ações que subscreve.

Rio de Janeiro, 21 de setembro de 1960.

BANCO DO COMÉRCIO S.A.
Homero de Souza e Silva — Antonio Holanda da Silva
Diretores

AVISOS MARÍTIMOS

CIA. NAC. DE NAVEGAÇÃO COSTEIRA

AUTARQUIA FEDERAL



ESCRITÓRIO CENTRAL — Avenida Rodrigues Alves, 10.310 — Telefones 43-3421 e 23-2211 — AGENCIA DO PRETEXTO Rua da Alfândega, 7, 1o. andar — Telefones 43-0266, 23-1296 e 43-7037 — SEÇÃO DE PASSAGENS, Rua da Alfândega, 7, Loja — Telefone: 23-2542 — ARMAZÉNS (armas de embarque de carga) — Cais do Pôrto — Telefone 43-4282 e 43-5072 — ARMAZEM 13-A — Cais do Pôrto.

NOTA — Mantemos e milhar escalas para os portos abaixo listados como se SNAPP.

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Sairá para:	Sairá para:
SANTOS	SALVADOR — MACEIÓ
RIO GRANDE	RECIFE — FORTALEZA
e PORTO ALEGRE	SÃO LUIZ e BELEM

OBSERVAÇÃO — As cargas serão recebidas em e subsequentes da data de saque

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RODRIGUES ALVES vg. 52-I
Sairá para:
RECIFE — CABEDELO e NATAL
Recebendo cargas no Arm. 13 até dia 1

EUROPA

LOIDE CHILE vg. 112-I
Sairá a 2 de outubro, para:
VITORIA — CABEDELO — S. VICENTE — BARCELONA — HAVRE — DUNQUERQUE — LONDRES — ANTUERPIA — ROTERDAM — BREMEN e HAMBURGO

AVISO
Qualquer alteração nas datas de saída dos navios será publicada além local.

EUROPA

HELGA SCHROEDER
Vg. 114-I
Sairá a 5 de outubro, para:
BARRA DE ILHEUS — SALVADOR — CABEDELO — S. VICENTE — HAVRE — DUNQUERQUE — LONDRES — ANTUERPIA — ROTERDAM — BREMEN e HAMBURGO

LOIDE URUGUAI
Vg. 131-I
Sairá a 15 de outubro, para:
VITORIA — B. ILHEUS — SALVADOR — CABEDELO — S.LO VICENTE CASA BLANCA — TANGER — GIBRALTAR — BARCELONA — MARSELHA — GENOVA — NAPOLES — TRIESTE e RIJEKA

AMERICA DO NORTE
SAIDAS DE SANTOS

LOIDE HONDURAS
Sairá a 9 de outubro, para:
A. REIS — NITERÓI — RIO — BARRA DE ILHEUS — SALVADOR e N. YORK

AMERICA DO NORTE
SAIDAS DO RIO

LOIDE BRASIL
Sai hoje, 30 do corrente, para:
ANGRA DOS REIS
e NOVA YORK

LOIDE NICARAGUA
Sairá a 1 de outubro, para:
NOVA YORK

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Chegada de B. Aires	Saída para Bahia, Trinidad e N. York
No pôrto	«BRASIL» Setembro 30
Novembro 6	«BRASIL» Novembro 4

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BRETAGNE	21 de Dezembro

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832.10/10-460

FOREIGN SERVICE DESPATCH

FROM : Amconsgan, São Paulo — DESP. NO. 135

TO : THE DEPARTMENT OF STATE, WASHINGTON.

REF : CERP Section B, Item III-6

DEPARTMENT OF STATE
INTER-AMERICAN AFFAIRS
OCT 6 1960
OCT 4 1960

55 For Dept. Use Only	ACTION	DEPT.	
	ARA-4	INFO	RM/R-2 REP-1 INR-7 E-7 ICA-11
	REC'D 10/11	OTHER	CIA-10 COM-8 TR-3 FRB-3 XMB-4 IAR-2

SUBJECT: São Paulo Budget for 1961. Plan of Action Expenditures Down.

army-4 Navy-2 NSA-2

At the end of September the Governor sent a bill to the state legislature covering the 1961 budget of the State of São Paulo. The bill calls for a balanced budget, with revenue and expenditures each estimated at Cr$106,565,675,000.00 1/ Revenue is 27.63 percent higher and expenditures 26.83 percent higher than in the 1960 budget (see despatch 185 of November 24, 1959). As in the past the bulk of the revenue, 77.09 percent, is to be derived from the sales and consignments tax. On the expenditure side 38.27 percent is to be spent for salaries and wages. This compares with 34.56 percent for salaries and wages included in the budget voted for 1960 (despatch 185), but the proportion in 1960 later was increased when salaries of state government employees were increased by 20 percent (despatch 262 of January 28, 1960).

When he delivered the bill to the Governor the state Secretary of Finance said it included a total of Cr$15,552,180,000.00 for expenditures under the state Plan of Action (despatch 180 of November 19, 1959), for work to be undertaken in 1961. This, he said, was less than included in the Plan, but the reduction was necessary in order "not to create an imbalance contrary to the uniform policy that has been followed." The Plan of Action envisages total expenditures of Cr$30,547 million in 1961, but this includes Cr$7,800 million of a financing nature that would not be included in the state budget. Thus the sum allocated in the 1961 budget bill is about Cr$7,000 million under the sum envisaged by the Plan for 1961.

For the Consul General:

Scott C. Lyon
American Consul

Sources: State Diário Oficial Sept. 30, 1960; Diário de São Paulo Sept. 24, '60

1/ at the current free market rate of exchange Cr$190 equals US$1.00.

832.10/10-460 HBS

OCT 28 10 01 PM '60 RECEIVED

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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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832.10/10-1060
XR-103-XMB
398.13

FOREIGN SERVICE DESPATCH

304
DESP. NO.

FROM : AMEMBASSY, RIO DE JANEIRO

TO : THE DEPARTMENT OF STATE, WASHINGTON.

October 10, 1960
DATE

REF : -

OCT 10 1960

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	ARA-4 10/19	INFO RM/R-2 REP-1 INR-2 E-7 ECA-11 OTHER CIA-10 COM-8 TR-3 FRB-2 XMB-4 DLF-1

SUBJECT: FINANCE MINISTER'S DISCUSSIONS WITH THE EXPORT-IMPORT BANK, AND RELATED MATTERS.

In a conversation on October 6, Sr. Paulo Poock Corrêa told the reporting officer that no understandings were reached during the discussions held by Finance Minister Paes de Almeida with EXIMBANK officials at the end of September. He stated, however, that an EXIMBANK Mission will be coming to Brazil early in November. He said also that Maurício Bicalho, the new Brazilian Executive Director of the IMF, intends to return to Washington on November 1 to discuss postponement of Brazil's obligation to repay $47.7 million owing to the IMF in November.

A memorandum providing more details on these and other subjects is enclosed herewith.

For the Ambassador:

Herbert K. May

Herbert K. May
Treasury Attaché

Enclosure:
(1) Memorandum of Conversation.

Coordinated:

William A. Fowler

William A. Fowler
Counselor of Embassy
for Economic Affairs

DEPARTMENT OF STATE
BUREAU OF
INTER-AMERICAN AFFAIRS
OCT 21 1960

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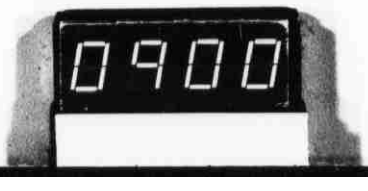
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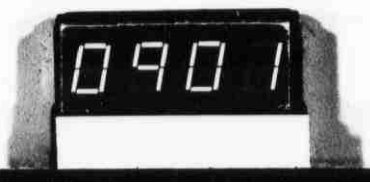
October 7, 1960

MEMORANDUM OF CONVERSATION
October 6, 1960

Participants: Senhor Paulo Poock Correa, Director, Exchange Department, Bank of Brazil, Mr. John Krizay, and Mr. Herbert K. May.

1. Poock Correa stated that the major portion of the conversations which Finance Minister Paes de Almeida and he had held at the Export-Import Bank during their recent trip to Washington could be summarized as follows: Paes de Almeida had asked Mr. Waugh to consider three types of measures which might be employed for the purpose of easing, for perhaps six months, the financial burden which Brazil's President-elect will have to face when he takes office at the end of January, 1961. The three types of assistance which Paes de Almeida suggested consisted of: 1) postponement, without any prerequisite as to the level of exchange earnings, of the monthly payments of $4.0 million which Brazil owes to the Export-Import Bank on certain loans; 2) postponement of all other Brazilian payments now due to the Export-Import Bank; and 3) a new stand-by credit. Poock Correa stated that while the Export-Import Bank officials and Paes de Almeida exchanged views on these matters, they reached no understandings, except the understanding that an Export-Import Bank mission would come to Brazil immediately after the U.S. elections in November.

Poock Correa stated that the Export-Import Bank rejected two other suggestions offered by Paes de Almeida: 1) that the Eximbank (as the Export-Import Bank) consider financing coffee importation, and, 2) that the Export-Import Bank provide easier terms for medium-term exporter credits. On the latter point, Poock Correa stated that he felt that the Export-Import Bank was not doing a satisfactory job in helping American exporters compete with the exporters of other countries. He seemed to me to be somewhat illogical when he offered as an illustration of his opinion, the fact that two German firms are offering credits to finance the exportation of steel plate to Brazil in the amount of $15 million each at interest rates of 7 per cent, and with three-year grace periods, for he then stated that he did not like the German offers because they included also provisions for payments of fees and commissions which raise the effective interest rate to 9 or 10 per cent.



2. I asked Poock Correa whether any discussions had been held with the International Monetary Fund, pointing toward postponement of Brazil's obligation to repay the $47.7 million owing to the I.M.F. in November. He stated that no discussions had been held toward that end, though he went on to say that Maurício Bicalho, the new Brazilian Executive Director, had returned to Rio and was gathering data and holding conversations with the objective of returning to Washington on November 1 for the purpose of raising this subject with the I.M.F. Poock Correa stated that Bicalho would "possibly" seek to discuss this matter with the President-elect before going to Washington. He implied that Bicalho's approach to the IMF might involve discussions of a broader nature than just the question of postponing the $47.7 million payment.

3. Poock Correa confirmed the fact that Paes de Almeida had obtained an agreement from various New York banks to lend an additional $10 million on gold collateral and to postpone the $25 million repayment, earlier scheduled for October, on the previous $200 million gold collateral loan. He stated that Paes de Almeida had sought agreement from the New York banks to re-schedule the repayment obligations on the $200 million loan by transferring the $25 million installment to the end of the previous payments schedule. He stated that the New York banks were unwilling, however, to concur with that request and that the $25 million repayments are accordingly to be spread out over the same payment periods as previously schedule, beginning April, 1961.

4. Poock Correa stated that he has informed "people close to Janio Quadros" that he (Poock Correa) will do all he can to assist Janio Quadros prior to the time that the latter assumes office as President, but that he will resign immediately thereafter. He stated that, as I knew, he had long wanted to resign and had refrained from doing so only because ex-Finance Minister Lucas Lopes had urged him to remain in office and he had felt that he could not dodge that civic responsibility. He pointed out that he has substantial family responsibilities and can no longer defer moving into private enterprise "in order to begin to make some money".

Herbert K. May
Treasury Attache



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FOREIGN SERVICE DESPATCH

FROM : Amcongen, São Paulo — 153 DESP. NO. — October 14, 1960 DATE

TO : THE DEPARTMENT OF STATE, WASHINGTON.

REF : CERP - Section D Item IV - A - 4

For Dept. Use Only	ACTION	DEPT.
55	ARA-4	RM/R-2 REP-1 INR-7 E-7 ECA-11
REC'D	10/19	INFO OTHER CIA-10 COM-8 IRS FRB-3 SÃO PAULO, BRAZIL DLF-1

SUBJECT: Reactions in São Paulo to Speech of the Brazilian Representative at the 3rd Annual Meeting of the Governors of the International Monetary Fund.

Three São Paulo newspapers published editorials on the speech of Sebastião Paes de Almeida, Minister of Finance of Brazil, delivered on September 28 at the 3rd Annual Meeting of the Governors of the International Monetary Fund (IMF).

The O Estado de São Paulo agreed with Paes de Almeida's remarks concerning the need for a revision of the principles governing world economic cooperation; the impossibility of establishing rigid standards for economic policy in less favored areas; and the urgent need for adequate and rapid relief in periods of exchange shortage due to world market fluctuations in primary products. These points, it said, have been defended for a long time by the Economic Committee for Latin America (ECLA), but have not been accepted by the IMF, the World Bank, and the highly industrialized nations. The O Estado de São Paulo did not agree with the Minister's remarks that the US$300 million in outstanding Swaps was evidence that private financers had more confidence in the Brazilian economy than the official organizations mentioned. Most of the Swaps, it said, were made by branches of foreign firms, which would not have hesitated in bringing the money into the country, instead of resorting to Swaps, if they had so much confidence in the Brazilian economy.

Geraldo Banas in the Diario de São Paulo agreed with the Minister that US$300 million in Swaps was evidence of the confidence in Brazil of private financers. He also agreed with the Minister's statement that a people who want to free themselves from underdevelopment invent new processes, which orthodox economists should study before condemning. Banas then asks whether the IMF could guarantee that the economic development of the country would not stop if drastic monetary measures were undertaken. Banas then referred to the remarks made at the same meeting by the Argentine Finance Minister Alsogaray, who defended orthodox measures to combat inflation. Banas disagreed with Alsogaray that such measures did not interfere with

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DEPARTMENT OF STATE
BUREAU OF
INTER-AMERICAN AFFAIRS
OCT 24 1960
DIRECTOR
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development and mentioned Spain and Portugal as examples of monetary stability and poor economic development. Banas said further that monetary stability could be considered as the result of economic development, but never as a prior condition, and that the day stability is attained Brazil will cease to be an underdeveloped country.

The Correio Paulistano also referred to the speeches of Paes de Almeida and Alsogaray. It applauded the same remarks of the Brazilian Minister of Finance as the other newspapers. It then pointed out that despite the measures taken in Argentina, Alsogaray indicated that prices went up in Argentina by 60 percent in the latter half of 1959 and in 1960. This, it said, contrasts with an increase in Rio de Janeiro of only 63.7 percent from January 1959 to August 1960. The Correio Paulistano concludes that despite Argentine miracles of austerity, "the producing economy of Brazil is more auspicious, Brazil has more concrete prospects, and development in Brazil marches on vigorously."

William P. Cochran, Jr.
Consul General

Sources: O Estado de São Paulo and Diario de São Paulo of September 30 and Correio Paulistano of October 6 and 7, 1960.

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Department of State

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PAGE 1 OF 1 PAGES

FROM: Amembassy RIO DE JANEIRO
Date Sent: Oct. 20, 1960
Rec'd:

TO: Secretary of State

NO: G-157

OCT 24 5 02 PM 60

Ref Embtel 307

Poock Correa showed May today copy of letter dated October 8, but mailed October 16, from FinMin Paes de Almeida to Waugh, Eximbank, asking latter consider various forms of assistance aggregating $110 million to ease financial problems during early months new GOB administration. Asked that assistance be for six months period beginning November, 1960, and consisting following three measures: 1) deferral GOB obligation repay $4.2 million monthly on certain balances of payments loans - $24 million; 2) agreement deferral monthly payments on certain development loans - $26 million; 3) new "standby credit" of $10 million monthly - $60 million. In same letter, Paes de Almeida stated GOB planning ask IMF in November defer repayment obligation $47.7 million due that month.

Paes de Almeida also stated looking forward to Eximbank mission early November, implying expects mission discuss foregoing requests. In that connection this mornings press contains statement (which Poock Correa believes emanated from office Paes de Almeida) that impending Eximbank mission "will study conditions for deferral payment periods for foreign exchange obligations which Brasilian Government maintains with that US credit institution. In that way, the Finance Minister will fulfill his intention of delivering to his successor a softened scheme for payment of our foreign exchange obligations during his first moments of administering the federal finances."

CABOT

HKMayteh
October 19, 1960

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3:45 p.m.

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FRB
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FROM: Rio de Janeiro

TO: Secretary of State

NO: 558, October 22, 3 p.m.

DEPTEL 505

Embassy entirely agrees with views as to procedures to be followed. Will cable later schedule regarding arrangements.

CABOT

CWD:ALB/1

Re Ex-Im Bank Mission

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FOREIGN SERVICE DESPATCH

FROM : AmConsulate, Pôrto Alegre 17
DESP. NO.

TO : THE DEPARTMENT OF STATE, WASHINGTON. October 26, 1960
DATE

REF : Consulate's despatch No.15 October 5, 1960
Monthly Economic Survey, Item 6

OCT 28 1960

For Dept. Use Only	ACTION REC'D	DEPT. INFO OTHER
24	ARA-4	R14/R-2 REP-1 INR-7 E-7 CA-1 AIRS C OIM-8 CIA-10 TR-3 XMB-4 FRB-3 HEW-5 TAR-2 AGR-8 ARMY-4 NSA-2
11/4		

SUBJECT: 1961 Rio Grande do Sul Proposed Budget

On September 30, 1960 the State Legislative Assembly received the budget proposed by Governor Brizola for fiscal (calendar) year 1961. The revenue has been estimated at Cr$25,242,000,000 and the expenditure at Cr$27,334,000,000, leaving a deficit of Cr$2,092,000,000. Totals in comparison with those of the 1960 budget are as follows:

	1961	1960
	(Billion Cruzeiros)	
Revenue	25.2	18.1
Expenditure	27.3	23.1
Estimated Deficits	2.1	5.0

The following revenue items are included in the 1961 budget as compared with 1960:

	1961	1960
Tributary Income	Cr$20,847,300,000	16,902,200,000
Patrimonial Income	92,650,000	92,650,000
Industrial Income	494,097,000	303,410,000
Miscellaneous Income	962,553,000	540,000,000
Extraordinary Income	2,845,400,000	344,400,000
Total	Cr$25,242,000,000	Cr$18,182,660,000

The bill establishing the revenue and expenditure is as follows:

Article 1 - The revenue is estimated at Cr$25,242,000,000 for the 1961 fiscal year budget.

Article 2 - The expenditure is estimated at Cr$27,334,000,000.

Article 3 - The Government is authorized to negotiate credit operations in anticipation of revenue to cover State's expenses up to Cr$1 billion.

Article 4

Rm/R file 11/15/60

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Article 4 - The estimated deficit will be covered by credit operations as authorized by the Legislative Assembly.

Article 5 - Provisions to the contrary are hereby revoked.

The estimated deficit corresponds to 7.65 percent of the 1961 budget expenditure. In spite of the inflationary trend, the Government has been able to lower the 1961 deficit as compared with 1960.

The expenditures by departments for 1961 are as follows:

Legislative Power		
Legislative Assembly		Cr$158,999,060
Auxiliary Agency		
Tribunal of Accounts		64,131,000
Executive Power		
The Governorship		70,142,240
Secretariats		
Justice & Internal Affairs		551,179,860
Finance		985,992,510
Public Works		321,368,940
Agriculture		759,177,680
Education & Culture		4,502,750,320
Public Security		1,891,770,300
Administration		111,585,160
Health		917,669,840
Economy		71,259,500
Transportation		49,976,100
Labor & Housing		156,166,800
Electric Power & Communications		16,045,120
Judiciary Power		
Court of justice, tribunals, penitentiary, and military court		468,582,551
General Commitments		
Public Debt	1,606,518,433	
Inactive Personnel	2,079,000,000	
Pensions for Retired	88,000,000	
Other Commitments	4,590,931,586	8,364,450,019
State Works Plan		7,872,753,000
	TOTAL	Cr$27,334,000,000

The State's

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The State's revenue is derived from fees and taxes, the most important of which being the sales and consignment tax which has been estimated at Cr$12,300,000,000 for 1961, as compared with Cr$10,125,000,000 for 1960.

Percy Warner
American Consul

0909

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FOREIGN SERVICE DESPATCH

FROM : AMEMBASSY, RIO DE JANEIRO

370
DESP. NO.

XR 832.14

November 1, 1960
DATE

TO : * THE DEPARTMENT OF STATE, WASHINGTON.

REF : CERP, Section B, III, E-1, April 3, 1957
Embdespatches 293, Oct. 4 & 348, Oct. 26, 1960 Enclosures

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55	ARA*	RM/R-2 REF-1 INR*-7 E*-7 ICA-11
REC'D 11/9	INFO OTHER	CIA-10 COM*-8 TR*-3 FRB*-3 ~~XMB*-4~~ D4F-1

SUBJECT: Bank of Brazil Balance Sheet, September 30, 1960

RM/R Gin 11/2/60
REF Ltr 11/2/60

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The following conclusions may be drawn from analysis of the Bank of Brazil's balance sheet for September 30, 1960 (enclosed), in comparison with that for the previous month:

(1) Outstanding loans by the Bank, other than to the National Treasury, increased in September by Cr$9,487 million, following an increase of Cr$10,643 million during August. The increase in September, 1959, was Cr$2,222 million. Outstanding loans of the Bank of Brazil, other than to the National Treasury, are summarized below, in millions of cruzeiros, as of selected dates:

	Dec. 31, 1958	Sep. 30, 1959	Dec. 31, 1959	Aug. 31, 1960	Sep. 30, 1960
Loans to the Public	115,971	128,379	134,038	162,647	170,278
Loans to State and Municipal Govts.	13,617	12,975	13,063	13,627	13,580
To Autarchies ...	4,456	5,730	7,482	6,113	8,016
Total, excluding Nat'l Treasury .	134,044	147,084	154,583	182,387	191,874

(2) Outstanding rediscounts by the Bank of Brazil at the Carteira de Redescontos increased during September, 1960, by Cr$9,915 million, following an increase of Cr$2,993 million in August. Rediscounts by the Bank in September, 1959, increased by Cr$3,368 million. Since total rediscounts by the Carteira increased by Cr$9,979 million in September, 1960, rediscounts for commercial banks must have increased by Cr$64 million.

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(3) The sum of the various Bank of Brazil accounts derived ... agio profits decreased during September by Cr$4,993 million. This item had decreased by Cr$601 million in August and had decreased by Cr$6,129 million in September, 1959.

(4) It is estimated that the outstanding total of "swaps" negotiated by the Bank of Brazil increased during September by Cr$5.6 billion, following an increase of Cr$9.6 billion during the first eight months of 1960.

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(5) It is estimated that the net debtor position of the National Treasury at the Bank of Brazil increased during the first nine months of 1960 by approximately Cr$25.9 billion, including an estimated increase of approximately Cr$4.5 billion during the month of September. This compares with an increase of Cr$17.6 billion during the first nine months of 1959, including a decrease of Cr$0.4 million during September, 1959. See Embassy Despatch 214 dated September 12, 1960, for a description of the method by which the "net debtor position" is now being computed.

END OFFICIAL USE ONLY

For the Ambassador:

Herbert K. May

Herbert K. May
Treasury Attaché

Coordinated:

William A. Fowler

William A. Fowler
Counselor for
Economic Affairs

Enclosures:
6 copies of Bank of Brazil Balance Sheet, September 30, 1960.

0911

Enclosure to Rio de Janeiro 370

ARA

BANCO DO BRASIL S. A.

BALANCETE EM 30 DE SETEMBRO DE 1960

– COMPREENDENDO DIREÇÃO GERAL E AGÊNCIAS NO PAÍS (446) E NO EXTERIOR (4) –

2160

ATIVO

			Cr$
DISPONÍVEL			
Caixa:			
Em moeda corrente	5.554.869.757,90		
Em moeda metálica	9.464.449,30	5.564.074.447,20	
Agências no exterior (total do disponível)		70.483.535,10	5.634.557.982,30
REALIZÁVEL			
Operações de câmbio, à ordem do Tesouro Nacional:			
Correspondentes no exterior	2.776.439.279,20		
Outras contas vinculadas a câmbio	20.230.927.028,40	22.987.366.307,60	
DEPOSITANTES EM CONTA			
Do Caixa de Crédito Geral do Tesouro Nacional:			
Saldo das contas de aplicação à margem do Fundo Geral	36.886.209.731,70		
Caixa de Crédito Agrícola e Industrial:			
Fundo de Mobilização Econômica	4.828.938.192,50		
Outras contas	45.536.782.073,70	105.230.942.977,90	
À garantia estadual	12.681.839.603,00		
À garantia municipal	723.142.591,70		
À garantia particular	22.477.065,70		
À caução	7.894.225.344,00		
À ordem:			
Em conta própria	636.867.560,00		
Em conta da Caixa de Mobilização Econômica	11.066.756.500,10		
Em conta especial e movimentação limitada (Lei 2.973, de 26-11-56):			
Saldo	4.257.420.693,80		
Em conta de garantia (penhor especial)	7.715.952.367,30		
À garantia (contrato especial sobre café, trigo nacional e mercadoria, algodão, juta e óleo de mamona)	1.064.632.423,10		
À garantia (penhor especial)	21.756.254.384,10		
À garantia (operação especial sobre café, trigo nacional e mercadoria, algodão, juta e óleo de mamona)	1.746.927.050,20		
À garantia (penhor especial)	53.010.524,10		
À garantia	133.527.220,40		
À garantia	397.031.825,60		
À garantia, em hipotecas	159.555.128,10	174.699.396.266,00	
Do Caixa de Crédito Agrícola e Industrial			
Agrícolas	36.574.384.459,00		
Agropecuárias	43.245.086,80		
Agroindustriais	1.438.288.883,70		
Industriais	12.844.481.211,50		
Pessoais	16.462.954.369,70		
Em letras hipotecárias	531.007,30		
Em letras agrícolas (importância da emissão sob o Contrato Federal (Cláusula 4ª, parágrafo único, item I, da Lei 1.506, de 19-12-39))	1.668.057.418,30		
Diversas disponibilidades	2.172.823.270,30		
Diversas, em numerário	725.236.726,30	71.810.972.186,90	246.510.368.852,90
TÍTULOS DESCONTADOS			
Do Caixa de Crédito Geral			
À garantia estadual	100.000.000,00		
À garantia municipal	74.900.020,10		
À caução	2.899.810.122,30		
À ordem:			
Em conta própria	373.700.000,00		
Em conta da Caixa de Mobilização Econômica	134.211.238,10		
À garantia (operação especial sobre café, trigo nacional e mercadoria, algodão, juta e óleo de mamona)	3.279.708.564,60		
À garantia (penhor especial)	12.257.782.167,80		
À garantia (operação especial sobre café, trigo nacional e mercadoria, algodão, juta e óleo de mamona)	3.708.793.087,30		
À garantia (penhor especial)	33.071.122.480,80		
À garantia (operação especial sobre café, trigo nacional e mercadoria, algodão, juta e óleo de mamona)	462.505.708,20		
À garantia (penhor especial)	2.688.722.091,90		
À garantia	2.305.369.196,20		
À penhor	132.630.720,30	60.805.715.434,50	
OUTROS CRÉDITOS E VALORES			
Diversos			
Títulos a receber de conta própria	4.943.338.251,00		
Créditos em liquidação	2.329.681.090,10		
Caixa de Crédito Agrícola e de Crédito Industrial			
Saldo a receber de obrigações (Decreto-lei 9.138, de 10-4-46)	31.021.963,30		
Caixa de Crédito Agrícola e de Crédito, obrigações	4.161.760.106,80		
Caixa de Crédito Agrícola	4.413.046.052,80		
Caixa de Crédito Industrial	2.310.396.740,80		
Caixa de Mobilização Econômica, conta de recuperação de depósitos bancários (Decreto lei 383, de 10-4-67)	935.867.554,40		
Caixa de Mobilização Econômica, conta de compensação econômico-rural de inversão cambial (Decreto-lei 667, de 20-7-57)	500.000.000,00		
Caixa de Mobilização Econômica, conta de compensação econômico-rural de inversão cambial (Decreto-lei 667, de 20-7-57)	169.456.848,70		
Outros títulos	2.549.450.919,90		
Diversos			
Imóveis e valores mobiliários:			
Apólices e títulos obrigações federais	254.352.134,80		
Ações	36.927,00		
Outros títulos e valores mobiliários	763.561.301,30	1.017.950.363,10	
Imóveis não destinados a uso do Banco		1.361.161.322,90	24.925.379.160,00
Direção Geral e Agências (contas de relações internas)			707.348.411.749,20
Agências no exterior (total do ativo realizável)			1.326.052.603,20 1.063.801.294.087,40
REALIZADO			
Imóveis de uso do Banco	4.119.197.950,10		
Móveis e utensílios	899.852.111,50		
Material de expediente	278.774.273,30	5.297.824.336,90	
Agências no exterior (total do imobilizado)		124.295.811,00	5.422.120.147,90
DE RESULTADO PENDENTE			
Despesas de juros e comissões	1.527.829.111,10		
Despesas de impostos	41.514.777,40		
Despesas de exercícios futuros pagamentos administrativos	4.542.769.296,90		
Outras contas de resultado pendente	2.027.800.110,80	8.139.913.286,20	
Agências no exterior (total do resultado pendente)		44.895.226,80	8.184.808.513,20
			1.083.042.780.729,80
DE COMPENSAÇÃO			
Valores em garantia	279.176.315.432,40		
Valores em caução			
Caixa de Crédito Geral do Tesouro Nacional (254.789.881.079 a 1	1.845.445.123,40		
Outros valores depositados	93.101.401.277,80	98.946.846.379,20	378.123.162.011,60
Títulos a receber de conta alheia			177.780.794.957,50
Outras contas de compensação			94.242.251.938,00
Agências no exterior (total de compensação)		1.204.080.661,70	451.350.255.568,80
			1.734.393.076.298,60

PASSIVO

			Cr$
NÃO EXIGÍVEL			
Capital		600.000.000,00	
Fundo de reserva		276.574.509,90	
Fundo de previdência		4.129.483.461,00	
Fundo de amortização de imóveis, móveis e utensílios		4.269.421.188,00	
Fundo para prejuízos eventuais		2.345.288.302,80	11.020.967.461,70
Fundo para o desenvolvimento de iniciativas de interêsse público		116.077.931,20	
Agências no exterior (total do não exigível)		58.454.084,80	11.795.499.457,80
EXIGÍVEL			
Operações de câmbio, à ordem do Tesouro Nacional:			
Correspondentes no exterior	12.521.660.420,00		
Obrigações em moedas estrangeiras por empréstimos contraídos	1.155.284.685,30		
Depósitos obrigatórios (Decreto 24.038, de 28-5-34)	205.794.314,20		
Outras contas vinculadas a câmbio	2.539.593.939,10	16.422.333.372,70	
Depósitos à vista e a curto prazo			
Do Tesouro Nacional:			
À disposição de entidades federais	25.633.581.831,20		
Fundo de indenizações (Dec. 25.147, de 29-6-48)	25.274.373,40		
Fundo de pavimentação de estradas de rodagem (Lei 2.698, de 27-12-55)	3.379.152.160,30		
Fundo de modernização e recuperação da lavoura nacional	13.678.686.344,70		
Fundo de recuperação econômico-rural da lavoura canavieira	1.000.000.000,00		
Fundo para amparo à lavoura cafeeira	700.145,80		
Fundo especial para concessão de subsídio a fabricantes no país (Lei 3.244, de 14-8-57 — Art. 38)	691.152.067,20		
Outros créditos	19.063.331.750,40	65.671.968.672,80	
Do governo estadual		306.784.710,50	
Do governo municipal		306.388.546,90	
De outras entidades públicas		4.807.459.782,20	
De autarquias:			
Superintendência do Moeda e do Crédito:			
Contas de fundos	32.719.683.302,50		
Contas de juros	955.548.002,80		
Fundo Monetário Internacional	6.474.106.541,30		
Banco Internacional de Desenvolvimento	143.100.570,00	40.292.444.396,60	
Caixa de Mobilização Bancária	2.300.956.206,00		
Outras autarquias	23.905.454.043,10	66.668.854.845,70	
De bancos		41.631.453.194,80	
Do público (compulsórios):			
Judiciais (Decreto-lei 3.077, de 26-2-41)	4.747.047.540,10		
De emprêsas concessionárias de serviços públicos (Decreto-lei 3.077, de 26-2-41)	484.758.985,50		
Obrigatórios de lucros extraordinários (Decreto-lei 9.138, de 10-4-46)	30.655.265,00		
Depósitos para investimentos (Lei 3.470, de 28-11-58)	730.815.857,20		
Outros depósitos obrigatórios	172.688.518,10	6.165.966.572,90	
Do público (diversos):			
Sem limite	17.985.788.570,90		
Limitados	1.763.557.660,70		
Populares	7.469.734.906,80		
Sem juros	3.152.391.852,00		
Outros depósitos	2.271.791.210,10	33.221.224.188,50	
Saldos credores de emprestanos		846.282.379,60	219.824.322.867,20
DEPÓSITOS A PRAZO			
De autarquias		2.743.716.531,50	
De público (compulsórios):			
Judiciais (Decreto-lei 3.077, de 26-2-41)		23.412.004,90	
De público (diversos):			
De aviso prévio	418.610.820,60		
A prazo fixo	337.199.966,70	755.810.786,60	3.522.939.323,00
OUTRAS RESPONSABILIDADES			
Títulos redescontados:			
Comerciais	22.701.950.464,10		
Carteira da Carteira de Crédito Agrícola e Industrial	36.129.880.980,00	58.830.971.444,10	
Mobilização de créditos em moratória		2.000.000.000,00	
Caixa de Mobilização Bancária (Depósitos)		4.064.676.144,70	
Carteira de Colonização conta de recurso		181.082.863,00	
Bônus e letras hipotecárias da Carteira de Crédito Agrícola e Industrial, em circulação		751.400.400,00	
Correspondentes no país		80.214.111,10	
Ordens de pagamento		5.525.220.151,70	
Cobranças efetuadas, em trânsito		6.922.749.028,00	
Cheques de pela		1.933.221.590,30	
Dividendos a pagar		8.197.699,60	
Outras contas do passivo exigível		16.248.927.429,80	93.667.858.462,30
Direção Geral e Agências (contas de relações internas)		263.574.560.836,30	
Agências no exterior (total do exigível)		1.447.206.847,90	1.038.259.691.469,30
DE RESULTADO PENDENTE			
Rendas de juros, descontos, comissões e diversas	7.112.850.086,90		
Outras contas de resultado pendente	25.815.083.453,00	32.927.933.539,90	
Agências no exterior (total do resultado pendente)		39.876.242,60	32.967.789.782,50
			1.083.042.780.729,80
DE COMPENSAÇÃO			
Depositantes de valores em garantia e custódia		378.123.162.011,60	
Depositantes de títulos para cobrança:			
De país	177.055.362.247,90		
De exterior	725.432.709,60	177.780.794.957,50	
Outras contas de compensação		94.242.251.938,00	
Agências no exterior (total de compensação)		1.204.080.661,70	451.350.255.568,80
			1.734.393.076.298,60

PARTE JUDICIÁRIA

TRIBUNAL DE JUSTIÇA DO ESTADO DA GUANABARA

Tribunal de Justiça do Estado da Guanabara

Segundo Grupo de Câmaras Cíveis

Segunda Câmara Cível

Primeira Câmara Cível

Quinta Câmara Cível

Sexta Câmara Cível

Sétima Câmara Cível

Oitava Câmara Cível

Nona Câmara Cível

Décima Câmara Cível

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PRIORITY

CONFIDENTIAL
(Security Classification)

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832-10/11-160

FOREIGN SERVICE DESPATCH

FROM AMEMBASSY, Rio de Janeiro

365
DESP. NO.

TO : THE DEPARTMENT OF STATE, WASHINGTON.

November 1, 1960
DATE

REF :

For Dept. Use Only	ACTION	DEPT.
	ARA-4	RM/R-2 REP-1 ENA-7 E-7 ICA-11
	REC'D 11/7	INFO OTHER CIA-10 COM-8 IRS-3 FRB-2 XMB-4 OLF-1

SUBJECT: Apparent Lack of Economic Planning by President-Elect Jânio Quadros

From information available to the Embassy, it seems evident that President-elect Jânio Quadros has made little effort during the past few weeks to familiarize himself with the economic and financial problems which he will face upon taking office on January 31, 1961. It is no doubt possible that he has consulted persons not known to the Embassy about those problems and that he is planning the steps necessary to resolve them. Nevertheless, the following circumstances seem clearly to indicate his disposition to avoid concerning himself at this time with the economic and financial problems he will have to face as President:

1. He is evidently taking no hand in the discussions underway in the Brazilian Congress for enactment of the 1961 budget. Indeed, he has been quoted in the press as having stated that he does not wish to interfere in the Congress' deliberations on this subject. This question is particularly important because the Constitution requires that the 1961 budget be passed before the end of November, 1960, and because no new tax measures can constitutionally be effective in 1961 unless also enacted before the end of November. Of course, the President will be able to enforce an "economy plan" with regard to budgetary expenditures, if he wishes to do so, but there are serious limits to his powers in that connection in view of the fact that the budget regularly contains provisions tying certain expenditures to certain specific tax collections.

2. In anticipation of the impending visit of an Eximbank Mission to Brazil, several Brazilians reportedly close to President-elect Quadros have sought to persuade Quadros to designate someone to speak with that Mission on his behalf. The various efforts have all proven fruitless, however. Quadros has apparently not wished to designate anyone to speak on his behalf with the Eximbank Mission, even though the Mission is coming here partly because of the request

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REPORTER

DEPARTMENT OF STATE
CONFIDENTIAL
NOV 14 1960

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NAME OF OFFICER & OFFICE SYMBOL	DIRECTIONS TO RM/R

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0914

of the present Minister of Finance that the Eximbank help ease the balance of payments problems which the new President will have to face when he takes office.

3. Minister Saccio, USOM Director/Economic Minister for Brazil, has asked the Ministry of Foreign Affairs to suggest projects which would help justify a request to the U. S. Congress for appropriation of $500 Million pursuant to the Act of Bogota. Ambassador Roberto Campos accordingly prepared a memorandum suggesting various types of projects and transmitted the memorandum to the President-elect, with the request that the latter indicate his general reactions, inasmuch as Minister Saccio stated that he would like to be able to state to Washington that any projects suggested by the Ministry of Foreign Affairs had the President-elect's general approval. Ambassador Campos' memorandum was given to the President-elect's personal secretary but the President-elect subsequently departed for Europe on October 29, without having given any indication of his reaction to that memorandum.

4. Paulo Poock Correa, Director of the Exchange Department of the Bank of Brazil, and Casimiro Ribeiro, Chief of Monetary Studies for SUMOC, have each suggested to several people purporting to be close to the President-elect that they would be glad to provide data and analyses of Brazil's present international and domestic financial positions. Neither of their offers was taken up. This is particularly serious in view of the fact that the data available to Poock Correa and to Ribeiro have been very tightly guarded and it is extremely doubtful that the President-elect could have obtained equally reliable data from any other source.

For the Ambassador:

Herbert K. May
Treasury Attaché

Coordinated:

William A. Fowler
Counselor of Embassy
for Economic Affairs

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In reply refer to
FN

November 1, 1960

The First National City Bank of New York
as Agent under Loan Agreement with Banco
do Brasil S.A., dated as of October 15, 1960
55 Wall Street,
New York 15, New York.

Sirs:

The Charge d'Affaires ad interim of the United States of Brazil to the United States of America has transmitted to the Department of State a letter addressed to The First National City Bank of New York as Agent under Loan Agreement with Banco do Brasil S.A., dated as of October 15, 1960.

In accordance with the request of the Charge d'Affaires there is transmitted to you herewith such letter and its enclosures. The letter is signed by Carlos Alfredo Bernardes, who on the date of the letter, November 1, 1960, was the duly accredited Charge d'Affaires ad interim of the United States of Brazil to the United States of America and who continues in that capacity at the present time.

Very truly yours,

For the Secretary of State:

November 1, 1960

John Parke Young
Chief
International Finance Division

Enclosures:

Letter dated November 1, 1960, with enclosures, from the Charge d'Affaires ad interim of the United States of Brazil to The First National City Bank of New York as Agent under Loan Agreement with Banco do Brasil S.A., dated as of October 15, 1960.

Clearances: L/E - Mr. Maurer EST - Mr. Hemba U/FR - Mrs. Williams

OFD:FN:CGaynes:eln
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REGISTERED

In reply refer to
FN

November 1, 1960

The First National City Bank of New York
as Second Refunding Agent under Second
Refunding Loan Agreement with Banco do Brasil S.A.,
dated as of October 1, 1960
55 Wall Street,
New York 15, New York.

Sirs:

The Charge d'Affaires ad interim of the United States of Brazil to the United States of America has transmitted to the Department of State a letter addressed to The First National City Bank of New York as Second Refunding Agent under Second Refunding Loan Agreement with Banco do Brasil S.A., dated as of October 1, 1960.

In accordance with the request of the Charge d'Affaires there is transmitted to you herewith such letter and its enclosures. The letter is signed by Carlos Alfredo Bernardes, who on the date of the letter, November 1, 1960, was the duly accredited Charge d'Affaires ad interim of the United States of Brazil to the United States of America and who continues in that capacity at the present time.

Very truly yours,

For the Secretary of State:

November 1, 1960

John Parke Young
Chief
International Finance Division

Enclosures:

Letter dated November 1, 1960, with enclosures, from the Charge d'Affaires ad interim of the United States of Brazil to the First National City Bank of New York as Second Refunding Agent under Second Refunding Loan Agreement with Banco do Brasil S.A., dated as of October 1, 1960

Clearances: (in draft) L/E - Mr. Maurer EST - Mr. [illegible] U/FR - Mrs. Williams

OFD:FN:CMCarre':eln
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OCT 28 1960 PM

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832.10/11-360

FOREIGN SERVICE DESPATCH

FROM : AMEMBASSY, Rio de Janeiro

377
DESP. NO.

November 3, 1960
DATE

TO : THE DEPARTMENT OF STATE, WASHINGTON.

REF :

20 For Dept. Use Only	ACTION	DEPT.
	ARA-4	
	REC'D 11-11-60	INFO OTHER
		RM/R-2 REP-1 INR-7 E-7 ICA-11
		COM-8 TR-3 FRB-2 XMB-4 CIA-10 DLF-1

SUBJECT: Views of President-Elect Jânio Quadros about Monetary Stabilization

According to Ex-Ambassador Walther Moreira Salles, President-elect Jânio Quadros told him last week that he is determined to pursue a strong stabilization program although he is very worried about the problems he will have to face in doing so. A memorandum of conversation concerning this and other matters is transmitted herewith as Enclosure 1.

For the Ambassador:

Herbert K. May

Herbert K. May
Treasury Attaché

Coordinated:

William A. Fowler

William A. Fowler
Counselor of Embassy
for Economic Affairs

Encl: As stated

DEPARTMENT OF STATE
BUREAU OF
INTER-AMERICAN AFFAIRS
NOV 15 1960

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HKMay:dh
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Memorandum of Conversation with Ex-Ambassador Walther Moreira Salles
November 1, 1960, 10:00 p.m.

Moreira Salles told me that he had held a long conversation last week with President-elect Jânio Quadros, at the latter's invitation. He said that Quadros had appeared to be "very worried" about the economic and financial problems he is facing as President. He said that Jânio Quadros had expressed a firm determination to adopt a strong stabilization program, but was worried about the problems he would have to face in doing so, and worried also about his relationships with the U.S. and with the International Monetary Fund. He said that Quadros seemed particularly upset about the impending problem of obtaining a postponement by the IMF of the $47.7 million payment due in November. Moreira Salles stated that he had expressed the conviction that the U. S. Government would support Quadros in his request that the IMF agree to such a postponement, and stated that he believed that "even the European countries" would support that request, particularly if Quadros manifested any determination to proceed with his stabilization program. Moreira Salles went on to say that he told Quadros that the Brazilian stabilization program should be even tougher than that of Argentina inasmuch as the trouble with the Argentine program was its "weakness". He said that he told Quadros also that if the Brazilian program was really a strong one, Quadros would be justified in asking the U.S. Government for much more help than has been received by Argentina, and voiced his confidence that the U. S. Government would be prepared to give much more help under that circumstance.

Moreira Salles said also that at the conclusion of his conversation with Quadros, the latter had asked him to receive a visit from two men who had Quadros' full confidence. Those two men -- Quintanilha Ribeiro and (?) Barbosa -- had later visited him and had spoken with him in some detail about Brazil's relationship with the U.S. and the IMF. Moreira Salles said that he would fill me in on the details of that conversation later (inasmuch as we were at a dinner party and conversation between us was difficult).

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Moreira Salles stated that he had been surprised by Quadros' request that he call upon the latter, inasmuch as he had never had had much personal contact with Quadros. He volunteered that he will not hold any post in the new Government and, in particular, that he has no idea who will hold the important posts of Foreign Minister and Minister of Finance.

Herbert K. May
Treasury Attaché

HKMay|dh

November 3, 1960

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INCOMING TELEGRAM *Department of State* **ACTION COPY**

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UNCLASSIFIED
Classification

Control: 4751
Rec'd: NOVEMBER 8, 1960
9:42 PM

FROM: RIO DE JANEIRO

TO: **Secretary of State**

NO: 619, NOVEMBER 8

File
MPL-DCT
11-9-60

FROM KILLEFER TO WAUGH, EXIMBANK

PORTUGUESE TRANSLATION FOLLOWING PRESS RELEASE TO BE ISSUED TODAY IN BRASILIA:

"MINISTER OF FINANCE SEBASTIAO PAES DE ALMEIDA AND MR. TOM KILLEFER, FIRST VICE PRESIDENT AND MR. HAWTHORNE AREY, DIRECTOR, OF THE EXPORT-IMPORT BANK JOINTLY ANNOUNCED TODAY THE SUCCESSFUL CONCLUSION OF DISCUSSIONS IN BRASILIA BETWEEN THE MINISTRY OF FINANCE AND BANCO DO BRASIL AND THE EXIMBANK. AGREEMENT HAS BEEN REACHED FOR A DEFERMENT OF PAYMENTS FALLING DUE DURING THE NEXT SIX MONTHS ON OBLIGATIONS OF THE BRAZILIAN GOVERNMENT AND BANCO DO BRASIL TO THE EXPORT-IMPORT BANK. IT IS EXPECTED THAT WITHIN TWO WEEKS, HIGH MONETARY AUTHORITIES OF THE BRAZILIAN GOVERNMENT WILL GO TO WASHINGTON FOR THE PURPOSE OF SIGNING THE AGREEMENT.

"THE ARRANGEMENT IS INTENDED TO PROVIDE NOT ONLY IMMEDIATE FINANCIAL ASSISTANCE BUT TO EXTEND MOST OF THAT ASSISTANCE INTO THE FIRST MONTHS OF THE NEW GOVERNMENT TO TAKE OFFICE JANUARY 31.

"THE NEGOTIATIONS WERE CONDUCTED IN A VERY CORDIAL SPIRIT OF UNDERSTANDING AND COOPERATION, CONSISTENT WITH THE LONG HISTORY OF CONTINUED COLLABORATION BETWEEN BRAZIL AND EXPORT-IMPORT BANK AS AN AGENCY OF THE UNITED STATES.

"BRAZIL WAS REPRESENTED BY THE MINISTER OF FINANCE, HIS EXCELLENCY SEBASTIAO PAES DE ALMEIDA, BY THE SECRETARY GENERAL OF THE MINISTRY OF FOREIGN AFFAIRS, AMBASSADOR EDMUNDO BARBOSA DA SILVA, BY THE PRESIDENT OF THE BANK OF BRAZIL, DR. CARLOS CARDOSO,

JAN 24 12 02 PM '61 FILED

CAA

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CARDOSO, AND BY THE DIRECTOR OF THE EXCHANGE DEPARTMENT OF THE BANK OF BRAZIL, DR. PAULO POOCK CORREA. MR. KILLEFER AND MR. AREY WERE ASSISTED BY MR. HERBERT MAY, FINANCIAL ATTACHE OF THE AMERICAN EMBASSY IN RIO AND BY MR. SEYMOUR POLLACK, ECONOMIST, AND MR. EDWARD O'CONNOR, LOAN OFFICER, OF THE EXIMBANK."

CABOT

MB

0922

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(Security Classification)

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732.111

FOREIGN SERVICE DESPATCH

FROM : AMEMBASSY, Rio de Janeiro — 393 DESP. NO. — November 9, 1960 DATE

TO : THE DEPARTMENT OF STATE, WASHINGTON.

REF : Embdes 377 dated November 3, and Embtel 619 of November 8, 1960

For Dept. Use Only	ACTION	DEPT.	
	ARA-4	RCM/R-2 REP-1 INR-7 E-7 ICA-11 S/S-3	
	REC'D 11/15	INFO OTHER	CIA-10 USIA-4 XMB-4 TR-3 FRB-3 COM-1 ARMY-2 NAVY-2 NSA-2 OSD-4

SUBJECT: Current Relations Between President-Elect Jânio Quadros and Governor Carvalho Pinto; Eximbank Agreement with Brazilian Government

This Document must be Returned to RM/R Control Files

On November 5, ex-Ambassador Walther Moreira Salles told the reporting officer that Quintanilha Ribeiro had asked that Moreira Salles obtain the details of the Eximbank understandings with the Minister of Finance, so as to pass those details on to Quintanilha Ribeiro for transmital to President-elect Jânio Quadros in Europe. Moreira Salles quoted Quintanilha Ribeiro as emphasizing that the Governor of São Paulo, Carvalho Pinto, cannot speak for Quadros. There is transmitted herewith, as Enclosure 1, a memorandum summarizing the conversation and including a summary of the general understandings reached between the Eximbank mission and the Minister of Finance.

On Monday, November 7, the Eximbank mission called upon Governor Carvalho Pinto. Mr. Killefer volunteered a very general statement to the effect that the mission had reached an understanding with the Minister of Finance about the deferal of certain debt payments. Carvalho Pinto expressed his pleasure at that agreement, but made no effort to ascertain any of its details. He gave no sign of any special interest in, or responsibility for, the policies of the Jânio Quadros Government.

832.10/11-960

For the Ambassador:

Herbert K. May

Herbert K. May
Treasury Attaché

Coordinated:

William A. Fowler

William A. Fowler
Counselof of Embassy
for Economic Affairs

Encl: As stated

FILED
NOV 30 1960
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HKMay|dh
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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0923

Memorandum of Conversation with Ex-Ambassador Walther Moreira Salles, November 5, 1960

On Friday, November 4, three days following the conversation reported in the reference despatch, ex-Ambassador Walther Moreira Salles left an "urgent" message at my home saying that it was important that we meet privately on the subject of the impending visit of the Export-Import Bank mission to São Paulo. On Saturday, November 5, he told me that he had received a telephone call from Quintanilha Ribeiro to the effect that Ribeiro had learned that the Eximbank mission was planning to pay a call on Governor Carvalho Pinto on November 7, and that he (Ribeiro) wanted the message passed to the Eximbank mission that it should not discuss with Carvalho Pinto the policies which may be followed by President-elect Jânio Quadros or by the U. S. Government in its dealings with Quadros. Moreira Salles quoted Ribeiro as saying that Carvalho Pinto does not have the power to speak for Quadros in any respect and that only two men do have that power, i.e., Quintanilha Ribeiro and Pedrosa Horta 1/. Moreira Salles also stated that Quintanilha Ribeiro had asked that I reveal to Moreira Salles the details of the Eximbank agreement with the Minister of Finance, in order that Quintanilha Ribeiro, rather than Carvalho Pinto, would be the person to report the details of that agreement to the President-elect, now in

---

1/ I had referred, in the reference despatch to a Sr. Barbosa. In doing so, however, I had clearly heard the name improperly. The name actually was Pedrosa Horta.

0924

Europe. I reported those details to Moreira Salles 1/.

Herbert K. May
Treasury Attaché

November 9, 1960

1/ I explained to Moreira Salles that some of the details of the agreement remained to be worked out in Washington but that the general agreement is that, for a six-month period, probably beginning December 1, the Eximbank will accept deferral of payments on the following types of debts due to it by Brazil: (1) The monthly payments of approximately $4.0 million on the old balance of payments loans; (2) payments estimated at approximately $8 million over the six-month period on all Government-to-Government development loans (such as those of Volta Redonda); and (3) payments totalling $2 - $4 million on certain private loans owing to the Eximbank where the Eximbank holds all of the paper (for example, loans by the Eximbank to the local American and Foreign Power companies). In addition, perhaps, (4) a $2.5 million loan to CEMIG to complete the present stage of the Tres Marias project for which the Brazilian Government has undertaken various commitments, so that the Eximbank would relieve Brazil's balance of payments problems to that extent; and (5) any additional projects of a type comparable to the Tres Marias project, which the Eximbank might find consistent with its own loan policies.

0925

AIR POUCH

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FOREIGN SERVICE DESPATCH

FROM : AMEMBASSY, RIO DE JANEIRO

398
DESP. NO.

TO : THE DEPARTMENT OF STATE, WASHINGTON.

November 10, 1960
DATE

REF : CERP, Section B, III, A-1a, April 3, 1957 Enclosures

	ACTION	DEPT.
55 For Dept. Use Only	ARA-4	RPM/A-2 EMR-7 AEP-1 E-7 ICA-11
	REC'D 11/22	INFO OTHER CIA-10 COM-8 TR-3 FRB-3 XMB-4 D4F1

SUBJECT: Federal Fiscal Operations, January-August, 1960

I - Summary of Financial Operations

Brazilian Federal financial operations for the first eight months of 1960, according to figures contained in the report of the Contador Geral, resulted in an actual budgetary deficit of Cr$15,936.1 million and a total financial deficit of Cr$10,433.5 million. The reported "formal" budgetary deficit - essentially a meaningless figure since it excludes this year's unauthorized budgetary expenditures (responsaveis) - was only Cr$402.3 million. Details are summarized at enclosure 1.

Corresponding figures for the same period in 1959 were: Cr$20,164.7 million actual budgetary deficit; a total financial deficit of Cr$33,284.7 million and Cr$15,335.6 million reported deficit.

It should be pointed out, however, that because of a recent change in the contents of the account "Fundos e Provisões", the financial deficit shown here for the first eight months of 1960 is not comparable to the financial deficit reported for the like period in 1959. This change, a substantial one in terms of volume, consists of the addition of a large part of income and expenditures from the agio operations in the "Fundos" account. The addition of these funds to "Fundos e Provisões", in this particular case adds substantially to the receipts side of the ledger and, in fact, constitutes the major part of the excess of receipts over expenditures in this account.

For the purpose of making a comparison of the financial deficit with the like period in the previous year, the receipts and expenditures attributable to agios may be deducted out as follows: (See enclosure 1).

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DEPARTMENT OF STATE
BUREAU OF INTER-AMERICAN AFFAIRS
NOV 28 1960

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(Cr$ Million)

	Receipts	Expenditures	+ Decrease - Increase
Total "Fundos e Provisões"	81,938.7	52,574.6	- 29,364.1
Fundo de Modernização da Lavoura Nacional (Ágios)	68,818.6	43,610.4	- 25,208.2
	13,120.1	8,964.2	- 4,155.9

Taking into account this adjustment in "Fundos e Provisões", the financial deficit January through August 1960 calculated on the old formula amounts to Cr$35,641.7 million, an amount comparable to the financial deficit for the same period in 1959 (Cr$33,284.7 million). The apparent improvement in the financial deficit is, therefore, the result principally of a bookkeeping innovation and does not reflect tighter federal fiscal operations.

The Contador Geral alleges that, by including these receipts and expenditures from agio earnings, the Demonstração will show "a more accurate picture of Federal fiscal operations". If this entry did accurately reflect the net result of agio operations it would undoubtedly give at least a more complete picture of Federal fiscal operations and their economic impact. However, it is not at all clear that this entry does reflect the complete picture of agio operations. Particularly, it appears that remittances to coffee exporters are omitted from the expenditure side and that other disbursements which are not really in the nature of expenditure are included. At all events, the Embassy has requested the Contador's office for a description of the items included in this entry and it is hoped that a more accurate analysis will be possible by the time the next report is made.

II - Reported Budgetary Revenues

Budgetary revenues during January-August 1960 totalled Cr$124,015.3 million. This was Cr$21,266.9 million more than the revised estimate of revenue for this period and Cr$34,993.6 million more than was collected during the same period of 1959. Actual collections during this period exceeded substantially all the estimated revenues.

The following table shows actual collections during the period January-August, 1960 in comparison with budgeted estimates for 1960 and actual collections in the same period of 1959.

0927

	January - August		
	1959 Actual	1960 Budgeted	1960 Actual
Consumption tax	30,143.8	36,458.4	47,806.0
Income tax	25,979.6	28,629.7	35,288.0
Stamp tax	10,713.1	12,497.8	15,202.6
Import tax	12,684.1	13,512.1	14,127.9
Other revenue	9,500.9	11,650.4	11,590.8
T o t a l	89,021.7	102,748.4	124,015.3

III - Expenditures

A breakdown of reported budgetary expenditures, by major categories, during the first eight months of 1960 are summarized in enclosure 2. The total expenditure of Cr$124,413.3 million exceeded expenditures during the same period of 1959 by Cr$20,057.9 million.

IV - Summary and Prospects

Heavy income tax collections in June, July and August, the season when income taxes become due, provided the Government with an excess of revenue over expenditures during these months and consequently reduced the size of the actual budgetary deficit. Income tax collections were Cr$24,498 million for June, July and August compared with Cr$10,389 for the entire previous five months. Traditionally, income tax collections begin to drop in September. Since other major sources of revenue do not fluctuate seasonally to such an extent, total revenue collections are expected to drop off during the remaining months of this year, therefore tending to increase the size of the budgetary deficit throughout the remainder of the year.

There are in addition a number of other factors which appear likely to accelerate the increase in the size of the budgetary deficit throughout the remainder of this year. Among them, recent indications that prices, after remaining relatively stable during May through August (increasing only by 2.7% during all four of these months) have again commenced to increase at a more rapid rate (3.6% in September) will add to the costs of a number of government operations - such as construction and the like - most probably substantially in excess of the increase in revenues which might be expected to result from price rises. Secondly, the full impact of the recent 50% military pay increase with an estimated cost of Cr$15 billion annually and the costs of the civil service position reclassification plan (estimated at Cr$10 billion annually) which has been approved and will soon be put into effect retroactively to July 1, will be felt during the remaining months of the fiscal year.

0928

Finally it appears that before leaving office at the end of January the present government will attempt to complete a number of public works projects. Thus, the prospects are that, notwithstanding the comparatively favorable budgetary position of August, the end of the year will see a deficit of at least the size of that of 1959.

For the Ambassador:

John Krizay
Second Secretary of Embassy

Coordinated:
Herbert K. May

Herbert K. May
Treasury Attaché

Enclosures:
1 - Federal Financial Operations, January-August, 1960
2 - Expenses of Federal Government.

0929

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Enclosure 1
Page 1
Despatch 398
Rio de Janeiro

Summary of Federal Financial Operations (Millions of Cruzeiros)

	January - August 1959	January - August 1960
1. Need for Extra-Budgetary Financing		
a) Reported Budgetary Results		
Revenues	89,021.7	124,015.5
Expenditures	104,357.3	124,417.8
Reported Budgetary Deficit	15,335.6	402.3
b) Plus decrease in "Responsaveis"	+ 4,829.1	+ 15,533.8
c) Actual Budgetary Deficit	20,164.7	15,936.1
d) Plus decrease of "Depositos"	+ 8,130.8	+ 10,541.9
e) Minus increase in "Fundos"	+ 741.5	- 29,364.1
f) Plus decrease in "Operações de Financiamento"	+ 13,199.1	+ 284.0
g) Plus decrease in Transitory Accounts	- 8,951.4	+ 13,035.6
Total Financial Deficit	33,284.7	10,433.5
2. Sources of Extra-Budgetary Financing		
a) Bank of Brazil advances	24,037.1	5,153.0
b) Treasury Bills, currency, etc.	15,680.7	16,070.9
	39,717.8	21,223.9
c) Less Increase in Treasury cash balances (includes gold acquired)	- 6,433.3	- 10,790.4
	33,284.5	10,433.5

Explanatory Notes

a) "Responsaveis" - represents the balance of Responsabilidades "apuradas" and #liquidadas". The "responsabilidades apuradas" represent payments actually made in this or a prior year (an expenditure account) without prior Congressional authorization it being virtually certain that these expenditures will be authorized, i.e., "liquidadas", in this or a later

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year at which time they are considered "budgetary" expenditures; the offset to the "apuradas" account is, of course, represented by a decrease of the cash availabilities account.

b) "Depositos" - represents the balance of receipts and expenses of various accounts like those for the Caixas Economicas and the Instituto do Açucar e do Alcool. An excess of expenses over receipts causes a decrease in "Depositos" and adds to the need for financing. An increase in "Depositos" has the reverse effect.

c) "Fundos" - represents the balance of receipts and expenses of accounts of various special organizations such as the Fund for the Improvement of the Amazon and the Federal Electrification Fund. A decrease in Fundos is an excess of expenses over receipts and an increase in financing requirements. An increase is the reverse.

d) "Operações de Financiamentos" - represent the balance of receipts and expenses of accounts for operations such as COFAP. A decrease is an excess of expense over receipts reducing these accounts; an increase is the reverse.

e) Transitory Accounts - represent the balance of total "Receita a Classificar" and the balance of "Movimentos de Fundos". A balance on the expense side is considered a decrease adding to financing requirements; a balance on the receipts side is considered an increase.

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EXPENSES OF FEDERAL GOVERNMENT

	Full Year 1960	January-August 1960
Legislative Power		
Chamber of Deputies	644.4	1,192.5
Federal Senate	357.5	525.5
Various Instrumentalities		
Tribunal of Accounts	162.7	87.3
National Economy Council	48.8	19.6
Executive Power		
The Presidency	2,523.3	1,054.1
D.A.S.P.	943.4	863.9
Armed Forces Headquarters	39.4	18.7
Commission for Read. of Veterans	5.9	4.6
San Francisco Valley Commission	2,521.5	1,400.0
Nat'l Waters & Electric Energy	10.1	5.5
Nat'l Petroleum Council	62.2	62.2
Nat'l Security Council	288.2	13.2
Amazon Planning Agency	4,968.1	3,302.1
Southwest Frontier Planning	550.0	30.0
Ministry of		
Aeronautics	11,662.1	7,477.3
Agriculture	11,573.7	2,858.6
Education and Culture	16,794.6	8,295.5
Finance	27,073.2	22,266.0
War	22,267.6	16,569.7
Justice & Internal Affairs	7,989.9	4,061.5
Navy	11,927.2	7,144.0
Foreign Relations	2,287.4	1,442.6
Health	10,047.5	4,652.3
Labor, Industry & Commerce	4,710.8	6,880.7
Transportation & Public Works	53,140.4	32,810.9
Judiciary Power	1,727.5	1,375.1
	194,327.5	124,413.3
Expenses of Previous Budgets	-.-	4.4
T o t a l	194,327.5	124,417.7

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FOREIGN SERVICE DESPATCH

FROM : AMEMBASSY, Rio de Janeiro — 403 DESP. NO. — November 14, 1960 DATE

TO : THE DEPARTMENT OF STATE, WASHINGTON.

REF : Embdes 85, August 1, 1960
CERP, Sec B, III, B.4 and Sec. B, III, C.

For Dept. Use Only	ACTION	DEPT.
	ARA-4	INFO Rm/R-2 E-7 REP-1 IE-7 ICA-11
	REC'D 11/21	OTHER CIA-10 Com-8 TR-3 FRB-2 XMB-4 DLF-1 AGA-8 Army-4 Navy-2 NSA-2

SUBJECT: Official Foreign Exchange Payments Position, First Nine Months of 1960; Estimated Position, Last Three Months 1960 and Full Year, 1961

Bank of Brazil estimates of its actual receipts and payments position, in convertible currencies, during the third quarter of 1960 and its projections for the fourth quarter of 1960 and the full year, 1961, are summarized in the enclosures transmitted herewith. The reporting officer has consolidated some of the data appearing in the enclosures with data which were transmitted in Embassy Despatch 85, so as to permit the following summary of the Bank's estimates:

1. The Bank of Brazil incurred a total convertible currency deficit of $193.5 million during the first nine months of 1960, as compared with a "budgeted" deficit of $150.8 million during that period. Actual receipts exceeded budgeted receipts by $22.2 million; while actual expenditures exceeded budgeted expenditures by $64.9 million, in spite of the fact that, pursuant to its July 1956 agreement with Eximbank, the Bank of Brazil did not make budgeted payments totalling $20 million to the Eximbank.

2. The budgeted deficit, in convertible currencies, for the last quarter of 1960 is $125.8 million, bringing the anticipated deficit for the full year, 1960, to $319.3 million.

3. The budgeted convertible currency deficit for 1961 is estimated at $437.9 million, assuming no modification in present foreign exchange practices and no rescheduling of debt payments.

4. The major transactions by which the Bank of Brazil was able to cover its deficit during the first nine months of 1960 were as follows:

DEPARTMENT OF STATE
BUREAU OF INTER-AMERICAN AFFAIRS
NOV 23 1960

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Swaps	$71.9	million
Commercial bank credit lines	32.4	"
Prepayments for Brazilian exports	23.2	"
Overdrafts with U.S. banks	32.0	"
Drawing at I.M.F.	47.7	

For the Ambassador:

Herbert K. May

Herbert K. May
Treasury Attaché

Coordinated:

William A. Fowler

William A. Fowler
Counselor of Embassy
for Economic Affairs

Enclosure: As stated

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POSIÇÃO DE ENDIVIDAMENTO DE 1959 A 1961 — QUADRO 1

Em Moedas Conversíveis

(Unidade: US$1,000,000)

ESPECIFICAÇÃO	Dec.31 1959	Sep.30 1960	+ ou - 30/9/60 sobre 21/12/59	Dec.31 1960	+ ou - 31/12/60 sobre 30/9/60	+ ou - 31/12/60 sobre 31/12/59	Dec.31 1960	+ ou - 31/12/61 sobre 31/12/60
I. TRANSAÇÕES CORRENTES	2.173,9	2.298,6	+ 124,7	2.298,2	- 0,4	+ 124,3	2.167,8	- 130,4
-Importações	473,0	538,9	+ 65,9	558,1	+ 19,2	+ 85,1	461,8	-96,3
-Compromissos com e sem Prioridade Cambial - capital & juros	1.475,2	1.552,5	+ 77.3	1.552,5	3/ -	+ 77,3	1.552,5	3/ -
- Bond & Share, Light & Power, IT & T - juros..	26,6	32,1	+ 5,5	23,7	- 8,4	- 2.9	23,6	- 0,4
-EXIMBANK -importação de Trigo (CCC)	6,7	6,7	-	6,7	-	-	6,7	-
-Dívida Publica Externa 4/ --------	135,8	124,5	- 11,3	117,7	- 6,8	- 18,1	100,9	- 16,8
-Outros Juros de Empréstimos Compensatórios	56,6	43,9	- 12,7	39,5	- 4,4	- 17,1	22,3	- 17,2
II. EMPRÉSTIMOS COMPENSATÓRIOS	836,8	942,0	+ 105.2	1.001,5	+59.5	+164,7	1.258,8	+257,3
-EXIMBANK:								
(empréstimo de US$300 mil. - capital ...	74.1	58.4	- 15,7	50,4	- 8,0	- 23,7	0,9	- 49,5
(empréstimo de US$45 mil. - capital ...	45,0	45,0	-	45,0	-	-	45,0	-
(empréstimo de US100 mil. - capital ...	100,0	100,0	-	100,0	-	-	100,0	-
-Consórcio de Banqueiros Americanos:								
(empréstimo de US$200 mil. - capital....	200,0	200,0	-	200,0	-	-	143,0	- 57,0
(empréstimo de US$58 mil. - capital....	38,6	19,3	- 19,3	19,3	-	- 19,3	-	- 19,3

QUADRO I (Cont'd)

II: EMPRÉSTIMOS COMPENSATÓRIOS (CONT'D)

ESPECIFICAÇÃO	Dec.31 1959	Sep. 30 1960	+ ou - 30/9/60 sobre 21/12/59	Dec.31 1960	+ ou - 31/12/60 sobre 30/9/60	+ ou - 31/12/60 sobre 21/12/59	Dec.31 1960	+ ou - 31/12/61 sobre 31/12/60
-Linhas de Crédito com Banqueiros Americanos...	28,5	56,0	+ 27,5	56,0	-	+ 27,5	56,0	-
-Linhas de Crédito com Banqueiros Europeus	16,7	13,2	+ 3,5	13,2	-	- 3,5	13,2	-
-Fundo Monetário Internacional -.....	92,3	140,0	+ 47,7	92,3	-47,7	-	37,5	-54,8
-Atrasados Comerciais em L	16,4	10,6	- 5,8	-	-10,6	- 16,4	-	-
-SWAPS	225,2	299,5	+ 74,3	299,5	-	+ 74,3	299,5	-
-DEFICIT previsto para o 4º trimestre de 1960	-	-	-	125,8	+125,8	+125,8	125,8	-
-DEFICIT previsto para o ano de 1961	-	-	-		-	-	437,9	+ 437,9
TOTAL (I + II)	3.010,7	3.240,6	+229,9	2.299,7	+ 59,1	+289,0	3.426,6	+ 126,9

1/ Posição de endividamento em 31/12/60 e 31/12/61, admitido como executadas as projeções de receita & despesa para o 4º trimestre de 1960 e ano de 1961, elaboradas em outubro de 1960.
2/ Inclusive endividamento com JAPÃO e SUÉCIA.
3/ Consignada a mesma verba de 30/9/60, admitido que só se registrem novos compromissos até o montante das liquidações que se verificarem no período.
4/ Cifras revistas em agôsto de 1960.

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QUADRO 2

OPERAÇÕES DE CÂMBIO - JULHO/AUG DE 1960

COMPARATIVO DA EXECUÇÃO & ORÇAMENTO DA RECEITA & DESPESA EM MOEDAS CONVERSÍVEIS

DEMONSTRATIVO DA RECEITA & DESPESA EM MOEDAS INCONVERSÍVEIS

Unidade: US$1,000,000

SPECIFICATION	MOEDAS CONVERSÍVEIS TOTAL U.S.	MOEDAS CONVERSÍVEIS OUTROS PAÍSES TOTAL	TOTAL DAS CONVERSÍVEIS JUL/AUG	ORÇADO PARA PERIODO	+ ou - EXECUTADO O ORÇADO	TOTAL INCONVERSÍVEIS
RECEITA	121,7	52,4	174,1	[illegible]	+ 28,0	45,2
EXPORTAÇÕES	115,1	47,4	162,5	[illegible]	+ 18,6	43,0
-Café	89,8	29,0	118,8	100,0	+ 18,8	26,8
-Cacau	6,3	8,7	15,0	14,1	+ 0,9	3,6
-Petroleo	-	2,0	2,0	5,5	- 3,5	-
-Outros produtos:						
(Neg. no Mercado de Taxa Oficial	0,8	-	0,8	-	+ 0,8	-
(Neg. no Mercado de Taxa Livre..	18,2	7,7	25,9	24,9	+ 1,0	12,6
TRANSAÇÕES FINANCEIRAS	6,6	5,0	11,6	1,6	+ 10,0	2,5
-Diversas:						
(no Mercado de Taxa Oficial ...	0,8	0,2	1,0	1,6	- 0,6	0,2
(no Mercado de Taxa Livre.....	5,5	4,7	10,2	-	+ 10,2	0,9
-Reajuste de Operações-líquido.	0,3	0,1	0,4	-	+ 0,4	1,4
DESPESA	136,6	57,0	193,6	187,4	+ 6,2	39,9
TRANSAÇÕES COMERCIAIS	86,4	51,3	137,7	135,1	+ 2,6	39,4
IMPORTAÇÕES FOB	74,9	50,7	125,6	125,7	- 0,1	37,0
-Petróleo & derivados	31,8	3,2	35,0	34,6	+ 0,4	1,3
-"PETROBRAS"-exceto oleo cru...	0,9	1,3	2,2	2,2	-	-
-Estradas de Ferro - equip. ...	-	1,8	1,8	1,8	-	2,3
-Ministério da Aeronautica	-	-	-	1,2	- 1,2	-
-Emprêsas de Navegação Aérea...	2,4	0,1	2,5	2,5	-	-
-Livros, Jornais & Revistas ...	0,4	0,6	1,0	0,8	+ 0,2	0,3
-Grupo LIGHT, carvão & equip...	0,7	0,2	0,9	0,9	-	-
-Companhia Siderurgica Nacional	1,0	0,1	1,1	1,1	-	-
-Imprensa & Papel para Livros..	0,6	3,0	3,6	3,6	-	2,7
-Borracha	3,6	4,8	8,4	8,4	-	-
-Trigo - incl. frete	0,3	-	0,3	-	+ 0,3	11,7

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QUADRO 2 (CONT'd)

SPECIFICATION	MOEDAS CONVERSÍVEIS TOTAL U.S.	MOEDAS CONVERSÍVEIS OUTROS PAÍSES TOTAL	TOTAL DAS CONVERSÍVEIS JUL/AUG	ORÇADO PARA PERIODO	+ ou - EXECutado OU Çade	TOTAL INCONVERSIVEIS
-Industria Automobilística..GEIA	5,1	1,0	6,1	8,1	- 2,0	-
-Maquinaria Agrícola	0,9	1,1	2,0	2,0	-	1,2
-Entidades Governamentais & Concessionarias de Serviços Publicos	1,5	5,1	6,6	6,6	-	2,3
-Outras:						
..amparadas em Certificados com e sem Prioridade Cambial.....	8,6	8,8	17,4	21,6	- 4,2	1,3
..inclusive as oriundas de Licitação em Bolsa	17,1	19,6	36,7	30,3	+ 6,4	13,9
SERVIÇOS	11,5	0,6	12,1	9,4	+ 2,7	2,4
-Frete	11,5	0,6	12,1	9,4	+ 2,7	2,4
TRANSAÇÕES FINANCEIRAS	32,5	5,7	38,2	27,4	+ 10,8	0,5
-Eximbank - juros dos empréstimos de US$300, US$45 e US$100 mil....	2,9	-	2,9	2,9	-	-
-Consércio de Banqueiros:						
(juros do emprestimo de US$200 mil.	2,2	-	2,2	2,3	+ 0,1	-
(juros do emprestimo de US$58 mil.	0,3	-	0,3	0,3	-	-
-Dívida Pública Externa	0,2	1,6	1,8	2,6	- 0,8	-
-Bond & Share, Light & Power, IT&T - juros	6,3	0,1	6,4	6,4	-	-
-Industria Auto. - GEIA, juros.....	0,2	0,1	0,3	-	+ 0,3	-
-Maquinaria Agrícola - juros	-	0,1	0,1	0,1	-	0,1
-Certificados com e sem Cobertura Cambial - juros	4,5	0,8	5,3	6,6	- 1,3	0,1
-Delegacia do Tresouro Bras. em N.Y.	2,6	-	2,6	3,0	- 0,4	-
-Juros a Banqueiros	1,5	1,0	2,5	1,2	+ 1,3	-
-PETROBRAS - Serv. Técnicos	0,6	0,1	0,7	2,0	- 1,3	-
-Instituto Brasileiro do Cafe.....	0,4	-	0,4	-	+ 0,4	-
-Requisições das Forças Armadas Bras.	2,5	0,1	2,6	-	+ 2,6	-
-Outras:						
(através do Mercado de Taxa Oficial	2,9	0,2	3,1	-	+ 3,1	0,2
(atraves do Mercado de Taxa Livre...	5,4	1,6	7,0	-	+ 7,0	0,1

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QUADRO 2 (CONT'D)

SPECIFICATION	MOEDAS CONVERSÍVEIS TOTAL U.S.	MOEDAS CONVERSÍVEIS OUTROS PAÍSES TOTAL	TOTAL DAS CONVERSÍVEIS JUL/AUG	ORÇADO PARA PERIODO	+ ou - EXECUTADO O ORÇADO	TOTAL INCONVERSÍVEIS
EMPRÉSTIMOS COMPENSATÓRIOS	17,7	-	17,7	24,9	- 7,2	-
-Eximbank, amortização do emprestimo de US$ 300 mil....	8,0	-	8,0	8,0	-	-
-Consórcio de Banqueiros, amortização do emprestimo de US$58 milhoes	9,7	-	9,7	9,7	-	-
-Atrasados Comerciais em L v..	-	-	-	-	- 7,2	-
SUPERAVIT (+) ou DEFICIT (-)	-14,9	- 4,6	-19,5	-41,3	+21,8	+ 5,6

-Outubro, 1960-

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QUADRO 2-A

-OPERAÇÕES DE CÂMBIO-
ANÁLISE DA COBERTURA DO DEFICIT DE JULHO/AUGÔSTO DE 1960
-MOEDAS CONVERSÍVEIS-

(Unidade: US1,000,000)

SPECIFICAÇÃO	EEUU	OUTROS PAÍSES	TOTAL
DEFICIT DE JULHO/AGÔSTO DE '60	14,9	4,6	19,5
Financiado por:			
-Líquido das transações em US$ com outros países que não os EE UU	+7,4	-7,4	-
-"SWAPS"	+12,5	+3,9	+16,4
-"SWAPS" - US$/DM	-4,1	+4,1	-
-Linhas de Crédito normais	+10,0	-6,4	+ 3,6
-Linhas de Crédito especiais vinculadas a exportação de: -café	-10,1	-	-10,1
-cacau	-4,0	-	-4,0
-minerio de manganês contra importação de trigo	-0,8	-	-0,8
-Variação do total dos créditos comerciais a executar	-5,3	+1,9	-3,4
-Arbitragens	-4,9	+4,8	-0,1
VARIAÇÃO DA CAIXA	-14,2	-3,7	-17,9
Prova:			
Saldo de Caixa em: 30/6/60	24,1	7,8	31,9
31/8/60	8,6	4,2	12,8
	-15,5	-3,6	-19,1
Verbas em trânsito, erros ou emissões	+ 1,3	-0,1	+ 1,2
VARIAÇÃO DA CAIXA	-14,2	-3,7	-17,9

-Outubro, 1960-

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QUADRO 3

OPERAÇÕES DE CÂMBIO - JULHO/SEPT DE 1960
COMPARATIVO DA EXECUÇÃO & ORÇAMENTO DA RECEITA & DESPESA EM MOEDAS CONVERSÍVEIS
DEMONSTRATIVO DA RECEITA & DESPESA EM MOEDAS INCONVERSÍVEIS
(UNIDADE: US$1,000,000)

ESPECIFICAÇÃO	MOEDAS CONVERSÍVEIS					TOTAL INCONVERSIVEIS
	U. S. TOTAL	OUTROS PAISES TOTAL	TODOS PAÍSES TOTAL	ORÇADO PARA PERIODO	+ ou - EXEC. O ORÇADO	
RECEITA	165,2	77,9	243,1	219,1	+24,9	67,1
EXPORTAÇÕES	158,3	72,5	230,8	216,7	+14,1	64,2
-Café	125,2	46,8	172,0	150,0	+22,0	42,5
-Cacau	10,5	11,7	22,2	21,2	+ 1,1	5,0
-Petroleo	-	2,8	2,8	8,2	- 5,1	-
-Outros produtos:						
(negociaveis no Mercado de Taxa Oficial	0,8	0,1	0,9	-	+ 0,9	-
(negociaveis no Mercado de Taxa Livre	21,8	11,1	32,9	37,4	- 4,5	16,7
TRANSAÇÕES FINANCEIRAS	6,9	5,4	12,3	2,4	+9,9	2,9
-Diversas:						
(no Mercado de Taxa Oficial	0,9	0,4	1,3	2,4	-1.1	0,2
(no Mercado de Taxa Livre	5,6	4,8	10,4	-	+10,4	1,3
-Reajuste de Operações - liquido	0,4	0,2	0,6	-	+0,6	1,4
DESPESA	208,7	98,8	299,5	267,2	+32,3	61,1
TRANSAÇÕES COMERCIAIS	142,1	80,6	222,7	208,9	+13,8	60,4
IMPORTAÇÕES F O B	121,3	79,8	201,1	194,7	+ 6,4	57,0
-Petróleo & drivados	50,0	4,8	54,8	52,1	+ 2,7	2,1
-PETROBRAS - exceto oleo cru	1,7	1,6	3,3	3,3	-	-
-Estradas de Ferro - equip	-	1,8	1,8	1,8	-	3,0
-Empresas de Navegação Aerea	3,4	0,2	3,6	3,6	-	-
-Livros, Jornais & Revistas	0,5	0,8	1,3	1,2	+ 0,1	0,6
-Grupo LIGHT, carvão & equip	1,0	0,3	1,3	1,3	-	-
-Companhia Siderúrgica Nacional	1,1	0,1	1,2	1,2	-	-
-Imprensa & Papel para Livros	1,1	4,3	5,4	5,4	-	4,2
-Borracha	4,2	5,7	9,9	9,9	-	-

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QUADRO 3 (Cont'd)

ESPECIFICAÇÃO	MOEDAS CONVERSÍVEIS					TOTAL INCONVERSIVEIS
	U. S. TOTAL	OUTROS PAISES TOTAL	TODAS PAÍSES TOTAL	ORÇADO PARA PERIODO	+ ou - EXEC. O ORÇADO	
-Trigo - inclusive frete	0,3	-	0,3	-	+ 0,3	19,1
-Industria Auto. GEIA	11,0	4,8	15,8	17,8	- 2,0	-
-Maquinaria Agrícola	1,4	2,0	3,4	3,4	-	1,7
-Entidades Governamentais & Concessionairias de Serviços Publicos	1,5	5,5	7,0	7,0	-	3,7
-Outras:						
(amparadas em Certificados com e sem Prioridade Cambial	14,0	15,4	29,4	32,9	- 3,5	2,0
(inclusive as oriundas de Licitação em Bôlsa	30,1	32,5	62,6	53,8	+ 8,8	20,6
SERVIÇOS	20,8	0,8	21,6	14,2	+7,4	3,4
-Frete	20,8	0,8	21,6	14,2	+7,4	3,4
TRANSAÇÕES FINANCEIRAS	44,9	10,2	55,1	36,6	+18,5	0,7
-Eximbank - juros dos empréstimos de US$ 300, US$45 e US$100 mil.	3,3	-	3,3	3,6	- 0,3	-
-Consórcio de Banqueiros:						
(juros do emprestimo de US$ 200 milhões	2,2	-	2,2	3,4	- 0,1	-
(Juros do empréstimo de US$ 58 milhões	0,4	-	0,4	0,3	+ 0,1	-
-Dívida Pública Externa	1,4	1,7	3,1	3,3	- 0,2	-
-Bond & Share, Light & Power, e I T & T - juros	8,6	0,1	8,7	8,7	-	-
-Industria Automobilística - GEIA - juros ----------	0,4	0,6	1,0	-	+ 1,0	-
-Maquinaria Agrícola - juros	0,1	0,2	0,3	0,3	-	0,2

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QUADRO 3 (Cont'd)

ESPECIFICAÇÃO	MOEDAS CONVERSÍVEIS					TOTAL INCONVERSIVEIS
	U. S. TOTAL	OUTROS PAISES TOTAL	TODAS PAÍSES TOTAL	ORÇADO PARA PERIODO	+ ou - EXEC. O ORÇADO	
-Certificados com e sem Prioridade Cambial - juros	5,7	1,6	7,3	7,0	+ 0,3	0,1
-Delegacia do Tesouro Bras. em New York	3,9	-	3,9	4,5	- 0,6	-
-Fundo Monetário Internacional - comissão & juros	0,2	-	0,2	-	+ 0,2	-
-Juros a Banqueiros	1,5	1,0	2,5	1,8	+ 0,7	-
-PETROBRÁS - Serviços Technicos	1,3	0,1	1,4	3,0	- 1,6	-
-Instituto Brasileiro do Café..	0,6	-	0,6	-	+ 0,6	-
-Requisições das Fôrças Armadas Brasileiras	4,3	0,1	4,4	1,8	+ 2,6	-
-Outras:						
(através do Mercado de Taxa Oficial	3,1	1,0	4,1	-	+ 4,1	0,2
(através do Mercado de Taxa Livre	7,9	3,8	11,7	-	+11,7	0,2
EMPRÉSTIMOS COMPENSATÓRIOS	21,7	-	21,7	21,7	-	-
-Eximbank - amortisação do empréstimo de US$300 mil.....	12,0	-	12,0	12,0	-	-
-Consórcio de Banqueiros - amortização do empréstimo de US$58 milhões	9,7	-	9,7	9,7	-	-
SUPERAVIT (+) ou DEFICIT (-)	-43,5	-12,9	+56,4	-48,1	- 8,3	+6,0

OUTUBRO, 1960

OPERAÇÕES DE CÂMBIO
ANÁLISE DA COBERTURA DO DEFICIT DE JULHO / SETEMBRO DE 1960
MOEDAS CONVERSÍVEIS

Unidade: US$1,000,000

ESPECIFICAÇÃO	EEUU	OUTROS PAÍSES	TOTAL
DEFICIT DE JULHO/SETEMBRO DE 1960	43,5	12,9	54,4
Financiado por:			
-Líquido das transações em US$ com outros países que não os EE UU.....	+4,2	-4,2	-
-SWAPS	+18,3	+3,7	+22,0
-SWAPS - US$/DM --.....	-4,1	+4,1	-
-Linhas de Crédito normais	+4,0	-1,8	+ 2,2
-Linhas de Crédito especiais vinculadas a exportação de:-cafe.....	-11,0	-	-11,0
-cacau	- 8,5	-	- 8,5
-minerio de manganes contra importação de trigo	-0,8	-	- 0,8
-açucar & alcool	+19,6	-	+19,6
-Outros créditos	+32,0	-	+32,0(§)
-Variação do total dos créditos comerciais a executar	- 3,7	-	- 3,7
-Arbitragens	- 8,7	+ 8,6	- 0,1
VARIAÇÃO DA CAIXA	- 2,2	- 2,5	- 4,7
P r o v a :			
Saldo de Caixa em: 30/6/60.....	24,1	7,8	31,9
30/9/60	22,4	9,5	31,9
	- 1,7	+ 1,7	-
Verbas em trânsito, errors ou omissões	- 0,5	- 4,2	- 4,7
VARIAÇÃO DA CAIXA	- 2,2	- 2,5	- 4,7

(§) Descoberts com Banqueiros Americanos (pelos livros do B.B.)

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QUADRO 4

OPERAÇÕES DE CÂMBIO
PROJEÇÃO DA RECEITA & DESPESA EM MOEDAS CONVERSÍVEIS
para os períodos de
OUT. & DEZ. DE 1960 & ANO de 1961

(Unidade: US$1,000,000)

ESPECIFICAÇÃO	1960 4º TRIMESTRE OUT	NOV	DEZ	TOTAL
RECEITA	74,3	75,4	74,5	224,2
EXPORTAÇÕES	73,7	72,8	73,8	221,3
-Café	50,0	50,0	50,0	150,0
-Cacau	7,1	7,1	7,2	21,4
-Petroleo	2,7	2,8	2,7	8,2
-Outros produtos, negociaveis no Mercado de Taxa Livre..	13,9	13,9	13,9	41,7
TRANSAÇÕES FINANCEIRAS	0,6	1,6	0,7	2,9
-Amortização do emprestimo a Finlândia	-	0,9	-	0,9
-Outras	0,6	0,7	0,7	2,0
DESPESA	99,0	138,2	112,8	350,0
COMPROMISSOS JÁ ASSUMIDOS	85,2	124,9	97,8	307,9
IMPORTAÇÕES	69,0	68,4	84,6	222,0
-Petróleo & derivados	17,7	15,2	13,7	46,6
-FVC & Contratos de Câmbio	33,3	34,3	40,6	108,2
-Imprensa & Papel para Livros	0,6	0,5	0,6	1,7
-Borracha	0,5	0,2	0,2	0,9
-Industria Automobilistica - GEIA	8,2	10,1	8,1	26,4
-Amparadas em certificados com e sem prioridade cambial	8,7	8,1	21,4	38,2
TRANSAÇÕES FINANCEIRAS	6,7	3,7	9,2	19,6
-EXIMBANK-juros dos emprestimos de US$300,45 e 100 mil.	0,2	0,2	0,6	1,0
-Consórcio de Banqueiros (juros do empres. de US$200 mil.	2,3	0,2	0,6	1,0
-Consórcio de Banqueiros (juros do empres. de US$58 mil.	-	0,3	-	0,3
-Consórcio de Banqueiros (juros do empres. de US$10 mil.	-	-	-	-
-Divida Pública Externa	2,1	0,2	4,5	6,8
-Bond & Share, Light & Power, IT&T - juros	2,1	2,2	4,1	8,4

QUADRO 4 (Cont'd)

ESPECIFICAÇÃO	1960 4º TRIMESTRE OUT	NOV	DEZ	TOTAL
EMPRÉSTIMOS COMPENSATÓRIOS	9,5	52,8	4,0	66,3
-EXIMBANK-amortisação do empréstimo de US$300 mil.	-	4,0	4,0	8,0
-Consórcio de Banqueiros:				
amortisação de US$200 mil.	-	-	-	-
" " US$58 mil.	-	-	-	-
-Atrasados Comerciais em L	9,5	1,1	-	10,6
-Fundo Monetário Internacional	-	47,7	-	47,7
COMPROMISSOS A SEREM ASSUMIDOS	13,8	13,3	15,0	42,1
IMPORTAÇÕES	10,8	10,3	12,0	33,1
-Petróleo & derivados	4,3	7,1	8,8	20,2
-PETROBRAS - exceto oleo cru	2,1	2,1	2,1	6,3
-Estradas de Ferro - equipamentos	-	-	-	-
-Ministério da Aeronáutica	0,7	0,7	0,7	2,1
-Ministerio da Marinha	3,3	-	-	3,3
-Empresas de Navegação Aerea	-	-	-	-
-Livros, Jornais & Revistas	0,4	0,4	0,4	1,2
-Grupo LIGHT - carvão & equipamentos	-	-	-	-
-Companhia Siderurgica Nacional	-	-	-	-
-Borracha	-	-	-	-
-Entidades Gov. & Concessionaireas de Serviços Pub. ...	-	-	-	-
-Imprensa & Papel para Livros	-	-	-	-
-Superintendencia do Desenvolvimento do Nordeste	-	-	-	-
-Trigo - inclusive frete	-	-	-	-
-Leilão em Bolsa	-	-	-	-
TRANSAÇÕES FINANCEIRAS	3,0	3,0	3,0	9,0
-Delegacia do Tesouro Brasileiro em New York	1,3	1,3	1,3	3,9
-Juros a Banqueiros	0,7	0,7	0,7	2,1
-PETROBRAS - Serviços Tecnicos	1,0	1,0	1,0	3,0
-Bond & Share, Light & Power, I T & T - juros	-	-	-	-
D E F I C I T	24,7	62,8	38,3	125,8

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QUADRO 4 (Cont'd)

OPERAÇÕES DE CÂMBIO
PROJEÇÃO DA RECEITA & DÉSPESA EM MOEDAS CONVERSÍVEIS
para os períodos de
OUTUBRO A DEZEMBRO DE 1960 & ANO DE 1961

(UNIDADE: US$1,000,000)

ESPECIFICAÇÃO	1961								
	1º SEMESTRE							2º SEM.	TOTAL
	JAN	FEV	MAR	ABR	MAY	JUN	TOTAL		
RECEITA	74,9	74,9	75,0	75,0	75,1	75,1	450,0	450,0	900,0
EXPORTAÇÕES	74,2	74,2	74,2	74,2	74,4	74,4	446,0	446,0	892,0
-Café	50,0	50,0	50,0	50,0	50,0	50,0	300,0	300,0	600,0
-Cacau	7,1	7,1	7,1	7,1	7,1	7,1	42,5	42,5	85,0
-Petróleo	3,3	3,3	3,3	3,3	3,4	3,4	20,0	20,0	40,0
-Outros produtos, negociaveis no Mercado de Taxa Livre	13,9	13,9	13,9	13,9	13,9	14,0	83,5	83,5	167,0
TRANSAÇÕES FINANCEIRAS	0,6	0,6	0,7	0,7	0,7	0,7	4,0	4,0	8,0
-Amortisação do empréstimo a Finlândia	-	-	-	-	-	-	-	-	-
-Outras	0,6	0,6	0,7	0,7	0,7	0,7	4,0	4,0	8,0
DESPESA	121,5	99,3	91,4	124,4	93,0	146,6	676,2	661,7	1.337,9
COMPROMISSOS JÁ ASSUMIDOS	107,8	66,7	42,8	65,9	26,5	77,2	386,9	232,3	619,2
IMPORTAÇÕES	96,3	49,9	25,7	26,4	19,7	28,4	256,4	124,5	380,9
-Petróleo & derivados	13,9	-	1,0	-	-	-	14,9	-	14,9
-PVC & Contratos de Câmbio	44,6	37,0	21,3	12,6	5,8	2,6	123,9	9,5	133,4
-Imprensa & Papel para Livros	-	-	-	-	-	-	-	-	-
-Borracha	1,2	3,2	1,4	0,8	-	-	6,6	-	6,6
-Indústria Automobilística - GEIA	3,6	2,8	3,5	1,0	5,6	7,3	23,8	24,9	48,7
-Amparadas em certificados com e sem prioridade cambial	33,0	6,9	8,5	12,0	8,3	18,5	87,2	90,1	177,3
TRANSAÇÕES FINANCEIRAS	7,4	3,0	3,0	6,9	2,7	7,2	30,2	27,5	57,7
-EXIMBANK - Juros dos empréstimos de US$300, US$45 e US$100 mil.	2,6	0,1	0,5	0,1	0,1	0,6	4,0	3,7	7,7
-Consórcio de Banqueiros:									
Juros do empréstimo de US$200 mil	1,7	-	-	2,5	-	-	4,2	4,3	8,5
" " " " US$58 mil.	-	0,2	-	-	0,2	-	0,4	0,1	0,5
" " " " US$10 mil.	-	0,1	-	-	0,1	-	0,2	0,3	0,5

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QUADRO 4 (Cont'd)

ESPECIFICAÇÃO	1961 1º SEMESTRE JAN	FEV	MAR	ABR	MAY	JUN	TOTAL	2º SEM	TOTAL
-Dívida Pública Externa	1,0	0,5	0,4	2,1	0,2	4,5	8,7	8,1	16,8
-Bond & Share, Light & Power, I T & T - juros	2,1	2,1	2,1	2,2	2,1	2,1	12,7	11,0	23,7
EMPRÉSTIMOS COMPENSATÓRIOS	4,1	13,8	4,1	32,6	4,1	41,6	100,3	80,3	180,6
-EXIMBANK-amortização do empréstimo de US$300 mil.	4,1	4,1	4,1	4,1	4,1	4,1	24,6	24,9	49,5
-Consórcio de Banqueiros: amortisação do empres. de US$200 mil.	-	-	-	28,5	-	-	28,5	28,5	57,0
" " " " US$58 mil.	-	9,7	--	-	-	-	9,7	9,6	19,3
-Atrasados Comerciais em L ----------.....	-	-	-	-	-	-	-	-	--
-Fundo Monetário Internacional	-	-	-	-	-	37,5	37,5	17,3	54,8
COMPROMISSOS A SEREM ASSUMIDOS	13,7	32,6	48,6	58,5	66,5	69,4	289,3	429,4	718,7
IMPORTAÇÕES	10,7	29,6	45,6	55,5	63,5	66,4	271,3	409,0	680,3
-Petróleo & derivados	6,1	20,0	19,0	20,0	20,0	20,0	105,1	120,0	225,1
-PETROBRAS - exeto oleo cru	2,1	2,1	2,1	2,0	2,1	2,1	12,5	12,5	25,0
-Estradas de Ferro-equipamentos	-	0,2	0,2	0,2	0,2	0,2	1,0	1,2	2,2
-Ministério da Aeronáutica	0,6	0,6	0,7	0,7	0,7	0,7	4,0	4,0	8,0
-Ministerio da Marinha	-	-	-	-	-	-	-	-	-
-Empresas de Navegação Aerea	-	1,0	1,0	1,0	1,0	1,0	5,0	6,0	11,0
-Livros, Jornais & Revistas	0,4	0,4	0,4	0,4	0,4	0,4	2,4	2,3	4,7
-Grupo LIGHT - carvão & equip.	-	0,8	0,8	0,8	0,8	0,8	4,0	4,8	8,8
-Companhia Siderúrgica Nacional	-	0,9	0,9	0,9	0,9	0,9	4,5	5,4	9,9
-Borracha	0,9	0,5	1,1	1,7	2,5	2,5	9,2	14,2	23,4
-Entidades Governamentais & Concessionarias de Serviços Públicos	-	1,0	1,0	1,0	1,0	1,0	5,0	6,0	11,0
-Imprensa & Papel para Livros	0,6	0,5	0,6	0,5	0,6	0,5	3,3	3,3	6,6
-Superintendencia do Desenvolvimento do Nordeste - SUDENE.....	-	0,2	0,2	0,1	0,2	0,1	0,8	1,2	2,0
-Trigo - inclusive frete	-	0,9	0,9	0,8	0,9	0,8	4,3	5,1	9,4
-Leilão em Bolsa -.....	-	0,5	16,7	25,4	32,2	35,4	110,2	223,0	333,2

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QUADRO 4 (Cont'd)

ESPECIFICAÇÃO	1961 1º SEMESTRE JAN	FEV	MAR	APR	MAY	JUN	TOTAL	2º SEM	TOTAL
TRANSAÇÕES FINANCEIRAS	3,0	3,0	3,0	3,0	3,0	3,0	18,0	20,4	38,4
-Delegacia do Tesouro Brasileiro em New York	1,3	1,3	1,3	1,3	1,3	1,3	7,8	7,8	15,6
-Juros a Banqueiros	0,7	0,7	0,7	0,7	0,7	0,7	4,2	4,2	8,4
-PETROBRAS - Serviços Tecnicos....	1,0	1,0	1,0	1,0	1,0	1,0	6,0	6,0	12,0
-Bond & Share, Light & Power, I T & T - juros	-	-	-	-	-	-	-	2,4	2,4
DEFICIT	46,6	24,4	16,4	49,4	17,9	71,5	226,2	211,7	437,9

-Outubro, 1960-

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OPERAÇÕES DE CÂMBIO - MOEDAS CONVERSÍVEIS — QUADRO 4-A

PROJEÇÃO DA RECEITA & DESPESA COM OS ESTADOS UNIDOS PARA OS PERÍODOS DE OUTUBRO A DEZEMBRO DE 1960 & ANO DE 1961

(Unidade: US$1,000,000)

ESPECIFICAÇÃO	1960 4º TRIMESTRE			
	OUT	NOV	DEZ	TOTAL
RECEITA	52,7	53,7	52,7	159,1
EXPORTAÇÕES	52,2	52,3	52,2	156,7
-Café	37,5	37,5	37,5	112,5
-Cacau	3,7	3,7	3,7	11,1
-Petroleo	2,7	2,8	2,7	8,2
-Outros produtos negociaveis no Mercado de Taxa Livre	8,3	8,3	8,3	24,9
TRANSAÇÕES FINANCEIRAS	0,5	1,4	0,5	2,4
-Amortisação do empréstimo á Finlândia	-	0,9	-	0,9
-Outras	0,5	0,5	0,5	1,5
DESPESA	60,6	86,5	75,4	222,5
COMPROMISSOS JÁ ASSUMIDOS	50,6	74,9	61,3	186,8
Importações	44,9	42,6	48,7	136,2
-Petróleo & derivados	15,7	14,4	12,1	42,2
-PVC & Contratos de Câmbio	17,3	17,8	21,2	56,3
-Imprensa & Papel para Livros	0,3	0,3	0,3	0,9
-Borracha	0,4	0,2	0,2	0,8
-Industria Automobilística - GEIA	6,5	6,4	2,3	15,2
-Amparadas em certificados com e sem prioridade cambial	4,7	3,5	12,6	20,8
TRANSAÇÕES FINANCEIRAS	5,7	3,6	8,6	17,9
-EXIMBANK- juros dos empréstimos de US$300, US$45 e US$100 milhões	0,2	0,2	0,6	1,0
-Consórcio de Banqueiros:				
(juros do empréstimo de US$200 mil.	2,3	0,8	[illegible]	3,1
(" " " US$ 58 mil.	-	0,3	-	0,3
(" " " US$ 10 mil.	-	-	-	-
-Dívida Pública Externa	1,1	0,1	4,0	5,2
-Bond & Share, Light & Power e IT&T - juros	2,1	2,2	4,0	8,3

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QUADRO 4-A (Cont'd)

ESPECIFICAÇÃO	1960 4º TRIMESTRE OUT	NOV	DEZ	TOTAL
EMPRÉSTIMOS COMPENSATÓRIOS	-	28,7	4,0	32,7
-EXIMBANK-amortização do empréstimo de US$300 mil.	-	4,0	4,0	8,0
-Consórcio de Banqueiros (amortização do empréstimo de US$58 mil.	-	-	-	-
" " " " US$200 mil.	-	-	-	-
-Fundo Monetário Internacional	-	24,7	-	24,7
COMPROMISSOS A SEREM ASSUMIDOS	10,0	11,6	14,1	35,7
IMPORTAÇÕES	7,2	8,8	11,3	27,3
-Petróleo & derivados	4,3	5,9	8,4	18,6
-PETROBRAS - exceto oleo cru	2,1	2,1	2,1	6,3
-Estradas de Ferro - equip.	-	-	-	-
-Ministério da Aerónautica	0,7	0,7	0,7	2,1
-Empresas de Navegação Aerea	-	-	-	-
-Livros, Jornais & Revistas	0,1	0,1	0,1	0,3
-Grupo LIGHT - carvão & equip.	-	-	-	-
-Companhia Siderúrgica Nacional	-	-	-	-
-Borracha	-	-	-	-
-Entidades Governamentais & Concessionairias de Serv. Públicos	-	-	-	-
-Imprensa & Papel para Livros	-	-	-	-
-Superintendencia do Desenvólvimento de Nordeste -SUDENE	-	-	-	-
-Trigo - inclusive frete	-	-	-	-
-Leilão em Bolsa	-	-	-	-
TRANSAÇÕES FINANCEIRAS	2,8	2,8	2,8	8,4
-Delegacia do Tesouro Brasileiro em New York	1,3	1,3	1,3	3,9
-Juros a Banqueiros	0,5	0,5	0,5	1,5
-PETROBRAS - Serviços Tecnicos	1,0	1,0	1,0	3,0
-Bond & Share, Light & Power, IT&T - juros	-	-	-	-
DEFICIT	7,9	32,8	22,7	63,4

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QUADRO 4-A (CONF'd)

OPERAÇÕES DE CÂMBIO - MOEDAS CONVERSÍVEIS
PROJEÇÃO DA RECEITA & DESPESA COM OS ESTADOS UNIDOS PARA OS PERÍODOS
DE OUTUBRO A DEZEMBRO DE 1960 & ANO DE 1961

(Unidade: US$1,000,000)

ESPECIFICAÇÃO	1 9 6 1								
	1º SEMESTRE							2º SEM	TOTAL
	JAN	FEV	MAR	ABR	MAY	JUN	TOTAL		
RECEITA	53,3	53,3	53,3	53,3	53,4	53,4	320,0	320,0	640,0
EXPORTAÇÕES	52,8	52,8	52,8	52,8	52,9	52,9	317,0	317,0	634,0
-Café	37,5	37,5	37,5	37,5	37,5	37,5	225,0	225,0	450,0
-Cacau	3,7	3,7	3,7	3,7	3,7	3,7	22,2	22,2	44,4
-Petróleo	3,3	3,3	3,3	3,3	3,4	3,4	20,0	20,0	40,0
-Outros produtos negociavais no Mercado de Taxa Livre	8,3	8,3	8,3	8,3	8,3	8,3	49,8	49,8	99,6
TRANSAÇÕES FINANCEIRAS	0,5	0,5	0,5	0,5	0,5	0,5	3,0	3,0	6,0
-Amortisação do emprest. á Finlândia	-	-	-	-	-	-	-	-	-
-Outras	0,5	0,5	0,5	0,5	0,5	0,5	3,0	3,0	6,0
DESPESA	75,8	73,7	64,0	95,3	66,4	114,0	489,2	476,8	966,0
COMPROMISSOS JÁ ASSUMIDOS	64,7	44,8	26,9	52,5	19,0	65,3	273,2	178,7	451,9
IMPORTAÇÕES	52,9	28,2	20,0	14,0	12,2	17,0	145,5	72,2	218,7
-Petróleo & derivados	12,9	-	1,0	-	-	-	13,9	-	13,9
-FYC & Contratos de Câmbio	23,2	19,3	11,1	6,6	3,0	1,4	64,6	5,0	69,6
-Imprensa & Papel para Livros	-	-	-	-	-	-	-	-	-
-Borracha	1,1	2,7	1,2	0,7	-	-	5,7	-	5,7
-Indústria Automobilística - GEIA	2,4	2,7	1,8	1,0	5,5	4,2	17,6	16,9	34,5
-Amparadas em certificados com e sem prioridade cambial	14,3	3,6	4,9	5,7	3,8	11,4	43,7	51,3	95,0
TRANSAÇÕES FINANCEIRAS	6,7	2,7	2,8	5,9	2,6	6,7	27,4	25,2	52,6
-EXIMBANK - Juros dos empréstimos de US$300, US$45 e US$100 mil.	2,6	0,1	0,5	0,1	0,1	0,6	4,0	3,7	7,7
-Comércio de Banqueiros:									
(Juros do emprest. de US$200 mil.	1,7	-	-	2,5	--	-	4,2	4,3	8,5
" " " " US$ 58 mil.	-	0,2	-	-	0,2	-	0,4	0,1	0,5
" " " " US$ 10 mil.	-	0,1	-	-	0,1	-	0,2	0,3	0,5
-Dívida Pública Externa	0,3	0,2	0,2	1,1	0,1	4,0	5,9	5,9	11,8
-Bond & Share, Light & Power e I[illegible] juros	2,1	2,1	2,1	2,2	2,1	2,1	12,7	10,9	23,6

2560

QUADRO 4-A (Cont'd)

ESPECIFICAÇÃO	1961								
	1º SEMESTRE							2º SEM	TOTAL
	JAN	FEV	MAR	ABR	MAY	JUN	TOTAL		
EMPRÉSTIMOS COMPENSATÓRIOS	4,1	13,8	4,1	32,6	4,1	41,6	100,3	80,3	180,6
-EXIMBANK, amortização do empréstimo de US$300 mil.	4,1	4,1	4,1	4,1	4,1	4,1	24,6	24,9	49,5
-Consórcio de Banqueiros:									
amortização do empréstimo de US$58 mil.	-	9,7	-	-	-	-	9,7	9,6	19,3
amortização do empréstimo de US$200 "	-	-	-	28,5	-	-	28,5	28,5	57,0
-Fundo Monetário Internacional	-	-	-	-	-	37,5	37,5	17,3	54,8
COMPROMISSOS A SEREM ASSUMIDOS	11,1	28,9	37,1	42,8	47,4	48,7	216,0	298,1	514,1
IMPORTAÇÕES	8,3	26,1	34,3	40,0	44,6	45,9	199,2	278,9	478,1
-Petróleo & derivados	5,1	18,0	17,0	18,0	18,0	18,0	94,1	108,0	202,1
-"PETROBRAS"- exceto oleo cru	2,1	2,1	2,1	2,0	2,1	2,1	12,5	12,5	25,0
-Estradas de Ferro - equip.	-	0,2	0,2	0,2	0,2	0,2	1,0	1,2	2,2
-Ministerio da Aeronautica	0,6	0,6	0,7	0,7	0,7	0,7	4,0	4,0	8,0
-Empresas de Navegação Aerea	-	1,0	1,0	1,0	1,0	1,0	5,0	6,0	11,0
-Livros, Jornais & Revistas	0,1	0,1	0,1	0,2	0,1	0,1	0,7	0,6	1,3
-Grupo LIGHT - carvão & equip.	-	0,8	0,8	0,8	0,8	0,8	4,0	4,8	8,8
-Companhia Siderúrgica Nacional	-	0,9	0,9	0,9	0,9	0,9	4,5	5,4	9,9
-Borracha	-	-	0,3	0,8	1,5	1,5	4,1	8,2	12,3
-Entidades Gov. & Concessionárias de Serviços Publicos	-	1,0	1,0	1,0	1,0	1,0	5,0	6,0	11,0
-Imprensa & Papel para Livros	0,4	0,3	0,4	0,3	0,4	0,3	2,1	2,1	4,2
-Superintendencia do Desenvolvimento do Nordeste - SUDENE	-	0,2	0,2	0,1	0,2	0,1	0,8	1,2	2,0
-Trigo - inclusive frete	-	0,9	0,9	0,8	0,9	0,8	4,3	5,1	9,4
-Leilão em Bolsa	-	-	8,7	13,2	16,8	18,4	57,1	113,8	170,9
TRANSAÇÕES FINANCEIRAS	2,8	2,8	2,8	2,8	2,8	2,8	16,8	19,2	36,0
-Delegacia do Tesouro Bras. em New York	1,3	1,3	1,3	1,3	1,3	1,3	7,8	7,8	15,6
-Juros a Banqueiros	0,5	0,5	0,5	0,5	0,5	0,5	3,0	3,0	6,0
-PETROBRAS - Serviços Tecnicos	1,0	1,0	1,0	1,0	1,0	1,0	6,0	6,0	12,0
-Bond & Share, Light & Power, IT&T, juros	-	-	-	-	-	-	-	2,4	2,4
D E F I C I T	22,5	20,4	10,7	42,0	13,0	60,6	169,2	156,8	326,0

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QUADRO 4-B

OPERAÇÕES DE CÂMBIO - MOEDAS CONVERSÍVEIS
PROJEÇÃO DA RECEITA & DESPESA COM OUTROS PAÍSES QUE NÃO OS EE UU
para os períodos de
OUTUBRO / DEZEMBRO DE 1960 & ANO DE 1961
(Unidade: US$1,000,000)

ESPECIFICAÇÃO	1960 4º TRIMESTRE			
	OUT	NOV	DEZ	TOTAL
RECEITA	21,6	21,7	21,8	65,1
EXPORTAÇÕES	21,5	21,5	21,6	64,6
-Café	12,5	12,5	12,5	37,5
-Cacau	3,4	3,4	3,5	10,3
-Outros produtos, negociáveis no Mercado de Taxa Livre	5,6	5,6	5,6	16,8
TRANSAÇÕES FINANCEIRAS	0,1	0,2	0,2	0,5
-Diversas	0,1	0,2	0,2	0,5
DESPESA	38,4	51,7	37,4	127,5
COMPROMISSOS JÁ ASSUMIDOS	34,6	50,0	36,5	121,1
IMPORTAÇÕES	24,1	25,8	35,9	85,8
-Petróleo & derivados	2,0	0,8	1,6	4,4
-PVC & Contratos de Câmbio	16,0	16,5	19,4	51,9
-Imprensa & Papel para Livros	0,3	0,2	0,3	0,8
-Borracha	0,1	-	-	0,1
-Industria Automobilística - GEIA	1,7	3,7	5,8	11,2
-Amparadas em certificados com e sem prioridade cambial	4,0	4,6	8,8	17,4
TRANSAÇÕES FINANCEIRAS	1,0	0,1	0,6	1,7
-Dívida Pública Externa	1,0	0,1	0,5	1,6
-Bond & Share, Light & Power, I T & T - juros	-	-	0,1	0,1
EMPRÉSTIMOS COMPENSATÓRIOS	9,5	24,1	-	33,6
-Atrasados Comerciais em £	9,5	1,1	-	10,6
-Fundo Monetário Internacional	-	23,0	-	23,0
COMPROMISSOS A SEREM ASSUMIDOS	3,8	1,7	0,9	6,4
IMPORTAÇÕES	3,6	1,5	0,7	5,8

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QUADRO 4-B (Cont'd)

ESPECIFICAÇÃO	1960 4º TRIMESTRE OUT	NOV	DEZ	TOTAL
-Petróleo & derivados	-	1,2	0,4	1,6
-Ministerio da Marinha	3,3	-	-	3,3
-Livros, Jornais & Revistas	0,3	0,3	0,3	0,9
-Borracha	-	-	-	-
-Imprensa & Papel para Livros	-	-	-	-
-Leilão em Bolsa	-	-	-	-
TRANSAÇÕES FINANCEIRAS				
-Juros a Banqueiros	0,2	0,2	0,2	0,6
D E F I C I T	16,8	30,0	15,6	62,4

Page 21, Encl 1
Desp. 403, Rio de Janeiro

-Outubro, 1960-

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QUADRO 4-B (Cont'd)

OPERAÇÕES DE Câmbio - Moedas Conversíveis
PROJEÇÃO DA RECEITA & DESPESA COM OUTROS PAÍSES Que NÃO OS EE UU
para os períodos de
OUTUBRO / DEZEMBRO DE 1960 & ANO DE 1961
(Unidade: US$1,000,000)

ESPECIFICAÇÃO	1961								
	1º SEMESTRE							2º SEM.	TOTAL
	JAN	FEB	MAR	ABR	MAY	JUN	TOTAL		
RECEITA	21,6	21,6	21,7	21,7	21,7	21,7	130,0	130,0	260,0
EXPORTAÇÕES	21,5	21,5	21,5	21,5	21,5	21,5	129,0	129,0	258,0
-Café	12,5	12,5	12,5	12,5	12,5	12,5	75,0	75,0	150,0
-Cacau	3,4	3,4	3,4	3,4	3,4	3,3	20,3	20,3	40,6
-Outros produtos, negociáveis no Mercado de Taxa Livre	5,6	5,6	5,6	5,6	5,6	5,7	33,7	33,7	67,4
TRANSAÇÕES FINANCEIRAS	0,1	0,1	0,2	0,2	0,2	0,2	1,0	1,0	2,0
-Diversas	0,1	0,1	0,2	0,2	0,2	0,2	1,0	1,0	2,0
DESPESA	45,7	25,6	27,4	29,1	26,6	32,6	187,0	184,9	371,9
COMPROMISSOS JÁ ASSUMIDOS	43,1	21,9	15,9	13,4	7,5	11,9	113,7	52,6	167,2
IMPORTAÇÕES	42,4	21,6	15,7	12,4	7,4	11,4	110,9	51,3	162,2
-Petróleo & derivados	1,0	-	-	-	-	-	1,0	-	1,0
-FVC & Contratos de Câmbio	21,4	17,7	10,2	6,0	2,8	1,2	59,3	4,5	63,8
-Imprensa & Papel para Livros	-	-	-	-	-	-	-	-	-
-Borracha	0,1	0,5	0,2	0,1	-	-	0,9	-	0,9
-Indústria Automobilística - GEIA	1,2	0,1	1,7	-	0,1	3,1	6,2	8,0	14,2
-Amparadas em certificados com e sem prioridade cambial	18,7	3,3	3,6	6,3	4,5	7,1	43,5	38,8	82,3
TRANSAÇÕES FINANCEIRAS	0,7	0,3	0,2	1,0	0,1	0,5	2,8	2,3	5,1
-Dívida Pública Externa	0,7	0,3	0,2	1,0	0,1	0,5	2,8	2,2	5,0
-Bond & Share, Light & Power, I T & T, juros	-	-	-	-	-	-	-	0,1	0,1
EMPRÉSTIMOS COMPENSATÓRIOS	-	-	-	-	-	-	-	-	-
-Atrasados Comerciais em L	-	-	-	-	-	-	-	-	-
-Fundo Monetário Internacional	-	-	-	-	-	-	-	-	-
COMPROMISSOS A SEREM ASSUMIDOS	2,6	3,7	11,5	15,7	19,1	20,7	73,7	131,3	204,6
IMPORTAÇÕES	2,4	3,5	11,3	15,5	18,9	20,5	72,1	130,1	202,2

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QUADRO 4-B (Cont'd)

ESPECIFICAÇÃO	1961								
	1º SEMESTRE							2º SEM.	TOTAL
	JAN	FEB	MAR	ABR	MAY	JUN	TOTAL		
-Petróleo & derivados	1,0	2,0	2,0	2,0	2,0	2,0	11,0	12,0	23,0
-Ministerio da Marinha	-	-	-	-	-	-	-	-	-
-Livros, Jornais & Revistas	0,3	0,3	0,3	0,2	0,3	0,3	1,7	1,7	3,4
-Borracha	0,9	0,5	0,8	0,9	1,0	1,0	5,1	6,0	11,1
-Imprensa & Papel para Livros	0,2	0,2	0,2	0,2	0,2	0,2	1,2	1,2	2,4
-Leilão em Bolsa	-	0,5	8,0	12,2	15,4	17,0	53,1	109,2	162,3
TRANSAÇÕES FINANCEIRAS	0,2	0,2	0,2	0,2	0,2	0,2	1,2	1,2	2,4
-Juros a Banqueiros	0,2	0,2	0,2	0,2	0,2	0,2	1,2	1,2	2,4
DEFICIT	24,1	4,0	5,7	7,4	4,9	10,9	57,0	54,9	111,9

-Outubro, 1960-

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INCOMING AIRGRAM *Department of State*

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FROM: AMEMBASSY, Rio de Janeiro, Brazil

TO: Secretary of State

NO: G-186

NOV 17 3 52 PM '60

Reference: Embtel 605

As of November 7 dollar balances Bank of Brazil amounted $17.1 million and unutilized credit lines U.S. commercial banks totalled $10.3 million. Total dollar availabilities accordingly aggregated $27.4 million representing increase $12.4 million since October 31.

During full month October Bank purchased dollar contracts amounting $40.8 million while closing sales contracts amounting $61.0 million. Bank also purchased other convertible currency contracts equivalent $10.4 million while closing sales contracts those currencies equivalent $28.6 million. Outstanding swaps November 7 totalled $306.5 million.

CABOT

November 10, 1960

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Date Sent: NOVEMBER 15, 1960
Rec'd:

FROM: AMEMBASSY, RIO DE JANEIRO

TO: Secretary of State

NO: G-188

Nov 19 7 11 PM '60

Reference: Embtel 619

FinMin Paes de Almeida departed for Buenos Aires November 12, after telling press he would leave directly from Buenos Aires for Washington November 16. Told press he will sign agreement in Washington covering deferment Brazilian obligations to Eximbank (reftel). Stated expects also arrange deferment Brazilian obligation to IMF of "approximately $50 million". Stated Eximbank deferment also amounts to approximately $50 million.

Poock Correa told Emb he expects leave for Washington November 19 to join Paes de Almeida for discussions there. Stated, however, his firm departure date depends prior receipt telegram from Pollack, Eximbank, advising when Eximbank prepared conclude final details deferment agreement.

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November 14, 1960

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Control: 13242
Rec'd: November 23, 1960
8:40 p.m.

FROM: Rio de Janeiro

TO: Secretary of State

NO: 689, November 23, 8 p.m.

SENT DEPARTMENT 689; REPEATED INFORMATION RECIFE UNNUMBERED

Cid Sampaio, Governor Pernambuco, seeking $25 million loan, 15 million to be used for highways, docks, social welfare, schools, clinics, etc. and rest for land colonization, agricultural machinery and equipment, fertilizers, seeds, etc. Has reportedly been negotiating through agent Manoel Brotherhood with West Indies Mortgage and Trust Corporation which understood have offices New York, Miami and Lichtenstein. Brotherhood returned Recife from New York about three weeks ago and reported that 10-year loan could be obtained with interest 10 percent PA and 2 percent commission. Recently a Mr. Reed arrived Recife and stated above terms not possible now, only in five or six months. Offered as alternative 15 years at 9 percent interest and 9 percent commission. Sampaio reportedly considers this unsatisfactory and afraid announcement onerous terms would be seized upon by political enemies.

Information concerning bona fides West Indies Mortgage and Trust Corporation urgently requested.

CABOT

VH:BLB-14

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INCOMING TELEGRAM *Department of State*

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11/27/60, 10 a.m.
13243
November 24, 1960
8:50 p.m.

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FROM: Rio de Janeiro - CORRECTED COPY

TO: Secretary of State

NO: 690, November 23, 8 p.m.

SENT RECIFE 50, REPEATED INFORMATION DEPARTMENT 690.

Reference your despatch 18 urgently desire more information concerning nature Governor's plans involving private US $15 million loan. Through other channel amount given is US $25 million and possible source West Indies Mortgage and Trust Company. Report indicates Governor in box and fears serious adverse political attack because Trust Company has revised upward terms of loan as already announced publicly by Governor. Situation claimed very serious and suggestion made US try to help. Don't know if this is possible but need facts, particularly those bearing on soundness plans.

Endeavor ascertain discreetly, without arousing hopes of US aid, how Governor's plans fit Sudene program and whether federal authorities including Bank of Brazil support his plans.

CABOT

MLJ/10

832.10/11-2360

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Correction made by RM/R 1/31/61

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OUTGOING TELEGRAM Department of State

INDICATE: ☐ COLLECT ☐ CHARGE TO

1960 NOV 30 AM 11 52

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SENT TO: Amembassy, RIO DE JANEIRO 697

832.10/11-2360
xR 10.279

FROM COMMERCE

689. West Indies Mortgage and Trust Company formed Liechtenstein 1959, 10,000 Swiss francs paid in, reported no business activity as of July 1960. Commerce attempting develop information on organizers, Alexander Reed III, John Charter Reed, Lowell Orr, Miami. Will advise.

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832.10/11-2360

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832.10/11-2360

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Drafted by: Charles F. Boehm, Director
Com. Intell. Div. VTraveglini/rag/11/29/60

Telegraphic transmission and authentication approved by:

BC/T HK Newton:VJM

Clearances
Mr. Crane - ARA (substance)

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INCOMING TELEGRAM *Department of State*

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4:05 p.m.

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FROM: Recife

TO: Secretary of State

NO: 39, November 28, 5 p.m.

SENT RIO DE JANEIRO 66; REPEATED INFORMATION DEPARTMENT 39.

Re CONDESP 2.

West Indies loan terms 10 years, 10 percent interest, 3 percent commission agreed upon by Governor Sampaio. Loan now dependent on obtaining insurance. Agent Reed in Rio talking with Lloyds of London.

GUADERRAMA

MLJ/4

Note: Message delayed in transmission.

Note: Reference believed to be Despatch 20.
DC/T

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832.10/11-2860

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0963

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832.10/12-560

FOREIGN SERVICE DESPATCH

FROM : Amcongen São Paulo — 236 (Desp. No.)

TO : THE DEPARTMENT OF STATE, WASHINGTON. — December 5, 1960 (DATE)

REF : CERP - Section B - Item III - 6; Desp. 135 October 4, 1960

55 For Dept. Use Only	ACTION	DEPT.
	ARA-4	
	REC'D 12/13	INFO OTHER: RMA-2 INA-7 REP-1 EST-1 ICA-11 CIA-10 COM-8 IA-3 FAS-2

AMERICAN CONSULATE GENERAL
INTER DEC 6 1960 DEPARTMENT OF STATE AFFAIRS
SÃO PAULO, BRAZIL
INA-4 Copy-4
Navy-2 NSA-2 FAA-2

SUBJECT: Budget of the State of São Paulo - Fiscal Year 1960

Enclosed in quintuplicate is state law No. 5938 of November 14, 1960, establishing the budget of the State of São Paulo for the year 1961.

Revenue is estimated at Cr$ 106,365,725,000 and expenditures are placed at Cr$ 106,934,777,000, leaving a deficit of Cr$ 569,052,000 to be covered by credit operations. This deficit is expected to be increased by an additional Cr$ 12.5 billion when the legislative assembly approves the approximate 30 percent increase in government salaries proposed by the governor.

Estimated revenue is 27.6 percent higher than provided for in the 1960 budget. The sales and consignment tax will provide the bulk of the revenue. Receipts from that tax are expected to provide Cr$ 82 billion. This compares with Cr$ 62.6 billions estimated for 1960, when actual collections from that tax will be close to Cr$ 70 billion.

As reported in despatch 135 when the proposed budget was submitted to the State Assembly, salaries account for 38.27 percent of expenditures. This proportion will be increased by another 10 percent when the salary increases referred to above are approved.

A statement of the Secretary of Finance was also reported in despatch 135 that the 1961 budget included a total of Cr$ 15.5 billion for expenditures under the state Plan of Action, which was less than called for by the Plan but a necessary reduction to keep the budget in balance. More recently the Secretary of Finance indicated that the Plan of Action would suffer a further reduction in funds. According to him, funds to cover the proposed 30 percent increase in government salaries are to be diverted from the Plan of Action.

For the Minister Consul General:
Scott C. Lyon
Scott C. Lyon
American Consul

Enclosures: As stated.

832.10/12-560 HBS

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0964

DIÁRIO DO EXECUTIVO
GOVÊRNO DO ESTADO

LEI N.º 5.938, DE 14 DE NOVEMBRO DE 1960

Orça a Receita e fixa a Despesa do Estado para o exercício de 1961.

O GOVERNADOR DO ESTADO DE SÃO PAULO:

Faço saber que a Assembléia Legislativa decreta e eu promulgo a seguinte lei:

SECÇÃO I

DO ORÇAMENTO GERAL

Artigo 1.º — Ficam orçadas e fixadas para o exercício financeiro de 1961, respectivamente, as seguintes receitas e despesas:

HISTÓRICO	EFETIVAS	MUTAÇÕES PATRIMONIAIS	TOTAIS
RECEITA GERAL:			
1 — Ordinária	104 589.822 338 80	— —	104 589.822 338 80
2 — Extraordinária	1.762.164 432 20	13.738 228 00	1.775.902 661 20
SOMA	106 351.986 772 00	13.738 228 00	106 365 725 000 00
DESPESA GERAL:			
1 — Fixa	17.250 025.871 20	2.056.928 000 00	19.306.953 871 20
2 — Variável	77.419.101 979 00	10 208.721.149 80	87 627 823.128 80
SOMA	94 669.127.850 20	12 265.649 49 80	106 .34.777.000 00

SECÇÃO II

DA RECEITA GERAL

Artigo 2.º — A Receita Geral arrecadar-se-á de conformidade com a legislação em vigor, obedecendo à seguinte classificação:

PARTE I

RECEITA GERAL

CÓDIGOS Local	Geral	DESIGNAÇÃO DA RECEITA	SOMAS PARCIAIS Cr$	Cr$	EFETIVAS Cr$	MUTAÇÕES PATRIMONIAIS Cr$	TOTAL Cr$
		RECEITA ORDINARIA					
		I — TRIBUTARIA					
		a) — Impostos					
1	0.11.1	Impôsto Territorial					
		1) — Impôsto Territorial Rural		560 000 000.00			
		2) — Majoração destinada ao custeio dos trabalhos de defesa, fomento e pesquisas florestais e a outros fins previstos no artigo 8.º da Lei n. 2.826, de 20-1-54		120 000 000 00	680 000.000,00		
	0.12.1	Impôsto sôbre Transmissão de Propriedade "Causa Mortis"					
2		1) — Impôsto sôbre Transmissão de Propriedade "Causa Mortis"		610.000.000,00			
		2) — Majoração nos têrmos do Decreto-Lei n. 17.235 de 21-5-47, com as modificações introduzidas pelas leis ns. 1.470, de 26-12-51; 2.826 de 31-12-54; 3.138 de 18-1-57 e 4.597 de 31-12-57:					
		1 — A Caixa Estadual de Casas para o Povo (CECAP)	4 000 000.00				
		2 — A Santa Casa de Misericórdia de São Paulo	8.000.000,00				
		3 — Ao "Fundo de Assistência ao Menor" — (FAM)	4.000.000,00				
		4 — Para construção e equipamento de prisões e hospitais para doentes crônicos de conformidade com o artigo 2.º da Lei n. 3.642 de 6-11-59	4.000.000,00	32.000.000,00	650.000.000,00		
	0.14.1	Impôsto sôbre Transmissão de Propriedade "Inter Vivos"					
3		1) — Impôsto sôbre Transmissão de Propriedade "Inter-Vivos"		3.000.000.000,00			
		2) — Majoração nos têrmos do Decreto-Lei n. 17.235 de 21-5-47 com as modificações introduzidas pelas leis ns. 1.470 de 26-12-51 e 2.826 de 31-12-54, 3.138 de 18-1-57 e 4.597 de 31-12-57					
		1 — A Caixa Estadual de Casas para o Povo (CECAP)	67.000.000,00				
		2 — A Santa Casa de Misericórdia de São Paulo	60.000.000,00				
		3 — Ao "Fundo de Assistência ao Menor" — (FAM)	60.000.000,00				
		4 — Para construção e equipamento de prisões e hospitais para doentes crônicos de conformidade com o artigo 2.º da Lei n. 3.642 de 6-11-59	60.000.000,00	360.000.000,00	3.360.000.000,00		

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Diário Oficial

ESTADO DE SÃO PAULO — (ESTADOS UNIDOS DO BRASIL)

Gerente: GABRIEL GRECO | Diretor: WANDYCK FREITAS | Redator-Secretário: [illegible]

ANO LXX | SÃO PAULO — TERÇA-FEIRA, 15 DE NOVEMBRO DE 1960 | NÚMERO 255

Já iniciadas as obras do aeroporto de Assis

Providências para a construção dos aeroportos de Votuporanga, Dracena, Andradina, Jales e Lindóia

O programa de construção de aeroportos no Interior, dentro do Plano de Ação do Governador Carvalho Pinto, vem sendo executado pela Diretoria de Aeroportos da Secretaria da Viação, com a cooperação do Ministério da Aeronáutica através de convênios. Dada a importância destes campos de pouso para o progresso dos municípios paulistas, foi recentemente determinada àquela Diretoria a ativação das providências relativas à construção dos aeroportos de Assis, Votuporanga, Dracena, Andradina, Jales e Lindóia, que atenderão a ricas e populosas regiões do Estado.

Segundo relatório enviado ao Secretário da Viação, brig. Faria Lima, pelo diretor de Aeroportos, o aeroporto de Assis teve suas obras iniciadas há quinze dias. O contrato para as obras do aeroporto de Votuporanga acha-se em fase de aprovação na Secretaria da Fazenda. A concorrência para a construção do aeroporto de Dracena está em julgamento e a relativa à construção do aeroporto de Andradina, com pista de terra, será aberta ainda esta semana; em dezembro próximo, se dará o mesmo para a estação aeroviária.

Quanto aos aeroportos de Jales e Lindóia, estão sendo desapropriadas, pelas respectivas Prefeituras, as áreas necessárias à sua construção.

Denominações a escolas

Foram sancionadas ontem, pelo Governador Carvalho Pinto, leis dando as seguintes denominações a estabelecimentos de ensino: "Professor Cláudio Ribeiro da Silva", ao 3.o Grupo Escolar da cidade de Salto; "Professora Julieta Guedes de Mendonça", ao 4.o Grupo Escolar de Dracena; "Professor José Scaramelli", ao Grupo Escolar de Gopoúva, município de Guarulhos; "Professora Teófila Pinto de Camargo", ao 2.o Grupo Escolar de Itápolis; "Professor João Solidário Pedroso", ao Grupo Escolar de Vila São Manoel, município de Americana; "Professor José de Campos Camargo", ao Grupo Escolar de Vila Santana, nesta Capital; "Professor José Juliano Neto", ao Grupo Escolar de Vila Santo Antônio, município de São Carlos; "Professor Arlindo Bittencourt", ao Grupo Escolar do Cantagalo, município de São Carlos; "Professor Paulo Novaes de Carvalho, ao Grupo Escolar de Vila Brasil, nesta Capital; "Professor Theodomiro Rangel", ao Grupo Escolar de Vila Marieta, nesta Capital; "Professor Ênio Voss", ao Ginásio Estadual do Brooklin Paulista, nesta Capital; "Maestro Vila-Lobos", ao Ginásio Estadual de Pirangi; "Francisco Pedro Monteiro da Silva", ao Ginásio Estadual de Vila Xavier, município de Araraquara; "Professor Hildebrando Siqueira", ao Ginásio Estadual de Vila Industrial, em Campinas; e "Dr. José Vicente Machado Netto", ao Ginásio Estadual de Pedregulho.

LIBERAÇÃO DE VERBAS PARA MUNICÍPIOS DO INTERIOR

O Governador Carvalho Pinto, em despacho com o brig. Faria Lima, Secretário da Viação, aprovou resoluções do Conselho Rodoviário que autorizam o D.E.R., a liberar verbas aos seguintes municípios do Interior:

Itobi — Cr$ 27.214,00, por conta da verba "Obras Inadiáveis da Rêde Municipal", para a compra de tubos de concreto de 0,60 m. de diâmetro, destinados a construção de bueiros em estradas municipais;

Guapiaçú — Cr$ 368.760,00 por conta do saldo e quota-previsão do Auxílio Rodoviário Estadual do presente exercício, destinados a atender a despesas com a reforma de motoniveladora de propriedade municipal; Sete Barras — Cr$ .. 756.000,00, a correr pela verba de "Obras Inadiáveis da Rêde Municipal", destinadas a melhoramentos em suas estradas municipais; Ferraz de Vasconcelos — Cr$ ..... 301.334,50, por conta da quota prevista de 1960 do Auxílio Rodoviário Estadual, destinados à aquisição de pedras britadas para o melhoramento de estradas municipais; Boituva — Cr$ 300.000,00, a correr pela verba de "Obras Inadiáveis da Rêde Municipal" destinados a retificação, encascalhamento e obras de arte, na estrada que liga a sede do município ao bairro do Pantano; Conchas — Cr$ ..... 300.000,00, a correr pela verba "Obras Inadiáveis da Rêde Municipal" destinados à conservação de estradas municipais; Guareí — Cr$ 450.000,00, a correr pela verba "Obras Inadiáveis da Rêde Municipal", destinados a melhoramentos na estrada municipal Guareí-Tatuí: Pereiras — Cr$ 250.000,00 a correr pela verba "Obras Inadiáveis da Rêde Municipal", destinados a apedregulhamento de estradas; Miracatu — Cr$ 1.000.000,00, a correr pela verba "Obras Inadiáveis da Rêde Municipal", destinados a melhoramentos em estradas municipais.

Auxílio à Comissão do IV Centenário de Pinheiros

O Governador Carvalho Pinto encaminhou ontem à Assembléia Legislativa projeto de lei dispondo sôbre a concessão de um auxílio de 200 mil cruzeiros à Comissão do IV Centenário de Pinheiros, como contribuição estadual para a realização dos festejos comemorativos dêste antigo bairro da Capital.

O pagamento do auxílio previsto ficará condicionado à oficialização das festividades pelo Poder competente e ao estabelecimento, em lei do Município da Capital, de contribuição para o mesmo fim.

Colaboração com a Prefeitura de Cardoso

O Govêrno do Estado concedeu à Prefeitura Municipal de Cardoso, em fins de 1958, como colaboração, 3.915 kg. de fio de cobre n. 10, para substituição do circuito existente, de fio de cobre n. 12, entre Cardoso e Rio Ândia. Suplementando aquele auxílio, o Governador Carvalho Pinto referendou autorização do Secretário da Viação, o brig. Faria Lima, de conceder à mesma Prefeitura 1.100 isoladores de porcelana, 450 pinos e 600 pinos laterais, no valor de Cr$ 86.800,00, ficando a Prefeitura Municipal de Cardoso de devolver à Secretaria da Viação o fio retirado.

Criação de grupo escolar

O Governador Carvalho Pinto sancionou, ontem, lei que dispõe sôbre a criação de um Grupo Escolar em Vila Paraíso, no município de Mogi Guaçú.

ESTENDE-SE A RÊDE DE ÁGUA DO D.A.E.

O brig. Faria Lima, Secretário da Viação, autorizou o Departamento de Águas e Esgotos a executar prolongamento da rede de água para o atendimento dos moradores das seguintes ruas: rua Particular, 2.a Trav. da rua Antonieta Leitão, no bairro da Freguesia do Ó; rua Rodrigo Lobato, no bairro do Jardim Vera Cruz — Sumarezinho; Av. Dr. Eduardo Cotching, na Vila Maria ....

O brig. Faria Lima, autorizou também o Departamento de Águas e Esgotos a executar prolongamento da rede de água para o atendimento dos moradores das seguintes ruas: Augusto de Magalhães e Manoel Pires no Bairro da Água Funda.

Enviado à Assembléia Projeto sôbre medidas de natureza financeira

Acompanhado de mensagem, o Governador Carvalho Pinto encaminhou à Assembléia Legislativa, em data de ontem, projeto de lei que dispõe sôbre medidas de natureza financeira.

Inauguradas no Interior mais três obras do Plano de Ação

Casa da Lavoura em Neves Paulista e dois grupos escolares em Lorena

O Govêrno Carvalho Pinto inaugurou, anteontem e ontem, no Interior, mais três obras do Plano de Ação: os grupos escolares "Cilmério Galvão César" e "Francisco Prudente de Aquino", ambos na cidade de Lorena, e a Casa da Lavoura de Neves Paulista.

Os dois grupos escolares, inaugurados domingo, foram construídos pelo Instituto de Previdência do Estado de São Paulo, na zona urbana de Lorena, em terrenos doados, o primeiro pelo sr. Antônio Gonçalves de Carvalho Jr. e o segundo pela Prefeitura local. O G.E. "Cilmério Galvão César" custou Cr$ 4.350.436,40 e conta com cinco salas de aula (capacidade para 200 alunos por período), sala do diretor, sala de professôres e galpão para recreio. O G.E. "Francisco Prudente de Aquino", situado no bairro Cleria, tem área construída de 816 m2.

O G.E. "Francisco Prudente de Aquino", situado no bairro Chalé Belinha, foi construído em terreno de 4.000 m2, conta com seis salas de aula, sala do diretor, sala dos professôres, galpão para recreio e uma cantina de merenda. Custou Cr$ 3.442.521,60.

CASA DA LAVOURA DE NEVES PAULISTA

Ontem, foi inaugurada a Casa da Lavoura de Neves Paulista, município cuja economia se baseia na produção de café, arroz, milho, feijão e algodão. Para possibilitar o trabalho à 15 mil lavradores, sendo que 10 por cento vivem na zona rural, onde existem 371 propriedades agrícolas.

O custo dessa obra do Plano de Ação — também construída pelo IPESP, em terreno doado pela Prefeitura local — foi de Cr$ .. 1.600.701,00. Ocupando uma área construída de 276 m2 (o terreno mede 750 m2), o prédio conta com sala de agrônomo, dependências administrativas e para exposições, sala de fiscais, almoxarifado, depósito de semente, ripado para mudas, garagem e quarto para guarda.

AS SOLENIDADE DE INAUGURAÇÃO

As solenidades inaugurais dos grupos escolares de Lorena, estiveram presentes o sr. Francisco Morato de Oliveira, presidente do IPESP, o sr. José Geraldo Vieira, representando o sr. Luciano Vasconcelos de Carvalho, Secretário da Educação; autoridades locais e grande número de convidados.

A inauguração da Casa da Lavoura de Neves Paulista, ocorrida ontem, compareceram o sr. Francisco Morato Oliveira, representando o sr. José Geraldo Vieira, secretário de Agricultura; e engenheiro José Manoel, que representou o sr. Francisco Morato de Oliveira, presidente do IPESP; autoridades locais e lavradores.

EXPOSIÇÃO-LEILÃO DE EQUINOS NA ÁGUA BRANCA

Nos próximos dias 26 a 28 realizar-se-á, no Parque Fernando Costa (Água Branca), uma exposição-leilão de potros e potrancas mestiças de várias raças. Trata-se de certame promovido pelo Departamento da Produção Animal, da Secretaria da Agricultura, em colaboração com a Diretoria de Remonta e Veterinária do Exército.

As inscrições podem ser feitas no Departamento da Produção Animal (Divisão de Fomento da Produção Animal), à avenida Francisco Matarazzo, 455, ou com os zootecnistas regionais, nas Casas da Lavoura do Interior do Estado.

Os animais ficarão expostos nos dias 26 e 27 do corrente e serão leiloados no dia 28, a partir das 9 horas.

Contrato para levantamento aerofotogramétrico

O Governador Carvalho Pinto, em seu último despacho com o Secretário da Viação, brig. Faria Lima, aprovou a celebração de contrato a ser firmado com a Vasp Aerofotogrametria S/A., para restituição aerofotogramétrica de uma área de 600 km2, relativa ao anteprojeto de construção da estrada Piraju-Santa Barbera do Rio Pardo-Lençóes Paulista, estrada Sta. Barbera do Rio Pardo-Bernardino de Campos e estrada Santa Barbara do Rio Pardo-Cerqueira César. O valor do contrato é de Cr$ ..... 4.188.000,00.

CARTA DO GOVERNADOR AO EX-COMANDANTE DA F.P.

O Governador Carvalho Pinto dirigiu ao coronel Geraldo Rangel da França, datada de antecontem, a seguinte carta:

"Ao aceitar o seu pedido de exoneração do cargo de Comandante Geral da Força Pública, desejo testemunhar-lhe, como se meus agradecimentos à lealdade, competência e firmeza com que se conduziu no exercício das árduas funções, num momento delicado da vida da milícia paulista.

Correspondeu, assim, o prezado amigo, à confiança com que o distinguiu o Chefe do Executivo, também, pela natureza de suas atribuições, constitucionalmente consubstanciado em Chefe da Força Pública.

Ao não poupando esforços a vigilância para, almejando à Corporação o clima de paz e trabalho indispensável à sua renovação moral, vida ativa e altiva, produtiva de um grupo de oficiais, à luz fundamental de princípios básicos de disciplina, os naturais problemas com que se defrontou a Força Pública tiveram orientação idônea. Permaneceu, ainda na gestão prudente de seus sucessores Comando, à altiva vontade, que se dirigem de estrutura da superior administração da Polícia, desejosa de proporcionar à estabilidade de seus servidores a tranquilidade indispensável ao exercício de suas funções.

Fiel ao espírito de civismo que é o apanágio das virtudes militares, soube V.S. compreender que em nenhuma hipótese pode o Govêrno deliberar sob ameaças de qualquer natureza. E nesse exato equilíbrio, com lucidez e patriotismo, em meio a um grave processo de crise, testemunhou já superados os seus brilhantes dotes de oficial, inspirado, no amor à Força Pública e na lealdade e dedicação devidas ao regime e ao povo a que servimos.

No instante em que deixa o cargo que tanto dignificou, renovo-lhe os meus agradecimentos pessoais e os do Govêrno do Estado, certo de poder contar com a sua colaboração construtiva, sempre que o reclamarem os superiores interêsses coletivos".

A SITUAÇÃO NA F. P. É DE ABSOLUTA CALMA

O Governador Carvalho Pinto, que logo às primeiras horas da manhã de ontem havia saído em companhia de sua esposa e filha, retornou ao Palácio dos Campos Elíseos por volta das 10 horas, percorrendo diversas dependências da Casa Civil.

Na oportunidade, o Chefe do Executivo informou aos jornalistas que a situação na Fôrça Pública é de absoluta calma e que o novo comandante está ciente de seus deveres.

Posteriormente, Carvalho Pinto despediu-se dos jornalistas e se dirigiu ao seu gabinete de trabalho.

Aquisição de materiais permanentes pelo DER

O Governador Carvalho Pinto, despachando com o brig. Faria Lima, Secretário da Viação, autorizou o Departamento de Estradas de Rodagem a adquirir diversos materiais permanentes, no valor de Cr$ 1.500.000,00. Tais materiais destinam-se aos laboratórios de pesquisas tecnológicas daquele órgão da Viação e Obras Públicas.

CÓDIGOS		DESIGNAÇÃO DA RECEITA	SOMAS PARCIAIS		EFETIVAS	MUTAÇÕES PATRIMONIAIS	TOTAIS
Local	Geral		Cr$	Cr$	Cr$	Cr$	Cr$
4	0.15.2	Impôsto sôbre Vendas e Consignações Impôsto sôbre vendas e consignações 1 — Parte pertencente ao Estado .. .. 2 — Parte pertencente ao D. A. E. E., compensada na despesa, nos têrmos do artigo 3.o, § 1.o, da Lei n. 3.329, de 30-12-55, com a modificação introduzida pelo artigo 9.o da Lei n. 5.444, de 17-11-59 ..		79.036.151.000,00 2.963.849.000,00	82.000.000.000,00		
5	0.19.0	Impôsto do Sêlo Impôsto do sêlo sôbre atos emanados dos Podêres do Estado e Negócios de sua economia ou regulados por lei estadual: 1 — Parte pertencente ao Estado .. .. 2 — Parte pertencente ao D. A. E. E., compensada na despesa, nos têrmos do artigo 3.o, § 1.o da Lei n. 3.329, de 30-12-55, com a modificação introduzida pelo artigo 9.o da Lei n. 5.444, de 17-11-59 ..		1.156.626.600,00 43.373.400,00	1.200.000.000,00		
6	0.20.2	Impôsto sôbre Transação e Inversão de Capitais Impôsto sôbre transações 1 — Quota do Estado .. .. 2 — Quota da União (Artigo 21 da Constituição Federal) .. .. 3 — Quotas dos Municípios (artigo 21 da Constituição Federal .. .. 4 — Parte pertencente ao D. A. E. E., compensada na despesa, nos têrmos do artigo 3.o, § 1.o, da Lei n. 3.329, de 30-12-55, com a modificação introduzida pelo artigo 9.o da Lei n. 5.444, de 17-11-59		771.084.400,00 400.000.000,00 800.000.000,00 28.915.600,00	2.000.000.000,00		
7	0.29.7	Impôsto Adicional 1 — Adicional de 20% ao Impôsto de Transmissão Imobiliário "Inter-Vivos", nos têrmos do artigo 7.o, da Lei 3.738, de 18-1-57 — Pertencente ao "Fundo de Assistência ao Menor" (FAM) .. .. 2 — Adicional de 5% ao Impôsto de Transmissão de Propriedade "Causa-Mortis" 3 — Adicional de 10% de conformidade com o artigo 1.o, da Lei n. 2.412, de 15-12-53 .. .. 4 — Adicional de 3,75% de conformidade com o artigo 3.o da Lei n. 3.329, de 30-12-55 (Pertencente ao D. A. E. E. e compensado na Despesa)		45.000.000,00 160.000,00 541.000.000,00 202.875.000,00	788.975.000,00		
8	0.31.2	Impôsto sôbre Minérios Impôsto de mineração			500.000,00		
		Soma da renda dos impostos			90.409.475.000,00		90.409.475.000,00
		b) — Taxas					
9	1.11.2	Taxas Rodoviárias 1 — Taxa de conservação de Estradas de Rodagem (Pertencente ao D.E.R., nos têrmos dos arts. 17, letra "c" e 18 do Decreto-lei n. 16.546, de 26-12-46) .. .. .. 2 — Taxa rodoviária (Pertencente ao D.E.R., nos têrmos dos arts. 17, letra "c" e 18 do Decreto-lei n. 16.546, de 26-12-46) ..		330.000.000,00 500.000,00	330.500.000,00		
10	1.12.4	Taxas de Serviço de Trânsito Taxa de Registro e Fiscalização de veículos 1 — Parte pertencente ao Estado	25.000.000,00				
		2 — Parte pertencente ao D.E.R. artigos 17, letra "c" e 18 do Decreto-lei n. 16.546, de 26-12-46)	168.500.000,00	193.500.000,00			
11		Diretoria de Serviço de Trânsito		62.139.050,00	255.639.050,00		
12	1.15.4	Taxas de Assistência e Segurança Social Taxa de Assistência aos Médicos (Lei n. 610, de 2-1-50)		5.500.000,00			
13		Taxa de Aposentadoria de Servidores da Justiça (Leis ns. 465 e 507, de 28-9-49 e 17-11-49)		80.000.000,00			
14		Taxas e custas que constituem receita da Caixa de Previdência dos Advogados de São Paulo (Lei n. 5.174, de 7-1-59)		25.000.000,00	110.500.000,00		
15	1.23.4	Taxas e Custas Judiciárias e Emolumentos Custas e Emolumentos			10.000,00		
16	1.33.4	Taxas de Fiscalização e Serviços Diversos Taxa de Fiscalização de usinas de beneficiamento de algodão		31.971.950,00			
17		Taxa de Fiscalização e Classificação de produtos agrícolas diversos		13.383.000,00			
18		Taxa de Fiscalização de Armazéns Gerais ..		485.000,00			
19		Taxa de Inscrição nos Salões Paulista de Belas Artes e Paulista de Arte Moderna (art. 13 da Lei n. 978, de 12-2-51)		15.000,00			
20		Taxa de Vistoria de Ônibus Intermunicipais (Pertencente ao D.E.R. nos têrmos do art. 17, letra "c" e 18, do Decreto-lei n. 16.546, de 26-12-46)		300.000,00			
21		Taxa de atividades diversas		80.000,00	46.304.950,00		
22	1.36.1	Taxas de Melhoramentos Contribuição de Melhoria 1 — Arrecadada pelo Estado	10.000,00				
		2 — Arrecadada pelo D. E. R.	10.000,00				
		3 — Arrecadada pelo D. A. E. E.	10.000,00				
		4 — Arrecadada pelo D. A. E.	10.000,00	40.000,00			
23		Taxa de Pedágio (Pertencente ao D.E.R., nos têrmos dos arts. 17, letra "c", e 18 do Decreto-lei n. 16.546, de 26-12-46)		500.000.000,00	500.000.000,00		
		Soma da renda das taxas			1.241.804.950,00		1.241.804.950,00
		SOMA DA RECEITA TRIBUTÁRIA			91.651.279.950,00		91.651.279.950,00
		II — PATRIMONIAL					
24	2.01.0	Renda Imobiliária Departamento Jurídico do Estado Procuradoria do Patrimônio Imobiliário 1 — Taxa de Legitimação de Terras Devolutas (Artigo 33, do Decreto n. 14.916, de 6-6-45)		970.000,00			



CÓDIGOS		DESIGNAÇÃO DA RECEITA	SOMAS PARCIAIS		EFETIVAS	MUTAÇÕES PATRIMONIAIS	TOTAIS
Geral			Cr$	Cr$	Cr$	Cr$	Cr$
		Diretoria de Aeroportos					
25		1 — Arrecadação proveniente de tarifas aeroportuárias devidas pela utilização do Aeroporto de São Paulo (Congonhas)		18.000.000,00			
26		Aluguéis de Próprios do Estado		7.718.800,00	25.293.800,00		
	2.02.0	Renda de Capitais					
27		Juros		517.701.291,80			
28		Dividendos		72.340.000,00	590.041.291,80		
		SOMA DA RECEITA PATRIMONIAL			615.335.091,80		615.335.091,80
		III — INDUSTRIAL					
	3.01.0	Transportes					
		Estradas de Ferro					
29		1 — Receita do exercício ferroviário	4.201.140.900,00				
		2 — Receita da gestão	106.886.000,00				
		3 — Fundos especiais	611.314.142,00	5.018.149.042,00			
30		Departamento de Obras Sanitárias		10.000.000,00			
31		Diretoria de Viação (Porto de São Sebastião)		4.998.000,00	5.033.147.042,00		
	3.03.0	Serviços Urbanos					
32		Departamento de Águas e Esgotos		1.895.100.000,00			
33		Departamento de Obras Sanitárias		252.650.000,00			
34		Departamento de Águas e Energia Elétrica		145.700.000,00	2.293.450.000,00		
	3.05.0	Estabelecimentos e Serviços Diversos					
		Secretaria de Estado dos Negócios do Govêrno					
35		Serviço Estadual de Assistência aos inventores			—		
		1 — Renda do "Fundo para Inventos e Pesquisas do S.E.D.A.I." (Lei n. 4.894 de 4-11-58)	1.000.000,00				
36		Departamento de Educação Física e Esportes	9.000.000,00	10.000.000,00			
		Secretaria do Trabalho, Indústria e Comércio					
37		Departamento de Administração	1.000,00				
38		Departamento Estadual do Trabalho	1.000,00	2.000,00			
		Secretaria de Estado dos Negócios da Segurança Pública					
39		Diretoria do Serviço de Trânsito	31.052.500,00				
40		Instituto de Polícia Técnica	800.000,00				
41		Fôrça Pública	117.000,00				
42		Rendas de outras dependências da Secretaria de Estado dos Negócios da Segurança Pública	10.000,00	31.979.500,00			
		Secretaria de Estado da Justiça e Negócios do Interior					
43		Penitenciária do Estado	270.000,00				
44		Instituto-Modêlo de Menores de São Paulo	10.000,00				
45		Imprensa Oficial do Estado	387.150.000,00				
46		Rendas de outras dependências da Secretaria de Estado da Justiça e Negócios do Interior	10.000,00	387.440.000,00			
		Secretaria de Estado dos Negócios da Educação					
46I		Gabinete do Secretário					
		1 — Renda do "Fundo Estadual de Construções Escolares" (Decreto n. 36.799, de 21-6-60 e Lei n. 5.444, de 17-11-59)	50.000,00				
47		Departamento de Ensino Profissional					
		1 — Renda do "Fundo de Ensino Profissional" (Decreto n.o 26.311, de 24-8-56)	4.580.000,00				
48		Museu Paulista	1.000,00				
49		Rendas de outras dependências da Secretaria de Estado dos Negócios da Educação	10.000,00	4.641.000,00			
		Secretaria de Estado dos Negócios da Saúde Pública e da Assistência Social					
50		Gabinete do Secretário					
		1 — Renda do "Fundo de Proteção à Maternidade e à Infância" (Decreto n.o 27 498 de 19-2-57)	500.000,00				
51		Instituto "Adolfo Lutz" da Capital					
		1 — Renda do "Fundo de Pesquisas" (Lei n.o 5.224, de 13-1-59)	2.000.000,00				
52		Instituto Butantã					
		1 — Renda do "Fundo de Pesquisas" (Lei n.o 5.224, de 13-1-59	3.000.000,00				
		2 — Outras Rendas	500.000,00	3.500.000,00			
53		Serviço de Erradicação da Malária e de Profilaxia da Doença de Chagas					
		1 — Renda do Fundo de Erradicação da Malária e de Profilaxia da Doença de Chagas (Lei n.o 5.503 de 3-2-60)	876.000,00				
54		Instituto de Cardiologia					
		1 — Renda do "Fundo de Pesquisas" (Lei n.o 5.224, de 13-1-59)	2.000.000,00				
55		Instituto Pasteur					
		1 — Renda do "Fundo de Pesquisas" (Lei n.o 5.224, de 13-1-59)	3.500.000,00				
56		Divisão do Serviço de Tuberculose					
		1 — Renda do "Fundo de Pesquisas" do Instituto de Pesquisas Clemente Ferreira (Lei n.o 5.224, de 13-1-59)	3.000.000,00				
		2 — Renda do Fundo de Pesquisas (Decreto n.o 37.703, de 9-1-57)	500.000,00	3.500.000,00			
57		Departamento Estadual da Criança					
		1 — Renda do "Fundo de Puericultura" (Decreto n.o 30.787, de 3-12-57)	50.000,00				
58		Serviço de Psicologia e Psiquiatria	15.000.000,00				
59		Serviço de Policlínicas e de Alimentação Pública	4.000.000,00				
60		Rendas de outras dependências da Secretaria de Estado dos Negócios da Saúde Pública e da Assistência Social	10.000,00	24.736.000,00			
		Secretaria de Estado dos Negócios da Agricultura					
61		Gabinete do Secretário					
		1 — Caixas de Seguro Mútuo contra o Granizo para a Lavoura Alta (Lei n.o 4.868, de 28-8-59)	60.000.000,00				
		2 — Caixas de Seguro Mútuo contra o Granizo para a Lavoura Baixa (Lei n.o 4.868, de 28-8-59)	3.000.000,00	63.000.000,00			

CÓDIGOS		DESIGNAÇÃO DA RECEITA	SOMAS PARCIAIS		EFETIVAS	MUTAÇÕES PATRIMONIAIS	TOTAL
Local	Geral		Cr$	Cr$	Cr$	Cr$	Cr$
62		Departamento de Engenharia e Mecânica da Agricultura					
		1 — Renda do "Fundo de Mecanização e Conservação do Solo" (Decreto n.o 35.979 de 7-3-56 alterado pelo Decreto n.o 30.106 de 12-11-57)	103.153.600,00				
63		Departamento da Produção Vegetal					
		1 — Rendas Diversas .. 1.338.791.105,00					
		2 — Renda do "Fundo da Produção Vegetal" (Decreto n.o 30.638, de 8-1-58) .. 50.000.000,00	1.388.791.105,00				
64		Instituto Agronômico					
		1 — Renda do "Fundo de Pesquisas" (Criado pela Lei n. 3.232, de 27-10-55, e regulado pela Lei n.o 5.224, de 13-1-59) .	14.000.000,00				
65		Departamento da Produção Animal — Sede					
		1 — Rendas Diversas 110.000,00					
		2 — Renda do Fundo de Pesquisas e Fomento Zootécnico — (Lei n. 5.224, de 13-1-59) . 2.700.000,00	2.810.000,00				
66		Departamento da Produção Animal — Dependências	190.000,00				
67		Serviço de Sericicultura					
		1 — Rendas Diversas 345.000,00					
		2 — Renda do "Fundo Sericícola" (Decreto n. 26.484 de 27-9-56 modificado pelo Decreto n. 29.978, de 10-7-57) 2.300.000,00	2.645.000,00				
68		Departamento de Defesa Sanitária da Agricultura					
		Instituto Biológico					
		1 — Rendas Diversas 720.000,00					
		2 — Renda do "Fundo de Pesquisas" (Lei n. 5.224, de 13-1-59) 15.000.000,00	15.720.000,00				
69		Serviço Florestal					
		1 — Renda do "Fundo de Pesquisas" (Lei n. 5.224 de 13-1-59)	8.600.000,00				
70		Instituto de Botânica					
		1 — Renda do "Fundo de Pesquisas" (Lei n. 5.224, de 13-1-59)	200.000,00				
71		Departamento de Imigração e Colonização					
		1 — Rendas Diversas 5.000,00					
		2 — Renda do "Fundo de Imigração e Colonização" — (Decreto n. 26.920, de 4-12-56) 500.000,00	505.000,00				
72		Instituto Geográfico e Geológico					
		1 — Renda do "Fundo de Pesquisas" (Lei n. 5.224, de 13-1-59)	8.000.000,00				
73		Diretoria do Ensino Agrícola					
		1 — Renda do "Fundo de Ensino Agrícola" (Decreto n. 26.080, de 28-6-56)	1.000.000,00				
74		Diretoria de Publicidade Agrícola					
		1 — Renda do "Fundo de Divulgação Agrícola" (Decreto n. 34.628, de 28-1-58) .	20.000,00				
75		Departamento de Zoologia					
		1 — Renda do "Fundo de Pesquisas" Lei n. 5.224, de 13-1-59)	100.000,00				
76		Departamento de Assistência ao Cooperativismo					
		1 — Renda do "Fundo de Fomento e Propaganda ao Cooperativismo" (Decreto n. 29.636, de 11-8-57)	1.000.000,00				
77		Rendas de outras dependências da Secretaria de Estado dos Negócios da Agricultura	10.000,00	1.590.844.705,00			
		Secretaria de Estado dos Negócios da Viação e Obras Públicas					
78		Departamento de Obras Sanitárias	43.750.000,00				
79		Diretoria de Aeroportos	1.000.000,00				
80		Departamento de Águas e Energia Elétrica					
		1 — Contribuição da São Paulo Light S.A. — Serviço de Eletricidade, para fiscalização de suas obras (Decreto n. 4.056, de 27-5-36, e 4.497, de 9-11-38)	48.000,00				
81		Rendas de outras dependências da Secretaria de Estado dos Negócios da Viação e Obras Públicas	10.000,00	44.808.000,00			
82		Secretaria de Estado dos Negócios da Fazenda					
		Rendas diversas das dependências da Secretaria de Estado dos Negócios da Fazenda ..		10.000,00	2.104.461.305,00		
		SOMA DA RECEITA INDUSTRIAL			9.431.056.247,00		9.431.056.247,00
		IV — RECEITAS DIVERSAS					
83	4.13.0	Quota do Estado no Fundo Rodoviário Nacional pertencente ao D.E.R. (Decreto-lei n. .. 10.846, de 28-12-46)			2.000.000.000,00		
84	4.16.0	Quota do Estado na arrecadação do imposto único sôbre energia elétrica, pertencente ao D.A.E.E., nos têrmos do artigo 3.o da Lei n. 1.300, de 13-12-51			300.000.000,00		
85	4.19.0	Quota do Estado no Fundo Nacional de Pavimentação (Quota-ouro Combustível) pertencente ao D.E.R. nos têrmos do artigo 6.o do Decreto Federal n. 38.823, de 2-4-56			500.000.000,00		
		Soma das Receitas Diversas			2.800.000.000,00		2.800.000.000,00
		TOTAL DA RECEITA ORDINÁRIA			104.500.925.352,00		104.500.925.352,00
		RECEITA EXTRAORDINÁRIA					
	6.11.0	Alienação de Bens Patrimoniais					
86		Venda de animais do Estado		300.000,00			
87		Venda de material usado		1.500.000,00			
88		Venda de outros bens do Estado		10.000,00		2.310.000,00	2.310.000,00
89	6.12.0	Cobrança da Dívida Ativa					
		Amortização da dívida ativa				8.710.328,00	8.710.328,00

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CÓDIGOS		DESIGNAÇÃO DA RECEITA	SOMAS PARCIAIS		EFETIVAS	MUTAÇÕES PATRIMONIAIS	TOTAL
Local	Geral		Cr$	Cr$	Cr$	Cr$	Cr$
	6.13.0	Receita de Exercícios Anteriores					
90		Impostos e taxas em atraso					
		1 — Dívida Amigável	12.375.000,00				
		2 — Dívida Executiva	157.625.000,00	170.000.000,00			
91		Outras receitas de exercícios anteriores					
		1 — Arrecadadas pelo Estado	26.900.000,00			2.500.000,00	2.500.000,00
		2 — Arrecadadas pelo D. E. R.	3.000.000,00				
		3 — Arrecadadas pelo D. A. E. E.	100.000,00				
		4 — Arrecadadas pelo D. A. E.	150.000.000,00	180.000.000,00	350.000.000,00		350.000.000,00
	6.14.0	Receita de Indenizações e Restituições					
92		Restituições		997.115,00			
93		Indenizações		359.967.718,20	360 964 833,20		360.964.833,20
	6.17.0	Contribuições da União					
94		Contribuição do Governo Federal para atender as despesas decorrentes da execução do acôrdo para fomento da produção animal, firmado com o Ministério da Agricultura nos têrmos do artigo 1.o, § 3.o da Lei n. 199 de 23-1-48		6.000.000,00			
95		Contribuição do Govêrno Federal para as despesas decorrentes da execução do Código de Caça e Pesca no território do Estado de conformidade com o Acôrdo celebrado com aquêle Govêrno		5.000.000,00			
96		Contribuição do Govêrno Federal ao Instituto Butantã decorrente da Lei Federal n. 2.003, de 3-10-53 e destinada à produção de sulfonas e derivados bem como ao estudo, pesquisas e fabrico de novas substâncias empregadas no tratamento da Lepra		7.000.000,00			
97		Contribuição do Govêrno Federal para os serviços de defesa sanitária vegetal, de conformidade com o Acôrdo celebrado com aquêle Govêrno		4.000.000,00			
98		Contribuição do Govêrno Federal para os serviços de expansão cooperativista, de conformidade com o Acôrdo celebrado com aquêle Govêrno		100.000,00			
99		Contribuição do Govêrno Federal para o "Fundo de Pesquisas" da Divisão do Serviço de Tuberculose, criado pelo Decreto n. 27.203, de 9-1-57		2.000.000,00			
100		Contribuição do Escritório Técnico de Agricultura (E. T. A.), do Ministério da Agricultura, para a execução do programa de trabalho relacionado com a conservação do solo e da água do Estado de São Paulo, na conformidade de contrato celebrado com aquêle Ministério		800.000,00	24.600.000,00		24.600.000,00
	6.19.0	Contribuição dos Municípios					
101		Contribuição dos municípios para a execução de Convênio Estadual do Ensino Primário, constante dos Decretos-leis n. 13.732, de 14-12-43 e 13.787, de 31-12-43		1.200.000,00			
102		Contribuição dos municípios para a execução dos serviços de extinção de incêndios e salvamento, contratados com o Corpo de Bombeiros da Fôrça Pública (Indenização de Pessoal)		10.145.200,00			
103		Contribuição dos municípios para a execução dos serviços de extinção de incêndios e salvamento, contratados com o Corpo de Bombeiros da Fôrça Pública (Aquisição de Material)		1.620.800,00	12 965 700,00		12.968.000,00
	6.20.0	Contribuições Diversas					
104		Quota parte do saldo na arrecadação da taxa criada pela Lei Federal n. 1.779, de 22-12-52 em virtude de convênio celebrado entre o Estado de São Paulo e o Instituto Brasileiro do Café		3.000.000,00			
105		Contribuição da Estrada de Ferro Sorocabana para o serviço de amortização, juros de Apólices Ferroviárias, nos têrmos do parágrafo único do artigo 4.o e artigo 5.o do Decreto-lei n. 17.203, de 3-5-47					
		1 — Amortização	65.945.000,00				
		2 — Juros	60.492.950,00	126.337.950,00			
106		Contribuição da Irmandade da Santa Casa de Misericórdia de Santos, para manutenção e desenvolvimento do Instituto Da. Escolástica Rosa (contrato celebrado a 19-12-32)		70.000,00			
107		Contribuição do Departamento de Estradas de Rodagem para o serviço de amortização e juros do empréstimo autorizado pelo Decreto-lei n. 12.520, de 5-3-42 (Apólices Rodoviárias)					
		1 — Amortização	8.664.000,00				
		2 — Juros	16.040.850,00	24.704.850,00			
108		Contribuição do Departamento de Estradas de Rodagem, para o serviço de amortização, juros e outros encargos relativos aos Créditos Especiais, a que se refere a Lei n. 4.501, de 31-12-57 (artigos 32 a 40)		350.000.000,00			
109		Contribuição da Prefeitura Municipal de São Paulo para o serviço de empréstimo "Apólices IV Centenário" nos têrmos do artigo 14 da Lei n. 1.415, de 26-12-51					
		1 — Amortização	17.816.500,00				
		2 — Juros	11.900.000,00				
		3 — Prêmios de sorteios	1.200.000,00				
		4 — Despesas com concessão	75.500,00	30.992.000,00			
110		Contribuição da Superintendência dos Serviços de Caixa, para pagamento de seu pessoal		49.761.600,00	884.704.200,00		884.704.200,00
	6.31.0	Multas					
111		Multas de mora sobre impostos e taxas		60.000.000,00			
112		Multas por infrações de regulamentos					
		1 — Arrecadadas pelo Estado	213.852.400,00				
		2 — Arrecadadas pelo DER	4.000.000,00				
		3 — Arrecadadas pelo D. E. R.	50.000,00				
		4 — Arrecadadas pelo D. A. E.	948.000,00	218.848.400,00	278.848.400,00		278.848.400,00

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CÓDIGOS		DESIGNAÇÃO DA RECEITA	SOMAS PARCIAIS		EFETIVAS	MUTAÇÕES PATRIMONIAIS	TOTAL
Local	Geral		Cr$	Cr$	Cr$	Cr$	Cr$
113	6.22.0	Operações de crédito Receita proveniente da colocação de apólices "IV CENTENÁRIO" Lei n. 1.475, de 26-12-51				150.000.00	150.000.00
114	6.23.0	Eventuais Eventuais			150.000.000.00		150.000.000.00
		TOTAL DA RECEITA EXTRAORDINÁRIA			1.775.[illegible].00	13.738.[illegible].00	1.775.902.664.20
		TOTAL GERAL DA RECEITA DO ESTADO			106.351.486.472.00	13.738.228,00	103.365.224.700.00

SECÇAC III

DA DESPESA GERAL

Artigo 3.o — A Despesa Geral obecerá à seguinte classificação:

PARTE II

DESPESA GERAL

PARAGRAFO 1.º

PODER LEGISLATIVO

CÓDIGOS		DESIGNAÇÃO DA DESPESA	EFETIVAS		MUTAÇÕES PATRIMONIAIS		TOTAL
Local	Geral		Fixa	Variável	Fixa	Variável	
			Cr$	Cr$	Cr$	Cr$	Cr$
		ASSEMBLÉIA LEGISLATIVA DO ESTADO					
1		VERBA N. 1					
		Pessoal					
	8.00.0	Pessoal Fixo	97 580 000.00				
		Soma	97.580.000.00				97 580 000,00
2		VERBA N. 2					
		Material e Serviços					
	8.00.4	Despesas Diversas		2.090.000.00			
	8.98.4	Despesas Diversas		109.200.000.00			
		Soma		111.290.000.00			111 290 000.00
		Soma da despesa da Assembléia Legislativa do Estado	97.580.000.00	111.290.000.00			208 870 000.00
		SECRETARIA DA ASSEMBLÉIA LEGISLATIVA					
3		VERBA N. 3					
		Pessoal					
	8.00.0	Pessoal Fixo	121 827 193.20	39 271 794.00			
	8.00.1	Pessoal Variável		21.788.600.00			
		Soma	121.827.193.20	61.060.794.00			182 887 587,20
4		VERBA N. 4					
		Materiais e Serviços					
	8.00.3	Material Permanente		13 035.000.00		67.500.300.00	
	8.00.3	Material de Consumo		22 525.[illegible].00			
	8.00.4	Despesas Diversas		100.[illegible].00			
	8.53.4	Despesas Diversas		33.412.8[illegible]			
	8.94.4	Despesas Diversas		900 000.00			
	8.98.4	Despesas Diversas					
		Soma		36.641.412.80		67.500.[illegible].00	104 142 412.80
		Soma da despesa da Secretaria da Assembléia Legislativa	121.827.193.20	97 702.806.80		67.500.000.00	287.030.000.00
		TOTAL DA DESPESA DO PODER LEGISLATIVO	219.407.193.20	208.992.806.80		67.500.000.00	495 900 000.00

PARÁGRAFO 2.º

TRIBUNAL DE CONTAS DO ESTADO

CÓDIGOS		DESIGNAÇÃO DA DESPESA	EFETIVAS		MUTAÇÕES PATRIMONIAIS		TOTAL
Local	Geral		Fixa	Variável	Fixa	Variável	
			Cr$	Cr$	Cr$	Cr$	Cr$
5		VERBA N. 5					
		Pessoal					
	8.00.0	Pessoal Fixo	90 000 000.00	13 000 000.00			
	8.01.1	Pessoal Variável		22 [illegible]			
		Soma	90.000.000.00	35.[illegible].000.00			130 [illegible]

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CÓDIGOS Local	CÓDIGOS Geral	DESIGNAÇÃO DA DESPESA	EFETIVAS Fixa Cr$	EFETIVAS Variável Cr$	MUTAÇÕES PATRIMONIAIS Fixa Cr$	MUTAÇÕES PATRIMONIAIS Variável Cr$	TOTAL Cr$
6		VERBA N. 6					
		Materia e Serviços					
	8.07.2	Materia Permanente				126.225.000,00	
	8.07.3	Materia de Consumo		4.590.000,00			
	8.07.4	Despesas Diversas		5.200.600,00			
	8.93.4	Despesas Diversas		20.000.400,00			
	8.94.4	Despesas Diversas		100.400,00			
		Soma		29.949.400,00		126.225.000,00	158.174.400,00
		TOTAL DA DESPESA DO TRIBUNAL DE CONTAS DO ESTADO	90.838.400,00	65.683.600,00		126.225.000,00	284.747.000,00

PODER EXECUTIVO

PARÁGRAFO 3.º

GOVÊRNO DO ESTADO

CÓDIGOS Local	CÓDIGOS Geral	DESIGNAÇÃO DA DESPESA	EFETIVAS Fixa Cr$	EFETIVAS Variável Cr$	MUTAÇÕES PATRIMONIAIS Fixa Cr$	MUTAÇÕES PATRIMONIAIS Variável Cr$	TOTAL Cr$
		GOVERNADOR DO ESTADO					
7		VERBA N. 7					
		Pessoal					
	8.02.0	Pessoal Fixo	4.716.600,00	762.000,00			
	8.02.1	Pessoal Variável		780.000,00			
		Soma	4.716.600,00	1.542.000,00			6.258.600,00
8		VERBA N. 8					
		Material e Serviços					
	8.02.4	Despesas Diversas		13.000.000,00			
	8.93.4	Despesas Diversas		8.100.000,00			
		Soma		21.100.000,00			21.100.000,00
		Soma da despesa do Governador do Estado	4.716.600,00	22.642.000,00			27.358.600,00
		VICE-GOVERNADOR DO ESTADO					
9		VERBA N. 9					
		Pessoal					
	8.02.0	Pessoal Fixo	480.000,00				
		Soma	480.000,00				480.000,00
		Soma da despesa do Vice-Governador do Estado	480.000,00				480.000,00
		ASSESSORIA TÉCNICO-LEGISLATIVA					
10		VERBA N. 10					
		Pessoal					
	8.07.0	Pessoal Fixo	11.979.800,00	1.800.200,00			
	8.09.1	Pessoal Variável		2.315.400,00			
		Soma	11.979.800,00	4.115.600,00			16.095.400,00
11		VERBA N. 11					
		Material e Serviços					
	8.07.2	Material Permanente				350.000,00	
	8.07.3	Material de Consumo		1.370.000,00			
	8.07.4	Despesas Diversas		2.445.000,00			
	8.93.4	Despesas Diversas		3.000.000,00			
		Soma		5.815.000,00		350.000,00	6.165.000,00
		Soma da despesa da Assessoria Técnico-Legislativa	11.979.800,00	9.926.400,00		350.000,00	22.256.200,00
		DEPARTAMENTO DE ESTATÍSTICA DO ESTADO					
12		VERBA N. 12					
		Pessoal					
	8.07.0	Pessoal Fixo	35.217.400,00	2.616.600,00			
	8.09.1	Pessoal Variável		17.244.000,00			
		Soma	35.217.400,00	19.860.600,00			54.861.400,00
13		VERBA N. 13					
		Material e Serviços					
	8.07.3	Material de Consumo		4.188.948,00			
	8.07.4	Despesas Diversas		8.500.000,00			
		Soma		12.688.948,00			12.688.948,00
		Soma da despesa do Departamento de Estatística do Estado	35.217.400,00	32.549.548,00			67.550.348,00

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CÓDIGOS		DESIGNAÇÃO DA DESPESA	APROPRIAÇÕES		MUTAÇÕES PATRIMONIAIS		TOTAL
Local	Geral		Fixa	Variável	Fixa	Variável	
			Cr$	Cr$	Cr$	Cr$	Cr$
		DEPARTAMENTO ESTADUAL DE ADMINISTRAÇÃO					
14		VERBA N. 14					
		Pessoal					
	8.09.0	Pessoal Fixo	18.492.558.00	3.075.224.00			
	8.09.1	Pessoal Variável		12.333.600.00			
		Soma	18.492.558.00	15.408.824.00			33.901.382,00
15		VERBA N. 15					
		Material e Serviços					
	8.09.3	Material Permanente		2.383.250.00		801.642.00	
	8.09.4	Material de Consumo		6.699.250.00			
	8.09.4	Despesas Diversas					
		Soma		9.082.500.00		801.642.00	9.884.142.00
		Soma da despesa do Departamento Estadual de Administração	18.492.558.00	24.491.324.00		801.642.00	43.785.524.00
		SERVIÇOS DIVERSOS					
		Ampliação de Serviços Públicos					
16		VERBA N. 16					
		Material e Serviços					
	8.93.4	Despesas Diversas		32.996.000.00			
		Soma		32.996.000.00			32.996.000.00
		Soma da despesa de Serviços Diversos		32.996.000.00			32.996.000.00
		TOTAL DA DESPESA DO GOVÊRNO DO ESTADO	70.886.558.00	122.429.000.00		1.151.642.00	194.467.906.00

PARÁGRAFO 4.º

SECRETARIA DE ESTADO DOS NEGÓCIOS DO GOVÊRNO

CÓDIGOS		DESIGNAÇÃO DA DESPESA	APROPRIAÇÕES		MUTAÇÕES PATRIMONIAIS		TOTAL
Local	Geral		Fixa	Variável	Fixa	Variável	
			Cr$	Cr$	Cr$	Cr$	Cr$
		GABINETE DO SECRETÁRIO					
17		VERBA N. 17					
		Pessoal					
	8.02.0	Pessoal Fixo	1.991.600.00	711.600.00			
	8.02.1	Pessoal Variável		500.000.00			
		Soma	1.991.600.00	1.211.600.00			3.203.200,00
18		VERBA N. 18					
		Material e Serviços					
	8.02.3	Material Permanente				2.000.000.00	
	8.93.4	Despesas Diversas		29.000.000.00			
	8.98.4	Despesas Diversas		3.500.000.00			
	8.99.4	Despesas Diversas		3.050.000.00			
		Soma		35.550.000.00		2.000.000.00	37.550.000.00
		Soma da despesa do Gabinete do Secretário	1.991.600.00	36.761.600.00		2.000.000.00	40.753.200.00
		DIRETORIA GERAL — SEDF					
19		VERBA N. 19					
		Pessoal					
	8.04.0	Pessoal Fixo	45.740.400.00	6.000.000.00			
	8.04.1	Pessoal Variável		10.000.000.00			
		Soma	45.740.400.00	16.000.000.00			61.740.400.00
20		VERBA N. 20					
		Material e Serviços					
	8.04.3	Material Permanente				1.370.000.00	
	8.04.4	Material de Consumo		3.300.000.00			
	8.04.4	Despesas Diversas		3.240.000.00			
	8.04.4	Despesas Diversas		70.000.00			
		Soma		6.610.000.00		1.370.000.00	7.980.000.00
		Soma da despesa da Diretoria Geral — Sedf	45.740.400.00	22.610.000.00		1.370.000.00	69.720.400.00
		DIRETORIA GERAL — MORIGONIA					
21		VERBA N. 21					
		Pessoal					
	8.04.0	Pessoal Fixo	4.995.600.00	840.000.00			
	8.04.1	Pessoal Variável		3.400.000.00			
		Soma	4.995.600.00	4.240.000.00			9.235.600.00

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CÓDIGOS		DESIGNAÇÃO DA DESPESA	DESPESAS		ADIÇÕES PATRIMONIAIS		TOTAL
Local	Geral		Fixa	Variável	Fixa	Variável	
			Cr$	Cr$	Cr$	Cr$	Cr$
22		VERBA N. 22					
		Material e Serviços					
	8.06.2	Material Permanente		7.830.000,00		11.440.000,00	
	8.06.3	Material de Consumo		1.489.000,00			
	8.06.4	Despesas Diversas		60.000,00			
	8.06.4	Despesas Diversas					
		Soma		9.319.000,00		11.440.000,00	20.759.000,00
		Soma da despesa da Diretoria Geral — Abastecimento	1.307.800,00	12.365.800,00		11.440.000,00	30.164.086,00
		DEPARTAMENTO DE EDUCAÇÃO FÍSICA E ESPORTES					
23		VERBA N. 23					
		Pessoal					
	8.07.0	Pessoal Fixo	36.817.800,00	3.800.400,00			
	8.07.1	Pessoal Variável		14.980.800,00			
		Soma	36.817.800,00	18.781.200,00			55.598.800,00
24		VERBA N. 24					
		Material e Serviços					
	8.07.2	Material Permanente		10.950.000,00		8.100.000,00	
	8.07.3	Material de Consumo		11.400.000,00			
	8.07.4	Despesas Diversas		10.000.000,00			
	8.93.4	Despesas Diversas		300.000,00			
	8.94.4	Despesas Diversas		67.612.000,00			
	8.98.4	Despesas Diversas					
		Soma		106.260.000,00		8.100.000,00	114.360.000,00
		Soma da despesa do Departamento de Educação Física e Esportes	36.817.800,00	125.040.800,00		8.100.000,00	169.958.800,00
		SERVIÇO DE FISCALIZAÇÃO ARTISTICA					
25		VERBA N. 25					
		Pessoal					
	8.36.0	Pessoal Fixo	8.793.000,00	932.500,00			
	8.36.1	Pessoal Variável		5.633.400,00			
		Soma	8.793.000,00	6.565.900,00			15.359.900,00
26		VERBA N. 26					
		Material e Serviços					
	8.36.3	Material Permanente		218.280,00		280.000,00	
	8.36.3	Material de Consumo		3.890.400,00			
	8.36.4	Despesas Diversas		80.000,00			
	8.94.4	Despesas Diversas		4.365.000,00			
	8.98.4	Despesas Diversas		6.240.000,00			
	8.99.4	Despesas Diversas					
		Soma		14.793.280,00		280.000,00	15.073.280,00
		Soma da despesa do Serviço de Fiscalização Artística	8.793.000,00	21.360.180,00		280.000,00	30.433.180,00
		PINACOTECA DO ESTADO					
27		VERBA N. 27					
		Pessoal					
	8.34.0	Pessoal Fixo	1.107.000,00	56.900,00			
	8.34.1	Pessoal Variável		824.400,00			
		Soma	1.107.000,00	881.000,00			1.988.000,00
28		VERBA N. 28					
		Material e Serviços					
	8.34.2	Material Permanente		295.000,00		720.000,00	
	8.34.3	Material de Consumo		860.400,00			
	8.34.4	Despesas Diversas		200.000,00			
	8.94.4	Despesas Diversas					
		Soma		1.355.400,00		720.000,00	1.875.000,00
		Soma da despesa da Pinacoteca do Estado	1.107.000,00	2.236.400,00		720.000,00	3.963.400,00
		DEPARTAMENTO MEDICO DO SERVIÇO CIVIL DO ESTADO					
29		VERBA N. 29					
		Pessoal					
	8.95.0	Pessoal Fixo	34.697.400,00	6.884.000,00			
	8.95.1	Pessoal Variável		14.797.140,00			
		Soma	34.697.400,00	21.681.140,00			56.378.540,00
30		VERBA N. 30					
		Material e Serviços					
	8.95.2	Material Permanente		5.981.000,00		2.200.000,00	
	8.95.3	Material de Consumo		7.232.400,00			
	8.95.4	Despesas Diversas		120.000,00			
	8.94.4	Despesas Diversas					
		Soma		13.333.400,00		2.200.000,00	15.533.400,00
		Soma da despesa do Departamento Médico do Serviço Civil do Estado	34.697.400,00	34.994.540,00		2.200.000,00	71.911.940,00

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CÓDIGOS Local	CÓDIGOS Geral	DESIGNAÇÃO DA DESPESA	DESPESAS Fixa Cr$	DESPESAS Variável Cr$	MUTAÇÕES PATRIMONIAIS Fixa Cr$	MUTAÇÕES PATRIMONIAIS Variável Cr$	TOTAL Cr$
		CONSERVATÓRIO DRAMÁTICO E MUSICAL "DR. CARLOS DE CAMPOS" DE TATUÍ					
31		**VERBA N. 31**					
		Pessoal					
	6.39.0	Pessoal Fixo	11.406.000,00	1.606.400,00			
	6.39.1	Pessoal Variável		1.182.000,00			
		Soma	11.406.000,00	2.788.400,00			14.194.400,00
32		**VERBA N. 32**					
		Material e Serviços					
	6.39.2	Material Permanente				1.232.000,00	
	6.39.3	Material de Consumo		676.000,00			
	6.39.4	Despesas Diversas		442.000,00			
	6.94.4	Despesas Diversas		5.000,00			
		Soma		1.123.000,00		1.232.000,00	2.355.000,00
		Soma da despesa do Conservatório Dramático e Musical "Dr. Carlos de Campos" de Tatuí .	11.406.000,00	3.881.400,00		1.232.000,00	16.519.400,00
		SERVIÇO ESTADUAL DE ASSISTENCIA AOS INVENTORES					
33		**VERBA N. 33**					
		Pessoal					
	6.07.0	Pessoal Fixo	2.895.000,00	622.000,00			
	6.07.1	Pessoal Variável		3.843.000,00			
		Soma	2.895.000,00	4.465.000,00			7.360.000,00
34		**VERBA N. 34**					
		Material e Serviços					
	6.07.2	Material Permanente				810.000,00	
	6.07.3	Material de Consumo		802.000,00			
	6.07.4	Despesas Diversas		2.044.000,00			
	6.94.4	Despesas Diversas		5.000,00			
	6.00.4	Despesas Diversas		1.000.000,00			
		Soma		3.851.000,00		810.000,00	4.661.000,00
		Soma da despesa do Serviço Estadual de Assistência aos Inventores	2.895.000,00	8.316.000,00		810.000,00	12.021.000,00
		SERVIÇOS DIVERSOS					
		Encargos Ordinários					
35		**VERBA N. 35**					
		Material e Serviços					
	6.00.4	Despesas Diversas		14.606.000,00			
		Soma		14.606.000,00			14.606.000,00
		Ampliação de Serviços Públicos					
36		**VERBA N. 36**					
		Material e Serviços					
	6.93.4	Despesas Diversas		84.474.000,00			
		Soma		84.474.000,00			84.474.000,00
		Investimentos nos Serviços Públicos					
37		**VERBA N. 37**					
		Material e Serviços					
	6.00.4	Despesas Diversas				30.000.000,00	
		Soma				30.000.000,00	30.000.000,00
		Soma da despesa de Serviços Diversos		99.080.000,00		30.000.000,00	129.080.000,00
		TOTAL DA DESPESA DA SECRETARIA DE ESTADO DOS NEGÓCIOS DO GOVERNO ..	168.406.880,00	368.636.120,00		58.252.000,00	595.295.000,00

PARÁGRAFO 5.º

SECRETARIA DE ESTADO DA JUSTIÇA E NEGÓCIOS DO INTERIOR

CÓDIGOS Local	CÓDIGOS Geral	DESIGNAÇÃO DA DESPESA	DESPESAS Fixa Cr$	DESPESAS Variável Cr$	MUTAÇÕES PATRIMONIAIS Fixa Cr$	MUTAÇÕES PATRIMONIAIS Variável Cr$	TOTAL Cr$
		SECRETARIA DE ESTADO — SEDE					
38		**VERBA N. 38**					
		Pessoal					
	6.39.0	Pessoal Fixo	24.662.160,00	2.130.440,00			
	6.39.1	Pessoal Variável		2.152.480,00			
		Soma	24.662.160,00	19.282.920,00			43.945.080,00

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CÓDIGOS		DESCRIMINAÇÃO DA DESPESA	EFETIVAS		MUTAÇÕES PATRIMONIAIS		TOTAL
...cal	Geral		Fixa	Variável	Fixa	Variável	
			Cr$	Cr$	Cr$	Cr$	Cr$
39		VERBA N. 39					
		Material e Serviços					
	3.04.2	Material Permanente				8 915 000,00	
	3.04.3	Materia. de Consumo		3 478 900 00			
	3.04.4	Despesas Diversas		5.128.850.00			
	3.94.4	Despesas Diversas		40 ...00			
	3.99.4	Despesas Diversas		800.000 00			
		Soma		9.432. 900,00		8.915.000 00	17 447 900 00
		Soma da despesa da Secretaria de Estado — Sede	74 982.360.00	22.323.840 00		8 915.000 00	56 001 200 00
		PROCURADORIA GERAL DA JUSTIÇA					
40		VERBA N. 40					
		Pessoal					
	3.07.0	Pessoal Fixo	17 380 800 00	8 560 200 00			
		Soma	17.380.800.00	8 560.200.00			25 940 800.00
		Soma da despesa da Procuradoria Geral da Justiça	17 380 800 00	8.560 200 00			25.940.000.00
		PROMOTORIAS E CURADORIAS					
41		VERBA N. 41					
		Pessoal					
	3.07.0	Pessoal Fixo	157.722 000.00	36.793 250 00			
		Soma	157.722.000,00	36.793.250.00			194.515.250.00
42		VERBA N. 42					
		Material e Serviços					
	3.07.4	Despesas Diversas		100 000.00			
		Soma		100 000.00			100.000 00
		Soma da despesa de Promotorias e Curadorias	157.722.000.00	36.893.250.00			194.615 250 00
		SECRETARIA DO MINISTÉRIO PUBLICO					
43		VERBA N. 43					
		Pessoal					
	3.07.0	Pessoal Fixo	5.841.200.00	865 350.00			
	3.07.1	Pessoal Variável		2.749 600.00			
		Soma	5.841.200.00	3.614 950.00			9.256.150.00
44		VERBA N. 44					
		Material e Serviços					
	3.07.2	Material Permanente				1.200 000.00	
	3.07.3	Materias de Consumo		2.592.000 00			
	3.07.4	Despesas Diversas		1.498.400.00			
	3.94.4	Despesas Diversas		150.000.00			
		Soma		4.240.400.00		1.200.000.00	5.440.400.00
		Soma da despesa da Secretaria do Ministerio Público	5.841.200.00	7.855.350.00		1.200 000.00	14.896.550.00
		DEPARTAMENTO JURIDICO DO ESTADO					
45		VERBA N. 45					
		Pessoal					
	3.07.0	Pessoal Fixo	275.004.280.00	23.419 010.00			
	3.07.1	Pessoal Variável		6.488.000.00			
		Soma	275.004.280.00	29.907 010,00			304.911.300.00
46		VERBA N. 46					
		Material e Serviços					
	3.07.2	Material Permanente				3.288 440.00	
	3.07.3	Material de Consumo		4.708 940.00			
	3.07.4	Despesas Diversas		29.041.620.00			
	3.94.4	Despesas Diversas		1.850 000.00			
		Soma		35.948.760.00		3.288 440.00	39 247.200.00
		Soma da despesa do Departamento Jurídico do Estado	275.004.280.00	65.855.770.00		3.288.440.00	344 158.490.0
		DEPARTAMENTO DOS INSTITUTOS PENAIS DO ESTADO					
47		VERBA N.					
		Pessoal					
	3.07.0	Pessoal Fixo	203.801.320.00	17.870 000.00			
	3.07.1	Pessoal Variável		48.180 000.00			
		Soma	203.801.320.00	66.050 000.00			270.051.320.00
48		VERBA N. 48					
		Material e Serviços					
	3.07.2	Material Permanente				14.104 320.00	
	3.07.3	Material de Consumo		320.000 000.00			
	3.07.4	Despesas Diversas		30.054 120.00			
	3.94.4	Despesas Diversas		840 000.00			
	3.99.4	Despesas Diversas		30 000.00			
	3.94.4	Despesas Diversas		170 000.00			
	3.99.4	Despesas Diversas		30.104 320.00			
		Soma		383.338 440.00		14.104 320.00	397 432 760.00
		Soma da despesa do Departamento dos Institutos Penais do Estado	203.801.320.00	449.388 440.00		14.104.320.00	667.494.080.00

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CÓDIGOS Local	CÓDIGOS Geral	DESIGNAÇÃO DA DESPESA	EFETIVAS Fixa Cr$	EFETIVAS Variável Cr$	MUTAÇÕES PATRIMONIAIS Fixa Cr$	MUTAÇÕES PATRIMONIAIS Variável Cr$	TOTAL Cr$
49		**CADEIAS PÚBLICAS**					
		VERBA N. 49					
		Material e Serviços					
	6.24.3	Material de Consumo		6.200.000,00			
	6.24.4	Despesas Diversas		80.200.000,00			
		Soma		86.400.000,00			
		Soma da despesa de Cadeias Públicas		86.400.000,00			86.400.000,00
							86.400.000,00
50		**DIRETORIA DO SERVIÇO SOCIAL DE MENORES**					
		VERBA N. 50					
		Pessoal					
	6.29.0	Pessoal Fixo	41.313.600,00	3.755.000,00			
	6.29.1	Pessoal Variável		31.274.000,00			
		Soma	41.313.600,00	35.029.000,00			76.342.600,00
51		VERBA N. 51					
		Material e Serviços					
	6.26.3	Material Permanente		97.820.000,00		1.779.000,00	
	6.29.3	Material de Consumo		358.504.000,00			
	6.29.4	Despesas Diversas		283.500,00			
	6.94.4	Despesas Diversas					
		Soma		456.607.500,00		1.779.000,00	
		Soma da despesa da Diretoria do Serviço Social de Menores	41.313.600,00	491.636.500,00		1.779.000,00	534.729.100,00
52		**DIRETORIA DE VIGILANCIA**					
		VERBA N. 52					
		Pessoal					
	6.29.0	Pessoal Fixo	2.442.600,00	119.200,00			
		Soma	2.442.600,00	119.200,00			2.561.800,00
		Soma da despesa da Diretoria de Vigilância	2.442.600,00	119.200,00			2.561.800,00
53		**INSTITUTO MODÊLO DE MENORES DE SÃO PAULO**					
		VERBA N. 53					
		Pessoal					
	6.29.0	Pessoal Fixo	16.596.000,00	1.873.500,00			
	6.29.1	Pessoal Variável		5.028.600,00			
		Soma	16.596.000,00	6.902.100,00			23.498.100,00
54		VERBA N. 54					
		Material e Serviços					
	6.26.2	Material Permanente				296.500,00	
	6.29.3	Material de Consumo		21.302.000,00			
	6.29.4	Despesas Diversas		150.000,00			
	6.94.4	Despesas Diversas		600.000,00			
	6.94.4	Despesas Diversas		157.500,00			
		Soma		22.209.500,00		296.500,00	
		Soma da despesa do Instituto Modêlo de Menores de São Paulo	16.596.000,00	29.111.600,00		296.500,00	46.004.100,00
55		**INSTITUTO MASCULINO DE MENORES DE MOGI MIRIM**					
		VERBA N. 55					
		Pessoal					
	6.29.0	Pessoal Fixo	6.216.600,00	931.600,00			
	6.29.1	Pessoal Variável		2.279.400,00			
		Soma	6.216.600,00	3.111.000,00			9.327.600,00
56		VERBA N. 56					
		Material e Serviços					
	6.26.2	Material Permanente		8.454.500,00		426.200,00	
	6.29.3	Material de Consumo		150.200,00			
	6.29.4	Despesas Diversas					
		Soma		8.583.700,00		426.200,00	9.010.900,00
		Soma da despesa do Instituto Masculino de Menores de Mogi Mirim	6.216.600,00	11.704.700,00		426.200,00	18.347.500,00
57		**INSTITUTO DE MENORES DE IARAS**					
		VERBA N. 57					
		Pessoal					
	6.29.0	Pessoal Fixo	574.600,00	70.000,00			
	6.29.1	Pessoal Variável		4.116.400,00			
		Soma	574.600,00	4.186.400,00			4.761.200,00
58		VERBA N. 58					
		Material e Serviços					
	6.26.2	Material Permanente					
	6.29.3	Material de Consumo		11.313.600,00		299.000,00	
	6.29.4	Despesas Diversas		475.200,00			
	6.94.4	Despesas Diversas		80.000,00			
		Soma		11.871.000,00		299.000,00	12.151.600,00
		Soma da despesa do Instituto de Menores de Iaras	574.600,00	16.057.400,00		299.000,00	16.912.000,00
59		**INSTITUTO AGRÍCOLA DE MENORES DE BATAIBA**					
		VERBA N. 59					
		Pessoal					
	6.29.0	Pessoal Fixo	3.933.000,00	320.000,00			
	6.29.1	Pessoal Variável		12.681.600,00			
		Soma	3.933.000,00	13.001.600,00			16.934.600,00

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CÓDIGOS		DESIGNAÇÃO DA DESPESA	EFETIVAS		MUTAÇÕES PATRIMONIAIS		TOTAL
Local	Geral		Fixa	Variável	Fixa	Variável	
			Cr$	Cr$	Cr$	Cr$	Cr$
60		VERBA N. 60					
		Material e Serviços					
	8.29.2	Material Permanente					
	8.29.3	Material de Consumo		17 723 000 00		730 266 00	
	8.29.4	Despesas Diversas		466 206 00			
	8.94.4	Despesas Diversas		126 000 00			
		Soma		18 318 206 00		730 266 00	19 048 466 00
		Soma da despesa do Instituto Agrícola de Menores de Batatais	2 932 986 00	31 293 800 00		730 266 00	34 956 146 00
		SERVIÇO DE ABRIGO E TRIAGEM DE SANTOS					
61		VERBA N. 61					
		Pessoal					
	8.29.0	Pessoal Fixo	182 000 00	12 000 00			
	8.29.1	Pessoal Variável		2 132 500 00			
		Soma	182 000 00	2 144 500 00			2 333 500 00
62		VERBA N. 62					
		Material e Serviços					
	8.29.2	Material Permanente					
	8.29.3	Material de Consumo		4 165 000 00		343 000 00	
	8.29.4	Despesas Diversas		247 600 00			
		Soma		4 412 600 00		343 000 00	4 755 600 00
		Soma da despesa do Serviço de Abrigo e Triagem de Santos	182 000 00	6 557 100 00		343 000 00	7 089 100 00
		JUNTA COMERCIAL DO ESTADO					
63		VERBA N. 63					
		Pessoal					
	8.07.0	Pessoal Fixo	17 721 700 00	2 558 400 00			
	8.07.1	Pessoal Variável		13 392 000 00			
		Soma	17 721 700 00	15 950 400 00			33 671 600,00
64		VERBA N. 64					
		Material e Serviços					
	8.07.2	Material Permanente					
	8.07.3	Material de Consumo		4 950 000 00		2 732 000,00	
	8.07.4	Despesas Diversas		5 894 206 00			
	8.94.4	Despesas Diversas		20 000 00			
		Soma		10 864 206 00		2 732 000 00	13 596 206 00
		Soma da despesa da Junta Comercial do Estado	17 721 700 00	26 814 606 00		2 732 000 00	47 267 806 00
		IMPRENSA OFICIAL DO ESTADO					
65		VERBA N. 65					
		Pessoal					
	8.09.0	Pessoal Fixo	41 182 320 00	11 400 000 00			
	8.09.1	Pessoal Variável		61 837 080 00			
		Soma	41 182 320 00	73 237 080 00			114 419 400,00
66		VERBA N. 66					
		Material e Serviços					
	8.09.2	Material Permanente					
	8.09.3	Material de Consumo		146 383 160 00		1 850 000 00	
	8.09.4	Despesas Diversas		14 247 440 00			
	8.94.4	Despesas Diversas		1 200 000 00			
		Soma		161 830 600 00		1 850 000 00	163 680 600 00
		Soma da despesa da Imprensa Oficial do Estado	41 182 320 00	235 067 680 00		1 850 000 00	278 100 000 00
		SERVIÇOS DIVERSOS					
		Encargos Ordinários					
67		VERBA N. 67					
		Material e Serviços					
	8.29.4	Despesas Diversas		107 141 784 00			
	8.94.4	Despesas Diversas		13 000 000 00			
		Soma		120 141 784 00			120 141 784,00
		Ampliação de Serviços Públicos					
68		VERBA N. 68					
		Material e Serviços					
	8.94.4	Despesas Diversas		402 000 000 00			
		Soma		402 000 000,00			402 000 000,00
		Investimentos nos Serviços Públicos					
69		VERBA N. 69					
		Material e Serviços					
	8.39.4	Despesas Diversas				331 000 000 00	
		Soma				331 000 000 00	331 000 000 00
		Soma da despesa de Serviços Diversos		522 141 784 00		331 000 000 00	853 141 784 00
		TOTAL DA DESPESA DA SECRETARIA DE ESTADO DA JUSTIÇA E NEGÓCIOS DO INTERIOR	813 300 370,00	1 930 793 824 00		340 144 700 70	3 127 891 000 00

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PARÁGRAFO 6.º

SECRETARIA DE ESTADO DOS NEGÓCIOS DA SEGURANÇA PÚBLICA

CÓDIGOS		DESIGNAÇÃO DA DESPESA	EFETIVAS		MUTAÇÕES PATRIMONIAIS		TOTAL
			Fixa	Variável	Fixa	Variável	
Local	Geral		Cr$	Cr$	Cr$	Cr$	Cr$
		GABINETE DO SECRETÁRIO					
70		VERBA N. 70					
		Pessoal					
	8.04.0	Pessoal Fixo	2.097.000,00	89.600,00			
	8.04.1	Pessoal Variável		619.200,00			
		Soma	2.097.000,00	708.800,00			2.805.800,00
71		VERBA N. 71					
		Material e Serviços					
	8.04.4	Despesas Diversas		26.640.000,00			
		Soma		26.640.000,00			26.640.000,00
		Soma da despesa do Gabinete do Secretário	2.097.000,00	27.348.800,00			29.445.800,00
		DEPARTAMENTO DE ADMINISTRAÇÃO					
72		VERBA N. 72					
		Pessoal					
	8.20.0	Pessoal Fixo	106.723.200,00	12.214.000,00			
	8.20.1	Pessoal Variável		67.311.000,00			
		Soma	106.723.200,00	79.525.000,00			186.248.200,00
73		VERBA N. 73					
		Material e Serviços					
	8.20.2	Material Permanente				3.275.000,00	
	8.20.3	Material de Consumo		163.950.000,00			
	8.20.4	Despesas Diversas		15.120.000,00			
	8.91.4	Despesas Diversas		500.000,00			
		Soma		179.580.000,00		3.275.000,00	182.855.000,00
		Soma da despesa do Departamento de Administração	106.723.200,00	259.105.000,00		3.275.000,00	369.103.200,00
		TESOURARIA GERAL					
74		VERBA N. 74					
		Pessoal					
	8.27.0	Pessoal Fixo	4.797.720,00	801.098,00			
		Soma	4.797.720,00	801.098,00			5.536.818,00
75		VERBA N. 75					
		Material e Serviços					
	8.27.2	Material Permanente				230.000,00	
	8.27.3	Material de Consumo		20.700,00			
	8.27.4	Despesas Diversas		387.300,00			
		Soma		408.000,00		230.000,00	638.000,00
		Soma da despesa da Tesouraria Geral	4.797.720,00	1.209.098,00		230.000,00	6.174.818,00
		DELEGACIA AUXILIAR DA 1a DIVISÃO POLICIAL					
76		VERBA N. 76					
		Pessoal					
	8.24.0	Pessoal Fixo	16.683.600,00	977.000,00			
	8.24.1	Pessoal Variável		12.540.000,00			
		Soma	16.683.600,00	13.517.000,00			30.200.600,00
77		VERBA N. 77					
		Material e Serviços					
	8.24.2	Material Permanente				450.000,00	
	8.24.3	Material de Consumo		9.150.000,00			
	8.24.4	Despesas Diversas		3.630.000,00			
		Soma		12.780.000,00		450.000,00	13.230.000,00
		Soma da despesa da Delegacia Auxiliar da 1a Divisão Policial	16.683.600,00	26.297.000,00		450.000,00	43.430.600,00
		DELEGACIA AUXILIAR DA 1a DIVISÃO POLICIAL					
78		VERBA N. 78					
		Pessoal					
	8.24.0	Pessoal Fixo	19.471.200,00	1.116.000,00			
	8.24.1	Pessoal Variável		93.187.000,00			
		Soma	19.471.200,00	94.303.000,00			113.774.200,00
79		VERBA N. 79					
		Material e Serviços					
	8.24.2	Material Permanente				7.810.000,00	
	8.24.3	Material de Consumo		61.721.000,00			

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CODIGOS		DESIGNAÇÃO DA DESPESA	EFETIVAS		MUTAÇÕES PATRIMONIAIS		TOTAL
cal	Geral		Fixa	Variável	Fixa	Variável	
			Cr$	Cr$	Cr$	Cr$	Cr$
	8.24.4	Despesas Diversas		3...20.[illegible].00			
	8.24.4	Despesas Diversas		166...00.00			
		Soma		85.801.900.00		7.810.900.00	93.411.900.00
		Soma da despesa da Delegacia Auxiliar da 2.a Divisão Policial	19.856.300.00	180.304.900.00		7.810.900.00	208.171.300.00
		DELEGACIA AUXILIAR DA 3.a DIVISÃO POLICIAL					
80		VERBA N. 80					
		Pessoal					
	8.24.0	Pessoal Fixo	9 [illegible] 000.00	1.307.600.00			
	8.24.1	Pessoa Variável		7.66[illegible].[illegible].00			
		Soma	[illegible]	8.976.400.00			18.015.400,00
81		VERBA N. 81					
		Material e Serviços					
	8.24.2	Material Permanente				17.800 000.00	
	8.24.3	Material de Consumo		25.350.000,00			
	8.24.4	Despesas Diversas		63.360.400.00			
		Soma		89.010.400.00		17.800.000.00	106 810 400.00
		Soma da despesa da Delegacia Auxiliar da 3.a Divisão Policial	9.[illegible].000.00	97.986 800.00		17.800.000.00	124.825.800.00
		DELEGACIA AUXILIAR DA 8.a DIVISÃO POLICIAL					
82		VERBA N. 82					
		Pessoal					
	8.24.0	Pessoal Fixo	7.224 600.00	533.200.00			
	8.24.1	Pessoal Variável		1.323.600.00			
		Soma	7.224 600.00	1.856.800.00			9.081.400,00
83		VERBA N .83					
		Material e Serviços					
	8.24.2	Material Permanente				400.000,00	
	8.24.3	Material de Consumo		980.000.00			
	8.24.4	Despesas Diversas		2.314.800.00			
		Soma		3.294.800.00		400.000,00	3.694.800.00
		Soma da despesa da Delegacia Auxiliar da 8.a Divisão Policial	7.224.600.00	5.151.600.00		400.000.00	12.776.200,00
		REPARTIÇÕES DIVERSAS					
84		VERBA N 84					
		Pessoal					
	8.24.0	Pessoal Fixo	882 631 900.00	62.600.300.00			
	8.24.1	Pessoa Variável		86.055.800.00			
		Soma	882 631 900.00	148.656.800.00			1.031.287.700.00
		Soma da despesa de Repartições Diversas	882.631 900.00	148.656 800.00			1.031.287.700.00
		DEPARTAMENTO DE ORDEM POLITICA E SOCIAL					
85		VERBA N 85					
		Pessoal					
	8.25.0	Pessoa. Fixo	30.114 [illegible].00	2 [illegible].300.00			
	8.25.1	Pessoal Variável		4 519.400.00			
		Soma	[illegible]	7 179 [illegible].00			46.293.300.00
86		VERBA N 86					
		Material e Serviços					
	8.25.2	Material Permanente				1.800.000,00	
	8.25.3	Material de Consumo		2 [illegible].400.00			
	8.25.4	Despesas Diversas		13 [illegible].[illegible].00			
		Soma		13.[illegible].[illegible].00		1.800.000,00	17.842.000,00
		Soma da despesa do Departamento de Ordem Politica e Social	30.114.[illegible].00	23.726.700.00		1.800.000.00	64.135.300.00
		DELEGACIA AUXILIAR 1.a DIVISÃO POLICIAL DE SANTOS					
87		VERBA N. 87					
		Pessoal					
	8.24.0	Pessoal Fixo	1 [illegible].[illegible].00	1 321.200.00			
	8.24.1	Pessoal Variável		4.[illegible].[illegible].00			
		Soma	1 [illegible].[illegible].00	5.[illegible].[illegible].00			12.340.200,00
88		VERBA N. 88					
		Material e Serviços					
	8.24.2	Material Permanente				10.[illegible].[illegible].00	
	8.24.3	Material de Consumo		4.[illegible].[illegible].00			
	8.24.4	Despesas Diversas		2.[illegible].[illegible].00			
		Soma		6.[illegible].[illegible].00		10.[illegible].[illegible].00	16.[illegible].[illegible].00
		Soma da despesa da Delegacia Auxiliar da 1.a Divisão Policial de Santos	1 [illegible].[illegible].00	12.[illegible].[illegible].00		10.[illegible].[illegible].00	28.[illegible].[illegible].00

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CÓDIGOS		DESIGNAÇÃO DA DESPESA	EFETIVAS		MUTAÇÕES PATRIMONIAIS		TOTAL
Local	Geral		Fixa	Variável	Fixa	Variável	
			Cr$	Cr$	Cr$	Cr$	Cr$
		SECÇÃO DE IDENTIFICAÇÃO DA DELEGACIA AUXILIAR DA 7.a DIVISÃO POLICIAL DE SANTOS					
89		VERBA N. 89					
		Pessoal					
	6.27.0	Pessoal Fixo	1.526.400,00	79.200,00			
	6.27.1	Pessoal Variável		130.800,00			
		Soma	1.526.400,00	210.000,00			1.736.400,00
90		VERBA N. 90					
		Material e Serviços					
	6.27.2	Material Permanente				2.350.000,00	
	6.27.3	Material de Consumo		500.000,00			
		Soma		500.000,00		2.350.000,00	2 850.000,00
		Soma da despesa da Secção de Identificação da Delegacia Aux. da 7.a Divisão Policial de Santos	1 526.400,00	710.000,00		2 350.000,00	4.586.400,00
		INSTITUTO DE POLICIA TECNICA					
91		VERBA N. 91					
		Pessoal					
	6.27.0	Pessoal Fixo	25.395.000,00	1.954.000,00			
	6.27.1	Pessoal Variável		23.[illegible]			
		Soma	25.395.000,00	[illegible]			50.422.400,00
92		VERBA N. 92					
		Material e Serviços					
	6.27.2	Material Permanente				3.850.000,00	
	6.27.3	Material de Consumo		5.460 000,00			
	6.27.4	Despesas Diversas		2.688.000,00			
		Soma		8.148.000,00		3.850.000,00	11.798 000,00
		Soma da despesa do Instituto de Policia Tecnica	25 395 000,00	33.446.400,00		3.850.000,00	62.290 400,00
		SECÇÃO DE POLICIA TECNICA DE SANTOS					
93		VERBA N. 93					
		Material e Serviços					
	6.27.4	Despesas Diversas		168.000,00			
		Soma		168.000,00			168 000,00
		Soma da despesa da Secção de Policia Tecnica de Santos		168.000,00			168 000,00
		DEPARTAMENTO DE INVESTIGAÇÕES					
94		VERBA N. 94					
		Pessoal					
	6.27.0	Pessoal Fixo	37 174 800,00	3.602.500,00			
	6.27.1	Pessoal Variável		14 333 800,00			
		Soma	37.174.800,00	17.936.300,00			55.111.100,00
95		VERBA N. 95					
		Material e Serviços					
	6.27.2	Material Permanente				4.800.000,00	
	6.27.3	Material de Consumo		7.050.000,00			
	6.27.4	Despesas Diversas		17.160.000,00			
	6.92.4	Despesas Diversas		200.000,00			
	6.94.4	Despesas Diversas		200.000,00			
		Soma		24.410.000,00		4.800.000,00	29.210 000,00
		Soma da despesa do Departamento de Investigações	37 174 800,00	42.346.300,00		4.800.000,00	84.321.100,00
		SERVIÇO DE IDENTIFICAÇÃO					
96		VERBA N. 96					
		Pessoal					
	6.27.0	Pessoal Fixo	33 462 000,00	2.340.000,00			
	6.27.1	Pessoal Variável		16.[illegible]			
		Soma	33 462 000,00	18.[illegible]			52.400 120,00
97		VERBA N. 97					
		Material e Serviços					
	6.27.2	Material Permanente				1.[illegible]	
	6.27.3	Material de Consumo		9.[illegible]			
	6.27.4	Despesas Diversas		[illegible]			
		Soma		10.[illegible]		1.[illegible]	12 120 000,00
		Soma da despesa do Serviço de Identificação	33.462.000,00	29 774.120,00		1.[illegible]	64.[illegible]

CÓDIGOS		DESIGNAÇÃO DA DESPESA	DOTAÇÕES EFETIVAS		DOTAÇÕES PATRIMONIAIS		TOTAL
Local	Geral		Fixa	Variável	Fixa	Variável	
			Cr$	Cr$	Cr$	Cr$	Cr$
		DIVISÃO DE POLÍCIA MARÍTIMA E AÉREA DOS PORTOS DO ESTADO DE SÃO PAULO					
98		**VERBA N. 98**					
		Pessoal					
	8.26.0	Pessoal Fixo	17 710 200,00	2 603 600,00			
	8.26.1	Pessoal Variável		30 808 000,00			
		Soma	17 710 200,00	33 411 600,00			51 121 800,00
99		**VERBA N 99**					
		Material e Serviços					
	8.26.2	Material Permanente					
	8.26.3	Material de Consumo		880 000,00		8 070 000,00	
	8.26.4	Despesas Diversas		876 000,00			
		Soma		1 756 000,00		8 070 000,00	9 826 000,00
		Soma da despesa da Divisão de Polícia Marítima e Aérea dos Portos do Estado de São Paulo	17 710 200,00	34 817 600,00		8 070 000,00	60 597 800,00
		DEPARTAMENTO DE COMUNICAÇÕES E SERVIÇO DE RÁDIO PATRULHA					
100		**VERBA N. 100**					
		Pessoal					
	8.25.0	Pessoal Fixo	53 676 600,00	2 650 200,00			
	8.25.1	Pessoal Variável		3 184 800,00			
		Soma	53 676 600,00	6 834 800,00			60 511 400,00
101		**VERBA N. 101**					
		Material e Serviços					
	8.25.2	Material Permanente					
	8.25.3	Material de Consumo		1 220 000,00		890 000,00	
	8.25.4	Despesas Diversas		2 698 000,00			
		Soma		3 918 000,00		890 000,00	4 808 000,00
		Soma da despesa do Departamento de Comunicações e Serviço de Rádio Patrulha	53 676 600,00	10 752 800,00		890 000,00	65 319 400,00
		POLÍCIA FEMININA					
102		**VERBA N. 102**					
		Pessoal					
	8.24.0	Pessoal Fixo	31 362 600,00	357 650,00			
	8.24.1	Pessoal Variável		1 300 800,00			
		Soma	31 362 600,00	1 658 450,00			33 021 050,00
103		**VERBA N. 103**					
		Material e Serviços					
	8.24.2	Material Permanente					
	8.24.3	Material de Consumo		4 240 000,00		700 000,00	
	8.24.4	Despesas Diversas		842 000,00			
		Soma		5 082 000,00		700 000,00	5 782 000,00
		Soma da despesa da Polícia Feminina	31 362 600,00	6 740 450,00		700 000,00	38 803 050,00
		DIRETORIA DO SERVIÇO DE TRÂNSITO					
104		**VERBA N. 104**					
		Pessoal					
	8.26.0	Pessoal Fixo	61 331 600,00	6 823 000,00			
	8.26.1	Pessoal Variável		8 424 800,00			
		Soma	61 331 600,00	15 247 800,00			82 369 400,00
105		**VERBA N. 105**					
		Material e Serviços					
	8.26.2	Material Permanente					
	8.26.3	Material de Consumo		17 319 000,00		3 300 000,00	
	8.26.4	Despesas Diversas		12 480 000,00			
		Soma		29 799 000,00		3 300 000,00	33 099 000,00
		Soma da despesa da Diretoria do Serviço de Trânsito	61 331 600,00	45 046 800,00		3 300 000,00	115 468 400,00
		ESCOLA OFICIAL DE TRÂNSITO					
106		**VERBA N. 106**					
		Pessoal					
	8.27.0	Pessoal Fixo	4 810 200,00	614 000,00			
	8.27.1	Pessoal Variável		110 400,00			
		Soma	4 810 200,00	724 400,00			5 534 600,00

CÓDIGOS Local	CÓDIGOS Geral	DESIGNAÇÃO DA DESPESA	EFETIVAS Fixa Cr$	EFETIVAS Variável Cr$	MUTAÇÕES PATRIMONIAIS Fixa Cr$	MUTAÇÕES PATRIMONIAIS Variável Cr$	TOTAL Cr$
107		VERBA N. 107					
		Material e Serviços					
	8.27.2	Material Permanente					
	8.27.3	Materia de Consumo		30 200 00		11.500 00	
	8.27.4	Despesas Diversas		36 [illegible] 00			
		Soma		66 [illegible] 00		11.500 00	77.700.00
		Soma da despesa da Escola Oficial de Trânsito	4.814.400 00	793 600.00		11.500,00	5.620 100,00
		INSTITUTO MEDICO LEGAL DO ESTADO					
108		VERBA N. 108					
		Pessoal					
	8.27.0	Pessoal Fixo	46.814.400 00	10 998 056 00			
	8.27.1	Pessoal Variável		13 [illegible] 00			
		Soma	46.814.400 00	24 312 [illegible]			65.727.058,00
109		VERBA N. 109					
		Material e Serviços					
	8.27.2	Material Permanente				550.000.00	
	8.27.3	Material de Consumo		2 200 560 00			
	8.27.4	Despesas Diversas		1.412 200 00			
		Soma		3.612.760.00		550.000,00	4.162.760.00
		Soma da despesa do Instituto Médico Legal do Estado	46 814.400 00	28.525.356 00		550 000,00	66 389.758 00
		CASA DE DETENÇÃO DE SÃO PAULO					
110		VERBA 110					
		Pessoal					
	8.24.0	Pessoal Fixo	12.751.200.00	1.170.100.00			
	8.24.1	Pessoal Variável		52 462 300 00			
		Soma	12.751.200 00	53.632 900.00			66 384.100 00
111		VERBA N. 111					
		Material e Serviços					
	8.24.2	Material Permanente				4.425.000,00	
	8.24.3	Material de Consumo		101.165.000,00			
	8.24.4	Despesas Diversas		1.690.000,00			
	8.95.4	Despesas Diversas		1.500.000,00			
		Soma		104.355 000,00		4.425.000,00	108 780 000.00
		Soma da despesa da Casa de Detenção de São Paulo	12.751.200.00	157 987 900.00		4.425.000.00	175.164.100.00
		COLÔNIA AGRICOLA DA ILHA ANCHIETA					
112		VERBA N. 112					
		Pessoal					
	8.24.0	Pessoal Fixo	3.247.200.00	272.600.00			
	8.24.1	Pessoal Variável		705 000.00			
		Soma	3.247.200.00	977.600.00			4.224.800.00
		Soma da despesa da Colônia Agrícola da Ilha Anchieta	3.247.200 00	977.600 00			4.224.800.00
		ESCOLA DE POLICIA DO ESTADO					
113		VERBA N. 113					
		Pessoal					
	8.32.0	Pessoal Fixo	5.742.000,00	13.453.000,00			
	8.32.1	Pessoal Variável		4.955.600 00			
		Soma	5.742.000.00	18.408 600.00			24.150.600,00
114		VERBA N. 114					
		Material e Serviços					
	8.32.3	Material Permanente				6.000.000,00	
	8.32.3	Material de Consumo		3.978.000,00			
	8.32.4	Despesas Diversas		3.296.000,00			
		Soma		7.274.000,00		6.000.000,00	13.324.000,00
		Soma da despesa da Escola de Polícia do Estado	5.742.000.00	25.682.600,00		6.000.000,00	37.324.600,00
		CONSELHO REGIONAL DE TRANSITO					
115		VERBA N. 115					
		Pessoal					
	8.05.0	Pessoal Fixo	[illegible]	[illegible]			[illegible]
		Soma	[illegible]	[illegible]			[illegible]

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CODIGOS		DESIGNAÇÃO DA DESPESA	EFETIVAS		MUTAÇÕES PATRIMONIAIS		TOTAL
Local	Geral		Fixa	Variável	Fixa	Variável	
			Cr$	Cr$	Cr$	Cr$	Cr$
116		VERBA N. 116					
		Material e Serviços					
	8.25.2	Material Permanente...					
	8.25.3	Material de Consumo...		24.000.00		20.000.00	
	8.25.4	Despesas Diversas...		104.084.00			
		Soma		128.084.00		20.000.00	148.084.00
		Soma da despesa do Conselho Regional de Trabalho	105.500.00	204.984.00		20.000.00	627.484.00
		GUARDA CIVIL					
117		VERBA N. 117					
		Pessoal					
	8.24.0	Pessoal Fixo...	116.556.800.00	18.085.100.00			
	8.24.1	Pessoal Variável...		1.321.731.900.00			
		Soma	116.556.800.00	1.339.817.000.00			1.462.373.800.00
118		VERBA N. 118					
		Material e Serviços					
	8.24.2	Material Permanente...				14.712.300.00	
	8.24.3	Material de Consumo...		103.538.200.00			
	8.25.4	Despesas Diversas...		9.154.400.00			
	8.29.4	Despesas Diversas...		800.000.00			
	8.92.4	Despesas Diversas...		100.000.00			
	8.93.4	Despesas Diversas...		1.500.000.00			
	8.94.4	Despesas Diversas...		50.000.00			
		Soma		115.130.600.00		14.712.300.00	129.842.900.00
		Soma da despesa da Guarda Civil	116.556.800.00	1.454.947.600.00		14.712.300.00	1.592.216.700.00
		FÔRÇA PÚBLICA					
119		VERBA N. 119					
		Pessoal					
	8.21.0	Pessoal Fixo (Militar)	2.915.626.740.00	253.750.100.00			
	8.25.0	Pessoal Fixo Civil	8.342.600.00	1.278.400.00			
	8.25.1	Pessoal Variável...		1.491.400.00			
		Soma	2.923.969.340.00	256.520.000.00			2.276.400.000.00
120		VERBA N. 120					
		Material e Serviços					
	8.21.2	Material Permanente...				93.542.270.00	
	8.21.3	Material de Consumo...		175.190.000.00			
	8.21.4	Despesas Diversas...		92.428.230.00			
	8.29.4	Despesas Diversas...		3.600.000.00			
	8.94.4	Despesas Diversas...		460.000.00			
		Soma		271.678.230.00		93.542.270.00	365.221.000.00
		Soma da despesa da Fôrça Pública... ...	2.923.969.340.00	528.298.800.00		93.542.270.00	2.641.621.000.00
		SERVIÇOS DIVERSOS					
		Encargos Ordinários					
121		VERBA N. 121					
		Material e Serviços					
	8.25.4	Despesas Diversas		98.300.000.00			
	8.29.4	Despesas Diversas		1.500.000.00			
	8.94.4	Despesas Diversas		2.700.000.00			
		Soma		100.400.000.00			100.400.000.00
		Ampliação de Serviços Públicos					
122		VERBA N. 122					
		Material e Serviços					
	8.93.4	Despesas Diversas		289.686.000.00			
		Soma		289.686.000.00			289.686.000.00
		Investimentos nos Serviços Públicos					
123		VERBA N. 123					
		Material e Serviços					
	8.25.4	Despesas Diversas				384.180.000.00	
		Soma				384.180.000.00	384.180.000.00
		Soma da despesa de Serviços Diversos		390.086.000.00		384.180.000.00	774.266.000.00
		TOTAL DA DESPESA DA SECRETARIA DE ESTADO DOS NEGÓCIOS DA SEGURANÇA PÚBLICA...	3.047.372.120.00	3.583.381.810.00		510.940.570.00	7.721.894.000.00

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PARAGRAFO 7.º

SECRETARIA DE ESTADO DOS NEGÓCIOS DA EDUCAÇÃO

CODIGOS Local	Geral	DESIGNAÇÃO DA DESPESA	EFETIVAS Fixa Cr$	EFETIVAS Variável Cr$	MUTAÇÕES PATRIMONIAIS Fixa Cr$	MUTAÇÕES PATRIMONIAIS Variável Cr$	TOTAL Cr$
		GABINETE DO SECRETARIO					
124		**VERBA N. 124**					
		Pessoal					
	6.30.0	Pessoal Fixo	1 329.000 00	168.000,00			
	6.30.1	Pessoal Variavel		800.000,00			2 317.000 00
		Soma	1.329 000 00	968.000,00			2.317.000 00
		Soma da despesa do Gabinete do Secretário	1.329 00 00	968.000.00			
		DIRETORIA GERAL					
125		**VERBA N. 125**					
		Pessoal					
	6.30.0	Pessoal Fixo	52 987 200 00	8 426 216,00			
	6.30.1	Pessoal Variavel		74 .. .264 00			13. 326.080,00
		Soma	52.987.200 00	82.942.080 00			
126		**VERBA N. 126**					
		Material e Serviços				7.450 000 00	
	6.30.2	Material Permanente		16 614 000 00			
	6.30.3	Material de Consumo		20 394 000,00			
	6.30.4	Despesas Diversas		300. 000,00			
	6.94.4	Despesas Diversas					4 55° 000,00
		Soma		37.208.000.00			
		Soma da despesa da Diretoria Geral de Administração	52.987.200 00	119.150 080,00		7.450.000 00	180 184.080 00
		DEPARTAMENTO DO ARQUIVO DO ESTADO					
127		**VERBA N. 127**					
		Pessoal					
	6.07.0	Pessoal Fixo	5.331 200 00	1.071.800 00			
	6.07.1	Pessoal Variavel		2.932.800,00			9.336 800,00
		Soma	5.331 200 00	4.004.600.00			
128		**VERBA N. 128**					
		Material e Serviços				4.210.000.00	
	6.07.2	Material Permanente		1.902.000.00			
	6.07.3	Material de Consumo		3.332 000,00			
	6.07.4	Despesas Diversas					9 444 000 00
		Soma		5.234 000.00		4.210.000 00	
		Soma da despesa do Departamento do Arquivo do Estado	5 331 200 00	9.238.600,00		4.210 000,00	14 779 800 00
		COLEGIO ESTADUAL DE SAO PAULO					
129		**VERBA N. 129**					
		Pessoal					
	6.33.0	Pessoal Fixo	12 016 200 00	4.030.900 00			
	6.33.1	Pessoal Variável		5.103.200.00			22 149 300,00
		Soma	12 016 200 00	9.134.100 00			
130		**VERBA N. 130**					
		Material e Serviços				700.000 00	
	6.33.2	Material Permanente		1.200.000 00			
	6.33.3	Material de Consumo		184 000 00			
	6.33.4	Despesas Diversas		1.300.000.00		700.000 00	2.084 000 00
		Soma		10.518.100.00		700.000 00	24.752 300.00
		Soma da despesa do Colégio Estadual de São Paulo	12 016 200 00				
		Institutos de Educação					
		INSTITUTO DE EDUCAÇÃO "CASTANO DE CAMPOS" — CAPITAL					
131		**VERBA N. 131**					
		Pessoal					
	6.33.0	Pessoal Fixo	36.001 800.00	7 384 800.00			
	6.33.1	Pessoal Variável		11 970 300 00			65 356 900,00
		Soma	36 001 800.00	19.354 700.00			
132		**VERBA N. 132**					
		Material e Serviços				1 000 000.00	
	6.33.2	Material Permanente		700.000 00			
	6.33.3	Material de Consumo		332 000,00			
	6.33.4	Despesas Diversas		1 000.000.00		1 000 000 00	3 032 000 00
		Soma		20.354 700.00		1 000 000 00	68 388 900 00
		Soma da despesa do Instituto de Educação "Castano de Campos" — Capital	36.001 800.00				

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CODIGOS local	CODIGOS Geral	DESIGNAÇÃO DA DESPESA	EFETIVAS Fixa Cr$	EFETIVAS Variável Cr$	MUTAÇÕES PATRIMONIAIS Fixa Cr$	MUTAÇÕES PATRIMONIAIS Variável Cr$	TOTAL Cr$
		INSTITUTO FEMININO DE EDUCAÇÃO "PADRE ANCHIETA" — CAPITAL					
133		VERBA N. 133					
		Pessoal					
	8.33.0	Pessoal Fixo	9 437 450,00	3 448 070,00			
	8.33.1	Pessoal Variável		4 306 860,00			
		Soma	9 437 450,00	7 754 930,00			17.192.380,00
134		VERBA N. 134					
		Material e Serviços					
	8.33.2	Material Permanente		398 600,00		1 002 400,00	
	8.33.3	Material de Consumo		96 000,00			
	8.33.4	Despesas Diversas					
		Soma		494 600,00		1 002 400,00	1.497.000,00
		Soma da despesa do Instituto Feminino de Educação "Padre Anchieta" — Capital	9 437 450,00	8 249 530,00		1 002 400,00	18.689.380,00
		Soma da despesa dos Institutos de Educação	35.439.250,00	28 846.230,00		2.802 400,00	67.087.880,00
		Departamento de Educação					
		DIRETORIA GERAL					
135		VERBA N. 135					
		Pessoal					
	8.30.0	Pessoal Fixo	21 383 400,00	5 339 600,00			
	8.30.1	Pessoal Variável		38 825 400,00			
		Soma	21 383 400,00	44 165 000,00			65.548.400,00
136		VERBA N. 136					
		Material e Serviços				990 000,00	
	8.30.2	Material Permanente		3 070 000,00			
	8.30.3	Material de Consumo		2 681.000,00			
	8.30.4	Despesas Diversas					
		Soma		6.351 000,00		990.000,00	7.341 000,00
		Soma da despesa da Diretoria Geral	21 383 400,00	50.516.000,00		990.000,00	72.889 400,00
		DELEGACIAS REGIONAIS DE ENSINO					
137		VERBA N. 137					
		Pessoal					
	8.36.0	Pessoal Fixo	110.111 800,00	50 290 000,00			
	8.36.1	Pessoal Variável		15 369 000,00			
		Soma	110.111 800,00	65.659 000,00			175.770.800,00
138		VERBA N. 138					
		Material e Serviços				1.134.000,00	
	8.36.2	Material Permanente		3.160.000,00			
	8.36.3	Material de Consumo		34.400.000,00			
	8.36.4	Despesas Diversas					
		Soma		37.560.000,00		1.134.000,00	38.694.000,00
		Soma da despesa de Delegacias Regionais de Ensino	110.111 800,00	103.219.000,00		1.134.000,00	214.464.800,00
		ENSINO PRIMARIO					
139		VERBA N. 139					
		Pessoal					
	8.33.0	Pessoal Fixo	5.668 567.000,00	1.430.000.000,00			
	8.33.1	Pessoal Variável		367 331.000,00			
		Soma	5.668.567.000,00	1.797.331.800,00			7.465.898.400,00
140		VERBA N. 140					
		Material e Serviços				22.930.000,00	
	8.33.2	Material Permanente		22 850.000,00			
	8.33.3	Material de Consumo		62 400.000,00			
	8.33.4	Despesas Diversas					
		Soma		85.250.000,00		22.930.000,00	108.280.000,00
		Soma da despesa do Ensino Primário	5.668.567.000,00	1.882.581.800,00		22.930.000,00	7.574.178.400,00
		SERVIÇO DE EDUCAÇÃO DE ADULTOS					
141		VERBA N. 141					
		Pessoal					
	8.33.0	Pessoal Fixo	280.000,00	2.160.000,00			
	8.33.1	Pessoal Variável		3.000.000,00			
		Soma	280.000,00	5.160.000,00			5.440.000,00

CÓDIGOS		DESIGNAÇÃO DA DESPESA	EFETIVAS		MUTAÇÕES PATRIMONIAIS		TOTAL
Local	Geral		Fixa	Variável	Fixa	Variável	
			Cr$	Cr$	Cr$	Cr$	Cr$
142		VERBA N. 142					
		Material e Serviços					
	8.33.2	Material Permanente				1.000.000,00	
	8.33.3	Material de Consumo		3.975.000,00			
	8.33.4	Despesas Diversas		222.000,00			
		Soma		4.197.000,00		1.000.000,00	5.197.000,00
		Soma da despesa do Serviço de Educação de Adultos	360.000,00	9.377.000,00		1.000.000,00	10.737.000,00
		ENSINO SECUNDARIO E NORMAL					
143		VERBA N. 143					
		Pessoal					
	8.33.0	Pessoal Fixo	1.276.991.400,00	548.549.440,00			
	8.33.1	Pessoal Variável		790.100.000,00			
		Soma	1.276.991.400,00	1.338.649.440,00			2.615.640.840,00
144		VERBA N. 144					
		Material e Serviços					
	8.33.2	Material Permanente				17.760.000,00	
	8.33.3	Material de Consume		16.600.000,00			
	8.33.4	Despesas Diversas		42.000.000,00			
		Soma		58.600.000,00		17.760.000,00	76.360.000,00
		Soma da despesa do Ensino Secundário e Normal	1.276.991.400,00	1.397.249.440,00		17.760.000,00	2.692.000.840,00
		SERVIÇO DENTARIO ESCOLAR					
145		VERBA N. 145					
		Pessoal					
	8.46.0	Pessoal Fixo	33.181.200,00	3.558.500,00			
	8.46.1	Pessoal Variável		299.415.100,00			
		Soma	33.181.200,00	302.973.600,00			336.154.800,00
146		VERBA N. 146					
		Material e Serviços					
	8.46.2	Material Permanente				2.085.000,00	
	8.46.3	Material de Consumo		14.756.280,00			
	8.46.4	Despesas Diversas		836.040,00			
		Soma		15.594.320,00		2.085.000,00	17.679.320,00
		Soma da despesa do Serviço Dentário Escolar	33.181.200,00	318.567.920,00		2.085.000,00	353.834.120,00
		DIRETORIA DO SERVIÇO DE SAUDE ESCOLAR					
147		VERBA N. 147					
		Pessoal					
	8.46.0	Pessoal Fixo	42.721.600,00	2.876.880,00			
	8.46.1	Pessoal Variável		25.646.920,00			
		Soma	42.721.600,00	28.523.800,00			71.245.280,00
148		VERBA N. 148					
		Material e Serviços					
	8.46.2	Material Permanente				1.275.000,00	
	8.46.3	Material de Consumo		9.945.000,00			
	8.46.4	Despesas Diversas		2.472.000,00			
		Soma		12.317.000,00		1.275.000,00	13.592.000,00
		Soma da despesa da Diretoria do Serviço de Saúde Escolar	42.721.600,00	40.840.800,00		1.275.000,00	84.837.280,00
		Soma da despesa do Departamento de Educação	7.158.317.000,00	3.993.281.840,00		47.274.000,00	11.103.042.840,00
		Ensino Profissional					
		DEPARTAMENTO DE ENSINO PROFISSIONAL					
149		VERBA N. 149					
		Pessoal					
	8.33.0	Pessoal Fixo	43.200.000,00	4.182.000,00			
	8.33.1	Pessoal Variável		9.744.000,00			
		Soma	43.200.000,00	13.926.000,00			57.126.000,00
150		VERBA N. 150					
		Material e Serviços					
	8.33.2	Material Permanente				1.500.000,00	
	8.33.3	Material de Consumo		3.000.000,00			
	8.33.4	Despesas Diversas		6.000.000,00			
	8.33.4	Despesas Diversas		840.000,00			
		Soma		10.840.000,00		1.500.000,00	12.340.000,00
		Soma da despesa do Departamento de Ensino Profissional	43.200.000,00	24.766.000,00		1.500.000,00	69.466.000,00

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CÓDIGOS		DESIGNAÇÃO DA DESPESA	EFETIVAS		MUTAÇÕES PATRIMONIAIS		TOTAL
Local	Geral		Fixa	Variável	Fixa	Variável	
			Cr$	Cr$	Cr$	Cr$	Cr$
		ESCOLAS TECNICAS INDUSTRIAIS E ARTESANAIS					
151		**VERBA N. 151**					
		Pessoal					
	8.32.0	Pessoal Fixo	256.646.400,00	93.497.400,00			
	8.32.1	Pessoal Variável		10.385.600,00			
		Soma	256.646.400,00	103.883.000,00			452.029.200,00
152		**VERBA N. 152**					
		Material e Serviços					
	8.32.2	Material Permanente				12.980.000,00	
	8.32.3	Material de Consumo		64.516.000,00			
	8.32.4	Despesas Diversas		16.697.700,00			
	8.94.4	Despesas Diversas		3.300.000,00			
	8.95.4	Despesas Diversas		136.400,00			
		Soma		84.900.100,00		12.980.000,00	98.882.300,00
		Soma da despesa de Escolas Técnicas Industriais e Artesanais	256.646.400,00	270.983.100,00		12.980.000,00	548.711.500,00
		INSTITUTO PEDAGOGICO DO ENSINO INDUSTRIAL					
153		**VERBA N. 153**					
		Pessoal					
	8.32.0	Pessoal Fixo	2.877.600,00	216.400,00			
	8.32.1	Pessoal Variável		546.600,00			
		Soma	2.877.600,00	762.000,00			3.640.200,00
154		**VERBA N. 154**					
		Material e Serviços					
	8.32.2	Material Permanente				4.206.000,00	
	8.32.3	Material de Consumo		305.000,00			
	8.32.4	Despesas Diversas		2.520.000,00			
		Soma		2.825.000,00		4.206.000,00	7.031.000,00
		Soma da despesa do Instituto Pedagógico do Ensino Industrial	2.877.600,00	3.587.600,00		4.206.000,00	10.671.200,00
		Soma da despesa do Ensino Profissional	402.123.800,00	306.047.400,00		27.786.000,00	828.561.200,00
		MUSEU PAULISTA					
155		**VERBA N. 155**					
		Pessoal					
	8.34.0	Pessoal Fixo	7.140.000,00	702.300,00			
	8.34.1	Pessoal Variável		4.183.500,00			
		Soma	7.140.000,00	4.885.800,00			12.025.800,00
156		**VERBA N. 156**					
		Material e Serviços					
	8.34.2	Material Permanente				5.700.000,00	
	8.34.3	Material de Consumo		3.282.000,00			
	8.34.4	Despesas Diversas		1.562.300,00			
		Soma		4.844.300,00		5.700.300,00	10.545.000,00
		Soma da despesa do Museu Paulista	7.140.000,00	9.730.100,00		5.700.300,00	22.570.800,00
		SERVIÇOS DIVERSOS					
		Encargos Ordinários					
157		**Verba N. 157**					
		Material e Serviços					
	8.30.3	Material de Consumo		200.100,00			
	8.30.4	Despesas Diversas		15.915.000,00			
	8.30.4	Despesas Diversas		62.400.000,00			
	8.30.4	Despesas Diversas		127.331.000,00			
	8.94.4	Despesas Diversas		10.100.400,00			
		Soma		216.016.600,00			216.016.600,00
		Ampliação de Serviços Públicos					
158		**VERBA N. 158**					
		Material e Serviços					
	8.93.4	Despesas Diversas		1.000.100.000,00			
		Soma		1.000.100.000,00			1.000.100.000,00
		Investimentos em Serviços Públicos					
159		**VERBA N. 159**					
		Material e Serviços					
	8.39.4	Despesas Diversas				2.341.000.000,00	
		Soma				2.341.000.000,00	2.341.000.000,00
		Soma da despesa de Serviços Diversos		1.304.116.600,00		2.341.000.000,00	3.645.116.600,00
		TOTAL DA DESPESA DA SECRETARIA DE ESTADO DOS NEGÓCIOS DA EDUCAÇÃO	3.531.382.600,00	3.533.567.900,00		2.421.922.400,00	15.571.882.900,00

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PARAGRAFO 8.º

SECRETARIA DE ESTADO DOS NEGÓCIOS DA SAÚDE PÚBLICA E DA ASSISTÊNCIA SOCIAL

CÓDIGOS		DESIGNAÇÃO DA DESPESA	EFETIVAS		MUTAÇÕES PATRIMONIAIS		TOTAL
Local	Geral		Fixa	Variável	Fixa	Variável	
			Cr$	Cr$	Cr$	Cr$	Cr$
		GABINETE DO SECRETÁRIO					
160		**VERBA N. 160**					
		Pessoal					
	8.40.0	Pessoal Fixo	1 329 000,00	822 000,00			
	8.40.1	Pessoal Variável		704 000,00			
		Soma	1 329 000,00	1 526 000,00			2 855 000,00
161		**VERBA N. 161**					
		Material e Serviços					
	8.40.2	Material Permanente				200 000,00	
	8.40.3	Material de Consumo		70 000,00			
	8.40.4	Despesas Diversas		752 000,00			
		Soma		822 000,00		200 000,00	1 022 000,00
		Soma da despesa do Gabinete do Secretário	1 329 000,00	2 348 000,00		200 000,00	3 877 000,00
		DEPARTAMENTO DE ADMINISTRAÇÃO					
162		**VERBA N. 162**					
		Pessoal					
	8.40.0	Pessoal Fixo	56 302 800,00	8 944 312,00			
	8.40.1	Pessoal Variável		62 978 816,00			
		Soma	56 302 800,00	71 923 128,00			128 225 928,00
163		**VERBA N. 163**					
		Material e Serviços					
	8.40.2	Material Permanente				5 970 000,00	
	8.40.3	Material de Consumo		18 966 000,00			
	8.40.4	Despesas Diversas		14 481 000,00			
	8.92.4	Despesas Diversas		30 000,00			
	8.94.4	Despesas Diversas		1 230 000,00			
		Soma		53 877 200,00		5 970 000,00	59 847 200,00
		Soma da despesa do Departamento de Administração	56 302 800,00	106 800 328,00		5 970 000,00	168 173 128,00
		Departamento de Saúde					
		DIRETORIA GERAL					
164		**VERBA N. 164**					
		Pessoal					
	8.40.0	Pessoal Fixo	2 725 800,00	521 300,00			
	8.40.1	Pessoal Variável		306 200,00			
		Soma	2 725 800,00	828 500,00			3 554 400,00
165		**VERBA N. 165**					
		Material e Serviços					
	8.40.2	Material Permanente				15 000,00	
	8.40.3	Material de Consumo		400 000,00			
	8.40.4	Despesas Diversas		42 000,00			
	8.49.4	Despesas Diversas		1 960 800,00			
		Soma		2 407 800,00		15 000,00	2 422 800,00
		Soma da despesa da Diretoria Geral	2 725 800,00	3 236 100,00		15 000,00	5 976 900,00
		DIVISÃO ADMINISTRATIVA					
166		**VERBA N. 166**					
		Pessoal					
	8.40.0	Pessoal Fixo	12 672 800,00	840 000,00			
	8.40.1	Pessoal Variável		4 712 000,00			
		Soma	12 672 800,00	5 552 000,00			18 224 800,00
167		**VERBA N. 167**					
		Materiais e Serviços					
	8.40.2	Material Permanente				972 000,00	
	8.40.3	Material de Consumo		18 420 000,00			
	8.40.4	Despesas Diversas		220 000,00			
	8.94.4	Despesas Diversas		294 000,00			
		Soma		18 934 000,00		972 000,00	20 130 000,00
		Soma da despesa da Divisão Administrativa	1 [illegible]	24 [illegible]		[illegible]	[illegible]
		SERVIÇO DE EPIDEMIOLOGIA E PROFILAXIA GERAIS					
168		**VERBA N. 168**					
		Pessoal					
	8.40.0	Pessoal Fixo	45 420 600,00	9 [illegible]			
	8.40.1	Pessoal Variável		11 [illegible]			
		Soma	45 420 600,00	20 [illegible]			11 [illegible]

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CÓDIGOS Local	CÓDIGOS Geral	DESIGNAÇÃO DA DESPESA	EFETIVAS Fixa Cr$	EFETIVAS Variável Cr$	MUTAÇÕES PATRIMONIAIS Fixa Cr$	MUTAÇÕES PATRIMONIAIS Variável Cr$	TOTAL Cr$
169		VERBA N. 169					
		Material e Serviços					
	3.47.2	Material Permanente		2 489 000.00		204 800.00	
	3.47.3	Material de Consumo		21 [illegible] 80.00			
	3.47.4	Despesas Diversas		2 436.110.00			
	3.91.4	Despesas Diversas		240 000.00			
	3.94.4	Despesas Diversas					
		Soma		26 480 910.00		204.800.00	26 685.710.00
		Soma da despesa da Secção de Epidemiologia e Profilaxia Geral	45 420 100.00	52 632 013.60		204 800,00	98.460.213.60
		SECÇÃO DE ENGENHARIA SANITARIA					
170		VERBA N. 170					
		Pessoal					
	3.47.0	Pessoal Fixo	5 288 400.00	968 800,00			
	3.47.1	Pessoal Variável		3 075 900 00			
		Soma	5 288.400.00	4.044 400.00			9.332.800,00
171		VERBA N. 171					
		Material e Serviços					
	3.47.2	Material Permanente				192 000.00	
	3.47.3	Material de Consumo		369.500,00			
	3.91.4	Despesas Diversas		952 520,00			
	3.94.4	Despesas Diversas		1.900 00			
		Soma		1.329 020.00		192.000.00	1.521.020 00
		Soma da despesa da Secção de Engenharia Sanitária	5 288 400.00	5.373 420.00		192 000 00	10.853.820,00
		INSTITUTO DO TRACOMA E HIGIENE VISUAL					
172		VERBA N. 172					
		Pessoal					
	3.47.0	Pessoal Fixo	21 991 200,00	4.814.620.00			
	3.47.1	Pessoal Variável		16.650 800.00			
		Soma	21 991.200.00	21 465.420.00			43 456.620,00
173		VERBA N. 173					
		Material e Serviços					
	3.47.2	Material Permanente				333 000,00	
	3.47.3	Material de Consumo		2.716 330.00			
	3.47.4	Despesas Diversas		1.570.000.00			
	3.94.4	Despesas Diversas		70 000.00			
		Soma		5.356.330.00		333.000,00	5 689.330.00
		Soma da despesa do Instituto do Tracoma e Higiene Visual	21 991.200.00	26.821.750.00		333.000.00	49 145.950.00
		SECÇÃO DE PROPAGANDA E EDUCAÇÃO SANITARIA					
174		VERBA N. 174					
		Pessoal					
	3.47.0	Pessoal Fixo	3 572 400.00	1.144.000.00			
	3.47.1	Pessoal Variável		1.609.000.00			
		Soma	3.572.400.00	2.753.000.00			6.325.400.00
175		VERBA N 175					
		Material e Serviços					
	3.47.3	Material de Consumo		2.653.370.20			
	3.47.4	Despesas Diversas		1.310.000.00			
	3.94.4	Despesas Diversas		2.000.00			
		Soma		3.965.370.20			3 965.370.20
		Soma da despesa da Secção de Propaganda e Educação Sanitária	3 572 400.00	6.718.370.20			14.290.970.20
		DIVISÃO DO SERVIÇO DE TUBERCULOSE					
176		VERBA N. 176					
		Pessoal					
	3.47.0	Pessoal Fixo	[illegible]	[illegible]			
	3.47.1	Pessoal Variável		[illegible]			
		Soma	[illegible]	[illegible]			[illegible]
177		VERBA N. 177					
		Material e Serviços					
	3.47.2	Material Permanente				[illegible]	
	3.47.3	Material de Consumo		[illegible]			
	3.47.4	Despesas Diversas		[illegible]			
	3.94.4	Despesas Diversas		[illegible]			
		Soma		[illegible]		[illegible]	[illegible]
		Soma da despesa da Divisão do Serviço de Tuberculose	[illegible]	[illegible]		[illegible]	[illegible]

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CÓDIGOS		DESIGNAÇÃO DA DESPESA	EFETIVAS		MUTAÇÕES PATRIMONIAIS		TOTAL
Local	Geral		Fixa	Variável	Fixa	Variável	
			Cr$	Cr$	Cr$	Cr$	Cr$
		HOSPITAL DE ISOLAMENTO "EMILIO RIBAS"					
178		VERBA N. 178					
		Pessoal					
	8.41.0	Pessoal Fixo	12 336 000,00	5.977.079,60			
	8.41.1	Pessoal Variável		25.851.460,00			
		Soma	12 336 000,00	31.828.539,60			42.764.539,60
179		VERBA N. 179					
		Material e Serviços					
	8.41.2	Material Permanente				7.233.600,00	
	8.41.3	Material de Consumo		15.972.000,00			
	8.41.4	Despesas Diversas		1.122.900,00			
	8.94.4	Despesas Diversas		60.000,00			
		Soma		17.154.900,00		7.233.600,00	24 387.600,00
		Soma da despesa do Hospital de Isolamento "Emilio Ribas"	12 336 000,00	48.982.539,60		7.233.600,00	68.152.139,60
		SERVIÇO DE CENTROS DE SAUDE DA CAPITAL					
180		VERBA N. 180					
		Pessoal					
	8.42.0	Pessoal Fixo	108 339 240,00	6.384.380,00			
	8.42.1	Pessoal Variável		84.560.400,00			
		Soma	108 339 240,00	90.944.780,00			199.284.020,00
181		VERBA N 181					
		Material e Serviços					
	8.42.2	Material Permanente				17.521.900,00	
	8.42.3	Material de Consumo		43 853.366,00			
	8.42.4	Despesas Diversas		25.454.480,00			
	8.94.4	Despesas Diversas		350.000,00			
		Soma		69.657.846,00		17.521 900,00	87.079.746,00
		Soma da despesa do Serviço de Centros de Saúde da Capital	108 339.240,00	160.502.626,00		17.521 900,00	283.364.366,00
		DIVISÃO DO SERVIÇO DO INTERIOR					
182		VERBA N. 182					
		Pessoal					
	8.42.0	Pessoal Fixo	220.342.730,00	35.162.183,60			
	8.42.1	Pessoal Variável		294.310.440,00			
		Soma	220.342.730,00	329.472.623,60			649.815.353,60
183		VERBA N. 183					
		Material e Serviços					
	8.42.2	Material Permanente					
	8.42.3	Material de Consumo		32.840.000,00		30.000,00	
	8.42.4	Despesas Diversas		41.542.920,00			
	8.91.4	Despesas Diversas		90.900,00			
	8.94.4	Despesas Diversas		2.000.300,00			
		Soma		76.483.920,00		30.000,00	77.513.120,00
		Soma da despesa da Divisão do Serviço do Interior	220.342.730,00	406.956.143,60		30.000,00	727.328.973,60
		SERVIÇO DE ERRADICAÇÃO DA MALÁRIA E PROFILAXIA DA MOLÉSTIA DE CHAGAS					
184		VERBA N. 184					
		Pessoal					
	8.47.0	Pessoal Fixo	37 787.900,00	4 [illegible]			
	8.47.1	Pessoal Variável		21 854.300,00			
		Soma	37 787.900,00	30.442.852,40			68.230.752,40
185		VERBA N. 185					
	8.47.3	Material de Consumo		30.000.000,00			
	8.47.4	Despesas Diversas		290.041.714,00			
	8.94.4	Despesas Diversas		600.000,00			
		Soma		321.491.714,00			321.491.714,00
		Soma da despesa do Serviço de Erradicação da Malária e Profilaxia da Moléstia de Chagas	37.787.900,00	352.934.566,40			390.722.466,40
		SERVIÇO DE POLICIAMENTO DA ALIMENTAÇÃO PUBLICA					
186		VERBA N. 186					
		Pessoal					
	8.48.0	Pessoal Fixo	20.440.200,00	2.000.000,00			
	8.48.1	Pessoal Variável		6.310.400,00			
		Soma	20.440.200,00	8.310.400,00			28.750.600,00

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CÓDIGOS		DESIGNAÇÃO DA DESPESA	EFETIVAS		MUTAÇÕES PATRIMONIAIS		TOTAL
Local	Geral		Fixa	Variável	Fixa	Variável	
			Cr$	Cr$	Cr$	Cr$	Cr$
187		VERBA N. 187					
		Material e Serviços					
	3.46.2	Material Permanente				645.000,00	
	3.46.3	Material de Consumo		1.415.000,00			
	3.46.4	Despesas Diversas		2.126.000,00			
	3.94.4	Despesas Diversas		3.000,00			
		Soma		3.544.000,00		645.000,00	4.189.000 00
		Soma da despesa do Serviço de Policiamento da Alimentação Pública	27.445.206 00	9.860.800,00		645.000,00	37.951.000.00
		SERVIÇO DE FISCALIZAÇÃO DO EXERCICIO PROFISSIONAL					
188		VERBA N. 188					
		Pessoal					
	3.46.0	Pessoal Fixo	36.961.200.00	3.674 000,00			
	3.46.1	Pessoal Variável		18.078.800,00			
		Soma	36.961.200 00	21.752.800.00			58.734.000,00
189		VERBA N. 189					
		Material e Serviços					
	3.46.2	Material Permanente				470.000,00	
	3.46.3	Material de Consumo		1.160.000.00			
	3.46.4	Despesas Diversas		6.905.800,00			
	3.94.4	Despesas Diversas		1.000,00			
		Soma		7.766.800,00		470.000,00	8.236.800.00
		Soma da Despesa do Serviço de Fiscalização do Exercício Profissional	46.981.200,00	29.519.600,00		470.000,00	66.970.800.00
		INSTITUTO "ADOLFO LUTZ"					
190		VERBA N. 190					
		Pessoal					
	3.47.0	Pessoal Fixo	99.357.200.00	10.050.000,.0			
	3.47.1	Pessoal Variável		62.350.000,00			
		Soma	99 357.200,00	72.400.000,00			171.757.200,00
191		VERBA N. 191					
		Material e Serviços					
	3.47.2	Material Permanente				9.927.800,00	
	3.47.3	Material de Consumo		11.076.700,00			
	3.47.4	Despesas Diversas		11.805.400,00			
	3.94.4	Despesas Diversas		796.825,00			
		Soma		23.678.925.00		9.927.800,00	33.606.725,00
		Soma da despesa do Instituto "Adolfo Lutz"	99.357.300,00	96.078.925,00		9.927.800,00	205.363.925,00
		INSTITUTO PASTEUR					
192		VERBA N. 192					
		Pessoal					
	3.47.0	Pessoal Fixo	3.643.000,00	842.620,00			
	3.47.1	Pessoal Variável		2.804.560,00			
		Soma	3.643.000,00	3.647.180,00			7.289.180,00
193		VERBA N. 193					
		Material e Serviços					
	3.47.2	Material Permanente				84.000,00	
	3.47.3	Material de Consumo		492.400,00			
	3.47.4	Despesas Diversas		2.702.800,00			
	3.94.4	Despesas Diversas		6.750,00			
		Soma		3.201.950,00		84.000,00	3.285.950.00
		Soma da despesa do Instituto "Pasteur"	3.643.000,00	6.849.130,00		84.000,00	10.574.130,00
		INSTITUTO DO CÂNCER					
194		VERBA N. 194					
		Pessoal					
	3.47.0	Pessoal Fixo	434.400.00				
		Soma	434.400,00				434.400.00
		Soma da despesa do Instituto do Câncer	434.400.00				434.400.00
		Soma da despesa do Departamento de Saúde	537.511.374,00	2.310.324.375,30		121.188.370,00	2.969.024.119,30
		DEPARTAMENTO ESTADUAL DA CRIANÇA					
195		VERBA N. 195					
		Pessoal					
	3.47.0	Pessoal Fixo	130.004.200,00	5.811.840,00			
	3.47.1	Pessoal Variável		310.555.600,00			
		Soma	130.004.200,00	317.361.440,00			447.365.640,00
196		VERBA N. 196					
		Material e Serviços					
	3.47.2	Material Permanente				3.049.180,00	
	3.47.3	Material de Consumo		241.207.043,00			

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CÓDIGOS		DESIGNAÇÃO DA DESPESA	RECEITAS		MUTAÇÕES PATRIMONIAIS		TOTAL
Local	Geral		Fixa	Variável	Fixa	Variável	
			Cr$	Cr$	Cr$	Cr$	Cr$
	3.43.4	Despesas Diversas		44.202.299,80			
	3.94.4	Despesas Diversas		934.200,00			
		Soma		285.923.834,80		2.945.156,90	288.868.993,70
		Soma da despesa do Departamento Estadual da Criança	126.604.276,00	603.126.274,80		2.946.156,90	732.674.633,70
		DEPARTAMENTO DE PROFILAXIA DA LEPRA					
197		VERBA N. 197					
		Pessoal					
	3.41.0	Pessoal Fixo					
	3.41.1	Pessoal Variável	86.683.320,00	23.469.532,40 138.550.028,00			
		Soma	86.683.320,00	162.019.352,40			248.702.872,40
198		VERBA N. 198					
		Material e Serviços					
	3.41.2	Material Permanente				9.026.600,00	
	3.41.3	Material de Consumo		425.583.500,00			
	3.39.4	Despesas Diversas		120.000,00			
	3.41.4	Despesas Diversas		130.322.128,00			
	3.94.4	Despesas Diversas		800.304,00			
		Soma		556.225.932,00		9.026.600,00	565.252.532,00
		Soma da despesa do Departamento de Profilaxia da Lepra	86.683.320,00	719.245.172,40		9.026.600,00	814.954.692,40
		DEPARTAMENTO DE ASSISTENCIA A PSICOPATAS					
199		VERBA N. 199					
		Pessoal					
	3.41.0	Pessoal Fixo	133.659.920,00	16.859.463,30			
	3.41.1	Pessoal Variável		386.864.430,00			
		Soma	133.659.920,00	403.724.893,30			537.584.813,30
200		VERBA N. 200					
		Material e Serviços					
	3.41.2	Material Permanente				14.218.094,90	
	3.41.3	Material de Consumo		387.062.819,00			
	3.41.4	Despesas Diversas		195.182.800,30			
	3.94.4	Despesas Diversas		125.000,00			
		Soma		582.970.619,00		14.218.094,90	597.188.713,90
		Soma da despesa do Departamento de Assistência a Psicopatas	133.659.920,00	986.695.512,30		14.218.094,90	1.134.773.527,20
		INSTITUTO BUTANTA					
201		VERBA N. 201					
		Pessoal					
	3.47.0	Pessoal Fixo		10.695.397,50			
	3.47.1	Pessoal Variável	44.[illegible]	42.[illegible]			
		Soma	44.[illegible]	53.[illegible]			97.[illegible]
202		VERBA N. 202					
		Material e Serviços					
	3.47.2	Material Permanente				5.100.000,00	
	3.47.3	Material de Consumo		50.351.000,00			
	3.47.4	Despesas Diversas		13.300.000,00			
	3.39.4	Despesas Diversas		300.000,00			
	3.94.4	Despesas Diversas		270.000,00			
		Soma		64.121.000,00		5.100.000,00	69.221.000,00
		Soma da despesa do Instituto Butantã	44.[illegible]	117.443.417,30		5.100.000,00	166.[illegible]
		SERVIÇO DE MEDICINA SOCIAL					
203		VERBA N. 203					
		Pessoal					
	3.41.0	Pessoal Fixo	[illegible]	[illegible]			
	3.41.1	Pessoal Variável		[illegible]			
		Soma	[illegible]	[illegible]			[illegible]
204		VERBA N. 204					
		Material e Serviços					
	3.41.2	Material Permanente				[illegible]	
	3.41.3	Material de Consumo		[illegible]			
	3.41.4	Despesas Diversas		[illegible]			
	3.94.4	Despesas Diversas		[illegible]			
		Soma		[illegible]		[illegible]	[illegible]
		Soma da despesa do Serviço de Medicina Social	[illegible]	[illegible]		[illegible]	[illegible]
		SERVIÇO SOCIAL DO ESTADO					
205		VERBA N. 205					
		Pessoal					
	3.39.0	Pessoal Fixo	[illegible]	[illegible]			
	3.39.1	Pessoal Variável		[illegible]			
		Soma	[illegible]	[illegible]			[illegible]

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CODIGOS Local	Geral	DESIGNAÇÃO DA DESPESA	EFETIVAS Fixa Cr$	EFETIVAS Variável Cr$	MUTAÇÕES PATRIMONIAIS Fixa Cr$	MUTAÇÕES PATRIMONIAIS Variável Cr$	TOTAL Cr$
206		VERBA N. 206					
		Material e Serviços					
	8.39.2	Material Permanente				742.400,00	
	8.39.3	Material de Consumo		23.332.000,00			
	8.39.4	Despesas Diversas		201.190.160,00			
	8.93.4	Despesas Diversas		3.000.000,00			
		Soma		227.522.160,00		742.400,00	228.264.560,00
		Soma da despesa do Serviço Social do Estado	19 [illegible]	247.722.560,00		742.400,00	278.146.960,00
		CONSELHO ESTADUAL DE ASSISTENCIA HOSPITALAR					
207		VERBA N. 207					
		Pessoal					
	8.41.0	Pessoal Fixo	2 [illegible]	610.000,00			
	8.41.1	Pessoal Variável		3.421.200,00			
		Soma	[illegible]	4.031.200,00			6.920.200,00
208		VERBA N. 208					
		Material e Serviços					
	8.41.2	Material Permanente				460.000,00	
	8.41.3	Material de Consumo		640.000,00			
	8.41.4	Despesas Diversas		44.788.000,00			
	8.48.4	Despesas Diversas		190.728.000,00			
	8.94.4	Despesas Diversas		5.000,00			
		Soma		236.161.000,00		460.000,00	236.621.000,00
		Soma da despesa do Conselho Estadual de Assistência Hospitalar	2 [illegible]	240.192.200,00		460.000,00	243.441.200,00
		INSTITUTO DE CARDIOLOGIA					
209		VERBA N. 209					
		Pessoal					
	8.47.0	Pessoal Fixo	7 [illegible]	823.420,00			
	8.47.1	Pessoal Variável		15.034.800,00			
		Soma	7 [illegible]	15.858.220,00			23.188.620,00
210		VERBA N. 210					
		Material e Serviços					
	8.47.2	Material Permanente				2.770.000,00	
	8.47.3	Material de Consumo		5.564.000,00			
	8.47.4	Despesas Diversas		13.364.800,00			
	8.94.4	Despesas Diversas		300.200,00			
		Soma		19.429.000,00		2.770.000,00	22.199.000,00
		Soma da despesa do Instituto de Cardiologia	[illegible]	35.286.620,00		2.770.000,00	45.587.220,00
		CONSELHO ESTADUAL DE ASSISTENCIA AO TRABALHADOR RURAL					
211		VERBA N. 211					
		Material e Serviços					
	8.43.4	Despesas Diversas		1.000.000,00			
		Soma		1.000.000,00			1.000.000,00
		Soma da despesa do Conselho Estadual de Assistência ao Trabalhador Rural		1.000.000,00			1.000.000,00
		SERVIÇOS DIVERSOS					
		Encargos Ordinários					
212		VERBA N. 212					
		Material e Serviços					
	8.48.4	Despesas Diversas		30.000.000,00			
		Soma		30.000.000,00			30.000.000,00
		Amortização de Serviços Públicos					
213		VERBA N. 213					
		Material e Serviços					
	8.92.4	Despesas Diversas		1.000.000.000,00			
		Soma		1.000.000.000,00			1.000.000.000,00
		Investimentos em Serviços Públicos					
214		VERBA N. 214					
		Material e Serviços					
	8.48.4	Despesas Diversas		44.000.000,00		1.100.000.000,00	
		Soma		44.000.000,00		1.100.000.000,00	1.144.000.000,00
		Soma da despesa de Serviços Diversos		1.000.000.000,00		1.100.000.000,00	2.100.000.000,00
		TOTAL DA DESPESA DA SECRETARIA DE ESTADO DOS NEGÓCIOS DA SAÚDE PÚBLICA E DA ASSISTÊNCIA SOCIAL	1 [illegible]	6.000.000.000,00		1.100.000.000,00	9.100.000.000,00

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PARÁGRAFO 9.º

SECRETARIA DO TRABALHO, INDÚSTRIA E COMÉRCIO

CODIGOS		DESIGNAÇÃO DA DESPESA	EFETIVAS		MUTAÇÕES PATRIMONIAIS		TOTAL
Local	Geral		Fixa	Variável	Fixa	Variável	
			Cr$	Cr$	Cr$	Cr$	Cr$
		GABINETE DO SECRETÁRIO					
215		VERBA N. 215					
		Pessoal					
	8.04.0	Pessoal Fixo	1.359.600,00	686.900,00			
	8.04.1	Pessoal Variável		5.348.100,00			
		Soma	1.359.600,00	6.034.800,00			7.394.400,00
216		VERBA N. 216					
		Material e Serviços					
	8.04.2	Material Permanente				1.545.000,00	
	8.04.3	Material de Consumo		2.977.300,00			
	8.04.4	Despesas Diversas		7.085.000,00			
		Soma		10.062.300,00		1.545.000,00	11.611.000,00
		Soma da despesa do Gabinete do Secretário	1.359.600,00	16.102.900,00		1.545.000,00	19.005.400,00
		DEPARTAMENTO DE ADMINISTRAÇÃO					
217		VERBA N. 217					
		Pessoal					
	8.04.0	Pessoal Fixo	42.320.000,00	3.881.500,00			
	8.04.1	Pessoal Variável		6.538.200,00			
		Soma	42.320.000,00	10.419.700,00			52.739.700,00
218		VERBA N. 218					
		Material e Serviços				700.000,00	
	8.04.2	Material Permanente		1.865.000,00			
	8.04.3	Material de Consumo		4.241.200,00			
	8.04.4	Despesas Diversas		6.106.500,00		700.000,00	6.806.500,00
		Soma					
		Soma da despesa do Departamento de Administração	42.320.000,00	16.526.200,00		700.000,00	59.546.200,00
		DEPARTAMENTO DA PRODUÇÃO INDUSTRIAL					
219		VERBA N. 219					
		Pessoal					
	8.04.0	Pessoal Fixo	9.112.200,00	1.299.000,00			
	8.04.1	Pessoal Variável		3.210.900,00			
		Soma	9.112.200,00	4.509.900,00			13.621.200,00
220		VERBA N. 220					
		Material e Serviços				430.000,00	
	8.04.3	Material Permanente		1.420.000,00			
	8.04.3	Material de Consumo		3.982.400,00			
	8.04.4	Despesas Diversas		30.000,00			
	8.04.4	Despesas Diversas					
		Soma		5.432.400,00		430.000,00	5.862.400,00
		Soma da despesa do Departamento da Produção Industrial	9.112.200,00	9.941.400,00		430.000,00	19.483.600,00
		DEPARTAMENTO ESTADUAL DO TRABALHO					
221		VERBA N. 221					
		Pessoal					
	8.39.0	Pessoal Fixo	85.120.200,00	5.479.200,00			
	8.39.1	Pessoal Variável		8.879.000,00			
		Soma	85.120.200,00	14.358.200,00			99.478.400,00
222		VERBA N. 222					
		Material e Serviços					
	8.39.3	Material de Consumo		1.000.000,00			
		Soma		1.000.000,00			1.000.000,00
		Soma da despesa do Departamento Estadual do Trabalho	85.120.200,00	15.358.200,00			100.478.400,00
		SERVIÇO DE HIGIENE E SEGURANÇA DO TRABALHO					
223		VERBA N. 223					
		Pessoal					
	8.39.0	Pessoal Fixo	22.320.000,00	2.320.000,00			
	8.39.1	Pessoal Variável		4.427.000,00			
		Soma	22.320.000,00	7.000.000,00			29.320.000,00

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CÓDIGOS Local	CÓDIGOS Geral	DESIGNAÇÃO DA DESPESA	EFETIVAS Fixa Cr$	EFETIVAS Variável Cr$	MUTAÇÕES PATRIMONIAIS Fixa Cr$	MUTAÇÕES PATRIMONIAIS Variável Cr$	TOTAL Cr$
224		VERBA N. 224					
		Material e Serviços					
	8.29.2	Material Permanente		291.000,00		300.000,00	
	8.29.3	Material de Consumo		1.174.200,00			
	8.29.4	Despesas Diversas					
		Soma		1.465.200,00		300.000,00	1.765.200,00
		Soma da despesa de Serviço de Higiene e Segurança do Trabalho	32.390.000,00	8.491.800,00		300.000,00	41.207.800,00
		SERVIÇOS DIVERSOS					
		Encargos Ordinários					
225		VERBA N. 225					
		Material e Serviços					
	8.09.3	Material de Consumo		21.000,00			
	8.09.4	Despesas Diversas		1.970.000,00			
		Soma		1.991.000,00			1.991.000,00
		Ampliação de Serviços Públicos					
226		VERBA N. 226					
		Material e Serviços					
	8.93.4	Despesas Diversas		30.000.000,00			
		Soma		30.000.000,00			30.000.000,00
		Soma da despesa de Serviços Diversos		31.991.000,00			31.991.000,00
		TOTAL DA DESPESA DA SECRETARIA DO TRABALHO INDÚSTRIA E COMÉRCIO	170.508.000,00	98.410.000,00		2.975.000,00	271.893.000,00

PARÁGRAFO 10

SECRETARIA DE ESTADO DOS NEGÓCIOS DA AGRICULTURA

CÓDIGOS Local	CÓDIGOS Geral	DESIGNAÇÃO DA DESPESA	EFETIVAS Fixa Cr$	EFETIVAS Variável Cr$	MUTAÇÕES PATRIMONIAIS Fixa Cr$	MUTAÇÕES PATRIMONIAIS Variável Cr$	TOTAL Cr$
		GABINETE DO SECRETÁRIO					
227		VERBA N. 227					
		Pessoal					
	8.04.0	Pessoal Fixo	3.175.000,00	998.000,00			
	8.04.1	Pessoal Variável		1.186.200,00			
		Soma	3.175.000,00	2.184.200,00			4.359.200,00
228		VERBA N. 228					
		Material e Serviços					
	8.01.2	Material Permanente					
	8.04.3	Material de Consumo		1.190.000,00		175.000,00	
	8.04.4	Despesas Diversas		43.710.000,00			
		Soma		44.900.000,00		175.000,00	
		Soma da despesa do Gabinete do Secretário		47.084.200,00		175.000,00	
		CONSULTORIA JURÍDICA					
229		VERBA N. 229					
		Pessoal					
	8.01.0	Pessoal Fixo					
		Soma					
230		VERBA N. 230					
		Material e Serviços					
	8.01.2	Material Permanente					
	8.01.4	Despesas Diversas		4.000,00		130.000,00	
		Soma		5.000,00		130.000,00	
		Soma da despesa da Consultoria Jurídica					
		DEPARTAMENTO DE ADMINISTRAÇÃO					
231		VERBA N. 231					
		Pessoal					
	8.01.0	Pessoal Fixo					
	8.01.1	Pessoal Variável					
		Soma					



CÓDIGOS		DESIGNAÇÃO DA DESPESA	EFETIVAS		MUTAÇÕES PATRIMONIAIS		TOTAL
Local	Geral		Fixa	Variável	Fixa	Variável	
			Cr$	Cr$	Cr$	Cr$	Cr$
232		VERBA N. 232					
		Material e Serviços				5.990.000,00	
	8.50.2	Material Permanente		20.746.000,00			
	8.50.3	Material de Consumo		8.971.000,00			
	8.50.4	Despesas Diversas		1.404.000,00			
	8.93.4	Despesas Diversas		200.000,00			
	8.94.4	Despesas Diversas					
		Soma		37.011.000,00		5.990.000,00	43.001.000,00
		Soma da despesa do Departamento de Administração	46.412.900,00	64.451.600,00		5.990.000,00	116.404.500,00
		DIRETORIA DE PUBLICIDADE AGRÍCOLA					
233		VERBA N. 233					
		Pessoal		1.536.500,00			
	8.57.0	Pessoal Fixo	13.562.100,00	3.184.000,00			
	8.57.1	Pessoal Variável		4.720.700,00			
		Soma	13.562.100,00				18.282.800,00
234		VERBA N. 234					
		Material e Serviços				615.000,00	
	8.57.2	Material Permanente		3.800.000,00			
	8.57.3	Material de Consumo		384.000,00			
	8.57.4	Despesas Diversas					
		Soma		4.184.000,00		615.000,00	4.799.000,00
		Soma da despesa da Diretoria de Publicidade Agrícola	13.562.100,00	8.904.700,00		615.000,00	23.081.800,00
		DEPARTAMENTO DA PRODUÇÃO VEGETAL					
235		VERBA N. 235					
		Pessoal		54.059.200,00			
	8.51.0	Pessoal Fixo	318.734.100,00	285.124.700,00			
	8.51.1	Pessoal Variável		339.183.400,00			
		Soma	318.734.100,00				657.917.500,00
236		VERBA N. 236					
		Material e Serviços				4.975.000,00	
	8.51.3	Material Permanente		1.303.922.150,00			
	8.51.3	Material de Consumo		192.150.200,00			
	8.51.4	Despesas Diversas		1.278.800,00			
	8.91.4	Despesas Diversas		9.100.000,00			
	8.94.4	Despesas Diversas		2.570.000,00			
	8.98.4	Despesas Diversas					
		Soma		1.507.120.650,00		4.975.000,00	1.512.095.650,00
		Soma da despesa do Departamento da Produção Vegetal	318.734.100,00	1.846.304.050,00		4.975.000,00	2.170.013.150,00
		INSTITUTO AGRONÔMICO					
237		VERBA N. 237					
		Pessoal					
	8.57.0	Pessoal Fixo	187.778.800,00	27.626.200,00			
	8.57.1	Pessoal Variável		133.740.800,00			
		Soma	187.778.800,00	161.367.000,00			349.145.800,00
238		VERBA N. 238					
		Material e Serviços				1.550.000,00	
	8.57.3	Material Permanente		21.070.800,00			
	8.57.3	Material de Consumo		54.700.600,00			
	8.57.4	Despesas Diversas		1.040.000,00			
	8.91.4	Despesas Diversas		1.350.000,00			
	8.94.4	Despesas Diversas					
		Soma		78.061.400,00		1.550.000,00	80.711.400,00
		Soma da despesa do Instituto Agronômico	187.778.800,00	240.028.400,00		1.550.000,00	429.357.200,00
		DEPARTAMENTO DE ENGENHARIA E MECANICA DA AGRICULTURA					
239		VERBA N. 239					
		Pessoal					
	8.57.0	Pessoal Fixo	30.240.000,00	7.834.000,00			
	8.57.1	Pessoal Variável		84.672.200,00			
		Soma	30.240.000,00	92.506.200,00			151.947.200,00
240		VERBA N. 240					
		Material e Serviços				4.650.000,00	
	8.57.3	Material Permanente		30.300.000,00			
	8.57.3	Material de Consumo		140.151.150,00			
	8.57.4	Despesas Diversas		1.000.000,00			
	8.91.4	Despesas Diversas		100.000,00			
	8.94.4	Despesas Diversas					
		Soma		140.451.150,00		4.650.000,00	191.978.150,00
		Soma da despesa do Departamento de Engenharia e Mecânica da Agricultura	30.240.000,00	232.910.350,00		4.650.000,00	723.329.600,00

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CÓDIGOS Local	CÓDIGOS Geral	DESIGNAÇÃO DA DESPESA	EFETIVAS Fixa Cr$	EFETIVAS Variável Cr$	MUTAÇÕES PATRIMONIAIS Fixa Cr$	MUTAÇÕES PATRIMONIAIS Variável Cr$	TOTAL Cr$
		DEPARTAMENTO DA PRODUÇÃO ANIMAL					
241		**VERBA N. 241**					
		Pessoal					
	8.52.0	Pessoal Fixo	185.764.120,00	27.599.080,00			
	8.52.1	Pessoal Variável		87.[illegible]00,00			
		Soma	185.764.120,00	115.494.200,00			301.258.320,00
242		VERBA N. 242					
		Material e Serviços					
	8.52.2	Material Permanente		29.430.000,00		2.950.000,00	
	8.52.3	Material de Consumo		48.500.180,00			
	8.52.4	Despesas Diversas		400.000,00			
	8.91.4	Despesas Diversas		1.500.000,00			
	8.93.4	Despesas Diversas		200.000,00			
	8.94.4	Despesas Diversas		1.500.000,00			
	8.98.4	Despesas Diversas					
		Soma		81.630.180,00		2.950.000,00	84.580.180,00
		Soma da despesa do Departamento da Produção Animal	185.764.120,00	197.124.380,00		2.950.000,00	385.838.500,00
		DEPARTAMENTO DE DEFESA SANITARIA DA AGRICULTURA					
243		VERBA N. 243					
		Pessoal					
	8.57.0	Pessoal Fixo	134.073.080,00	21.456.500,00			
	8.57.1	Pessoal Variável		58.082.600,00			
		Soma	134.073.080,00	79.539.100,00			213.612.180,00
244		VERBA N. 244					
		Material e Serviços					
	8.57.2	Material Permanente		25.090.000,00		1.200.000,00	
	8.57.3	Material de Consumo		31.460.000,00			
	8.57.4	Despesas Diversas		200.000,00			
	3.59.4	Despesas Diversas		150.000,00			
	8.91.4	Despesas Diversas		29.167.620,00			
	8.93.4	Despesas Diversas		1.300.000,00			
	8.94.4	Despesas Diversos					
		Soma		87.167.620,00		1.200.000,00	88.367.620,00
		Soma da despesa do Departamento de Defesa Sanitária da Agricultura	134.073.080,00	166.906.720,00		1.200.000,00	302.179.800,00
		DEPARTAMENTO DE ZOOLOGIA					
245		VERBA N. 245					
		Pessoal					
	8.52.0	Pessoal Fixo	16.192.500,00	1.400.800,00			
	8.52.1	Pessoal Variável		7.756.600,00			
		Soma	16.192.500,00	9.957.400,00			26.149.900,00
246		VERBA N. 246					
		Material e Serviços					
	8.52.2	Material Permanente				1.817.450,00	
	8.52.3	Material de Consumo		1.671.000,00			
	8.52.4	Despesas Diversas		1.010.650,00			
	8.91.4	Despesas Diversas		6.400,00			
	8.94.4	Despesas Diversas		85.800,00			
		Soma		2.374.250,00		1.817.450,00	6.192.100,00
		Soma da despesa do Departamento de Zoologia	16.192.500,00	12.332.050,00		1.817.450,00	32.342.000,00
		INSTITUTO DE BOTANICA					
247		VERBA N. 247					
		Pessoal					
	8.57.0	Pessoal Fixo	39.420.700,00	2.331.800,00			
	8.57.1	Pessoal Variável		27.650.400,00			
		Soma	39.420.700,00	29.982.200,00			69.402.700,00
248		VERBA N. 248					
		Material e Serviços					
	8.57.3	Material de Consumo		5.865.300,00			
	8.57.4	Despesas Diversas		4.082.700,00			
	8.91.4	Despesas Diversas		238.000,00			
		Soma		10.186.000,00			10.186.000,00
		Soma da despesa do Instituto de Botânica	39.420.700,00	39.918.200,00			79.588.900,00
		SERVIÇO DE SERICICULTURA					
249		VERBA N. 249					
		Pessoal					
	8.52.0	Pessoal Fixo	10.260.300,00	1.800.700,00			
	8.52.1	Pessoal Variável		40.411.400,00			
		Soma	10.260.300,00	42.211.100,00			52.471.400,00

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CÓDIGOS		DESIGNAÇÃO DA DESPESA	EFETIVAS		MUTAÇÕES PATRIMONIAIS		TOTAL
Local	Geral		Fixa	Variável	Fixa	Variável	
			Cr$	Cr$	Cr$	Cr$	Cr$
250		VERBA N. 250 Material e Serviços					
	6.52.2	Material Permanente				190.000,00	
	6.52.3	Material de Consumo		2.103.430,00			
	6.52.4	Despesas Diversas		5.389.720,00			
	6.91.4	Despesas Diversas		153.750,00			
	6.94.4	Despesas Diversas		50.000,00			
		Soma		7.996.900,00		[illegible]	8.186.900,00
		Soma da despesa do Serviço de Sericicultura	18.803.900,00	50.218.000,00		190.000,00	[illegible]
		SERVIÇO FLORESTAL					
251		VERBA N. 251					
		Pessoal					
	6.51.0	Pessoal Fixo	41.465.450,00	5.112.100,00			
	6.51.1	Pessoal Variável		54.274.400,00			
		Soma	41.465.450,00	59.386.100,00			100.851.550,00
252		VERBA N. 252					
		Material e Serviços				715.410,00	
	6.51.2	Material Permanente		5.783.800,00			
	6.51.3	Material de Consumo		218.540.190,00			
	6.91.4	Despesas Diversas		5.056.000,00			
	6.93.4	Despesas Diversas		5.000.000,00			
	6.94.4	Despesas Diversas		326.000,00			
		Soma		232.699.990,00		715.410,00	233.415.400,00
		Soma da despesa do Serviço Florestal	41.465.450,00	292.086.090,00		715.410,00	334.266.950,00
		DEPARTAMENTO DE IMIGRAÇÃO E COLONIZAÇÃO					
253		VERBA N. 253					
		Pessoal					
	6.55.0	Pessoal Fixo	38.816.880,00	5.468.500,00			
	6.55.1	Pessoal Variável		42.696.500,00			
		Soma	38.816.880,00	48.165.000,00			86.981.880,00
254		VERBA N. 254					
		Material e Serviços					
	6.55.2	Material Permanente				426.000,00	
	6.55.3	Material de Consumo		10.647.960,00			
	6.59.4	Despesas Diversas		57.826.160,00			
	6.91.4	Despesas Diversas		100.000,00			
	6.94.4	Despesas Diversas		200.000,00			
		Soma		68.574.120,00		426.000,00	69.000.120,00
		Soma da despesa do Departamento de Imigração e Colonização	38.816.880,00	116.739.120,00		426.000,00	155.982.000,00
		DEPARTAMENTO DE ASSISTÊNCIA AO COOPERATIVISMO					
255		VERBA N. 255					
		Pessoal					
	6.59.0	Pessoal Fixo	13.491.000,00	3.087.400,00			
	6.59.1	Pessoal Variável		2.826.800,00			
		Soma	13.491.000,00	5.913.200,00			19.404.200,00
256		VERBA N. 256					
		Material e Serviços					
	6.59.2	Material Permanente				500.000,00	
	6.59.3	Material de Consumo		1.086.350,00			
	6.59.4	Despesas Diversas		82.915.550,00			
		Soma		84.001.900,00		500.000,00	84.501.900,00
		Soma da despesa do Departamento de Assistência ao Cooperativismo	13.491.000,00	89.915.100,00		500.000,00	103.906.100,00
		DIRETORIA DO ENSINO AGRÍCOLA					
257		VERBA N. 257					
		Pessoal					
	6.32.0	Pessoal Fixo	61.701.700,00	12.710.300,00			
	6.32.1	Pessoal Variável		65.765.800,00			
		Soma	61.701.700,00	78.502.100,00			140.203.800,00
258		VERBA N. 258					
		Material e Serviços					
	6.32.3	Material de Consumo		31.330.700,00			
	6.32.4	Despesas Diversas		17.611.500,00			
	6.91.4	Despesas Diversas		450.000,00			
	6.94.4	Despesas Diversas		60.000,00			
		Soma		49.701.200,00			49.701.200,00
		Soma da despesa da Diretoria do Ensino Agrícola	61.701.700,00	118.203.300,00			179.905.000,00
		INSTITUTO GEOGRÁFICO E GEOLÓGICO					
259		VERBA N. 259					
		Pessoal					
	6.91.0	Pessoal Fixo	34.658.520,00	3.529.780,00			
	6.91.1	Pessoal Variável		14.501.000,00			
		Soma	34.658.520,00	18.030.780,00			52.689.300,00

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CÓDIGOS Local	Geral	DESIGNAÇÃO DA DESPESA	EFETIVAS Fixa Cr$	EFETIVAS Variável Cr$	MUTAÇÕES PATRIMONIAIS Fixa Cr$	MUTAÇÕES PATRIMONIAIS Variável Cr$	TOTAL Cr$
260		VERBA N. 260					
		Material e Serviços					
	8.57.2	Material Permanente		7.100.820,00		2 990.000,00	
	8.57.3	Material de Consumo		45 233.000,00			
	8.57.4	Despesas Diversas		30.000,00			
	8.91.4	Despesas Diversas					
		Soma		52 354.780,00		2 990.000,00	55.214.780,00
		Soma da despesa do Instituto Geográfico e Geológico	33 032 520,00	72.521.280,00		2.990.000,00	108.413.800,00
		CONSELHO FLORESTAL DO ESTADO					
261		VERBA N. 261					
		Pessoal					
	8.55.0	Pessoal Fixo	506 200,00	106.800,00			
		Soma	505 400,00	106.800,00			612.800,00
262		VERBA N. 262					
		Material e Serviços					
	8.55.3	Material de Consumo		25.000,00			
	8.55.4	Despesas Diversas		63 000,00			
		Soma		88.000,00			88 000,00
		Soma da despesa do Conselho Florestal do Estado	906 200,00	194 800,00			700.000,00
		SERVIÇOS DIVERSOS					
		Encargos Ordinários					
263		VERBA N. 263					
		Material e Serviços					
	8.38.4	Despesas Diversas		1.000.000,00			
	8.59.4	Despesas Diversas		136.168.700,00			
	8.89.4	Despesas Diversas		30.000.000,00			
	8.93.4	Despesas Diversas		3.100.000,00			
		Soma		170.268.700,00			170.268.700,00
		Ampliação de Serviços Públicos					
264		VERBA N. 264					
		Material e Serviços					
	8.93.4	Despesas Diversas		358.280.000,00			
		Soma		358.280.000,00			358.280.000,00
		Investimentos nos Serviços Públicos					
265		VERBA N. 265					
		Material e Serviços					
	8.59.4	Despesas Diversas		93.800.000,00		1.025.200.000,00	
		Soma		93.800.000,00		1.025.200.000,00	1.119.000.000,00
		Soma da despesa de Serviços Diversos		622.348.700,00		1.025.200.000,00	1.647.548.700,00
		TOTAL DA DESPESA DA SECRETARIA DE ESTADO DOS NEGOCIOS DA AGRICULTURA	1.175 506 950,00	4.275.545.990,00		1.054.942.060,00	6.505.185.000,00

PARÁGRAFO 11

SECRETARIA DE ESTADO DOS NEGÓCIOS DA VIAÇÃO E OBRAS PÚBLICAS

CÓDIGOS Local	Geral	DESIGNAÇÃO DA DESPESA	EFETIVAS Fixa Cr$	EFETIVAS Variável Cr$	MUTAÇÕES PATRIMONIAIS Fixa Cr$	MUTAÇÕES PATRIMONIAIS Variável Cr$	TOTAL Cr$
		A — SECRETARIA DE ESTADO E REPARTIÇÕES SUBORDINADAS					
		GABINETE DO SECRETARIO					
266		VERBA N. 266					
		Pessoal					
	8.04.0	Pessoal Fixo	4 266 400,00	1 272.200,00			
	8.04.1	Pessoal Variável		1.331.210,00			
		Soma	4.266.400,00	2 703.800,00			6.914.200,00
267		VERBA N. 267					
		Material e Serviços					
	8.04.3	Material Permanente				1.100.000,00	
	8.04.4	Material de Consumo		3.221.400,00			
	8.04.4	Despesas Diversas		1.400.000,00			
		Soma		4.721.400,00		1.100.000,00	5.821.400,00
		Soma da despesa do Gabinete do Secretário	4.266.400,00	7.425.200,00		1.100.000,00	12.735.600,00
		DEPARTAMENTO DE ADMINISTRAÇÃO					
268		VERBA N. 268					
		Pessoal					
	8.04.0	Pessoal Fixo	10.040.400,00	2.340.221,00			
	8.04.1	Pessoal Variável		2.272.400,00			
		Soma	10.040.400,00	6.042.621,00			16.083.021,00

CÓDIGOS Local	CÓDIGOS Geral	DESIGNAÇÃO DA DESPESA	EFETIVAS Fixa Cr$	EFETIVAS Variável Cr$	MUTAÇÕES PATRIMONIAIS Fixa Cr$	MUTAÇÕES PATRIMONIAIS Variável Cr$	TOTAL Cr$
269		VERBA N. 269					
		Material e Serviços					
	3.80.2	Material Permanente				675.000,00	
	3.80.3	Material de Consumo		2.265.000,00			
	3.80.4	Despesas Diversas		1.837.000,00			
	3.94.4	Despesas Diversas		50.000,00			
		Soma		4.152.000,00		675.000,00	4.827.000,00
		Soma da despesa do Departamento de Administração	12.919.400,00	12.794.637,00		675.000,00	26.389.037,00
		Diretoria de Viação					
		ADMINISTRAÇÃO GERAL — SEDE					
270		VERBA N. 270					
		Pessoal					
	3.80.0	Pessoal Fixo	11.160.000,00	555.400,00			
	3.80.1	Pessoal Variável		1.764.800,00			
		Soma	11.160.000,00	2.320.200,00			13.480.200,00
271		VERBA N. 271					
		Material e Serviços					
	3.80.2	Material Permanente				35.000,00	
	3.80.3	Material de Consumo		919.000,00			
	3.80.4	Despesas Diversas		19.214.000,00			
	3.91.4	Despesas Diversas		50.000,00			
	3.94.4	Despesas Diversas		150.000,00			
		Soma		20.323.000,00		35.000,00	20.368.000,00
		Soma da despesa da Administração Geral — Sede	11.160.000,00	22.653.200,00		35.000,00	33.848.200,00
		PÔRTO DE SÃO SEBASTIÃO					
272		VERBA N. 272					
		Pessoal					
	3.61.0	Pessoal Fixo	2.658.600,00	484.400,00			
	3.61.1	Pessoal Variável		2.757.200,00			
		Soma	2.658.600,00	3.241.600,00			5.900.200,00
273		VERBA N. 273					
		Material e Serviços					
	3.61.2	Material Permanente				30.000,00	
	3.61.3	Material de Consumo		1.017.000,00			
	3.87.3	Material de Consumo		2.000.000,00			
	3.61.4	Despesas Diversas		4.401.940,00			
	3.91.4	Despesas Diversas		400.000,00			
	3.94.4	Despesas Diversas		650.000,00			
	3.99.4	Despesas Diversas		700.000,00			
		Soma		9.168.940,00		30.000,00	9.198.940,00
		Soma da despesa do Pôrto de São Sebastião	2.658.600,00	12.409.940,00		30.000,00	15.098.540,00
		Soma da despesa da Diretoria de Viação	13.818.600,00	35.062.840,00		65.000,00	48.946.440,00
		DIRETORIA DE OBRAS PUBLICAS					
274		VERBA N. 274					
		Pessoal					
	3.80.0	Pessoal Fixo	30.727.000,00	8.320.000,00			
	3.80.1	Pessoal Variável		17.111.000,00			
		Soma	30.727.000,00	25.431.000,00			56.218.000,00
275		VERBA N. 275					
		Material e Serviços					
	3.33.2	Material Permanente				96.000.000,00	
	3.80.2	Material Permanente				118.810.000,00	
	3.80.3	Material de Consumo		27.020.000,00			
	3.87.3	Material de Consumo		77.000.000,00			
	3.33.4	Despesas Diversas		471.000.000,00			
	3.80.4	Despesas Diversas		6.151.000,00			
	3.91.4	Despesas Diversas		1.200.000,00			
	3.93.4	Despesas Diversas		45.000,00			
	3.94.4	Despesas Diversas		30.000.000,00			
	3.99.4	Despesas Diversas		1.000.000,00			
		Soma		613.291.000,00		214.810.000,00	828.101.000,00
		Soma da despesa da Diretoria de Obras Públicas	30.727.000,00	646.722.000,00		214.810.000,00	913.259.000,00
		DIRETORIA DE AEROPORTOS					
276		VERBA N. 276					
		Pessoal					
	3.80.0	Pessoal Fixo	27.468.600,00	3.117.000,00			
	3.80.1	Pessoal Variável		21.026.040,00			
		Soma	27.468.600,00	24.143.040,00			51.611.640,00
277		VERBA N. 277					
		Material e Serviços					
	3.80.2	Material Permanente				4.270.000,00	
	3.80.3	Material de Consumo		6.000.000,00			
	3.87.3	Material de Consumo		24.000.000,00			

CÓDIGOS		DESIGNAÇÃO DA DESPESA	ATIVAS		MUTAÇÕES PATRIMONIAIS		TOTAL
Local	Geral		Fixa	Variável	Fixa	Variável	
			Cr$	Cr$	Cr$	Cr$	Cr$
	8.80.4	Despesas Diversas		17.760.200,00			
	8.81.4	Despesas Diversas		1.300.000,00			
	8.94.4	Despesas Diversas		300.000,00			
		Soma		49.335.200,00		4.278.800,00	54.213.700,00
		Soma da despesa da Diretoria de Aeroportos	27.492.320,00	74.312.160,00		4.278.800,00	106.083.280,00
		Departamento de Obras Sanitárias					
		ADMINISTRAÇÃO GERAL					
278		VERBA N. 278					
		Pessoal					
	8.89.0	Pessoal Fixo	45.953.520,00	8.595.000,00			
	8.89.1	Pessoal Variável		23.792.800,00			
		Soma	45.953.520,00	32.388.800,00			78.342.320,00
279		VERBA N. 279					
		Material e Serviços					
	8.83.2	Material Permanente				7.886.800,00	
	8.89.3	Material de Consumo		3.190.000,00			
	8.89.4	Despesas Diversas		193.435.300,00			
	8.91.4	Despesas Diversas		477.885,00			
	8.92.4	Despesas Diversas		50.000,00			
	8.94.4	Despesas Diversas		50.000,00			
	8.96.4	Despesas Diversas		60.000.000,00			
		Soma		257.227.235,00		7.886.800,00	265.113.835,00
		Soma da despesa da Administração Geral	45.953.520,00	289.616.035,00		7.886.800,00	343.456.155,00
		REPARTIÇÃO DE SANEAMENTO DE SANTOS					
280		VERBA N. 280					
		Pessoal					
	8.89.0	Pessoal Fixo	32.082.000,00	5.299.914,00			
	8.89.1	Pessoal Variável		2.912.500,00			
		Soma	32.082.000,00	912.514,00			39.894.514,00
281		VERBA N. 281					
		Material e Serviços					
	8.83.2	Material Permanente		21.121.000,00		35.326.518,00	
	8.89.3	Material de Consumo		30.000.000,00			
	8.89.3	Material de Consumo		56.592.960,00			
	8.91.4	Despesas Diversas		7.000.000,00			
	8.92.4	Despesas Diversas		300.000,00			
	8.94.4	Despesas Diversas		300.000,00			
	8.96.4	Despesas Diversas		16.983.200,00			
		Soma		113.449.260,00		35.326.518,00	146.775.778,00
		Soma da despesa da Repartição de Saneamento de Santos	32.082.000,00	121.761.774,00		35.326.518,00	186.770.292,00
		SERVIÇOS PUBLICOS DO GUARUJA					
282		VERBA N. 282					
		Pessoal					
	8.89.0	Pessoal Fixo	2.110.400,00	993.500,00			
	8.89.1	Pessoal Variável		307.500,00			
		Soma	2.110.400,00	1.301.100,00			4.411.500,00
283		VERBA N. 283					
		Material e Serviços					
	8.83.2	Material Permanente				5.927.982,00	
	8.89.3	Material de Consumo		32.280.000,00			
	8.89.4	Despesas Diversas		61.841.124,00			
		Soma		94.121.124,00		5.927.982,00	100.049.106,00
		Soma da despesa dos Serviços Publicos do Guarujá	2.110.400,00	97.422.224,00		5.927.982,00	104.460.606,00
		SERVIÇOS DE AGUA DE SANTOS E CUBATÃO					
284		VERBA N. 284					
		Material e Serviços					
	8.89.4	Despesas Diversas		113.179.000,00			
		Soma		113.179.000,00			113.179.000,00
		Soma da despesa dos Serviços de Agua de Santos e Cubatão		113.179.000,00			113.179.000,00
		TERMAS DO ESTADO					
		TERMAS DE LINDOIA					
285		VERBA N. 285					
		Pessoal					
	8.89.0	Pessoal Fixo	1.440.000,00	432.000,00			
	8.89.1	Pessoal Variável		11.424.000,00			
		Soma	1.440.000,00	11.856.000,00			13.296.000,00

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CÓDIGOS		DESIGNAÇÃO DA DESPESA	DESPESAS		MUTAÇÕES PATRIMONIAIS		TOTAL
Local	Geral		Fixa	Variável	Fixa	Variável	
			Cr$	Cr$	Cr$	Cr$	Cr$
286		VERBA N. 286					
		Material e Serviços					
	3.69.2	Material Permanente		9.370.000,00		3.799.000,00	
	3.69.3	Materias de Consumo		5.373.340,00			
	3.69.4	Despesas Diversas					
		Soma		14.743.340,00		3.799.000,00	18.542.340,00
		Soma da despesa das Termas de Lindoia					
		TERMAS DE IBIRA					
287		VERBA N. 287					
		Pessoal					
	3.69.1	Pessoal Variável		1.418.800,00			
		Soma		1.418.800,00			1.418.800,00
288		VERBA N. 288					
		Material e Serviços					
	3.69.2	Material Permanente					
	3.69.3	Material de Consumo		658.800,00		1.022.700,00	
	3.69.4	Despesas Diversas		137.200,00			
		Soma		796.000,00		1.022.700,00	1.818.700,00
		Soma da despesa das Termas de Ibirá		2.215.000,00		1.022.700,00	3.237.700,00
		TERMAS DE SANTA BARBARA DO RIO PARDO					
289		VERBA N. 289					
		Pessoal					
	3.69.1	Pessoal Variável		5.074.200,00			
		Soma		5.074.200,00			5.074.200,00
290		VERBA N. 290					
		Material e Serviços					
	3.69.2	Material Permanente				1.910.400,00	
	3.69.3	Material de Consumo		1.865.000,00			
	3.69.4	Despesas Diversas		1.150.000,00			
		Soma		3.015.000,00		1.910.400,00	4.925.400,00
		Soma da despesa das Termas de Santa Barbara do Rio Pardo		8.089.200,00		1.910.400,00	9.999.600,00
		Soma da despesa das Termas do Estado	1.450.800,00	36.704.800,00		6.732.100,00	44.985.900,00
		HOTEL GLÓRIA DE LINDOIA					
291		VERBA N. 291					
		Material e Serviços					
	3.69.2	Material Permanente				1.745.000,00	
	3.69.3	Material de Consumo		10.260.000,00			
	3.69.4	Despesas Diversas		8.360.000,00			
		Soma		18.620.000,00		1.745.000,00	20.365.000,00
		Soma da despesa do Hotel Glória de Lindóia		18.620.000,00		1.745.000,00	20.365.000,00
		Soma da despesa do Departamento de Obras Sanitárias	82.[illegible]	734.993.033,90		55.818.200,00	873.216.953,90
		SERVIÇOS DIVERSOS					
		Encargos Ordinarios					
292		VERBA N. 292					
		Material e Serviços					
	3.69.4	Despesas Diversas		25.935.000,00			
		Soma		25.935.000,00			25.935.000,00
		Ampliação de Serviços Públicos					
293		VERBA N. 293					
		Material e Serviços					
	3.69.4	Despesas Diversas		340.000.000,00			
		Soma		340.000.000,00			340.000.000,00
		Investimentos em Serviços Públicos					
294		VERBA N. 294					
		Material e Serviços					
	3.69.4	Despesas Diversas				2.[illegible].000.000,00	
		Soma				2.[illegible].000.000,00	2.[illegible].000.000,00
		Soma da despesa de Serviços Diversos		340.000.000,00		2.[illegible].000.000,00	2.[illegible].000.000,00
		Soma da despesa da Secretaria da Fazenda e Repartições Subordinadas	371.804.740,00	1.871.348.400,00		2.843.698.700,00	5.[illegible].851.840,00

CÓDIGOS		DESIGNAÇÃO DA DESPESA	EFETIVAS		MUTAÇÕES PATRIMONIAIS		TOTAL
Local	Geral		Fixa	Variável	Fixa	Variável	
			Cr$	Cr$	Cr$	Cr$	Cr$
		B — ESTRADAS DE FERRO					
		ESTRADA DE FERRO SOROCABANA					
295		**VERBA N. 295**					
		Pessoal					
	8.61.1	Pessoal Variável		3.900.000.000,00			
		Soma		3.900.000.000,00			3.900.000.000,00
296		**VERBA N. 296**					
		Material e Serviços					
	8.61.2	Material Permanente				500.000.000,00	
	8.61.3	Material de Consumo		1.400.000.000,00			
	8.61.4	Despesas Diversas		430.697.300,00			
	8.91.4	Despesas Diversas		253.000.000,00			
	8.99.4	Despesas Diversas		938.406.000,00			
		Soma		3.022.697.300,00		500.000.000,00	3.522.697.300,00
		Soma da despesa da Estrada de Ferro Sorocabana		6.922.697.300,00		500.000.000,00	7.512.697.300,00
		ESTRADA DE FERRO ARARAQUARA					
297		**VERBA N. 297**					
		Pessoal					
	8.61.1	Pessoal Variável		526.000.000,00			
		Soma		526.000.000,00			526.000.000,00
298		**VERBA N. 298**					
		Material e Serviços					
	8.61.2	Material Permanente				93.000.000,00	
	8.61.3	Material de Consumo		140.000.000,00			
	8.61.4	Despesas Diversas		15.000.000,00			
	8.91.4	Despesas Diversas		36.000.000,00			
	8.99.4	Despesas Diversas		165.000.000,00			
		Soma		356.000.000,00		93.000.000,00	449.000.000,00
		Soma da despesa da Estrada de Ferro Araraquara		882.000.000,00		93.000.000,00	975.000.000,00
		ESTRADA DE FERRO CAMPOS DO JORDÃO					
299		**VERBA N. 299**					
		Pessoal					
	8.61.1	Pessoal Variável		57.653.896,00			
		Soma		57.653.896,00			57.653.896,00
300		**VERBA N. 300**					
		Material e Serviços					
	8.61.2	Material Permanente				10.414.142,00	
	8.61.3	Material de Consumo		10.792.656,00			
	8.61.4	Despesas Diversas		2.846.712,00			
	8.91.4	Despesas Diversas		3.297.906,00			
	8.99.4	Despesas Diversas		11.300.000,00			
		Soma		27.930.968,00		10.414.142,00	38.345.110,00
		Soma da despesa da Estrada de Ferro Campos do Jordão		85.584.858,00		10.414.142,00	96.000.000,00
		ESTRADA DE FERRO SÃO PAULO E MINAS					
301		**VERBA N. 301**					
		Pessoal					
	8.61.1	Pessoal Variável		72.000.000,00			
		Soma		72.000.000,00			72.000.000,00
302		**VERBA N. 302**					
		Material e Serviços					
	8.61.2	Material Permanente				10.000.000,00	
	8.61.3	Material de Consumo		30.000.000,00			
	8.61.4	Despesas Diversas		7.000.000,00			
	8.91.4	Despesas Diversas		1.000.000,00			
	8.99.4	Despesas Diversas		11.000.000,00			
		Soma		49.000.000,00		10.000.000,00	59.000.000,00
		Soma da despesa da Estrada de Ferro São Paulo e Minas		120.000.000,00		10.000.000,00	130.000.000,00
		ESTRADA DE FERRO BRAGANTINA					
303		**VERBA N. 303**					
		Pessoal					
	8.61.1	Pessoal Variável		55.000.000,00			
		Soma		55.000.000,00			55.000.000,00
304		**VERBA N. 304**					
		Material e Serviços					
	8.61.2	Material Permanente				5.000.000,00	
	8.61.3	Material de Consumo		11.000.000,00			

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CÓDIGOS Local	CÓDIGOS Geral	DESIGNAÇÃO DA DESPESA	EFETIVAS Fixa Cr$	EFETIVAS Variável Cr$	MUTAÇÕES PATRIMONIAIS Fixa Cr$	MUTAÇÕES PATRIMONIAIS Variável Cr$	TOTAL Cr$
	6.61.4	Despesas Diversas		1.000.000,00			
	6.91.4	Despesas Diversas		3.335.300,00			
	6.99.4	Despesas Diversas		5.660.300,00			
		Soma		22.095.300,00		4.000.000,00	26 095.300 00
		Soma da despesa da Estrada de Ferro Bragantina		77.605.300 00		4.000.300,00	82 .05.300 00
		Soma da despesa das Estradas de Ferro		6.088.777.458,00		717.964.142,00	6.806.741.600,00
		C — AUTONOMIAS ADMINISTRATIVAS					
		DEPARTAMENTO DE ESTRADAS DE RODAGEM					
305		VERBA N. 305					
		Material e Serviços					
	6.52.4	Despesas Diversas		4.916.710.000,00			
		Soma		4.916.710.000,00			4 916.710.000,00
		Soma da despesa do Departamento de Estradas de Rodagem		4.916.710.000,00			4 916.710.000,00
		DEPARTAMENTO DE AGUAS E ENERGIA ELETRICA					
306		VERBA N. 306					
		Material e Serviços					
	6.55.4	Despesas Diversas		4.252.506.000 00			
		Soma		4.252.506.000 00			4 252 506 000 00
		Soma da despesa do Departamento de Águas e Energia Elétrica		4.252.506.000,00			4 252 506 000 00
		DEPARTAMENTO DE AGUAS E ESGOTOS					
307		VERBA N. 307					
		Material e Serviços					
	6.63.4	Despesas Diversas		2.427.497.500 00			
		Soma		2.427.497.500,00			2.427.497.500 00
		Soma da despesa do Departamento de Aguas e Esgotos		2.427.497.500,00			2.427.497.500,00
		Soma da despesa das Autonomias Administrativas		11.506.713.500,00			11.506 713.500,00
		TOTAL DA DESPESA DA SECRETARIA DE ESTADO DOS NEGÓCIOS DA VIAÇÃO E OBRAS PUBLICAS	207 974 746,00	21 557.041 418,00		3.650.590 842 00	25 424 437.000,00

PARÁGRAFO 12

SECRETARIA DE ESTADO DOS NEGÓCIOS DA FAZENDA

CÓDIGOS Local	CÓDIGOS Geral	DESIGNAÇÃO DA DESPESA	EFETIVAS Fixa Cr$	EFETIVAS Variável Cr$	MUTAÇÕES PATRIMONIAIS Fixa Cr$	MUTAÇÕES PATRIMONIAIS Variável Cr$	TOTAL Cr$
		A — ADMINISTRAÇÃO GERAL DO ESTADO					
		Serviço da Dívida Pública					
		SERVIÇO DA DIVIDA EXTERNA					
308		VERBA N. 308					
		Material e Serviços					
	6.72.4	Despesas Diversas		10.180.000,00	110.000.000,00		
	6.91.4	Despesas Diversas		10.000.000,00			
	6.99.4	Despesas Diversas					
		Soma		20.180.000,00	110.000.000,00		130.180.000,00
		Soma da despesa do Serviço da Dívida Externa		20.180.000,00	110.000.000,00		130.180.000,00
		SERVIÇO DA DIVIDA INTERNA FUNDADA					
309		VERBA N. 309					
		Material e Serviços					
	6.72.4	Despesas Diversas		1.133.370.000,00	1.306.000.000,00		
	6.91.4	Despesas Diversas		30.000.000,00			
	6.99.4	Despesas Diversas					
		Soma		1.163.370.000,00	1.306.000.000,00		2.469.370.000,00
		Soma da despesa do Serviço da Dívida Interna Fundada		1.163.370.000,00	1.306.000.000,00		2.469.370.000,00

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CÓDIGOS		DESIGNAÇÃO DA DESPESA	EFETIVAS		MUTAÇÕES PATRIMONIAIS		TOTAL
Local	Geral		Fixa	Variável	Fixa	Variável	
			Cr$	Cr$	Cr$	Cr$	Cr$
		SERVIÇO DA DIVIDA FLUTUANTE					
310		VERBA N. 310					
		Material e serviços					
	8.76.4	Despesas Diversas			559 972 000 00		
	8.77.4	Despesas Diversas		256 825 200 00			
	8.79.4	Despesas Diversas		[illegible]			
		Soma		[illegible]			1.469.791.200 00
		Soma da despesa do serviço da Divida Flutuante		909 822 200 00	909 972 000 00		1.469.791.200,00
		Soma da despesa do serviço da Divida Pública		2.382.572.000 00	2 356.928 000 00		4.439.306.000,00
		Encargos Gerais do Estado					
		PESSOAL EM GERAL					
311		VERBA N. 311					
		Pessoal					
	8.09.0	Pessoal Fixo	300 000 00	82 600 000 00			
	8.93.0	Pessoal Fixo		36.801.000 00			
		Soma	300.000 00	119 401 000 00			119 701.000 00
		Soma da despesa de Pessoal em Geral	300.000 00	119.401 000 00			119.701.000 00
		INATIVOS EM GERAL					
312		VERBA N. 312					
		Pessoal					
	8.90.0	Pessoal Fixo		5.405.750.000 00			
	8.90.1	Pessoal Variavel		5.040.000 00			
		Soma		5.410 790.000 00			5.410 790 000,00
313		VERBA N. 313					
		Material e serviços					
	8.99.4	Despesas Diversas		6 000 000 00			
		Soma		6 000.000 00			6 000 000 00
		Soma da despesa de Inativos em Geral		5.416 790 000 00			5 416.790 000 00
		ENCARGOS EM GERAL					
314		VERBA N. 314					
		Material e Serviços					
	8.89.4	Despesas Diversas		900 000 000 00			
	8.91.4	Despesas Diversas		2.496.090.200 00			
	8.92.4	Despesas Diversas		293.820.000 00			
	8.93.4	Despesas Diversas		6 477.000 00			
	8.95.4	Despesas Diversas		145.843.200 00			
	8.96.4	Despesas Diversas		3 500 000.000 00			
	8.98.4	Despesas Diversas		473.641.000 00			
	8.99.4	Despesas Diversas		1.979 737.600 00			
		Soma		9.497.589.000 00			9.497.589.000 00
		Soma da despesa de Encargos em Geral		9.497.589.000 00			9 497.589.000 00
		Soma da despesa de Encargos Gerais do Estado	300.000 00	15.033.780.000 00			15.034.080.000 00
		AUTONOMIAS ADMINISTRATIVAS					
315		VERBA N. 315					
		Material e Serviços					
	8.88.4	Despesas Diversas		3 800 000 00			
	8.89.4	Despesas Diversas		70 000.000 00			
	8.91.4	Despesas Diversas		2.306.200.000,00			
	8.41.4	Despesas Diversas		1.342.000.000,00			
	8.97.4	Despesas Diversas		95 000 000,00			
	8.99.4	Despesas Diversas		44 000 000 00			
		Soma		3.761.000.000 00			3.761.000 000 00
		Soma da despesa das Autonomias Administrativas		3.761.000.000 00			3.761.000.000 00
		SERVIÇOS DIVERSOS					
		Ampliação de Serviços Federais					
316		VERBA N. 316					
		Material e Serviços					
	8.99.4	Despesas Diversas		[illegible]			
		Soma		[illegible]			[illegible]
		Investimentos dos Serviços Públicos					
317		VERBA N. 317					
		Material e Serviços					
	8.91.4	Despesas Diversas		[illegible]			
	8.93.4	Despesas Diversas		[illegible]			
		Soma		[illegible]			[illegible]
		Soma da despesa de Serviços Diversos		[illegible]			[illegible]
		Soma da despesa da Administração Geral do Estado	300 000 00	[illegible]	[illegible]		[illegible]

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CODIGOS		DESIGNAÇÃO DA DESPESA	DERIVAS		MUTAÇÕES PATRIMONIAIS		TOTAL
Local	Geral		Fixa	Variavel	Fixa	Variavel	
			Cr$	Cr$	Cr$	Cr$	Cr$
		B — SECRETARIA DE ESTADO E REPARTIÇÕES SUBORDINADAS					
		GABINETE DO SECRETARIO					
318		VERBA N. 318					
		Pessoal					
	8.04.0	Pessoal Fixo	5 377 200,00	1.682.500,00			
	8.04.1	Pessoal Variavel		2.954.300,00			
		Soma	5.377.200,00	4.637.300,00			10.014.500,00
319		VERBA N 319					
		Material e Serviços				320 000,00	
	8.04.2	Material Permanente		260 000,00			
	8.04.3	Material de Consumo		420 000,00			
	8.04.4	Despesas Diversas				320 000,00	1.000 000,00
		Soma		680 000,00			
		Soma da despesa do Gabinete do Secretario	5.377.200,00	5.317.300,00		320 000,00	11.014.500,00
		GABINETE DO DIRETOR GERAL					
320		VERBA N 320					
		Pessoal					
	8.10.0	Pessoal Fixo	7.299.700,00	1.520 800,00			
	8.10.1	Pessoal Variavel		402.600,00			
		Soma	7.299.700,00	1.923 400,00			9.223.100,00
321		VERBA N. 321					
		Material e Serviços				128 000,00	
	8.10.2	Material Permanente		400 000,00			
	8.10.3	Material de Consumo		1 050.000,00			
	8.10.4	Despesas Diversas		59 250.000,00			
	8.93.4	Despesas Diversas				128 000,00	60 828.000,00
		Soma		60.700.000,00			
		Soma da despesa do Gabinete do Diretor Geral	7.299.700,00	62 623 400,00		128 000,00	70 051.100,00
		GABINETE DO COORDENADOR DA RECEITA					
322		VERBA N. 322					
		Pessoal					
	8.10.0	Pessoal Fixo	1.438 800,00	125 300,00			
	8.10.1	Pessoal Variavel		388.200,00			
		Soma	1.438 800,00	513.500,00			1.952.300,00
323		VERBA N. 323					
		Material e Serviços				140 000,00	
	8.10.2	Material Permanente		360 000,00			
	8.10.3	Material de Consumo		48 000,00			
	8.10.4	Despesas Diversas				140 000,00	548.000,00
		Soma		408.000,00			
		Soma da despesa do Gabinete do Coordenador da Receita	1.438 800,00	921 500,00		140 000,00	2.500.300,00
		GABINETE DO COORDENADOR DA DESPESA					
324		VERBA N. 324					
		Pessoal					
	8.10.0	Pessoal Fixo	1.848 600,00	229.700,00			
	8.10.1	Pessoal Variavel		370 800,00			
		Soma	1.848 600,00	600 500,00			2.555.900,00
325		VERBA N. 325					
		Material e Serviços					
	8.10.2	Material Permanente		50 000,00			
	8.10.3	Material de Consumo		20 000,00			
	8.10.4	Despesas Diversas					83.000,00
		Soma		70.000,00			
		Soma da despesa do Gabinete do Coordenador da Despesa	1.848 600,00	600.500,00			2.638.900,00
		DEPARTAMENTO DE ADMINISTRAÇÃO					
326		VERBA N. 326					
		Pessoal					
	8.10.0	Pessoal Fixo	61.554.400,00	6.638.100,00			
	8.10.1	Pessoal Variavel		36.451.500,00			
		Soma	61.554.400,00	43.089.600,00			104.770.700,00

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CODIGOS		DESIGNAÇÃO DA DESPESA	EFETIVAS		MUTAÇÕES PATRIMONIAIS		TOTAL
			Fixa	Variável	Fixa	Variável	
Geral	Geral		Cr$	Cr$	Cr$	Cr$	Cr$
327		VERBA N. 327					
		Material e Serviços					
	3.10.2	Material Permanente		46 977.900 00		8 515 300.00	
	3.10.3	Material de Consumo		17.937.600 00			
	3.10.4	Despesas Diversas		30.300 00			
	3.93.4	Despesas Diversas		3.600 00			
	3.94.4	Despesas Diversas					
		Soma				8.515 300.00	105 413 900 00
		Soma da despesa do Departamento de Administração	81 854 400 00	140.422 800 00		8.515 300.00	230.592.700.00
		GABINETE DE ESTUDOS DE ORGANIZAÇÃO					
328		VERBA N. 328					
		Pessoal					
	3.10.0	Pessoal Fixo	1 444 500 00	117 300 00			
	3.10.1	Pessoal Variável		168 600 00			
		Soma	1 444 500 00	285 900 00			1.673.900,00
329		VERBA N. 329					
		Material e Serviços					
	3.10.3	Material de Consumo		45 000 00			
	3.10.4	Despesas Diversas		10.500 00			
		Soma		55.500 00			55.500 00
		Soma da despesa do Gabinete de Estudos de Organização	1 444.500.00	284.400.00			1.728.900.00
		GABINETE DE ESTUDOS ECONOMICOS E FINANCEIROS					
330		VERBA N. 330					
		Pessoal					
	3.10.0	Pessoal Fixo	1 247 400.00	168.600,00			
	3.10.1	Pessoal Variável		288 000.00			
		Soma	1 247 400.00	456 600.00			1.704.000,00
331		VERBA N. 331					
		Material e Serviços					
	3.10.2	Material Permanente				550 000.00	
	3.10.3	Material de Consumo		150.000 00			
	3.10.4	Despesas Diversas		636.000.00			
		Soma		786.000.00		550.000.00	1.336.000 00
		Soma da despesa do Gabinete de Estudos Econômicos e Financeiros	1.247 400.00	1 242 600 00		550.000.00	3.040.000 00
		COMISSÃO CENTRAL DE COMPRAS					
332		VERBA N. 332					
		Pessoal					
	3.07.0	Pessoal Fixo	46 861 800.00	3.603.100 00			
	3.07.1	Pessoal Variável		13.510.000,00			
		Soma	46.861.800 00	16.513.100,00			63 374.900,00
333		VERBA N. 333					
		Material e Serviços					
	3.07.2	Material Permanente				1.485 000,00	
	3.07.3	Material de Consumo		1.781.000.00			
	3.07.4	Despesas Diversas		12.914.000,00			
	3.94.4	Despesas Diversas		80.000 00			
		Soma		14.785 000.00		1.485.000.00	16 270 000 00
		Soma da despesa da Comissão Central de Compras	46.861.800.00	31.298.100.00		1.485.000,00	79.894.900 00
		PROCURADORIA FISCAL DO ESTADO					
334		VERBA N. 334					
		Pessoal					
	3.07.0	Pessoal Fixo	10.485.300.00	419.400,00			
	3.07.1	Pessoal Variável		3.748.300 00			
		Soma	10.485.300.00	4.167.700 00			24.654.000,00
335		VERBA N. 335					
		Material e Serviços					
	3.10.2	Material Permanente				1.500.000.00	
	3.10.3	Material de Consumo		1.310.000 00			
	3.10.4	Despesas Diversas		10.247.000.00			
		Soma		26.557.000.00		1.500.000.00	31 057.000 00
		Soma da despesa da Procuradoria Fiscal do Estado	10.485.300.00	24.710.000.00		1.500.000.00	36.644.300 00
		Departamento da Receita					
		GABINETE DO DIRETOR					
336		VERBA N. 336					
		Pessoal					
	3.10.0	Pessoal Fixo	2 401 720.00	415.200.00			
		Soma	2.401.720.00	415.200.00			2.849.220.00

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CODIGOS		DESIGNAÇÃO DA DESPESA	EFETIVAS		MUTAÇÕES PATRIMONIAIS		TOTAL
Local	Geral		Fixa	Variável	Fixa	Variável	
			Cr$	Cr$	Cr$	Cr$	Cr$
337		VERBA N 337					
		Material e Serviços					
	8.10.2	Material Permanente				50.000,00	
	8.10.4	Despesas Diversas		84.700,00			
	8.93.4	Despesas Diversas		20.[illegible]			
		Soma		25.384.700,00		50.000,00	25.434.700,00
		Soma da despesa do Gabinete do Diretor	[illegible]	20.550.8[illegible]		50.000,00	25.601.500,00
		ARRECADAÇÃO — CAPITAL					
338		VERBA N. 338					
		Pessoal					
	8.11.0	Pessoal Fixo	104.926.800,00	10.942.200,00			
	8.11.1	Pessoal Variável		46 [illegible]			
		Soma	104.926.800,00	56.859.400,00			161.786.200,00
339		VERBA N 339					
		Material e Serviços					
	8.11.2	Material Permanente				5.050.000,00	
	8.11.3	Material de Consumo		15.850.000,00			
	8.11.4	Despesas Diversas		29.[illegible]5.200,00			
	8.94.4	Despesas Diversas		30.000,00			
		Soma		45.335.200,00		5.050.000,00	50.385.200,00
		Soma da despesa da Arrecadação — Capital	104.926.800,00	102.294.600,00		5.050.000,00	212.471.400,00
		FISCALIZAÇÃO					
340		VERBA N. 340					
		Pessoal					
	8.12.0	Pessoal Fixo	201.083.500,00	1.616.416.000,00			
		Soma	201.083.500,00	1.616.416.000,00			1.817.499.500,00
341		VERBA N. 341					
		Material e Serviços					
	8.12.2	Material Permanente				7.500.000,00	
	8.12.3	Material de Consumo		2.250.000,00			
	8.12.4	Despesas Diversas		3.762.000,00			
		Soma		7.012.000,00		7.500.000,00	14.512.000,00
		Soma da despesa da Fiscalização	201.083.500,00	1.623.428.000,00		7.500.000,00	1.832.011.500,00
		Soma da despesa do Departamento da Receita	305.402.900,00	1.746.282.400,00		12.600.000,00	2.067.285.400,00
		Departamento dos Serviços do Interior					
		GABINETE DO DIRETOR E ÓRGAOS DA SEDE					
342		VERBA N. 342					
		Pessoal					
	8.10.0	Pessoal Fixo	5.954.500,00	1.616.800,00			
	8.10.1	Pessoal Variável		3.473.800,00			
		Soma	5.954.500,00	5.090.600,00			11.045.100,00
343		VERBA N. 343					
		Material e Serviços					
	8.10.3	Material Permanente				300.000,00	
	8.10.3	Material de Consumo		884.000,00			
	8.10.4	Despesas Diversas		1.345.200,00			
	8.93.4	Despesas Diversas		20.000.000,00			
		Soma		21.229.200,00		300.000,00	22.189.200,00
		Soma da despesa do Gabinete do Diretor e Orgãos da Sede	5.954.500,00	26.829.800,00		300.000,00	33.344.300,00
		DELEGACIAS REGIONAIS DE FAZENDA — ARRECADAÇÃO					
344		VERBA N. 344					
		Pessoal					
	8.11.0	Pessoal Fixo	306.113.300,00	61.721.600,00			
	8.11.1	Pessoal Variável		268.147.600,00			
		Soma	306.113.300,00	329.869.200,00			640.982.600,00
345		VERBA N. 345					
		Material e Serviços					
	8.11.3	Material Permanente				12.010.300,00	
	8.11.3	Material de Consumo		30.[illegible]0.300,00			
	8.11.4	Despesas Diversas		50.[illegible]0.000,00			
	8.94.4	Despesas Diversas		800.000,00			
		Soma		80.140.300,00		12.010.300,00	111.166.600,00
		Soma da despesa de Delegacias Fiscais — Arrecadação — Regionais de	306.113.300,00	424.043.100,00		12.010.300,00	752.149.200,00

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CÓDIGOS		DESIGNAÇÃO DA DESPESA	EFETIVAS		MUTAÇÕES PATRIMONIAIS		TOTAL
Local	Geral		Fixa	Variável	Fixa	Variável	
			Cr$	Cr$	Cr$	Cr$	Cr$
		DELEGACIAS REGIONAIS DE FAZENDA — FISCALIZAÇÃO					
346		VERBA N. 346					
		Pessoal					
	8.12.0	Pessoal Fixo	66 413 200,00	42 382 600,00			
	8.12.1	Pessoal Variável		236 077 400,00			
		Soma	66 413 200,00	278 460 000,00			344 873 200,00
347		VERBA N. 347					
		Material e Serviços					
	8.12.2	Material Permanente				16 000 000,00	
	8.12.3	Material de Consumo		55 773 000,00			
	8.12.4	Despesas Diversas		42 690 000,00			
	8.94.4	Despesas Diversas		1 925 000,00			
		Soma		100 388 000,00		16 000 000,00	116 388 000,00
		Soma da despesa de Delegacias Regionais de Fazenda — Fiscalização	66 413 200,00	378 848 000,00		16 000 000,00	461 261 200,00
		Soma da despesa do Departamento dos Serviços do Interior	378 480 900,00	939 823 500,00		28 370 300,00	1.246 674 700,00
		DEPARTAMENTO DA DESPESA					
348		VERBA N. 348					
		Pessoal					
	8.09.0	Pessoal Fixo	61 727.200,00	9.423.800,00			
	8.09.1	Pessoal Variável		23 568 200,00			
		Soma	61 727.200,00	32.992.000,00			94.719.200,00
349		VERBA N. 349					
		Material e Serviços					
	8.09.2	Material Permanente				2 295 000,00	
	8.09.3	Material de Consumo		13.684.500,00			
	8.09.4	Despesas Diversas		12.938.100,00			
		Soma		26.722.600,00		2.295 000,00	29 017 600,00
		Soma da despesa do Departamento da Despesa	61.727.200,00	59.714.600,00		2 295 000,00	123.736.800,00
		DEPARTAMENTO DO TESOURO					
350		VERBA N. 350					
		Pessoal					
	8.13.0	Pessoal Fixo	29 463 300,00	4 252 400,00			
	8.13.1	Pessoal Variável		4.694 000,00			
		Soma	29 463.300,00	8.946.400,00			38 409.700,00
351		VERBA N. 351					
		Material e Serviços					
	8.13.2	Material Permanente				1.140 000,00	
	8.13.3	Material de Consumo		2.000.000,00			
	8.13.4	Despesas Diversas		266.000,00			
		Soma		2.266.000,00		1.140.000,00	3 406 000,00
		Soma da despesa do Departamento do Tesouro	29 463 300,00	11.212.400,00		1.140.000,00	41.815.700,00
		CONTADORIA GERAL DO ESTADO					
352		VERBA N. 352					
		Pessoal					
	8.07.0	Pessoal Fixo	156 673 500,00	14 058 600,00			
	8.07.1	Pessoal Variável		77 878 400,00			
		Soma	156 673.500,00	91 937 000,00			247 610.500,00
353		VERBA N. 353					
		Material e Serviços					
	8.07.2	Material Permanente				6 130 000,00	
	8.07.3	Material de Consumo		9 420.000,00			
	8.07.4	Despesas Diversas		4 [illegible]			
		Soma		14 [illegible]		6 130.000,00	20 [illegible]
		Soma da despesa da Contadoria Geral do Estado	156 673.500,00	106 [illegible]		6 130.000,00	267 [illegible]
		TRIBUNAL DE IMPOSTOS E TAXAS					
354		VERBA N. 354					
		Pessoal					
	8.13.0	Pessoal Fixo	14 421 000,00	3 [illegible]			
	8.13.1	Pessoal Variável		1 [illegible]			
		Soma	14 421 000,00	5 [illegible]			19 [illegible]

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CÓDIGOS Local	CÓDIGOS Geral	DESIGNAÇÃO DA DESPESA	EFETIVAS Fixa Cr$	EFETIVAS Variável Cr$	MUTAÇÕES PATRIMONIAIS Fixa Cr$	MUTAÇÕES PATRIMONIAIS Variável Cr$	TOTAL Cr$
355		VERBA N. 355					
		Material e Serviços					
	6.13.2	Material Permanente				340 000,00	
	6.13.3	Materiais de Consumo		450 000,00			
	6.13.4	Despesas Diversas		1.541.800,00			
		Soma		1.991.800,00		340.000,00	2.331.800,00
		Soma da despesa do Tribunal de Impostos e Taxas	14.631.800,00	7.241.400,00		346.000,00	22.326.000,00
		SUPERINTENDÊNCIA DOS SERVIÇOS DO CAFÉ					
356		VERBA N. 356					
		Pessoal					
	6.99.0	Pessoal Fixo	28.980.400,00	9.064.800,00			
	6.99.1	Pessoal Variável		8.781.200,00			
		Soma	28.980.400,00	17.846.000,00			46.726.400,00
		Soma da despesa da Superintendência dos Serviços do Café	28.980.400,00	17.846.000,00			46.726.400,00
		SERVIÇOS DIVERSOS					
		Encargos Ordinarios					
357		VERBA N. 357					
		Material e Serviços					
	6.13.3	Material de Consumo		1.860.000,00			
	6.13.4	Despesas Diversas		20.000.000,00			
		Soma		21.860.000,00			21.860.000,00
		Ampliação de Serviços Públicos					
358		VERBA N. 358					
		Material e Serviços					
	6.93.4	Despesas Diversas		419.254.000,00			
		Soma		419.254.000,00			419.254.000,00
		Soma da despesa de Serviços Diversos		441.114.000,00			441.114.000,00
		Soma da despesa da Secretaria de Estado e Repartições Subordinadas	1.115.330.300,00	3.496.746.800,00		63.096.900,00	4.674.874.000,00
		TOTAL DA DESPESA DA SECRETARIA DE ESTADO DOS NEGÓCIOS DA FAZENDA	1.115.330.300,00	31.958.904.800,00	2.056.928.000,00	63.096.900,00	35.194.260.000,00
		TOTAL DA DESPESA DO PODER EXECUTIVO	16.186.889.778,00	76.155.921.072,20	2.056.928.000,00	9.743.374.149,80	104.143.113.000,00

PARÁGRAFO 13

PODER JUDICIÁRIO

CÓDIGOS Local	CÓDIGOS Geral	DESIGNAÇÃO DA DESPESA	EFETIVAS Fixa Cr$	EFETIVAS Variável Cr$	MUTAÇÕES PATRIMONIAIS Fixa Cr$	MUTAÇÕES PATRIMONIAIS Variável Cr$	TOTAL Cr$
		I — JUSTIÇA COMUM					
		A — Tribunal de Justiça					
		DESEMBARGADORES					
359		VERBA N. 359					
		Pessoal					
	6.01.0	Pessoal Fixo	34.000.000,00	23.760.400,00			
		Soma	34.000.000,00	23.760.400,00			57.840.400,00
360		VERBA N. 360					
		Material e Serviços					
	6.01.4	Despesas Diversas		150.000,00			
		Soma		150.000,00			150.000,00
		Soma da despesa de Desembargadores	34.000.400,00	23.910.400,00			57.990.400,00
		JUIZES DE DIREITO					
361		VERBA N. 361					
		Pessoal					
	6.01.0	Pessoal Fixo	170.054.000,00	53.720.000,00			
		Soma	170.054.000,00	53.720.000,00			223.774.000,00

CODIGOS		DESIGNAÇÃO D A DESPESA	EFET IVAS		MUTAÇÕES PATRIMONIAIS		TOTAL
Local	Geral		Fixa	Variável	Fixa	Variável	
			Cr$	Cr$	Cr$	Cr$	Cr$
362		VERBA N. 362 Material e Serviços					
	8.01.4	Despesas Diversas		1.500.000,00			1.500.000,00
		Soma		1.500.000,00			230.874.000,00
		Soma da despesa de Juízes de Direito	172.854.000,00	57.220.000,00			
		SECRETARIA DO TRIBUNAL DE JUSTIÇA					
363		VERBA N. 363 Pessoal					
	8.01.0	Pessoal Fixo	74.372.400,00	20.417.680,00			237.682.800,00
	8.01.1	Pessoal Variável		142.892.720,00			
		Soma	74.372.400,00	163.310.400,00			
364		VERBA N. 364 Material e Serviços				19.200.000,00	
	8.01.2	Material Permanente		6.685.000,00			
	8.01.3	Material de Consumo		4.300.000,00			
	8.01.4	Despesas Diversas				19.200.000,00	30.185.000,00
		Soma		10.985.000,00			
		Soma da despesa da Secretaria do Tribunal de Justiça	74.372.400,00	174.295.400,00		19.200.000,00	267.867.800,00
		PALÁCIO DA JUSTIÇA					
365		VERBA N. 365 Pessoal					
	8.01.0	Pessoal Fixo	283.477.400,00	45.345.000,00			
	8.01.1	Pessoal Variável		62.278.800,00			391.101.200,00
		Soma	283.477.400,00	107.623.800,00			
366		VERBA N. 366 Material e Serviços				162.214.000,00	
	8.01.2	Material Permanente		44.956.000,00			
	8.01.3	Material de Consumo		20.986.000,00			
	8.01.4	Despesas Diversas		1.500.000,00			
	8.94.4	Despesas Diversas				162.214.000,00	229.656.000,00
		Soma		67.442.000,00			
		Soma da despesa do Palácio da Justiça	283.477.400,00	175.065.800,00		162.214.000,00	620.757.200,00
		JUIZO PRIVATIVO DE MENORES					
367		VERBA N. 367 Pessoal					
	8.01.0	Pessoal Fixo	16.348.200,00	2.415.700,00			
	8.01.1	Pessoal Variável		80.227.200,00			98.991.100,00
		Soma	16.348.200,00	82.642.900,00			
368		VERBA N. 368					
		Material e Serviços				24.250.000,00	
	8.01.2	Material Permanente		42.750.000,00			
	8.01.3	Material de Consumo		10.897.100,00			
	8.01.4	Despesas Diversas		100.000.000,00			
	8.20.4	Despesas Diversas				24.250.000,00	177.897.100,00
		Soma		153.647.100,00			
		Soma da despesa do Juízo Privativo de Menores	16.348.200,00	236.290.000,00		24.250.000,00	276.888.300,00
		FORUM DE SANTOS					
369		VERBA N. 369					
		Pessoal					
	8.01.0	Pessoal Fixo	15.550.400,00	2.757.200,00			
	8.01.1	Pessoal Variável		9.323.400,00			27.631.000,00
		Soma	15.550.400,00	12.080.600,00			
370		VERBA N. 370				4.596.000,00	
		Material e Serviços					
	8.01.3	Material Permanente		1.212.000,00			
	8.01.3	Material de Consumo		2.235.000,00			
	8.01.4	Despesas Diversas		6.000.000,00			
	8.20.4	Despesas Diversas				4.596.000,00	13.043.000,00
		Soma		9.447.000,00		4.596.000,00	40.674.000,00
		Soma da despesa do Forum de Santos	15.550.400,00	30.527.600,00			
		FORUM DE CAMPINAS					
371		VERBA N. 371 Pessoal					
	8.01.0	Pessoal Fixo	5.333.000,00	1.104.000,00			
	8.01.1	Pessoal Variável		1.827.000,00			8.265.000,00
		Soma	5.333.000,00	2.931.000,00			
372		VERBA N. 372 Material e Serviços					
	8.01.3	Material de Consumo		345.000,00			
		Soma		345.000,00			345.000,00
		Soma da despesa do Forum de Campinas	5.333.000,00	3.276.000,00			8.610.000,00
		FORUNS DO INTERIOR					
373		VERBA N. 373 Pessoal					
	8.01.0	Pessoal Fixo	60.000.000,00	3.000.000,00			
	8.01.1	Pessoal Variável		61.000.000,00			
		Soma	60.000.000,00	64.000.000,00			124.000.000,00

CÓDIGOS		DESIGNAÇÃO DA DESPESA	EFETIVAS		MUTAÇÕES PATRIMONIAIS		TOTAL
Local	Geral		Fixa	Variável	Fixa	Variável	
			Cr$	Cr$	Cr$	Cr$	Cr$
374		VERBA N. 374					
		Material e Serviços					
	3.01.2	Material Permanente				44.952.000,00	
	3.01.3	Material de Consumo		7.330.000,00			
	3.01.4	Despesas Diversas		44.958.600,00			
	3.99.4	Despesas Diversas		74.200.000,00			
		Soma		126.488.600,00		44.952.000,00	171.440.600,00
		Soma da despesa de Fóruns do Interior	66.500.000,00	234.909.400,00		44.952.000,00	336.370.200,00
		SERVIÇOS DIVERSOS					
375		VERBA N. 375					
		Material e Serviços					
	3.01.4	Despesas Diversas		11.900.000,00			
		Soma		11.900.000,00			11.900.000,00
		Soma da despesa de Serviços Diversos		11.900.000,00			11.900.000,00
		Soma da despesa do Tribunal de Justiça	666.294.200,00	927.625.800,00		255.212.000,00	1.852.132.000,00
		B — Tribunal de Alçada					
		JUIZES DO TRIBUNAL DE ALÇADA					
376		VERBA N. 376					
		Pessoal					
	3.01.0	Pessoal Fixo	23.004.000,00	17.222.400,00			
		Soma	23.004.000,00	17.222.400,00			40.226.400,00
		Soma da despesa de Juizes do Tribunal de Alçada	23.004.000,00	17.322.400,00			40.226.400,00
		SECRETARIA DO TRIBUNAL DE ALÇADA					
377		VERBA N. 377					
		Pessoal					
	3.01.0	Pessoal Fixo	46.633.700,00	11.057.000,00			
	3.01.1	Pessoal Variável		9.374.400,00			
		Soma	46.633.700,00	20.431.400,00			67.065.100,00
378		VERBA N. 378					
		Material e Serviços					
	3.01.2	Material Permanente		7.785.500,00		12.850.000,00	
	3.01.3	Material de Consumo		3.324.000,00			
	3.01.4	Despesas Diversas		680.000,00			
	3.94.4	Despesas Diversas					
		Soma		11.789.500,00		12.850.000,00	24.639.500,00
		Soma da despesa da Secretaria do Tribunal de Alçada	46.633.700,00	32.220.900,00		12.850.000,00	91.704.600,00
		Soma da despesa do Tribunal de Alçada	69.637.700,00	49.443.300,00		12.850.000,00	131.931.000,00
		Soma da despesa da Justiça Comum	736.931.900,00	977.069.100,00		268.062.000,00	1.984.063.000,00
		II — JUSTIÇA MILITAR					
		TRIBUNAL DE JUSTIÇA MILITAR DO ESTADO					
379		VERBA N. 379					
		Pessoal					
	3.01.0	Pessoal Fixo	13.858.600,00	7.747.000,00			
	3.01.1	Pessoal Variável		407.400,00			
		Soma	13.858.600,00	8.154.400,00			22.013.000,00
380		VERBA N. 380					
		Material e Serviços					
	3.01.2	Material Permanente		854.000,00		1.560.000,00	
	3.01.3	Material de Consumo		2.327.000,00			
	3.01.4	Despesas Diversas		100.000,00			
	3.94.4	Despesas Diversas					
		Soma		3.281.000,00		1.560.000,00	4.841.000,00
		Soma da despesa do Tribunal de Justiça Militar do Estado	13.858.600,00	11.435.400,00		1.560.000,00	26.854.000,00
		Soma da despesa da Justiça Militar	13.858.600,00	11.435.400,00		1.560.000,00	26.854.000,00
		TOTAL DA DESPESA DO PODER JUDICIÁRIO	752.790.500,00	988.504.500,00		269.622.000,00	2.010.917.000,00
		TOTAL GERAL DA DESPESA DO ESTADO	17.250.035.871,20	77.419.101.979,00	3.056.928.000,00	10.206.721.149,80	106.934.777.000,00

Artigo 4.º — A realização de despesa não obrigatória, que não tenha caráter urgente, dependerá da arrecadação de receita suficiente para custeá-la, nos têrmos do regulamento que fôr expedido.

Artigo 5.º — As dotações correspondentes a rubricas próprias da receita, sòmente serão utilizadas à medida que se realizar a respectiva arrecadação.

Artigo 6.º — Consideram-se suplementadas, até o limite correspondente ao excesso que se verificar sôbre a receita prevista, as dotações às quais correspondam rubricas próprias no orçamento da receita.

Artigo 7.º — Fica o Poder Executivo autorizado a realizar operações de crédito como antecipação da receita, nos têrmos do artigo 92 da Lei n. 2.320, de 30 de dezembro de 1958.

Artigo 8.º — As dotações orçamentárias destinadas a atender despesas com aquisição de mudas, sementes e embalagens, para o fomento da produção vegetal, não poderão ser utilizadas como recurso de cobertura para suplementação de verbas de outra natureza.

Parágrafo único — Os materiais referidos neste artigo, salvo os empregados no próprio serviço, destinam-se exclusivamente à venda, devendo o seu produto ser obrigatòriamente, recolhido à Secretaria da Fazenda como receita ordinária.

Artigo 9.º — Os auxílios de que trata o verbo n. 197, destinados a estabelecimentos de ensino superior sòmente serão pagos desde que os beneficiários se obriguem a conceder, em 1961, gratuitamente, tantas matrículas quantas correspondentes a 10% (dez por cento) do limite estabelecido para o 2.º série de cada um de seus cursos e a apresentar, até um ano após o recebimento do auxílio, a prova de sua aplicação.

Artigo 10 — Fica o Poder Executivo autorizado a realizar operações de crédito necessárias à cobertura do "deficit" previsto.

Artigo 11 — Esta lei entrará em vigor em 1.º de janeiro de 1961.

Artigo 12 — Revogam-se as disposições em contrário.

Palácio do Govêrno do Estado de São Paulo, aos 14 de novembro de 1960.

CARLOS ALBERTO A. DE CARVALHO PINTO
José Arthur Rios Junqueira
Francisco de Paula Vicente de Azevedo
Mário Ribeiro Porto — Respondendo pelo expediente da Secretaria de Agricultura
José Vicente de Paula Lima
Lauriano Vasconcellos de Carvalho
Francisco José da Nova
Mário Ribeiro Porto
Paulo Rodrigues
Paulo Cotrim

Publicada na Diretoria Geral da Secretaria de Estado dos Negócios do Govêrno, aos 14 de novembro de 1960.
João de Deus Cardoso
Diretor Geral, Substituto.

LEI N. 5.939, DE 14 DE NOVEMBRO DE 1960

Dá denominação a estabelecimento de ensino

O GOVERNADOR DO ESTADO DE SÃO PAULO:
Faço saber que a Assembléia Legislativa decreta e eu promulgo a seguinte lei:
Artigo 1.o — Passa a denominar-se "Professor José Juliano Neto" o Grupo Escolar de Vila Santo Antonio, município de São Carlos.
Artigo 2.o — Esta lei entrará em vigor na data de sua publicação.
Palácio do Govêrno do Estado de São Paulo, aos 14 de novembro de 1960.

CARLOS ALBERTO A. DE CARVALHO PINTO
Luciano Vasconcellos de Carvalho
Publicada na Diretoria Geral da Secretaria de Estado dos Negócios do Govêrno, aos 14 de novembro de 1960.
João de Siqueira Campos
Diretor Geral, Substituto

LEI N. 5.940, DE 14 DE NOVEMBRO DE 1960

Dá denominação a Grupo Escolar em São Carlos

O GOVERNADOR DO ESTADO DE SÃO PAULO:
Faço saber que a Assembléia Legislativa decreta e eu promulgo a seguinte lei:
Artigo 1.o — Passa a denominar-se "Professor Arlindo Bittencourt" o atual Grupo Escolar do Centenário, no município de São Carlos.
Artigo 2.o — Esta lei entrará em vigor na data de sua publicação.
Palácio do Govêrno do Estado de São Paulo, aos 14 de novembro de 1960.

CARLOS ALBERTO A. DE CARVALHO PINTO
Luciano Vasconcellos de Carvalho
Publicada na Diretoria Geral da Secretaria de Estado dos Negócios do Govêrno, aos 14 de novembro de 1960.
João de Siqueira Campos
Diretor Geral, Substituto

LEI N. 5.941, DE 14 DE NOVEMBRO DE 1960

Dá denominação ao Ginásio Estadual que indica

O GOVERNADOR DO ESTADO DE SÃO PAULO:
Faço saber que a Assembléia Legislativa decreta e eu promulgo a seguinte lei:
Artigo 1.o — Passa a denominar-se "Prof. Hildebrando Siqueira" o Ginásio Estadual de Vila Industrial, em Campinas.
Artigo 2.o — Esta lei entrará em vigor na data de sua publicação.
Palácio do Govêrno do Estado de São Paulo, aos 14 de novembro de 1960.

CARLOS ALBERTO A. DE CARVALHO PINTO
Luciano Vasconcellos de Carvalho
Publicada na Diretoria Geral da Secretaria de Estado dos Negócios do Govêrno, aos 14 de novembro de 1960.
João de Siqueira Campos
Diretor Geral, Substituto

LEI N. 5.942, DE 14 DE NOVEMBRO DE 1960

Dá denominação ao Ginásio Estadual de Pedregulho

O GOVERNADOR DO ESTADO DE SÃO PAULO:
Faço saber que a Assembléia Legislativa decreta e eu promulgo a seguinte lei:
Artigo 1.o — Passa a denominar-se Ginásio Estadual "Dr. José Vicente Machado Netto" o Ginásio Estadual de Pedregulho.
Artigo 2.o — Esta lei entrará em vigor na data de sua publicação.
Palácio do Govêrno do Estado de São Paulo, aos 14 de novembro de 1960.

CARLOS ALBERTO A. DE CARVALHO PINTO
Luciano Vasconcellos de Carvalho
Publicada na Diretoria Geral da Secretaria de Estado dos Negócios do Govêrno, aos 14 de novembro de 1960.
João de Siqueira Campos
Diretor Geral, Substituto

LEI N. 5.943, DE 14 DE NOVEMBRO DE 1960

Dá denominação a Grupo Escolar

O GOVERNADOR DO ESTADO DE SÃO PAULO:
Faço saber que a Assembléia Legislativa decreta e eu promulgo a seguinte lei:
Artigo 1.o — Passa denominar-se Grupo Escolar "Prof. Paulo Novaes de Carvalho" o Grupo Escolar Vila Brasil da Capital.
Artigo 2.o — Esta lei entrará em vigor na data de sua publicação.
Palácio do Govêrno do Estado de São Paulo, aos 14 de novembro de 1960.

CARLOS ALBERTO A. DE CARVALHO PINTO
Luciano Vasconcellos de Carvalho
Publicada na Diretoria Geral da Secretaria de Estado dos Negócios do Govêrno, aos 14 de novembro de 1960.
João de Siqueira Campos
Diretor Geral, Substituto

LEI N. 5.944, DE 14 DE NOVEMBRO DE 1960

Dá denominação a Grupo Escolar

O GOVERNADOR DO ESTADO DE SÃO PAULO:
Faço saber que a Assembléia Legislativa decreta e eu promulgo a seguinte lei:
Artigo 1.o — Passa a denominar-se "Professor José de Campos Camargo", o Grupo Escolar de Vila Santana, nesta Capital.
Artigo 2.o — Esta lei entrará em vigor na data de sua publicação.
Artigo 3.o — Revogam-se as disposições em contrário.
Palácio do Govêrno do Estado de São Paulo, aos 14 de novembro de 1960.

CARLOS ALBERTO A. DE CARVALHO PINTO
Luciano Vasconcellos de Carvalho
Publicada na Diretoria Geral da Secretaria de Estado dos Negócios do Govêrno, aos 14 de novembro de 1960.
João de Siqueira Campos
Diretor Geral, Substituto

LEI N. 5.945, DE 14 DE NOVEMBRO DE 1960

Dá a denominação de "Professor José Scaramelli" ao Grupo Escolar de Capoeva, Município de Guarulhos

O GOVERNADOR DO ESTADO DE SÃO PAULO:
Faço saber que a Assembléia Legislativa decreta e eu promulgo a seguinte lei:
Artigo 1.o — Passa a denominar-se "Professor José Scaramelli" o Grupo Escolar de Capoeva, no município de Guarulhos.
Artigo 2.o — Esta lei entrará em vigor na data de sua publicação.
Palácio do Govêrno do Estado de São Paulo, aos 14 de novembro de 1960.

CARLOS ALBERTO A. DE CARVALHO PINTO
Luciano Vasconcellos de Carvalho
Publicada na Diretoria Geral da Secretaria de Estado dos Negócios do Govêrno, aos 14 de novembro de 1960.
João de Siqueira Campos — Diretor Geral Substituto

LEI N. 5.946, DE 14 DE NOVEMBRO DE 1960

Dá denominação a Grupo Escolar

O GOVERNADOR DO ESTADO DE SÃO PAULO:
Faço saber que a Assembléia Legislativa decreta e eu promulgo seguinte lei:
Artigo 1.o — Passa a denominar-se "Professor Theodomiro Emerique", o Grupo Escolar de Vila Marieta, nesta Capital.
Artigo 2.o — Esta lei entrará em vigor na data de sua publicação.
Artigo 3.o — Revogam-se as disposições em contrário.
Palácio do Govêrno do Estado de São Paulo, aos 14 de novembro de 1960.

CARLOS ALBERTO A. DE CARVALHO PINTO
Luciano Vasconcellos de Carvalho
Publicada na Diretoria Geral da Secretaria de Estado dos Negócios do Govêrno, aos 14 de Novembro de 1960.
João de Siqueira Campos — Diretor Geral Substituto

LEI N. 5.947, DE 14 DE NOVEMBRO DE 1960

Dispõe sôbre concessão de auxílio à Comissão do IV.o Centenário de Pinheiros, e dá outras providências

O GOVERNADOR DO ESTADO DE SÃO PAULO:
Faço saber que a Assembléia Legislativa decreta e eu promulgo a seguinte lei:
Artigo 1.o — Fica o Poder Executivo autorizado a conceder, no corrente exercício, o auxílio de Cr$ 200.000,00 (duzentos mil cruzeiros) à Comissão do IV.o Centenário de Pinheiros, como contribuição estadual para a realização dos festejos comemorativos dêsse antigo bairro da Capital em agôsto de 1960.
Artigo 2.o — O pagamento de auxílio previsto no artigo anterior ficará condicionado à oficialização das festividades pelo Poder competente e ao estabelecimento, em lei do Município da Capital, de contribuição para o mesmo fim.
Artigo 3.o — As despesas com a execução da presente lei correrão à conta da verba n. 319 — 3.08.4 — item 44(1) do orçamento.
Artigo 4.o — Esta lei entrará em vigor na data de sua publicação.
Artigo 5.o — Revogam-se as disposições em contrário.
Palácio do Govêrno do Estado de São Paulo, aos 14 de novembro de 1960.

CARLOS ALBERTO A. DE CARVALHO PINTO
Francisco de Paula Vicente de Azevedo
Publicada na Diretoria Geral da Secretaria de Estado dos Negócios do Govêrno, aos 14 de novembro de 1960.
João de Siqueira Campos
Diretor Geral, Substituto.

LEI N. 5.948, DE 14 DE NOVEMBRO DE 1960

Dá denominação ao Grupo Escolar que indica

O GOVERNADOR DO ESTADO DE SÃO PAULO:
Faço saber que a Assembléia Legislativa decreta e eu promulgo a seguinte lei:
Artigo 1.o — Passa a denominar-se "Professora Toófila Pinto de Camargo" o 2.o Grupo Escolar de Itápolis
Artigo 2.o — Esta lei entrará em vigor na data de sua publicação.
Artigo 3.o — Revogam-se as disposições em contrário.
Palácio do Govêrno do Estado de São Paulo, aos 14 de novembro de 1960.

CARLOS ALBERTO A. DE CARVALHO PINTO
Luciano Vasconcellos de Carvalho
Publicada na Diretoria Geral da Secretaria de Estado dos Negócios do Govêrno, aos 14 de novembro de 1960.
João de Siqueira Campos
Diretor Geral, Substituto.

LEI N. 5.949, DE 14 DE NOVEMBRO DE 1960

Dispõe sôbre denominação de estabelecimento de ensino

O GOVERNADOR DO ESTADO DE SÃO PAULO:
Faço saber que a Assembléia Legislativa decreta e eu promulgo a seguinte lei:
Artigo 1.o — Passa a denominar-se Grupo Escolar "Professora Julieta Guedes de Mendonça" o 4.o Grupo Escolar de Dracena.
Artigo 2.o — Esta lei entrará em vigor na data de sua publicação.
Palácio do Govêrno do Estado de São Paulo, aos 14 de novembro de 1960.

CARLOS ALBERTO A. DE CARVALHO PINTO
Luciano Vasconcellos de Carvalho
Publicada na Diretoria Geral da Secretaria de Estado dos Negócios do Govêrno, aos 14 de novembro de 1960.
João de Siqueira Campos
Diretor Geral, Substituto.

LEI N. 5.950, DE 14 DE NOVEMBRO DE 1960

Dá denominação ao 2.o Grupo Escolar de Salto

O GOVERNADOR DO ESTADO DE SÃO PAULO:
Faço saber que a Assembléia Legislativa decreta e eu promulgo a seguinte lei:
Artigo 1.o — Passa a denominar-se "Professor Cláudio Ribeiro da Silva" o 2.o Grupo Escolar da cidade de Salto.
Artigo 2.o — Esta lei entrará em vigor na data de sua publicação.
Artigo 3.o — Revogam-se as disposições em contrário.
Palácio do Govêrno do Estado de São Paulo, aos 14 de novembro de 1960.

CARLOS ALBERTO A. DE CARVALHO PINTO
Luciano Vasconcellos de Carvalho
Publicada na Diretoria Geral da Secretaria de Estado dos Negócios do Govêrno, aos 14 de novembro de 1960.
João de Siqueira Campos
Diretor Geral, Substituto.

LEI N. 5.951, DE 14 DE NOVEMBRO DE 1960

Dá denominação a estabelecimento de ensino

O GOVERNADOR DO ESTADO DE SÃO PAULO:
Faço saber que a Assembléia Legislativa decreta e eu promulgo a seguinte lei:
Artigo 1.o — Passa a denominar-se "Professor João Solidário Pedroso" o Grupo Escolar de Vila São Manoel, no Município de Americana.
Artigo 2.o — Esta lei entrará em vigor na data de sua publicação.
Palácio do Govêrno do Estado de São Paulo, aos 14 de novembro de 1960.

CARLOS ALBERTO A. DE CARVALHO PINTO
Luciano Vasconcellos de Carvalho
Publicada na Diretoria Geral da Secretaria de Estado dos Negócios do Govêrno, aos 14 de Novembro de 1960.
João de Siqueira Campos
Diretor Geral, Substituto.

LEI N. 5.952, DE 14 DE NOVEMBRO DE 1960

Dá denominação de "Prof. Ennio Voss" ao Ginásio Estadual de Brodósqui Paulista

O GOVERNADOR DO ESTADO DE SÃO PAULO:
Faço saber que a Assembléia Legislativa decreta e eu promulgo a seguinte lei:
Artigo 1.o — Passa a denominar-se "Prof. Ennio Voss" o Ginásio Estadual de Brodósqui Paulista, nesta Capital.
Artigo 2.o — Esta lei entrará em vigor na data de sua publicação.

AIR POUCH
PRIORITY

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FOREIGN SERVICE DESPATCH

462
DESP. NO.

FROM : AMEMBASSY, RIO DE JANEIRO

TO : THE DEPARTMENT OF STATE, WASHINGTON.

December 5, 1960

DEC 7 TE 1960

REF : CERP, Section B, III, E-1, April 3, 1957
Embassy Despatch 370, November 1, 1960

Enclosures

55 For Dept. Use Only	ACTION	DEPT.	RMR-2 INR-7 REP-1 E-7 ICA-4
	REC'D 12/13	INFO OTHER	CIA-2 COM-8 FR-3 FRB-3 XMB-4 D4F-7

SUBJECT: Bank of Brazil Balance Sheet, October 31, 1960

DEPARTMENT OF STATE
BUREAU OF
INTER-AMERICAN AFFAIRS
DEC 1960
REF'D

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The following conclusions may be drawn from analysis of the Bank of Brazil's balance sheet for October 31, 1960 (enclosed), in comparison with that for the previous month:

(1) Outstanding loans by the Bank, other than to the National Treasury, increased in October by Cr$7,244 million, following an increase of Cr$9,487 million during September. The increase in October 1959, was Cr$598 million. Outstanding loans of the Bank of Brazil, other than to the National Treasury, are summarized below, in millions of cruzeiros, as of selected dates:

	Dec. 31, 1958	Oct. 31, 1959	Dec. 31, 1959	Sep. 30, 1960	Oct. 31, 1960
Loans to the Public	115,971	128,554	134,038	170,278	175,678
Loans to State and Municipal Govts.	13,617	12,836	13,063	13,580	13,432
To Autarchies ...	4,456	6,292	7,482	8,016	10,008
Total, excluding Nat'l Treasury .	134,044	147,682	154,583	191,874	199,118

(2) Outstanding rediscounts by the Bank of Brazil at the Carteira de Redescontos increased during October, 1960, by Cr$3,143 million, following an increase of Cr$9,915 million in September. Rediscounts by the Bank in October, 1959, increased by Cr$2,012 million.

(3) The sum of the various Bank of Brazil accounts derived from agio profits increased during October by Cr$3,163 million. This item had decreased by Cr$4,993 million in September and had decreased by Cr$6,944 million in October, 1959.

END UNCLASSIFIED

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

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(4) It is estimated that the net debtor position of the National Treasury at the Bank of Brazil increased during the first ten months of 1960 by approximately Cr$31.8 billion, including an estimated increase of approximately Cr$5.9 billion during the month of October. This compares with an increase of Cr$17.4 billion during the first ten months of 1959, including a decrease of Cr$0.2 million during October, 1959. See Embassy Despatch 214 dated September 12, 1960, for a description of the method by which the "net debtor position" is now being computed.

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For the Ambassador:

John Krizay
Second Secretary of Embassy

Coordinated:

Herbert K. May
Treasury Attaché

Enclosures:
6 copies of Bank of Brazil Balance Sheet, October 31, 1960

1018

BANCO DO BRASIL S.A.

Enclosure to Rio de Janeiro 462

BALANCETE EM 31 DE OUTUBRO DE 1960

ARA

– COMPREENDENDO DIREÇÃO GERAL E AGENCIAS NO PAIS (449) E NO EXTERIOR (4) –

ATIVO

Cr$

DISPONIVEL

Caixa:
- Em moeda corrente 6.298.869.454,80
- Em outros valores ..... 8.851.055,10 — 6.306.920.409,90

Agências no exterior (total do disponível) ..... — 81.112.284,70 — 6.388.032.774,60

REALIZAVEL

Operações de câmbio, à ordem do Tesouro Nacional:
- Correspondentes no exterior 2.782.799.356,50
- Outras contas vinculadas a câmbio ..... 23.898.852.898,30 — 26.681.652.254,80

IMPORTANCIAS EM CONTA

Do Caixa de Crédito Geral do Tesouro Nacional:
- Saldo das contas de emissão e Caixa de mobilização Geral 30.369.278.893,70
- Contribuições para o Fundo Rotativo de Assistência e Seguro Obrigatório do Estado 4.828.936.382,20
- Outras contas ..... 66.143.700.771,30 — 100.721.915.897,40

A governos estaduais 13.019.772.521,20
A governos municipais 236.905.048,00
A outras entidades públicas 23.705.611,70
A particulares 5.813.872.237,40
A bancos:
Por conta própria 637.367.645,70
Por conta da Caixa de Mobilização Bancária 10.951.396.249,80
Ao comércio (operações ordinárias) 7.257.209.209,60
Ao comércio (outras operações) 7.333.579.015,70
À indústria (operações ordinárias) 705.129.489,70
À indústria (outras operações) 20.713.179.651,20
À lavoura (operações ordinárias) 1.667.414.374,40
À lavoura (outras operações) 71.485.125,70
À pecuária 133.172.938,70
Diversos, no exterior 489.829.493,80
Diversos, no município ..... 119.301.095,70 — 170.171.808.029,50

De Caixas de Crédito Agrícola e Industrial:
- Agrícolas 36.374.565.077,00
- Agroindustriais 42.396.152,80
- Agropecuárias 1.677.223.483,10
- Pecuárias 13.269.098.863,20
- Industriais 98.365.351.703,10
- Sem fins lucrativos 509.584,40
- Bens imóveis recebidos pelas agências financeiras de emergência ativo a Carteira Federal (Cláusula 4ª do contrato nacional — Lei 1.184, de 19-12-50) 781.728.367,70
- Caixas empréstimos 2.574.385.097,50
- Diversos, no município ..... 725.900.439,30 — 75.711.925.955,40 — 341.883.733.984,90

TITULOS DESCONTADOS

Do Caixa de Crédito Geral:
- A governos estaduais 100.000.000,00
- A governos municipais 74.960.022,10
- A bancos 4.170.240.911,20
- A banqueiros:
  - Por conta própria 336.700.000,00
  - Por conta da Caixa de Mobilização Bancária 134.211.238,10
- Ao comércio (operações ordinárias sobre outr. títs nacional e estaduais, algodão, juta e óleo de carnaúba) 8.264.782.777,50
- Ao comércio (outras operações) 13.502.632.637,10
- À indústria (operações ordinárias sobre outr. títs nacional e estaduais, algodão, juta e óleo de carnaúba) 3.733.760.844,00
- À indústria (outras operações) 34.037.545.427,20
- À lavoura (operações ordinárias sobre outr. títs nacional e estaduais, algodão, juta e óleo de carnaúba) 536.341.712,80
- À lavoura (outras operações) 2.963.815.813,40
- À pecuária 2.422.794.452,40
- A particulares ..... 133.959.454,80 — 69.304.765.497,70

OUTROS CREDITOS E VALORES

Créditos:
- Títulos e créditos de curto prazo 4.406.936.028,10
- Créditos em liquidação 2.369.687.917,90
- Importância do Encaixe do Banco do Brasil S.A. e do Crédito Agrícola correspondente ao depósito obrigatório (Decreto-lei 9.126, de 10-4-46) 30.655.265,90
- Importância do Encaixe do Crédito Agrícola obrigatório 4.294.857.100,60
- Compra e venda de produtos nacionais 5.541.070.388,50
- Compra e venda de produtos de importação 1.088.294.132,40
- Caixa de Mobilização Bancária, conta de fins específicos ao crédito industrial (Decreto 39.702, de 25-5-56) 935.967.554,40
- Caixa de mobilização da quota de contribuição governamental do Tesouro nacional (Decreto 40.587, de 20-1-57) 800.000.000,00
- Compromissos no país 103.265.176,00
- Diversos, no país 2.224.424.511,20

Valores:
- Títulos e valores mobiliários:
  - Agências e outros obrigações federais 254.352.134,00
  - Ações ordinárias 36.925,00
  - Outros títulos e valores mobiliários ..... 763.407.537,80 — 1.017.796.634,80
- Imóveis não destinados a uso do Banco ..... — 1.532.879.992,60 — 24.474.733.327,50

Direção Geral e Agências (contas de relações internas) ..... — 478.931.220.005,70
Agências no exterior (total do ativo disponível) ..... — 1.377.812.938,60 — 841.061.718.009,20

IMOBILIZADO

- Imóveis do uso do Banco 4.267.127.939,60
- Móveis e utensílios 912.721.083,70
- Material de expediente ..... 305.147.664,30 — 5.487.007.687,60
- Agências no exterior (total do imobilizado) ..... — 124.362.575,20 — 5.609.370.262,80

DE RESULTADO PENDENTE

- Despesas de juros e comissões 1.942.612.946,00
- Despesas de emissão 56.789.730,00
- Despesas gerais e outras despesas administrativas 5.836.010.603,70
- Outras contas de resultado pendente ..... 2.090.998.960,00 — 9.927.409.283,70
- Agências no exterior (total do resultado pendente) ..... — 51.155.571,10 — 9.978.564.854,80

— 863.937.885.981,30

DE COMPENSAÇÃO

Valores em garantia 287.614.578.885,40
Depositantes:
- Caixa do Tesouro Nacional (256.709.881.879 g) 5.845.445.123,40
- Outros valores depositados ..... 95.463.282.348,10 — 101.308.727.471,50 — 388.923.306.352,90

Outras contas de conta alheia ..... — 184.787.403.606,20
Outras contas de compensação ..... — 98.036.274.285,70
Agências no exterior (total de compensação) ..... — 1.111.117.703,10 — 672.858.203.595,90

— 1.735.896.089.833,10

PASSIVO

Cr$

NÃO EXIGIVEL

- Capital 800.000.000,00
- Fundo de reserva 276.574.300,90
- Fundo de previsão 4.129.483.461,00
- Fundo de amortização de imóveis, móveis e utensílios 4.269.433.188,00
- Fundo para prejuízos eventuais ..... 2.345.288.302,80 — 11.020.967.462,70
- Fundo para o desenvolvimento de iniciativas de interêsse público 116.077.931,30
- Agências no exterior (total do não exigível) ..... 42.723.378,80 — 31.779.768.791,80

EXIGIVEL

Operações de câmbio, à ordem do Tesouro Nacional:
- Correspondentes no exterior 11.155.712.283,20
- Obrigações em moedas estrangeiras por empréstimos contraídos 1.381.823.441,70
- Depósitos obrigatórios (Decreto 24.038, de 26-3-34) 81.996.404,70
- Outras contas vinculadas a câmbio ..... 2.467.935.346,10 — 16.786.477.475,70

Depósitos à vista e a curto prazo

Do Tesouro Nacional:
- À disposição de entidades federais 17.118.598.446,30
- Fundo de subscrições (Dec. 22.147, de 28-6-48) 25.277.273,40
- Fundo de pavimentação de estradas de rodagem (Lei 2.698, de 27-12-55) 3.563.845.566,40
- Fundo de modernização e reaparelhamento da lavoura nacional 19.317.513.912,70
- Fundo de recuperação econômico-rural da lavoura canavieira 1.000.000.000,00
- Fundo para amparo à lavoura cafeeira 700.145,80
- Fundo especial para encontro de estoques e financiamentos no país (Lei 3.244, de 14-8-57 — Art. 58) 290.124.477,60
- Outras contas ..... 19.218.752.312,30 — 40.454.654.732,30

De governos estaduais 202.841.030,40
De governos municipais 333.722.498,20
De outras entidades públicas 6.367.240.382,40
De autarquias:
- Superintendência da Moeda e do Crédito:
  - Conta de fundos 37.162.934.907,40
  - Contas de juros 925.540.002,80
  - Fundo Monetário Internacional 4.474.107.302,30
  - Banco Internacional de Desenvolvimento ..... 143.106.750,60 — 42.705.696.962,70
- Caixa de Mobilização Bancária 2.515.118.070,60
- Outras autarquias ..... 30.389.898.995,40 — 75.410.712.028,30
- De bancos ..... — 46.259.492.303,80
- Do público (compulsórios):
  - Judiciais (Decreto-lei 3.077, de 26-2-41) 4.867.389.089,30
  - De emprêsas concessionárias de serviços públicos (Decreto-lei 3.977, de 26-2-41) 487.306.090,90
  - Obrigatórios de juros extraordinários (Decreto-lei 9.159, de 10-4-46) 30.565.555,80
  - Depósitos para investimentos (Lei 3.470, de 28-11-58) 730.832.536,20
  - Outros depósitos obrigatórios ..... 191.117.159,10 — 6.307.200.431,30
- Do público (diversos):
  - Sem limite 17.106.947.932,20
  - Limitados 1.771.158.090,80
  - Populares 7.874.095.594,90
  - Sem juros 5.551.774.492,00
  - Outros depósitos ..... 2.316.608.481,70 — 35.624.292.980,90
- Saldos credores de emprêstimos ..... — 936.904.264,50 — 229.307.153.845,10

DEPÓSITOS A PRAZO

- De autarquias 3.168.386.594,30
- Do público (compulsórios):
  - Judiciais (Decreto-lei 3.077, de 26-2-41) 77.291.496,80
- Do público (diversos):
  - De emprêsas públicas 420.005.159,60
  - A prazo fixo ..... 338.612.664,60 — 758.617.824,20 — 4.004.295.255,30

OUTRAS RESPONSABILIDADES

Títulos redescontados:
- Comerciais 24.157.910.297,70
- Contratos da Carteira de Crédito Agrícola e Industrial ..... 37.815.753.026,60 — 61.973.663.324,30
- Mobilização de créditos em moratória 2.000.000.000,00
- Caixa de Mobilização Bancária (Reparamento) 4.064.476.146,70
- Carteira de Colocação conta de recursos 181.051.363,00
- Bônus e letras hipotecárias da Carteira de Crédito Agrícola e Industrial, em circulação 731.600.600,00
- Correspondentes no país 68.447.625,20
- Ordens de pagamento 2.914.376.780,20
- Cobranças efetuadas, em trânsito 2.870.791.339,40
- Cheques do país 1.624.737.877,40
- Dividendos a pagar 8.103.837,80
- Outras contas do passivo exigível ..... 16.407.345.659,10 — 33.870.784.951,10

Direção Geral e Agências (contas de relações internas) ..... — 470.992.478.843,80
Agências no exterior (total do exigível) ..... — 1.720.027.605,90 — 816.381.325.036,80

DE RESULTADO PENDENTE

- Rendas de juros, descontos, comissões e diversos 8.767.988.848,50
- Outras contas de resultado pendente ..... 25.640.910.809,20 — 34.408.899.747,70
- Agências no exterior (total de resultado pendente) ..... — 69.492.304,90 — 34.478.392.052,60

— 863.037.885.981,30

DE COMPENSAÇÃO

- Depositantes de valores em garantia e custódia 388.923.306.352,90
- Depositantes de clientes para cobrança:
  - Do país 184.114.989.152,60
  - Do exterior ..... 672.414.453,60 — 184.787.403.606,20
- Outras contas de compensação ..... — 98.036.376.289,70
- Agências no exterior (total de compensação) ..... — 1.111.117.703,10 — 672.858.203.551,90

— 1.735.896.089.833,10

Petróleo Brasileiro S. A.
PETROBRÁS

ATA DA ASSEMBLÉIA GERAL EXTRAORDINÁRIA, REALIZADA EM 8 DE NOVEMBRO DE 1960

PETROBRÁS, S. Paulo

Instituto Científico São Jorge S. A.

ATA DA ASSEMBLÉIA GERAL ORDINÁRIA, REALIZADA EM 29 DE ABRIL DE 1960

BANCO DO BRASIL S. A.

CARTEIRA DE COMERCIO EXTERIOR

EDITAL

eConcorrência pública para a venda de uma Balança CERES

ORBIS PUBLICAÇÕES S. A.

BALANÇO GERAL — ENCERRAMENTO EM 30 DE JUNHO DE 1959

ATIVO

		Cr$
Disponível:		
Banco		202.938,10
Realizável:		
Obrigações a Receber	170.240,00	
Investimentos	2.727.000,00	2.897.240,00
Fundos:		
Lucros e Perdas		100.225,40
Compensação:		
Ações Caucionadas		130.000,00
		4.330.413,50

PASSIVO

	Cr$
Não Exigível:	
Capital	4.200.000,00
Exigível:	
Contas Correntes	417,50
Compensação:	
Caução da Diretoria	130.000,00
	4.330.413,50

Rio de Janeiro, 30 de junho de 1959. — (as) Gilbert J. Huber Jr., Diretor Presidente. — Avelar Lage da Silva, Téc. Cont. CRC/EG. n.º 10.495.

DEMONSTRAÇÃO DA CONTA «LUCROS E PERDAS» EM 30-6-1959

DEBITO	Cr$	CREDITO	Cr$
Saldo do Exercício Anterior	106.220,40	Juros e Descontos	1.527,10
Despesas Gerais	141.468,00	Rendas de Investimentos	170.240,00
		Saldo desta Conta	69.720,30
	241.945,40		241.945,40

Rio de Janeiro, 30 de junho de 1959. — (as.) Gilbert J. Huber Jr., Diretor Presidente. — Avlr Lage da Silva, Tec. Cont. CRC/ED. n.º 10.495.

ORBIS PUBLICAÇÕES S/A.

PARECER DO CONSELHO FISCAL

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Control: 7410
Rec'd: December 13, 1960
8:55 p.m.

Action
ARA

Info
E
INR
CIA
NSA
OSD
ARMY
NAVY
AIR
AGR
COM

RMR

FROM: Rio de Janeiro

TO: Secretary of State

NO: 776, December 13, 7 p.m.

Following telegram from Recife repeated for your information.

QUOTE

74 December 12, 8 p.m.

Alexander Reed of West Indies Mortgage and Trust Company now negotiating loan with Pernambuco has approached Recife US Air Force personnel with request take to Cape Canaveral Cocoa Florida one wooden box one cubic foot stated contains soil samples to be claimed destination by B. B. McCormick and Sons. Request will be denied unless Embassy or US Government interested testing soil samples before delivering at destination. Advise soonest if interested. Signed Guaderrama.

UNQUOTE

CABOT

BHH/4

832.10/12-1360 HBS

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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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(Security Classification)

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XR 800.2553

FOREIGN SERVICE DESPATCH

FROM : AMEMBASSY, Rio de Janeiro — 519 DESP. NO.

TO : THE DEPARTMENT OF STATE, WASHINGTON. — December 22, 1960 DATE

REF : Embdes 481, December 12, 1960
Embdes 403, November 14, 1960 Tar-2

For Dept. Use Only	ACTION / REC'D	DEPT.
25	Ara-4	RMR-2 Rep-1 INR-7 E-7 ICA-11
1-4	INFO OTHER	Cia-10 Com-12 TR-3 FRB-2 XMB-4

SUBJECT: Efforts to Obtain Six Months Moratorium from Foreign Oil Companies; "Delays" in Meeting Commitments on Outstanding PVCs

DLF-7 INT-7 apr-8 army-4 navy-3 NSC-2 OSD-4

On December 19, Minister of Finance Paes de Almeida asked the representatives of Esso, Shell, Atlantic and Texaco for a six-months moratorium of payments for petroleum imports. The oil company representatives stated that they would refer this request to their separate headquarters and would reply "as soon as possible". A memorandum of conversation covering this and other subjects is transmitted herewith as Enclosure 1. One of the more important facts also reported in that enclosure is confirmation of the reports that the Bank of Brazil has been failing to meet its commitments to provide the foreign exchange cover for outstanding PVCs. Poock Correa claims that the "delays" in meeting the Bank of Brazil commitments are in the neighborhood of one-month delays, both as to oil company PVCs and as to the PVCs of some other private companies. An Esso representative told the reporting officer, on the other hand, that the Bank of Brazil backlog actually amounted to 65 days, as of December 21. These implicit defaults on Bank of Brazil commitments are of relatively new vintage, reflecting the serious foreign exchange position of the Bank of Brazil, as pointed out in Embassy despatches 481 and 403 dated December 12 and November 14 respectively.

For the Chargé d'Affaires, a.i.:

Herbert K. May

Herbert K. May
Treasury Attaché

Coordinated:

William A. Fowler

William A. Fowler
Counselor of Embassy
for Economic Affairs

Encl: As stated

HKMay:dh

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Memorandum of Conversation with Sr. Paulo Poock Correa, on December 20, 1960, 11:00 a.m.

1. Poock Correa summarized as follows the meeting which had been held in the apartment of Finance Minister Paes de Almeida on December 19 between the representatives of Esso, Shell, Texaco and Atlantic, on the one hand, and Paes de Almeida, Brigadeiro Henrique Fleiuss, and Poock Correa, on the other hand: The oil companies' representatives were "very frank, though very friendly". Poock Correa had stated directly that the Bank of Brazil is practically broke and knows that it is confronting a huge foreign exchange deficit during the first half of 1961. He accordingly asked that the oil companies consider the extension of a six-month moratorium on payments for petroleum imports, on the understanding that the PVC maturities would be reduced to 150 days. The oil representatives said that they would refer this request to their headquarters and would hope to present a reply in the near future, which Poock Correa interpreted as this coming Monday (December 26). The oil representatives then stated that if the Bank of Brazil foreign exchange position was so precarious, they could not understand why the Finance Minister had reportedly stated that he was preparing to put $20 million into the free market in order to prevent a further depreciation of the free market exchange rate; nor could they understand why the Bank of Brazil was continuing to apply SUMOC Instruction 193 whereby very large "supplementary" offerings of commercial import PVCs are being made and taken up. Poock Correa stated that Paes de Almeida denied having proposed to put $20 million on the free market, explaining that some reporters had misunderstood his statement that about $20 million would be entering the free market soon because of expected sales of rice and sugar. On the subject of Instruction 193, Paes de Almeida stated that the purpose of continuing that instruction in effect has been to provide stockpiles of imports in such dimension as to relieve the commodity pressures which the Jânio Quadros administration will have to face when it takes office.

I asked whether the petroleum companies' representatives had made any issue about the fact that the Bank of Brazil has been failing to meet its commitments on outstanding PVCs which have matured. Poock Correa stated that the oil representatives had mentioned those delays but had not made a major issue of them. He stated also that the delays are in the range of



30-35 days. He acknowledged also that the Bank of Brazil has been failing to meet its commitments on PVCs owned by some other companies, the delays again ranging up to approximately one month. He went on to say that he had just released that day (December 20) approximately $15 million for the purpose of reducing the backlog on Bank of Brazil PVC commitments. 1/

2. Poock Correa stated that he expected to receive on December 20 the $10 million of advance payments by the Bank of America on coffee exports over the next six months. These advance payments are additional to the $15 million of advance payments received approximately a week ago from Chase Manhattan Bank covering exports during December, January and February of cacao and world market sugar. Poock Correa stated also that he recently concluded several large swap transactions and now expects that he will continue to have future opportunities to increase the outstanding swaps.

3. Poock Correa stated that commercial credit lines available to the Bank of Brazil were increased last week by $2.5 million by the Wells Fargo Bank ($2.0 million) and by another New York bank (in the amount of $0.5 million. This increases the total available lines of credit to $90.0 million.

4. Poock Correa stated that he has accepted employment by the Sul Americana interests to manage one of their banks beginning in February, 1961. He stated that he has no idea of who will replace him as Director of the Exchange Department of the Bank of Brazil.

Herbert K. May
Treasury Attaché

1/ In a conversation which I had on December 21 with Mr. Arnold Wolfson, Vice-President of Esso do Brasil, Wolfson told me that PoockCorrea's summary was accurate, with two exceptions: First, no day was mentioned as to when the petroleum companies might reply to Paes de Almeida's request for a six-month moratorium; he said that no commitment was ever made other than the statement that replies would be forthcoming "as soon as possible". Second, Poock Correa also stated to the petroleum representatives that the delays on outstanding PVCs were about 30-35 days, and the petroleum companies made no effort to correct him, although the delays actually total 65 days, at least in the case of Esso.

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FOREIGN SERVICE DESPATCH

FROM : Amconsulate PORTO ALEGRE

29
DESP. NO.

TO : THE DEPARTMENT OF STATE, WASHINGTON.

December 23, 1960
DATE

REF Consulate's Despatches Nos. 17 of Oct. 26'60 and 25 of Dec.2'60

For Dept. Use Only	ACTION	DEPT.
	ARA-4	ARA-2 INR-1 REP-1 E-7 ICA-10
	REC'D 1/9	INFO OTHER CIA-10 COM-8 IR-3 FRD-3 XMG-4 O4F-7 AGR-8 army-4 Navy-2 NSA-2 IAA-2

SUBJECT: 1961 Rio Grande do Sul Budget

In accordance with despatches under reference regarding the State's proposed budget for 1961, which was presented to the State Legislative Assembly for consideration and approval, the situation is now as follows:

Receipts were increased to Cr$25,500,000,000, against proposed Cr$25,242,000,000; expenditures were raised to Cr$29,871,646,040, against proposed Cr$27,334,000,000. Thus, the deficit amounts to Cr$4,371,646,040, against Cr$2,092,000,000 originally estimated. The changes in revenue were as follows:

	Proposed	Budget	Difference
Taxes	Cr$13,600,000,000	13,600,000,000	none
Fees	7,247,300,000	7,490,300,000+	243,000,000
Patrimonial Income	92,650,000	92,650,000	none
Industrial Income	494,097,000	504,097,000+	10,000,000
Miscellaneous Income	962,553,000	962,553,000	none
Extraordinary Income	2,845,400,000	2,850,400,000+	5,000,000
Totals	25,242,000,000	25,500,000,000+	258,000,000

Expenditures were changed as follows:

	Proposed	Budget	Difference
Legislative Assembly	Cr$158,999,060	169,499,060+	10,500,000
Tribunal of Accounts	64,131,000	64,131,000	none
Justice and Internal Affairs	551,179,860	588,312,060+	37,132,200
The Governorship	70,142,240	70,142,240	none

AJKirchhof/PWarner/zms
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DEPARTMENT OF STATE
INTER-AMERICAN AFFAIRS
JAN 16 1961

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	Proposed	Budget	Difference
Finance	985,992,510	989,192,510+	3,200,000
Public Works	321,368,940	385,500,940+	64,132,000
Agriculture	759,177,680	843,687,680+	84,510,000
Education & Culture	4,502,750,320	4,626,114,320+	123,364,000
Public Security	1,891,770,300	2,073,222,340+	181,452,040
Administration	111,585,160	88,975,360-	22,609,800
Health	917,669,840	962,532,840+	44,863,000
Economy	71,259,500	96,829,300+	25,569,800
Transportation	49,976,100	68,827,100+	18,851,000
Labor & Housing	156,166,800	169,229,600+	13,062,800
Electric Power & Communications	16,045,120	16,045,120	none
Justice	468,582,551	472,518,551+	3,936,000
General Commitments	8,364,450,019	10,231,133,019+	1,866,683,000
State Works Plan	7,872,753,000	7,955,753,000+	83,000,000
Totals	27,334,000,000	29,871,646,040+	2,537,646,040

These changes were made by the State deputies and the Finance and Budget Commission, mostly by the latter. The consensus is that the estimated deficit is likely to increase to Cr$6 billion in the fiscal year, if credits to be contracted, already shown as receipts, should not be granted. It is believed that the State will have primarily to restrain expenditures (or obtain credits) if the budget is not to be exceeded. The revenue is apparently not fairly distributed, as for some departments there appears to be sufficient funds available, while for other planned expenditures such as health, sanitation, irrigation, etc. funds do not appear to be sufficient. From an analysis which appeared in the local press the State under this budget would have a revenue of Cr$0.83 for each cruzeiro marked for expenditure.

Percy Warner
American Consul

cc. Amembassy RIO

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INCOMING AIRGRAM Department of State

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PAGE 1 OF PAGES

40-45 Action JOINT USOM-EMBASSY

Date Sent: December 26, 1960

Rec'd: 1960 DEC 31 AM 7 02

ACTION:

INFO: DEC 29 12 PM '60

RM/R FILES

ARA FROM: Amembassy, Rio de Janeiro

Info

SS TO: Secretary of State

L

H NO:

E REF: Embtel 818

UCEA

UMSC SUBJ: Land Reform Northeast

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Reftel requested that the Embassy be authorized to commit the U.S. Government to provide substantial assistance up to $20 million or cruzeiro equivalent to Pernambuco Governor Sampaio based on need to support his efforts to undercut an immediate and growing Communist movement through which the Reds are trading on public issues such as land reform and education. Communist influenced Peasant Leagues (Ligas Camponesas) are the principal vehicle for social agitation in depressed Brazilian rural areas. These leagues are being formed or are already active in other states, usually under other names, and are expected to coalesce into national movement under the leadership of Francisco Julião, Communist-lining state deputy Recife. It is predicted that success of the Pernambuco Ligas, in spectacular take over, would spark similar violent movements elsewhere in Brazil though it is generally agreed that Pernambuco is by background and history the major trouble spot and source of radical leadership.

Authority to commit is necessary as a basis for specific negotiations with Sampaio. Actual commitment would be contingent on prior approval of U.S. aid to Sampaio by President-elect Quadros and preferably coordination and approval by SUDENE, and acceptability o. U.S. of project ultimately proposed. Public announcement of U.S. intention to assist is an immediate political objective required by situation but such announcement would only follow clearance by Quadros. Sampaio is pro-U.S. and reform-minded, but is stymied by lack of financial resources to undertake settlement projects to relieve pressure at danger spots in the feudal sugar economy. Communist-led "peasant leagues" are

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whipping up sentiment for violent land grabbing, thus creating security problems and threatening to cut off Sampaio, and by extension the U.S., from the opportunity to meet the land reform issue and use it for political bona fides while long term sound economic programs are developed. This proposal takes into account the desirability of U.S. readiness to assist Sampaio as a hedge against the possibility that unpredictable Janio Quadros may be unwilling for political reasons to act effectively to neutralize the Ligas Camponesas.

Director Saccio visited the Northeast December 16-21 to become informed of problems relating to a probable request for assistance in this area under the Act of Bogotá, PL 480, etc. Interim reports from Recife indicated a serious situation coming to head because of continued pressures of leftist elements, Ligas Camponesas, the civic improvement and education program of Recife's Communist mayor and the precarious position of the Governor who had failed to negotiate a loan of $10-25 million from private American interests. This failure was compounded by a public announcement that the loan had been granted for colonization programs, and well publicized legislative authorization to the Governor to guarantee the loan.

Saccio's trip included 3 days in Recife and 2 days in Fortaleza. He interviewed Governor Sampaio, Gilberto Freyre, Raul Barbosa (Bank of the Northeast), various Brazilian educators and agricultural technicians, Point IV technicians and consular officers. He had a long interview with Celso Furtado in Rio.

The request for aid was made by the Governor on the basis that time is of the essence and some action is necessary to show the interest of the State Government and the U.S. in the problems of the people. These problems are essentially economic and social and, though long standing, are greatly exacerbated by a growing demand for long overdue reforms. Radio and advertising have made these problems major social issues. The Communists are successfully exploiting the situation. Success in their drive to take over the State (Pernambuco) would threaten the entire Northeast. The Communist Party expects to gain much credit by a frontal attack on the feudal sugar fazendas.

We need authority to act as soon as possible for the following reasons:

1. Sampaio is in trouble and must shortly admit failure in his efforts to get the loan. (He stated he has been trying for two years but had been turned down by the Federal Government and USOM and had now been left stranded by a private U.S. lender.)

2. The present Sampaio schemes (Engenho Galileia and 2

1026

other purchases) are not working well and appear to be headed for further trouble.

3. The Communist Mayor of Recife is doing well in public improvement and education programs.

4. It is probable that more sugar plantations will fail in the near future thus creating larger scale dislocation of families presently subsisting thereon.

The U.S. is in the position of having been asked point-blank for emergency help in a crucial political situation. We hope we can go back to Sampaio within the next two weeks with some answer that will give him hope.

Considering our current and developing policy to give aid for land reform there are decided advantages in moving now and getting the political benefits of being willing to help in a crisis.

Sampaio's plan is essentially one of buying marginal trouble spots and colonizing excess families in interior, also marginal, areas purchased by the State. The colonists would be salaried until ready to operate as owners. The plan also includes relief road building program. No direct attack on breaking up of sugar estates is contemplated.

This plan is obviously stop gap. Governor Sampaio knows he is merely buying time. He wants our aid without red tape. He has no time, money or staff to prepare detailed plans. Also to be noted: contrary to usual Brazilian or even Sampaio practice, he stated his willingness to cast his lot publicly with the U.S. He asserted that U.S. prestige is involved too and that we stand or fall together.

We believe Sampaio's plan has important technical and economic weaknesses. Moreover such a plan would be different from Furtado's approach which is based on mechanization and intensification of agriculture on the basis of regional economic criteria. USOM/ Embassy has no firm alternative but believes a feasible plan might be developed permitting Sampaio to achieve the political impact he needs and at the same time accomplish economically sound objectives by colonizing some 8,000 families for intensive agriculture on an estimated 80,000 hectares of unused "mata " land which can be improved by proven methods of drainage and soil conservation. Furthermore, an analysis by a USOM technician indicates a good chance of restoring fertility through long-term minerals fertilization. These lands are presently owned by "latifundistas". They would be purchased

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at enforced, reasonably low, prices. This action would have many characteristics of "land reform", a needed political element. Modest self-help housing, water, education and credit facilities would presumably be necessary if the U.S. is to be identified with the project. This proposed plan would have to be reviewed in all its aspects but this must be done in conjunction with Sampaio. We want the full approval of SUDENE. Lacking such agreement, the U.S. would nevertheless have to act, (assuming Quadros' approval), if the threat to Sampaio continued unabated.

Why assist Pernambuco and not other parts or the whole of the Northeast? Gilberto Freyre and Raul Barbosa assert that the large estates in cotton, etc., are not as fully feudal oligarchies as the sugar plantations. The former are more interspersed with small holders. Sugar is more industrialized, the workers are regimented, more concentrated and vulnerable to mass communications, which are increasing dissatisfaction and demand for reforms. The Ceará peasant, for instance, is considered more independent and "innocent". Moreover, Sampaio is the recognized leader of the Northeast and is close to President-elect Quadros. Furtado believes industrialization in Pernambuco will bring progress not possible such states as Ceará. He therefore considers the latter as the greatest potential problem. But Furtado is not obliged to deal with immediate political dangers which in our view center in Pernambuco.

If this request is approved, we propose to approach Sampaio with a commitment of up to $20 million loan.

This amount does not purport to be a considered estimate of the cost of the plan. It represents Sampaio's request. The U.S. commitment can use his figure as our limit. USOM would work closely with him on the best plan considering both political and technical factors. We have a valuable asset in Dr. James Haynes, USOM technician in Recife, who has the confidence of the Governor and is admired and respected throughout the Northeast. We are moving two technicians soonest from Rio to help Haynes, on a confidential basis to prepare technical plans. Additional technical assistance in detailed planning and execution will be necessary and should be provided for from other (grant) funds. The possibility of earmarking local currency requirements from the proposed interim PL 480 supply of 500,000 tons of wheat should be explored but failure of this suggestion should not stop the proposed commitment to Sampaio.

We have explored Title II possibility. We found no support among NE leaders for "food for labor" Title II projects. The sale of wheat and use of the proceeds in projects appear the only acceptable possibility. Wheat is not generally a part of the diet of the very

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people we must help, though it is an important staple of the classes in the actual money economy.

FYI: In interview with Saccio, 12/23, Furtado gave the impression of dedicated knowledgeable man who is attacking the problems of the Northeast on national long-term basis with initial success (1st year). He is not personally close to Quadros but feels he has his backing. He also feels certain he has a commitment from the FonOff that 35% of the proceeds of a 3rd (new) PL 480 agreement will be reserved for SUDENE for land settlement in Maranhão. His position in the next government is not predictable. End FYI.

It is requested that this message be called to the attention of Ambassador Cabot and Director Riddleberger. and Mr. Coerr.

BOND

LJ Saccio

JJSconce:LJSaccio:mvl

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OUTGOING TELEGRAM Department of State

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1960 DEC 31 PM 2 42

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SENT TO: Amembassy RIO DE JANEIRO 844 PRIORITY

Info:

Embtel 818 and G237

We recognize increasing importance help and encourage President-elect Quadros and anti-communist Governor Sampaio of Pernambuco initiate politically effective and economically sound effort combat swelling communist influence in depressed northeast region with its 20 million poverty stricken inhabitants and urgency make immediate commitment some assistance. Reference messages report Sampaio's request for immediate US commitment dollars 20 million. Justification for such new dollar funds obviously difficult while GOB has immediately available cruzeiros 7.3 billion on deposit in National Development Bank (at current free market rate equivalent about dollars 35 million) accumulated under 1956 PL480 and amendments. In response repeated USG urging, GOB has recently requested loan these funds to National Development Bank for economic development by formal transfer [redacted] If transfer funds not yet effected [redacted] it might

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Drafted: ARA/WDCorrijk 12/31/60 | Telegraphic transmission and classification approved by: ARA - Mr. Corr

Clearances: [redacted] ED - Mr. Schmeisser (Sub)

ARA-Mr. Burrell (in substance)

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it might be possible tap them for northeast as US grant, subject to Bureau of Budget waiver. If transfer effected, could be used this purpose at discretion GOB. Cable views.

FYI Contingency funds extremely limited. Dollar aid probably would require new appropriation. ~~End FYI~~ Foregoing exploratory from State only. End FYI

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FOREIGN SERVICE DESPATCH

FROM : AMEMBASSY, RIO DE JANEIRO
531
DESP. NO.

TO : THE DEPARTMENT OF STATE, WASHINGTON.
December 28, 1960
DATE

REF : CERP, Section B, III, E-1, April 3, 1957
Embassy Despatch 462, December 5, 1960
Enclosures (11)

For Dept. Use Only	ACTION	DEPT.
55	ARA*	RMA-2 INA-7 REP-1 E-7 ICA-11
REC'D 1/5	INFO OTHER	CIA-10 COM-8 TA-3 FRB-3 XMB-4 OLE-7

SUBJECT: Bank of Brazil Balance Sheet, November 30, 1960.

DEPARTMENT OF STATE
OFFICE OF
INTER-AMERICAN AFFAIRS
JAN 14 1961

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The following conclusions may be drawn from analysis of the Bank of Brazil's balance sheet for November 30, 1960 (enclosed), in comparison with that for the previous month:

(1) Outstanding loans by the Bank, other than to the National Treasury, increased in November by Cr$3,172 million, following an increase of Cr$7,244 million during October. The increase in November 1959, was Cr$689 million. Outstanding loans of the Bank of Brazil, other than to the National Treasury, are summarized below, in millions of cruzeiros, as of selected dates:

	Dec. 31, 1958	Nov. 30, 1959	Dec. 31, 1959	Oct. 31, 1960	Nov. 30, 1960
Loans to the Public	115,971	128,307	134,038	175,678	177,480
Loans to State & Municipal Govts. .	13,617	12,712	13,063	13,432	13,407
To Autarhies	4,456	7,352	7,482	10,008	11,403
Total, excluding Nat'l Treasury ...	134,044	148,371	154,583	199,118	202,290

(2) Outstanding rediscounts by the Bank of Brazil at the Carteira de Redescontos increased during November, 1960, by Cr$5,556 million, following an increase of Cr$3,143 million in October. Rediscounts by the Bank in November, 1959, increased by Cr$1,325 million.

(3) The sum of the various Bank of Brazil accounts derived from agio profits decreased during November by Cr$1,839 million. This item had increased by Cr$3,163 million in October and had increased by Cr$6,190 million in November, 1959.

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(4) It is estimated that the net debtor position of the National Treasury at the Bank of Brazil increased during the first eleven months of 1960 by approximately Cr$45.4 billion, including an estimated increase of approximately Cr$13.6 billion during the month of November. This compares with an increase of Cr$20.8 billion during the first eleven months of 1959, including a decrease of Cr$3.4 billion during November, 1959. See Embassy Despatch 214 dated September 12, 1960, for a description of the method by which the "net debtor position" is now being computed.

For the Chargé d'Affaires, a.i.

John Krizay
Second Secretary of Embassy

Coordinated:
Herbert K. May
Herbert K. May
Treasury Attaché

Enclosures:
6 copies of Bank of Brazil Balance Sheet, November 30, 1960

1034

BANCO DO BRASIL S.A.

Enclosure to Rio de Janeiro 551

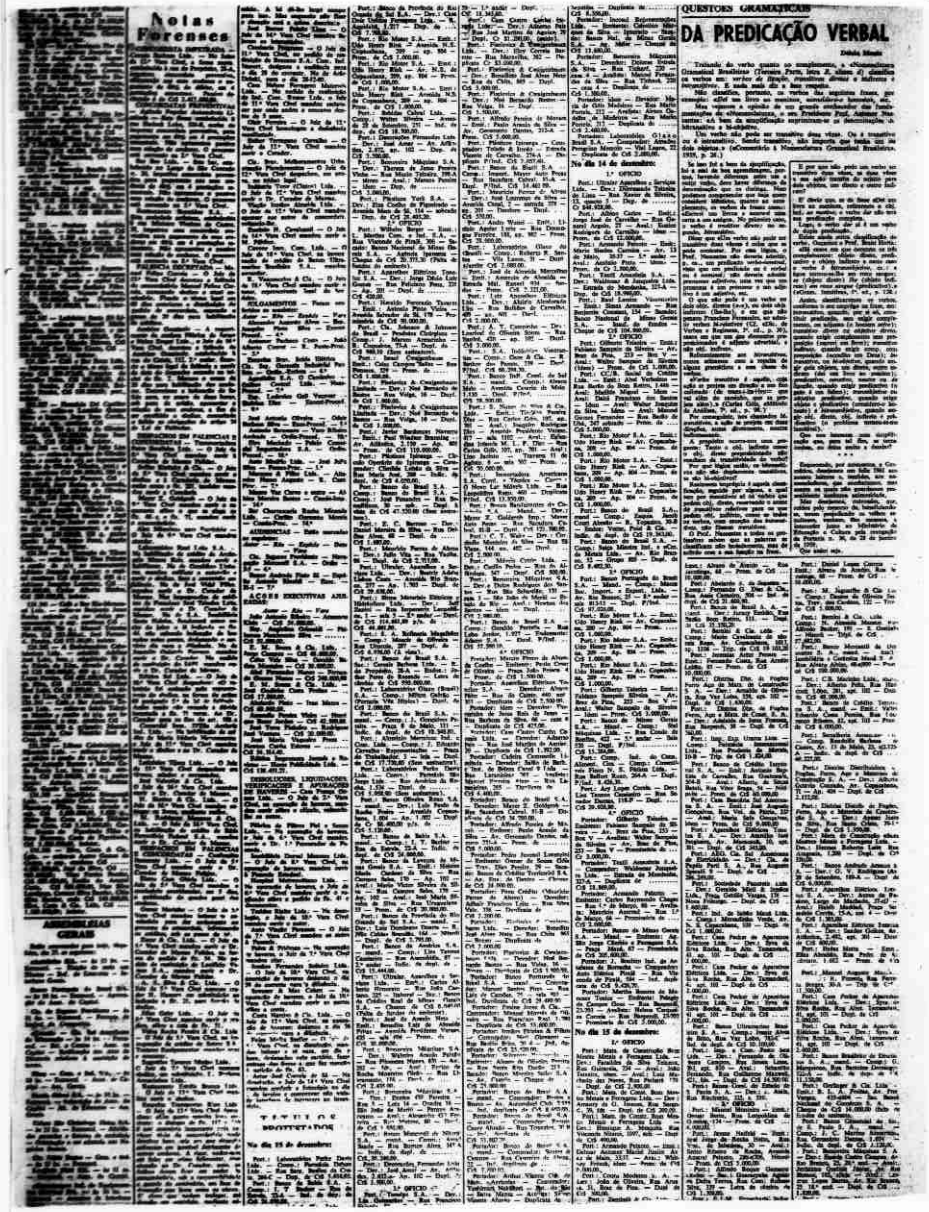
BALANCETE EM 31 DE NOVEMBRO DE 1960

ARA

– COMPREENDENDO DIREÇÃO GERAL E AGÊNCIAS NO PAÍS (450) E NO EXTERIOR (4) –

ATIVO

	Cr$	Cr$	Cr$
DISPONÍVEL			
Em moeda corrente	9.462.441.118,10		
Em moeda estrangeira	5.389.440,70	9.467.834.559,80	
Agências no exterior (conta de disponível)		72.419.916,90	9.737.466.476,70
REALIZÁVEL			
Operações de crédito, à ordem do Tesouro Nacional:			
Correspondentes no exterior	2.613.377.142,30		
Operações de crédito à ordem	28.421.740.870,30	30.935.077.992,60	
COMPARTIMENTO DO CAIXA			
Do Tesouro Nacional:			
À disposição de entidades federais	11.691.329.402,00		
Fundo de estabilização (Dec. 15.197, de 25-8-45)	750.000.000,00		
Fundo de garantia à exportação	30.000.000,00		
Fundo de aparelhamento da economia nacional	4.000.000.000,00		
Fundo de garantia de execução de obras públicas	696.363.640,70		
Fundo de mobilização econômica (Lei 2.666, de 25-12-55)	10.479.000.000,00		
Fundo de recuperação econômica	6.772.000.000,00		
Fundo de reaparelhamento econômico	7.497.000.000,00		
Fundo de mobilização econômica (Lei 3.244, de 14-8-57)	625.000.000,00		
Fundo de recuperação econômica (Lei 3.313, de 14-11-57)	20.000.000.000,00		
Fundo de mobilização econômica (Lei 3.313, de 14-11-57)	1.000.000.000,00		
Fundo de reaparelhamento econômico (Lei 3.313, de 14-11-57)	1



Notas Forenses

QUESTÕES GRAMATICAIS

DA PREDICAÇÃO VERBAL

832.10/1-561

1037

INCOMING TELEGRAM *Department of State* — ACTION COPY

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CONFIDENTIAL
Classification

NUMBERED

Control: 2368
Rec'd: January 5, 1961
10:32 p.m.

1961 JAN 6 PM 2 01

ACTION:
INFO:
RM/R FILES

FROM: Rio de Janeiro

TO: Secretary of State

NO: 871, January 5, 7 p.m.

Department telegram 844.

On re-examining situation on my return here, I see no significant possibility use PL480 cruzeiros (cruzeiros 7.3 billion) to provide assistance urgently needed by Governor Sampaio, as suggested reference telegram. That cruzeiros 7.3 billion not available for US grant to northeast since definitely allocated by PL480 agreement of December 1956 for loan to BNDE and BNDE has officially requested such loan. We could conceivably persuade BNDE use portion those funds for Sampaio's program. However, (A) agreement gives USG no authority recommend for or against any specific use made of those funds by BNDE, as long as such use within very general purposes set in agreement; (B) BNDE has always held firm to position USG advice concerning employment PL480 cruzeiros neither needed nor welcomed. This position taken even by past BNDE officers including Lucas Lopes and Roberto Campos as well as by present, uncooperative, BNDE officers; and (C) Embassy confident, on basis past discussions with BNDE, that any loans made by present officers BNDE for northeast would almost certainly go to Sudene (Headed by Celso Furtado) rather than to Governor Sampaio.

Same true proceeds additional 500,000 tons on gift or loan basis since extension made on understanding no change in terms of 1956 agreement. Any effort our behalf to tap these funds would involve discussions Quadros since present government would put off such decision and in any event only after indication or commitment to Sampaio that US willing to help. (Whereas there might be a better chance of securing these funds for the northeast if it were done on a grant basis, since

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

1038

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-2- 871, January 5, 7 p.m., From Rio de Janeiro

since this among other things would eliminate the inconvenient maintenance of value provision, it is to be remembered that Brazilians have heretofore shown a coolness to grants.) In any event, loan by GOB to Sampaio would not meet one important political objective, that of US identification. I believe it highly important USG provide direct loan to Sampaio to support his anti-Communist, anti-Fidelista efforts, and that we commit ourselves in principle to such a loan soonest in light his failure obtain already-announced West Indies trust loan.

Accordingly, I urge renewed consideration to Embassy/USOM request (EMBTEL 818) that Embassy be authorized commit USG to provide Sampaio with substantial assistance, up to $20 million or equivalent, on understanding commitment contingent upon prior approvals by President-elect Quadros, coordination and approval by Sudene if possible, and acceptability to US of project ultimately proposed. Dollars should be made available if proves necessary as last recourse, although might prove possible (with Bureau of Budget approval) use cruzeiros from following sources: (1) US-uses portion of wheat sales approved December 29, although total such sales only approximate $35 million; (2) US-uses portion of PL480 cruzeiros now being held unutilized (EMBDESP 232), and/or (3) US-uses portion of cruzeiros which might later be generated under a new PL480 agreement.

However urge we be authorized make 1950 commitment pending exploration of possible sources of funds with DLF and other agencies.

Joseph Carwell

CABOT

ER

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1039

PRIORITY

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832.10/1-961

FOREIGN SERVICE DESPATCH

FROM : AMEMBASSY, RIO DE JANEIRO

573
DESP. NO.

JAN 11 1961

January 9, 1961
DATE

TO : THE DEPARTMENT OF STATE, WASHINGTON.

REF : Embdes 273, September 28, 1960

DEPARTMENT OF STATE
BUREAU OF
INTER-AMERICAN AFFAIRS

For Dept. Use Only	ACTION	DEPT.				
	REC'D	INFO				
	ARA 1/16	RPM/A-2	INA-7	REP-1	E-7	ICA-11
		OTHER				
		CIA-16	COM-8	TR-3	FRB-3	XMB-4 EDAF-7

SUBJECT: Recent Financial Developments

There is enclosed herewith a table summarizing certain selected financial indicators for the first ten and eleven months of 1960, as compared with those for the same period of 1959. The first nine of the indicators are concerned principally with the internal financial situation of Brazil, while the tenth indicator is concerned principally with Brazil's external financial situation. An analysis of recent financial developments, based primarily on the enclosed table, appears below:

A. The Internal Financial Situation

1. Price Movements

According to the cost of living index of the Ministry of Labor for Rio, the increase registered during the first eleven months of 1960 amounted to 33.1% as compared with 31.0% during the same period of 1959. On the other hand, the cost of living index of the Getulio Vargas Foundation showed an increase of "only" 20.5% during the first eleven months of 1960 as compared with 50.1% during the same period of 1959. It is believed that the actual increase in the cost of living during the first eleven months of 1960 was somewhere between the amounts indicated by the Ministry of Labor and the Getulio Vargas Foundation.

2. Money Supply Movements

Additional paper money was issued in the amount of Cr$34.8 billion (22.5 percent) during the first eleven months of 1960 as compared with Cr$23.0 billion (19.2 percent) during the first eleven months of 1959. Total "money" (paper money plus short-term bank deposits) held by the public (i.e., outside the banking system) increased by an estimated Cr$123.7 billion (24.7 percent) during the first eleven months of 1960 as compared with Cr[redacted] billion [redacted] percent) during the same period of 1959.

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3. Principal Factors Accounting for Money Supply Movements

In summary, the financial practices of the Brazilian Government during the first seven months of 1960 would have resulted in a far greater increase of the money supply (and, therefore, far greater inflationary pressures) if it had not been for the counter-inflationary effects of two measures: the increased offerings of PVC's on the commercial import auctions, and the forced purchase of Bank of Brazil letters by Brazilian exporters. (§) The discussion below will cover, first, the factors tending to expand the money supply (a through d) and, then, the factors tending to counteract that expansion (e), although it will be recognized that the various factors are closely inter-related and that the distinctions drawn between them are to some extent arbitrary.

The major factors tending to increase money supply were as follows:

a. Increase of direct financing by the Bank of Brazil: During the first eleven months of 1960, the Bank of Brazil increased its net loans to the Treasury by an estimated Cr$45.4 billion. In addition, the Bank's outstanding "other" loans increased by an estimated Cr$46.2 billion (loans to the private sector of the economy increasing by Cr$41.9 billion and loans to State and Municipal Governments plus "autarquias" and other governmental entities increasing by Cr$4.3 billion). Net loans to the Treasury accordingly totalled Cr$24.6 billion more, while "other" loans totalled Cr$31.5 billion more, than during the comparable period of 1959.

b. Increase of Rediscounts by Bank of Brazil to other Banks: Whereas the Rediscount Department of the Bank of Brazil has reduced its outstanding rediscounts for other banks during the first eleven months of 1959 by Cr$3.9 billion (thereby substantially curbing the lending power of those banks), the Rediscount Department increased such rediscounts by Cr$8.6 billion during the first eleven months of 1960 (thereby substantially fortifying the lending capacity of those banks).

(§) The IMF "loan" of $47.7 million in May, 1960, made it possible for the Bank of Brazil to honor some of the PVC's and exchange contracts sold prior to the end of January, 1960. However, that "loan" had little, if any, counter-inflationary effect during the first eleven months of 1960.

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c. Increase of Commercial Bank Loans: Loans by the commercial banks (other than the Bank of Brazil) to the public increased by an estimated Cr$95.8 billion during the first ten months of 1960 as compared with Cr$55.6 billion during the same period of 1959. The increased ability of the commercial banks to expand its loans during 1960 has, of course, been a function of the credit expansion (summarized above) by the Bank of Brazil and the Rediscount Department of that Bank, as well as of the other financial developments summarized below.

d. Continuation of Coffee Stockpiling by Brazilian Government: There will be a more extensive discussion under (e) below, of the impact upon Brazil's internal financial situation deriving from Brazil's balance of payments position and from the operations of its foreign exchange system. It is important to note at this point, however, that much the most important use being made of Brazil's net agio (exchange surcharge) "profits" has been the purchase of coffee by the Brazilian Government for stockpiling purposes, and that such purchases totalled Cr$29.0 billion during the first ten months of 1960, as compared with Cr$38.0 billion during the same period of 1959.

While some of the factors related to Brazil's balance of payments and to the operations of its foreign exchange system have tended to be inflationary, they were more than counter-balanced during the first ten months of 1960 by other, closely-related, factors. It is considered useful, for the purpose of this despatch, to treat these various factors collectively, as factors tending, on a net basis, to restrain the increase of money supply:

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e. Increase of net "profits" derived from foreign exchange transactions: For the purpose of this despatch, it is considered useful to reclassify some of the enclosed indicators as follows, in billions of cruzeiros:

		1st 10 months 1959	1st 11 months 1959	Full Year 1959	1st 10 months 1960
IX a.	Gross Agio Receipts				
IX a.1.	From Regular Sales	112.3	122.3	132.8	131.2 (§)
IX a.2.	From Supplementary Sales	--	--	--	12.7 (§)
IX a.3.	Total	112.3	122.3	132.8	143.9
IX d.3	Less: Deferred Collections	10.4	9.4	9.3	5.3
	Gross "Actual Receipts"	101.9	112.9	123.5	138.6
IX b.	Bonificações	50.9	57.6	62.4	47.1
IX d.4	Net Free Market Purchases	13.4	13.4	16.8	30.3
VIII	Net Swaps	11.4	11.6	9.7	8.5 (§)
	Total Foreign Exchange Purchases	75.7	82.6	88.9	85.9 (§)
	Net Exchange "Profits"	26.2	30.3	34.6	42.7 (§)
VI	Bank of Brazil Letters Sold to Exporters	-	-	-	10.7
	Counter-Inflationary Effect of Exchange Transactions	26.2	30.3	34.6	53.4

(§) Estimated

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It will be noted from the above table that gross "actual" receipts from the sale of PVCs exceeded total payments by the Bank of Brazil for the purchase of foreign exchange by Cr$42.7 billion during the first ten months of 1960 as compared with Cr$26.2 billion during the same period of 1959. In addition, exporters selling their foreign exchange proceeds in the free market during the first ten months of 1960 were compelled (pursuant to SUMOC Instruction 192 of December 31, 1959) to purchase Cr$10.7 billion of six-month letters of the Bank of Brazil, so that the aggregate counter-inflationary impact of all foreign exchange operations during that period totalled Cr$53.4 billion as compared with Cr$26.2 billion during the same period of 1959.

The importance of the counter-inflationary effects of Brazil's foreign exchange transactions during the first part of 1960 was so great that it is considered desirable to provide some additional comments concerning those effects, as follows:

First, it is important to note that while the sale of Bank of Brazil Letters to exporters disposing of their proceeds in the free market would have had no counter-inflationary effect, beginning July 4, if the amount of export proceeds sold in that market and the free market exchange rate had remained constant, there was an increase of Cr$1.9 billion yield to the Government from this measure during July-October, primarily because of an increase in the sale of exports through the free market. The Bank of Brazil Letters, which first became available for sale on January 4, 1960, mature at the end of six months from date of issue. Accordingly, the yield from sale of such Letters beginning July 4 have had to be applied against redemption of Letters issued six months previously. The sale of new Letters will be counter-inflationary to the extent, if any, that export proceeds sold in the free market exceed those sold six months previously and to the extent that average free market exchange rate exeeeds the rate prevailing six months previously. (§)

Second, the counter-inflationary effects of the foreign exchange transactions of the Bank of Brazil were largely achieved by the increased sale of PVC's during the first ten months of 1960 despite the serious balance of payments deficit being incurred during that period and expected thereafter. "Regular" offerings and sales of convertible currencies on the commercial import auctions alone averaged about $6.0 million weekly during the first ten months of 1960 as compared with about $4.8 million weekly during

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(§) Bank of Brazil letters are emitted to exporters in an amount determined by the difference between the effective free rate and Cr$130 per dollar, the latter amount being paid in cash.

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the first ten months of 1959. In addition, the "supplementary" sales of convertible currency, which began immediately following the issuance of SUMOC Instruction 193, dated March 25, 1960, had totalled $59.6 million, yielding agios amounting to Cr$12.7 billion, by the end of October, 1960.

On the other hand, cruzeiro payments by the Bank for the foreign exchange it acquired during the first ten months of 1960 (Cr$85.9 billion) increased substantially over its payments during the same period of 1959 (Cr$75.7 billion). (See Embassy Despatch 273, dated September 28, 1960).

B. The External Financial Situation

No effort will be made here to analyze Brazil's external financial situation. Attention will be called at this point only to the following facts:

1. Total exports of Brazil yielded $848.2 million in convertible currencies during the first ten months of 1960 as compared with $843.5 million during the same period last year.

2. Because of the effect of SUMOC Instruction 192, discussed above, $275.4 million of total convertible currency exports through October, 1960, went into the free market as compared with $119.7 million through October, 1959.

For the Ambassador:

Herbert K. May

Herbert K. May
Treasury Attaché

Coordinated:

William A. Fowler

William A. Fowler
Counselor of Embassy
for Economic Affairs

Encl: As stated.

1045

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COMPARATIVE FINANCIAL INDICATORS, 1959 & 1960
(Billions of cruzeiros, except for foreign trade data which are in millions of dollars)

		First 10 Months 1959	First 11 Months 1959	Full Year 1959	First 10 Months 1960	First 11 Months 1960
I.	Cost of Living Index, Rio					
	a. Getulio Vargas Foundation	42.6%	50.1%	51.9%	17.1%	20.5%
	b. Ministry of Labor	30.0%	31.0%	33.3%	30.0%	33.1%
II.	Increase of Money Supply					
	a. Paper Currency Issue	18.2 (15.2%)	23.0 (19.2%)	34.8 (29.0%)	26.8 (17.3%)	34.8 (22.5%)
	b. "Money" in hands of public	93.8 (26.6%)	121.1 (34.3%)	147.5 (41.8%)	123.7 (24.7%) ($)	($)
III.	Treasury Cash Deficit					
	a. Financed by Bank of Brazil	17.4	20.8	31.9	31.8	45.4
	b. Treasury Letters	5.8	7.9	8.9	-	.2
	c. Total	23.1	28.6	40.7	31.8	45.6
IV.	Increase of Direct Financing by Bank of Brazil					
	a. Net Debtor Position of Treasury	17.4	20.8	31.9	31.8	45.4
	b. Other Loans	13.9	14.7	20.9	43.0	46.2 ($)
	c. Purchase of Export-Import Commodities	1.6	4.0	4.4	-1.9 ($)	.8 ($)
V.	Increase of Rediscounts by Bank of Brazil to Other Banks	-3.6	-3.9	-3.8	5.6	8.6
VI.	Increase of Bank of Brazil Letters Held by Exporters	-	-	-	10.7	11.5($)

($) Estimated

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	First 10 Months 1959	First 11 Months 1959	Full Year 1959	First 10 Months 1960	First 11 Months 1960
VII. Increase of Commercial Bank Loans					
a. To Treasury	5.5	6.5	7.8	- ($)	
b. To Public	55.6	62.6	71.3	95.8($)	
VIII. Increase of Swaps	11.4	11.6	9.7	8.5($)	10.4($)
IX. Net Agio Position					
a. Gross Receipts					
1. From "Regular" Sales	112.3	122.3	132.8	131.2($)	
2. From "Supplementary" Sales	-	-	-	12.7($)	16.7($)
3. Total	112.3	122.3	132.8	143.9	16.7($)
b. Bonificações	50.9	57.6	62.4	47.1	
c. Net Receipts	61.4	64.7	70.4	96.8	
d. Use of Net Receipts					
1. Purchase of Coffee	38.0	45.5	49.0	29.0	
2. Subsidies to Producers	2.3	2.4	2.6	2.7	
3. "Loans" for Subsequent Agio Payments	10.4	9.4	9.3	5.3	
4. Net Free Market Purchases	13.4	13.4	16.8	30.3	
5. Other Uses	6.8	6.5	6.9	7.9	
6. Total Uses	70.9	77.2	84.6	75.2	
e. Allocation to "Funds"	-9.5	-12.5	-14.2	21.6	
X. Foreign Trade Payments, in Convertible Currencies					
a. Export Receipts					
1. Official Market	723.8	n.a.	861.6	582.8	
2. Free Market	119.7	n.a.	138.7	275.4	
3. Total	843.5	n.a.	1000.3	858.2	

($) Estimated

	First 10 Months 1959	First 11 Months 1959	Full Year 1959	First 10 Months 1960	First 11 Months 1960
X. Foreign Trade Payments, in Convertible Currencies (Continued)					
b. Import Payments, CIF (1959) and FOB (1960)	n.a.	n.a.	736.0	747.1	
c. Export Receipts Balance	n.a.	n.a.	264.3	111.1	
d. Free Market Receipts Not Acquired by Bank of Brazil	n.a.	n.a.	69.2	150.1	
e. Bank of Brazil Export Receipts Balance	n.a.	n.a.	195.1	-39.0	

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EXPORT-IMPORT BANK OF WASHINGTON
WASHINGTON 25, D. C.

Transmitted to Field (Form DS-4)
To: Am Emb Rio de Janeiro
For: info
Div: EO By: PRA Date: 11-61

CABLE ADDRESS "EXIMBANK"

November 30, 1960

Banco do Brasil
Caixa Postal 4277
Rio de Janeiro, Brazil

Re: Credit No. 1358

X R
103-XMB

Dear Sirs:

Further to our letter of this date regarding Credits Nos. 541 and 606, we are writing to confirm our understanding with respect to the postponement of the dollar exchange requirements relative to the installments of principal coming due between December 1, 1960 and May 31, 1961, inclusive, on certain other loans made by Export-Import Bank of Washington (hereinafter called "Eximbank") to public and private entities in Brazil. The name of the obligor on each of these loans (hereinafter called the "Loans") and the maturity date and dollar amount of the installment or installments of principal on each Loan coming due during the period mentioned are set out in Exhibit A annexed hereto.

It is our understanding that as each installment of principal set out in Exhibit A approaches its maturity date, you will ascertain whether the obligor on the relative Loan has deposited with you or other proper depository the amount in cruzeiros required at the then applicable rate of exchange to produce the amount in dollars necessary to discharge in full the installment of principal and interest coming due on such Loan on that maturity date, together with (a) appropriate instructions for the application of such deposit to the payment to Eximbank in dollars of the amount of such installment of principal and interest, and (b) the amount in cruzeiros of any fees or other charges required in order to carry out such instructions.

Upon your ascertainment of the foregoing in any instance, you may give prompt notice to us, identifying the Loan and the maturity date and amount of principal coming due and stating that with respect to such installment of principal and interest the requirements of the preceding paragraph have been complied with and the date of such compliance. Such notice shall be substantially in the form of Exhibit B annexed hereto and, as stated therein, shall include the following:

(1) Your statement that you have made available for transmission to Eximbank the amount in dollars necessary to discharge in full the installment of interest coming due on such Loan on that maturity date;

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(2) Your statement that you have elected to postpone as provided in this Letter Agreement the dollar exchange requirements relative to the installment of principal coming due on such Loan on that maturity date; and

(3) Your authority and instructions to Eximbank that, upon receipt by it of the amount in dollars stated in subparagraph (1) above and upon its crediting as paid the installment of principal coming due on such Loan on that maturity date, it shall charge the amount of such installment of principal as an advance against your promissory note hereinafter described.

In the event that such notice discloses that the requirements of the second precedding paragraph were complied with on or before the maturity date of the installment of principal and interest identified in such notice, it is understood and agreed that, upon receipt by Eximbank of the amount in dollars stated in subparagraph (1) above, the credit and charge described in subparagraph (3) above shall be made and entered by Eximbank as of that maturity date.

In the event that such notice discloses that the aforesaid requirements were complied with after the maturity date of the installment of principal and interest identified in such notice, it is understood and agreed that, upon receipt by Eximbank of the amount in dollars stated in subparagraph (1) above, the credit and charge described in subparagraph (3) above shall be made and entered by Eximbank as of the date of compliance disclosed in such notice. In this event, you shall make available promptly to the obligor identified in such notice, upon deposit of cruzeiros in the requisite amount and other appropriate performance by such obligor, the amount in dollars necessary to discharge in full any interest accrued and unpaid on said installment of principal from its maturity date to the date of such credit and charge.

You hereby covenant and agree to repay the principal of all advances made by Eximbank hereunder and charged against your promissory note as provided herein in six (6) approximately equal monthly installments commencing on August 1, 1961 and to pay interest at the rate of five and three-quarters per cent (5-3/4%) per annum on the unpaid principal balance thereof from time to time outstanding, such interest to be due and payable concurrently with the installments of principal and to be computed on the basis of the actual number of days using a 365-day factor. Both principal and interest shall be payable in lawful money of the United States of America.

Further to evidence your obligation with respect to such advances, you shall issue and deliver to Eximbank the negotiable promissory note (hereinafter called the "Note") of Banco do Brasil dated

December 1, 1960 in the principal amount of Nine Million Two Hundred Eighty-One Thousand Three Hundred Eighty Dollars and Thirteen Cents ($9,281,380.13); it being understood, however, that the Note shall be valid and enforceable only to the extent of the aggregate of the unpaid principal balance of the advances made thereon and the interest on such advances.

The principal of the Note shall be due and payable in six (6) approximately equal monthly installments commencing on August 1, 1961. The Note shall bear interest from its date at the rate of five and three-quarters per cent (5-3/4%) per annum on the unpaid principal balance thereof from time to time outstanding, such interest to be due and payable concurrently with the installments of principal thereon and to be computed on the basis of the actual number of days using a 365-day factor. Although the Note shall bear interest from its date, appropriate adjustments will be made so that interest shall be computed and be payable only from the respective dates of the advances made thereon.

The Note shall be payable to the order of Eximbank or its nominee or nominees at the office of Eximbank in Washington, D. C., and shall be payable, both as to principal and interest, in lawful money of the United States of America. The Note shall be printed, lithographed or typewritten in the English language; shall be satisfactory in form and substance to Eximbank; and shall be substantially in the form of Exhibit C annexed hereto and made a part hereof.

In the event that the aggregate of the advances made on the Note prior to the date on which the credit established by this Letter Agreement expires shall be less than the principal amount of the Note, Eximbank will, at your request within thirty (30) days after said date, surrender the Note to you in exchange for a new promissory note of like tenor but in a principal amount equal to the aggregate of such advances, less the amount of any principal payments made thereon. The new promissory note shall be dated so that no gain or loss of interest or acceleration or delay of interest payments will result from such exchange. If such request is not made by you, Eximbank shall credit the excess principal amount of the Note to the installments of principal thereon in the inverse order of their maturity.

You shall have the right to prepay at any time and from time to time, without penalty or premium, all or any part of the principal of the Note or of any new promissory note given in exchange therefor by payment of the principal amount so prepaid with interest thereon to the date of prepayment. Each such prepayment shall be applied to the remaining installments of principal on the Note or such new promissory note in the inverse order of their maturity.

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In the event of default in the prompt and full payment of any installment of principal or interest on the Note or on any new promissory note given in exchange therefor, the principal of all advances hereunder and interest thereon to the date of payment shall immediately become due and payable at the option and upon the demand of Eximbank.

This Letter Agreement shall become effective as of December 1, 1960 upon your acceptance thereof and upon the receipt by us of the Note and of the following in form and substance satisfactory to Eximbank:

(1) An opinion or opinions of counsel satisfactory to Eximbank demonstrating to the satisfaction of the General Counsel of Eximbank or other counsel selected by him (a) that Banco do Brasil has taken all corporate and legal action necessary to authorize the execution and delivery of this Letter Agreement and to incur the indebtedness provided for herein and that this Letter Agreement as signed on behalf of Banco do Brasil is valid and binding on it in accordance with its terms; and (b) that the Note as signed on behalf of Banco do Brasil will, as advances are made thereon and to the extent of the aggregate of the unpaid principal balance of such advances and the interest thereon, constitute the valid and binding obligation of Banco do Brasil in accordance with its terms; and

(2) Evidence of the authority and the authenticated specimen signature in duplicate (a) of the person or persons who have signed this Letter Agreement and the Note on behalf of Banco do Brasil; and (b) of the person or persons who will sign the notices in the form of Exhibit B and other documents hereunder and who will represent Banco do Brasil in the operation of the credit established by this Letter Agreement.

Advances under the credit established by this Letter Agreement shall not be made subsequent to the close of business on June 30, 1961, except to the extent that Eximbank may consent thereto in writing.

If the terms and conditions of this Letter Agreement are acceptable to you, kindly so indicate by signing the two counterparts hereof and returning one of them to us, whereupon this Letter Agreement shall, as stated above, become effective as of December 1, 1960.

Very truly yours,

EXPORT-IMPORT BANK OF WASHINGTON

By _____
President

Accepted:

BANCO DO BRASIL

By _____

Title _____

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Exhibit A

SCHEDULE OF LOANS

Credit Number	Name of Obligor	Date of Maturity	Amount of Principal
544	Cia. Brasileira de Estireno	12/1/60	$139,925.00
615	Cia. Brasileira de Usinas Metalurgicas	12/1/60	40,000.00
818	S. A. Empresa de Viacao Aerea Rio Grandense (VARIG)	12/1/60	81,343.50
523-A	Cia. Paulista de Forca e Luz	12/15/60	750,750.00
523-B	Cia. Forca e Luz do Parana	12/15/60	109,845.00
523-C	Cia. Brazileira de Energia Eletrica	12/15/60	78,915.00
523-D	Cia. Forca e Luz de Minas Gerais	12/15/60	40,370.00
523-E	Cia. Forca e Luz de Nordeste do Brasil	12/15/60	12,730.00
523-F	Cia. Energia Eletrica da Bahái	12/15/60	21,815.00
523-G	Cia. Central Brasileira de Forca Eletrica	12/15/60	19,075.00
524-902	Cia. Paulista de Estradas de Ferro	12/15/60	600,000.00
525	Banco Nacional do Desenvolvimento Economico	12/15/60	614,285.00
694	Cia. Vale do Rio Doce S. A.	12/15/60	217,777.77
972	Cia. Brasileira de Material Ferroviario (COBRASMA)	12/15/60	135,000.00
979	Walita Auto-Pecas, S. A.	12/15/60	120,000.00
	Total December		2,981,831.27
616	Prefeitura Municipal do Porto Alegre	1/ 1/61	71,857.75
818	S. A. Empresa de Viacao Aerea Rio Grandense (VARIG)	1/ 1/61	81,343.50
784	Cia. Siderurgica Belgo-Mineira	1/ 1/61	2,145.21
770	Cia. Siderurgica Nacional-Banco do Brasil	1/15/61	1,166,666.57
940	Acos Villares, S. A.	1/15/61	141,666.00
814	Fabrica Nacional de Vagoes, S. A.	1/28/61	264,300.00
	Total January		1,727,979.03
481	Cia. Siderurgica Nacional-Banco do Brasil	2/ 1/61	609,531.25
784	Cia. Siderurgica Belgo-Mineira	2/ 1/61	2,145.21
818	S. A. Empresa de Viacao Aerea Rio Grandense (VARIG)	2/1/61	81,343.50
418	Cia. Vale do Rio Doce, S. A.	2/12/61	250,000.00
781	Bimetal, S. A. Ind. e Com.	2/15/61	125,000.00
	Total February		1,068,019.96

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Credit Number	Name of Obligor	Date of Maturity	Amount of Principal
358	Cia. Vale do Rio Doce, S. A.	3/1/61	125,404.95
784	Cia. Siderurgica Belgo-Mineira	3/1/61	2,145.21
818	S. A. Empresa de Viacao Aerea Rio Grandense (VARIG)	3/1/61	81,343.50
529	State of Minas Gerais	3/15/61	500,000.00
776	Cia. de Armazens Gerais do Estado de Pernambuco	3/15/61	128,541.44
	Total March		837,495.10
269	Cia. Siderurgica Nacional-Banco do Brasil	4/1/61	1,506,160.35
784	Cia. Siderurgica Belgo-Mineira	4/1/61	2,145.21
818	S. A. Empresa de Viacao Aerea Rio Grandense (VARIG)	4/1/61	81,343.50
	Total April		1,589,649.06
784	Cia. Siderurgica Belgo-Mineira	5/1/61	2,145.21
818	S. A. Empresa de Viacao Aerea Rio Grandense (VARIG)	5/1/61	81,343.50
914	Cia. Urbanizadora da Nova Capital do Brasil	5/1/61	416,000.00
586	Fongra Produtos Quimicos, S. A.	5/9/61	20,000.00
943	Soc. Tecnica de Fundicoes Gerais, S.A.	5/15/61	213,167.00
856	Cia. Nacional de Navegacao Costeira	5/31/61	343,750.00
	Total May		1,076,405.71
	Grand Total		9,281,380.13

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(To be presented separately for each loan)

Exhibit B

(Letterhead of Banco do Brasil)

(Date)

Export-Import Bank of Washington
Washington 25, D. C.

Re: Credit No. 1358

Dear Sirs:

As provided in our Letter Agreement dated November 30, 1960, we hereby inform you that the obligor named below has deposited with us or other proper depository on the date stated below the amount in cruzeiros required at the applicable rate of exchange to produce the amount in dollars necessary to discharge in full the installment of principal and interest coming due on the maturity date stated below on the loan extended by you to said obligor under the credit number indicated, together with (a) appropriate instructions for the application of such deposit to the payment to you in dollars of the amount of such installment of principal and interest, and (b) the amount in cruzeiros of any fees or other charges required in order to carry out such instructions.

Credit Number	Name of Obligor	Date of Maturity	Amount of Principal	Date of Deposit

As further provided in our Letter Agreement, we also inform you as follows:

(1) We have made available for transmission to you the amount in dollars necessary to discharge in full the installment of interest coming due on the above loan on the maturity date stated above;

(2) We hereby elect to postpone as provided in our Letter Agreement the dollar exchange requirements relative to the installment of principal coming due on such loan on said maturity date; and

(3) We hereby authorize and instruct you, upon receipt by you of the amount in dollars stated in subparagraph (1) above and upon your crediting as paid the installment of principal coming due on such loan on said

maturity date, to charge the amount of such installment of principal against the promissory note which we have issued and delivered to you as provided in our Letter Agreement.

We will appreciate your advising us when the credit and charge described in subparagraph (3) above have been made and entered by you and your confirming to us the date as of which such action was taken in accordance with the provisions of our Letter Agreement.

Very truly yours,

BANCO DO BRASIL

By _____

Title _____

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Exhibit C

BANCO DO BRASIL

Promissory Note

No. _____ Rio de Janeiro, Brazil

U. S. $_____ _____, 19__.

FOR VALUE RECEIVED, Banco do Brasil, a corporation organized and existing under the laws of the Republic of the United States of Brazil, hereby promises to pay to Export-Import Bank of Washington, or order, against this promissory note, at _____ the principal sum of _____ Dollars ($_____) in lawful money of the United States of America in six (6) approximately equal monthly installments, the first of which shall be in the amount of _____ Dollars ($_____) and shall be due and payable on August 1, 1961, and the remainder of which shall be in the amount of _____ _____ Dollars ($_____) each and shall be due and payable on the first (1st) day of each month thereafter up to and including January 1, 1962; and to pay interest in like money from the date hereof at the rate of five and three-quarters per cent (5-3/4%) per annum on the unpaid principal balance of this note from time to time outstanding, said interest to be payable concurrently with the installments of principal hereon and to be computed on the basis of the actual number of days using a 365-day factor.

The principal of this note and the interest thereon shall be payable without deduction for any present or future taxes, duties, fees or

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other charges levied or imposed thereon or on this note or the holder hereof by or within the Republic of the United States of Brazil or any political subdivision or taxing authority thereof.

Upon default in the prompt and full payment of any installment of principal or interest on this note, the entire principal of this note and interest thereon to the date of payment shall immediately become due and payable at the option and upon the demand of the holder hereof.

The failure of the holder hereof to exercise any of its rights hereunder in any instance shall not constitute a waiver thereof in that or any subsequent instance.

Banco do Brasil hereby waives any diligence, presentment, demand, protest or notice of nonpayment or dishonor with respect to this note.

BANCO DO BRASIL

By _____

Title _____

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RM/R

Transmitted to Field (Form DS-4)
To: Em Emb. Rio de Janeiro
For: Info
Div: EO By: PRA 1-11-61 Date:

EXPORT-IMPORT BANK OF WASHINGTON
WASHINGTON 25, D. C.

CABLE ADDRESS "EXIMBANK"

Banco do Brasil, S. A.
Caixa Postal 4277
Rio do Janeiro, Brazil

November 30, 1960

Re: Credits No. 541 and No. 606 - Brazil

XF 103-XMB

832.10/1-1161

Gentlemen:

Reference is made to the recent discussions initiated at the request of the Minister of Finance of Brazil, between representatives of the Government of Brazil, Banco do Brasil and Export-Import Bank of Washington relative to the problem of Brazil's deficit in its balance of payments. In order to provide immediate financial assistance to your Country and to extend such assistance into the first months of the new government to take office January 31, 1961, we hereby propose that the principal payments coming due between December 1, 1960 and May 31, 1961, inclusive, on the promissory note in the principal amount of Three Hundred Million Dollars ($300,000,000) dated August 31, 1954 and issued pursuant to the agreement between us dated April 30, 1953, as amended, be deferred for a period of six months. We further propose that the entire schedule of principal payments on said note and on the promissory note in the principal amount of Seventy-Five Million Dollars ($75,000,000) dated March 29, 1955 (against which note only Forty Five Million Dollars ($45,000,000) has been advanced) and issued pursuant to the agreement between us dated March 15, 1955, as amended, be extended for a like period.

It is suggested that the foregoing be accomplished by amending the Letter Agreement dated March 7, 1957 between us, which Letter Agreement, as amended by Article VI of the Agreement dated August 8, 1958, provides that under certain conditions you have the option of postponing payment of the principal, but not the interest, of any monthly payment coming due prior to July 1, 1961 and thus extending by one month the entire schedule of payments on the promissory notes described above.

Therefore, it is proposed that said Letter Agreement, as amended, be further amended to provide that payment of the principal, but not the interest, of each of the monthly payments required by the aforesaid Three Hundred Million Dollar note during the period of

832.10/1-1161 CS/CS

FILED
JAN 24 1961

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December 1, 1960 through May 31, 1961 be postponed for a period of six months and that the entire schedule of principal payments on both notes be extended for a like period.

It is further proposed that except for the foregoing the said Letter Agreement, as previously amended, continue in full force and effect.

If the proposals hereinabove set forth are acceptable to you, kindly so indicate by signing the two counterparts of this letter and returning one of them to us, whereupon said Letter Agreement shall be considered amended in accordance with the said proposals.

Very truly yours,

EXPORT-IMPORT BANK OF WASHINGTON

By _____
Samuel C. Waugh
President

ACCEPTED:

BANCO DO BRASIL

By _____

Title_____

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AIR POUCH
PRIORITY

OFFICIAL USE ONLY
(Security Classification)

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832.10/1-1261

FOREIGN SERVICE DESPATCH

FROM : AMEMBASSY, RIO DE JANEIRO

588
DESP. NO.

JAN 18 1961
January 12, 1961
DATE

TO : THE DEPARTMENT OF STATE, WASHINGTON.

REF : CERP, Section B, III, A-1a, b, c, d, April 3, 1957 Enclosures

For Dept. Use Only	ACTION	DEPT.
	REC'D 1-25	INFO OTHER

ARA-4 Rep-1 RMR-2 INR-7 E-7 ICA-11
CIA-10 Com-8 Tar-2 TR-3 FRB-3

SUBJECT: Brazil's Federal Budget for Fiscal Year 1961.

XMB-4 Army-4 Navy-2 NSA-2

I - Introduction

The Federal Budget for fiscal year 1961 (in Brazil same as calendar year), which was passed by the Congress just hours before the November 30 legal deadline and signed by the President on December 10, was finally released on December 23. Printing of the document had been delayed apparently because of inadequate equipment of the Departamento da Imprensa Nacional in Brasilia.

At all events, the Embassy has now had an opportunity to study the document thoroughly and the reporting officer has discussed it in detail with the Chiefs of both the Expenditure and Receipts Sections of DASP (in effect the Brazilian Bureau of the Budget). The discussion and analysis presented in this Despatch takes into account DASP's confidential estimates which are, in some cases, substantially at variance with the figures contained in the budget document but probably portray a more realistic picture. Principally, the DASP estimates forecast a substantially larger deficit than the Cr$55 billion forecast in the budget document - in fact, they believe that the deficit will be nearly twice that amount; in other words, a deficit of at least Cr$100 billion, perhaps as much as 4% of the expected GNP for 1962.

The DASP estimate of the expected budgetary deficit is based on the assumption that the budget will be executed as passed with the addition of certain expenditures which the various new pay raises will require but are not adequately provided for in the budget. These additional expenditures, DASP assumes, will be provided for in supplementary appropriations.

The history of Brazilian Federal fiscal operations provides no basis for believing that there will be much similarity between appropriations and expenditures. During the past five years, in

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The action office must return this permanent record copy to RM/R files with an endorsement of action taken.

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fact, largely through its authority to make expenditures "sem crédito"1/, the Federal Government has in each year spent more than has been appropriated in the budget - in some years exceeding appropriations by substantial amounts (see enclosure 1). In light of this history, it is often said that the Federal Budget in Brazil is essentially a meaningless document since it does not effectively restrict the Government's expenditures anyway. The situation this year may be quite different, however, for it is widely believed that the incoming Government (which will be executing this budget for 11 of the 12 months of this fiscal year), far from wanting to spend more than appropriated, will attempt to curtail spending and reduce the deficit as part of a general program of combatting inflation. It should be added that if reducing the Federal deficit is to be part of the new administration's program, it must do so this year, at least, mainly by cutting expenditures since its sources of revenue with the exception of customs tariffs are by constitution limited to those already included in the Budget Law.2/ For reasons which will become more apparent in the course of this Despatch, the new government may well find that even though the present Administration is now being criticized for its fiscal extravagance, cutting expenditures by any substantial amount may be extremely difficult.

Among the factors which may make any substantial reduction of expenditures more difficult are 1) the relatively large share of appropriations attributable to pensions, survivors benefits and salaries and other expenses related to presently employed personnel and apparent legal obstacles to dismissing employees, 2) the entrenchment and political strength of the military establishment which is expected to consume roughly 1/3 of the anticipated expenditures, 3) certain expenditures which by law or constitutional provision are tied to certain revenues which can be used for no other purpose, 4) resistance by local and special interest groups to cutting expenditures for their favorite projects, 5) necessity of continuing certain expenditures for social overhead capital in the interest of economic development and 6) the possibility that continued inflation, not accounted for in the expenditure estimates, will increase the costs of necessary or desirable projects.

On the other side, favoring the ability of the new administration to cut expenditures and the deficit are 1) the popularity of the new president as evidenced by his landslide, record-majority electoral

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1/ Articles 240 and 241 of the "Regulations for Execution of the Public Accounting Code" provide that the chief of a Ministry or a Government agency "in the case of indispensable necessity" may with the written authorization of the Finance Ministry, make expenditures beyond the limits fixed by the Congress.
2/ Paragraph 34, Chapter II of Title IV of the Constitution.

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victory, and apparent dissatisfaction with inflationary policies of the present Administration which, combined, may enable the new administration to change laws or take other measures to reduce the size of the bureaucracy and cut other relatively "fixed" expenditures, 2) the fact that the budget was passed by a "lame-duck" Congress consisting of many out-going members which should to some extent facilitate cutting of expenditures for "pork-barrel" measures, 3) the possibility that a new, popular and strong administration may be able to tighten revenue collections and thereby increase receipts and 4) the possibility that even if a budgetary deficit does exist, a strong, imaginative administration, through its execution of the non-budgetary elements of the Federal fiscal operations, may be able to minimize or eliminate the inflationary impact a deficit may otherwise entail.

In the following paragraphs, the significant items in the budget will be described and analyzed with a view toward analyzing the budget itself but also in an attempt to point out elements of flexibility and rigidity which will hinder or help the Quadros regime should it in fact attempt to tighten the reins on Federal spending.

II - Total Receipts, Expenditures

Enclosures 2 and 3 to this Despatch show, respectively: (a) estimated receipts broken down by major sources and (b) estimated expenditures broken down by major category as it appears in the budget law with DASP's modifications shown in parenthesis. To facilitate the discussion which follows, enclosure 2 further shows estimated receipts for 1960, estimated receipts for 1961 included in the original estimates submitted by the Executive Branch to the Congress last May and estimated 1961 receipts both as they appear in the Budget Law and the current confidential DASP estimates.

A. Receipts

The amount of Cr$249 billion estimated by DASP is approximately Cr$4 billion more than the anticipated revenues included in the recently passed Budget Law. The DASP estimate, according to the Director of Expenditures Section of DASP, is based on the following assumptions:

1) That SUMOC Instruction 193 will not be rescinded, thereby avoiding the addition of a further inflationary force in the economy. (Note: This Instruction, by permitting sales of foreign exchange (for future delivery) in excess of availabilities draws substantial amounts of cruzeiros out of the economy and is therefore a counter-inflationary mechanism).

2) That SUMOC Instruction 192 (which provides that exporters of other than coffee, cacao, and castor beans shall receive in cash Cr$130 for each export dollar earned and

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must accept the difference between Cr$130 and the free market rate in six months, Bank of Brazil Letters) will be retained. So long as the volume of these so-called minor exports does not increase, which they have not for some time, the instruction having been in effect now more than six months is of use as a counter-inflationary weapon only to the extent that the cruzeiro depreciates on the free market. However, if rescinded, it would have an immediate though not lasting inflationary impact as the outstanding notes were liquidated and exporters' earnings began to be converted immediately at the full free market rate.

3) In spite of the likelihood that Janio will try to put into effect a stabilization program, there will be inflation of about 20% during the year 1961.

Changes in the amount of receipts due to causes other than inflation and normal growth are as follows, according to DASP:

1) Import Taxes - will decline somewhat owing to a reduction in tariff rates in accordance with new GATT arrangements. Roughly same volume and composition of imports as in this year is assumed, likewise on the hypothesis of no change in Instructions 192 and 193.

2) Taxas - consisting mostly of consular fees will increase substantially owing to new regulations which provide for conversion of foreign currency collected as consular fees at 100 to 1 instead of at official rate.

The assumption on which the DASP receipts estimates are based are obviously quite speculative, particularly those with respect to SUMOC Instructions 192 and 193. Should either one or both of these Instructions be rescinded (193 would appear particularly vulnerable) everything else being equal, the outcome could be substantially different. As a practical matter, it is unlikely that, in such an eventuality, everything else "would remain equal". Particularly if the new regime does embark on some sort of a serious stabilization program, it would presumably be introducing measures in any case which would counteract the inflationary consequences which would result from abolishing these regulations. Furthermore, with respect to Instruction 193, should it be rescinded, it should be pointed out that the increase in revenues which would result from the additional inflation might be offset, too, to some extent by a decrease in imports and hence import duties. Speculating on the consequences of a change in any of these assumptions is an involved task much beyond the scope of this study. Suffice it to say that if anything, the DASP estimates are probably conservative both in terms of the inflation factor and in actual rate of revenue collections even on the assumption that the new administration will not

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be able to eliminate tax evasion to any appreciable extent. They admit that they have taken the cautious side of every dubious point and expect that actual revenues may well be as high as Cr$260 billion rather than the Cr$250 billion they have chosen to use for their internal purposes.

B. Expenditures

The breakdown of expenditures at enclosure 3 serves to point out the difference between the appropriations and the total expenditures DASP believes full execution of the Budget Law will require. With respect to the breakdown, however, it might first of all be worhhwhile to advise the reader that division between "ordinary" and "capital" expenditures is virtually meaningless and should not be used as a basis for analysis. The division arises out of an attempt to adopt a format once recommended by the UN. Apparently, however, no way has yet been found to integrate the existing budgetary format with the UN recommendations except from an optical stand point. Hence, for example, expenditures of a personal service nature are included as capital expenditures.

The sub-items in the breakdown, however, have some validity and are useful for the purpose of showing how DASP and the Congressional estimates differ as well as for separating "fixed" from variable expenditures (the latter to be taken up in a later section of this Despatch).

The fact that certain personnel costs are "hidden" in other categories of expenditures is one reason that the real cost of the various pay raise acts has been underestimated in the budget. The budget does contain some Cr$23 billion to cover pay raises (incidentally not listed as personnel costs but falling under the Finance Ministry's appropriations and included in the overall breakdown under Miscellaneous services). This figure, is the same amount listed in the Executive Budget Proposal submitted last May (and calculated several months before that) and was apparently considered adequate by the Congressional Budget Committee in light of the payraises then enacted and in view of the magnitude of personnel costs as broken down in the budget.

After the Congress began its consideration of the budget, a third pay raise - in addition to the general military pay raise and civil service wage reclassification passed earlier - was passed. This additional pay raise, the so-called "paridade" establishing parity between civil and military pay scales was not taken into account in the budget law at all. This factor, plus the underestimation of the size of the bureaucracy and an underestimation of the costs of "fringe benefits" and increases in pensions and survivors' benefits which accompanied the pay raise bills, account for the gap between the appropriations and the DASP estimates.

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Correcting for this omission (using DASP's confidential figures) the anticipated Federal pay bill for 1962 would be as follows:

Civilian Personnel: (Round Numbers in Billions of Cr$)

Included in Budget Law under "Civilian Personnel"	Cr$ 28.
Included under Ministry of Finance for Civ. Pay Raises	Cr$ 10.
Total in Budget Law for Civilian Personnel	Cr$ 38.
Additional costs estimated by DASP to cover "hidden" personnel and "paridade"	Cr$ 12.3
Total Anticipated Civilian Wage Bill	Cr$ 50.3

Military Personnel:

Included in Budget Law under Military Personnel	Cr$ 28.
Included in Ministry of Finance for Military Pay Raises	Cr$ 9.
Total in Budget for Military Personnel	Cr$ 37.
Additional costs estimated by DASP to cover pay raise and fringe benefits	Cr$ 37.
Total anticipated Military Wage Bill	Cr$ 74.

Pensions and Survivors' Benefits (Military and Civilian)

Included in Budget under Pensions and Survivors'	Cr$ 18.6
Included under Ministry of Finance to cover increases	Cr$ 4.0
Total in Budget	Cr$ 22.6
Additional costs estimated by DASP to cover "hidden" employees, additional raises	Cr$ 15.8
Total, Pensions and Survivors' Benefits	Cr$ 38.4

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The total wage bill for 1962 is thus estimated at Cr$162.7 billion or 44.2% of total expenditures as estimated by DASP. The additional pay raise costs estimated by DASP make up Cr$65.1 billion or more than 1/3 of this amount. DASP officials say, however, that the estimate may contain some "water" particularly that part of the estimate concerning the number of "hidden" employees. Such employees used to be hired by various ministries in connection with specified projects and their salaries paid for out of the project allotment instead of out of salary allotments. Though this practice is now forbidden and the salaries of such employees are now henceforth to be listed as personnel costs, their exact numbers are not yet known and will not be until April when the preparation of the 1962 estimate reaches its final stages. In the meantime, in calculating the costs of the pay increases, DASP deliberately estimated on the generous side. They suspect (or hope) that they may have overestimated by 6 or 7 billion cruzeiros. Thus, although using Cr$367 billion as an internal working figure they believe that it is likely that total expenditures may not exceed Cr$360 billion. On this basis, and on the basis of the most optimistic figure of Cr$260 billion on the receipts side, the forecasted deficit of Cr$100 billion is arrived at.

III - Analysis of Expenditures by Government Activity

Enclosure 4 lists actual expenditures for 1959 and the first ten months of 1960 and estimated expenditures for 1961 as contained both in the Budget Proposal and Budget Law, with a breakdown by branch of government and by governmental activity. The actual expenditure figures are thrown in gratuitously, recognizing particularly that comparisons with past years' expenditures are something less than useful in light of the magnitude and varying rate of inflation. These figures may be useful, however, for the purpose of comparing the distribution of total expenditures from one year to the next and they will be resorted to for this purpose in the ensuing discussion.

More meaningful, perhaps, is the comparison between the budget estimate and the budget law since it is here that we may find some evidence of budgetary fat in the nature of "pork barrel" appropriations. The added costs which DASP anticipates have not been included in this presentation since there is no convenient way to distribute these expenditures amongst the different agencies. They will be added on in the narrative, however, wherever feasible as in the case of military expenditures.

The major categories of expenditure are discussed below:

a) Roads, Canals and Other "Public Works".

The largest single appropriation in the Budget Law is to the Ministry of Transportation and Public Works, an appropriation of

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some Cr$83.5 billion. This is in absolute terms substantially more than requested by the Executive in the budget estimate (Cr$47.7 billion) and much more than spent in any previous year (Cr$40.9 billion in 1959 and Cr$41.1 billion in the first ten months of 1960). Quite obviously, this is the appropriation most susceptible to "Pork barrel" projects and the one which undoubtedly contains most of the fat.

The following breakdown indicates how the request in the budget estimate was increased by Congressional action in each of the major categories:

	Billions of Cruzeiros	
Category	Budget Estimate	Budget Law
National Roads	9.7	25.3
Local Roads	-.-	3.8
Merchant Marine	.3	1.2
Rede Ferroviária (Nat'l Railway Network)	13.0	18.3
Railroads, General	5.8	7.2
Postal and Telegraph	6.7	7.7
Postal Reorganization Plan	.5	.5
Sanitation	3.9	5.6
Ports, Rivers, Canals	2.9	4.8
Anti-drought measures	3.9	7.0
Miscellaneous Projects re: Health Resorts	-.-	.8
Other	1.0	1.3
T o t a l	47.7	83.5

It will be noted that the major increases by the Congress concern roads and railroads, these two categories accounting for approximately Cr$26 billion of the total increase of roughly Cr$45 billion. So far as roads are concerned, a good part of the increase arises out of the embellishment of national road projects to include paving and repair of those sections of roads passing through urban districts, building bridges, improving drainage, etc., in areas "related" to national road projects. In addition, a relatively healthy slug of cash has been added purely for "other roads" which are in fact local roads and technically are supposed to be locally financed.

The railroad sector, though substantially increased by the Congress, apparently does not contain much, if any, budgetary fat. So far as the Rede Ferroviaria is concerned, only a small part - about Cr$1 billion - is earmarked specifically for local projects, part of the balance being to cover bonuses provided for by law (Cr$2.8 billion), a part for new railroad workers pay increases (Cr$1.9 billion)

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with the remainder being the budgetary contribution to the operation of the railroad network presumably to finance the railroad's operating deficit which even in 1960 was expected to exceed Cr$20 billion. Given the poor condition of the other railroads and their needs, barring a raise in the railroad rates, it is unlikely that this sector will provide a very fruitful field for budgetary cutting and may even require additional expenditures as it usually has in the past.

The appropriation for the Ministry of Transportation and Public Works is not, of course, the only source of funds for projects falling into the broad category of "public works". Schools are built with funds from the Ministry of Education, hospitals from Health Ministry funds and agricultural research stations from the Ministry of Agriculture's appropriation. It would be difficult to calculate how much is included in these appropriations that could be specifically termed "public works" but the budget document itself, though not specific enough to permit a complete analysis, does not indicate that such amounts are particularly large. There are certain other specific appropriations which may be considered, for the purposes of this discussion, in the "public works" category. These are: Cr$2.8 billion for the development of the Northeast (SUDENE); Cr$3.2 billion for the São Francisco Valley Commission; Cr$5.5 billion for the Amazon Development Commission; and Cr$0.5 billion for the Southeast Development Commission, making a total of Cr$12 billion (Cr$9.5 billion was included in the budget estimate). Adding these amounts to the appropriations to the Ministry of Transportation and Public Works, we arrive at a total figure of roughly Cr$96 billion for items which we may gratuitously term "public works". This is almost 27% of the anticipated total expenditure of Cr$360 billion estimated by DASP, percentagewise roughly comparable to the share provided for the same activities in the budget estimate and also to the share of total actual expenditures made for these purposes in 1959 and the first ten months of 1960.

b) Military Expenditures

The anticipated expenditures for all types of activities related to defense, in total, are even greater than those listed here as "public works". With the additional personnel costs which DASP believes the pay raise bill will necessitate, plus the military share of the pay raise costs included under the Ministry of Finance, the total defense cost is expected to amount to over Cr$120 billion, broken down as follows:

Activity	Amount (Cr$ Million)
Armed Forces Headquarters	75.6
Air Ministry	14,608.4
War Ministry	31,913.9
Navy Ministry	12,953.6
National Security Council	288.8
Veterans Administration	6.8
	59,847.1

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Add:

DASP estimate additional military personnel and pension costs	48,300.0
DASP estimate additional costs civilian in military ministries	2,300.0
Military share pay raise provision included in Budget as line item under Ministry of Finance	9,000.0
Military share pension increase included in Budget under Ministry of Finance	2,000.0
T o t a l	Cr$121,447.1

Of this amount, all but Cr$18 billion goes for personnel costs of one sort or another, i.e., salaries, pensions and survivors' benefits. In other words, personnel costs make up about 85% of the total anticipated military expenditure. The total anticipated defense bill, in turn, constitutes about 1/3 of the total anticipated Federal expenditures as estimated by DASP (Cr$360 billion), compared with a share of somewhat less than 25% in the budget estimate (Cr$51.5 billion of Cr$219 billion). The proportional increase in military expenditure is due to the impact of large salary increases going to an activity whose principal expenditures consist of personnel costs.

c. Education

The appropriation for the Ministry of Education were increased by more than 50% over the budget estimates - from Cr$17.5 billion to Cr$27.9 billion. Much of this increase, as in the case of the Ministry of Transport and Public Works, appears to have been made to satisfy local interests as indicated by the substantial number of line items providing for specific local projects.

The major areas of activity which were increased by the Congress are as follows:

	Budget Estimate	Budget Law
	(Cr$ Billion)	
Subsidies to primary and secondary schools and development of primary and secondary education	3.6	6.0
Contributions to Universities	7.5	12.7
Others	6.4	9.2
	17.5	27.9

Roughly half of the increase, thus, has been in the category of contributions to Universities. With the exception of a very small amount, the total requested by the Executive in the budget estimate

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was to cover Federal contributions required by law - actually an amount consisting of a fixed percentage of certain revenue collections. The Budget Law increased required contributions - presumably on the basis of a recalculation of the anticipated revenues concerned - and added over Cr$3 billion in other Federal expenditures for Universities.

Roughly Cr$1.3 billion of the increase (over the budget estimate) in the primary and secondary school sector consists of embellishments and additions to local projects of one sort or another. For example, the item: "miscellaneous expenditures for vocational schools" was increased from a sum of Cr$180 million to Cr$500 million and an amount of Cr$274 million for Federal contribution to primary schools - both public and private - for "labor and equipment" was added. School construction for the State of Guanabara (former Federal District) in the amount of Cr$150 million and roughly Cr$100 million for other local projects related to primary schools were also added. Similar expenditures were authorized for secondary schools in the amount of Cr$500 million (in excess of Budget estimate), mostly for specific local projects. Finally a large amount - over Cr$900 million was added by the Congress in the Budget Law as a Federal financial contribution for "labor or equipment" to any private, "independent" secondary school which is free from "substantial mortgage or other heavy debt".

d) Agriculture

The appropriation for the Department of Agriculture was increased by roughly Cr$5 billion over the budget estimate, roughly half of the increase (Cr$2,226,500) being for various local irrigation and hydro-electric projects. Other major increases were for: 1) Department of National Animal Production; roughly Cr$650 million mostly for expansion of animal production, improvement of breeds, etc; 2) subsidies to rural associations: roughly Cr$275 million; 3) minerals research: Cr$250 million and the balance of roughly Cr$1.5 billion being divided among a multitude of research and development projects, agricultural training programs and construction of research stations.

e) Ministry of Labor

The Budget Law shows an increase of some Cr$7 billion over the budget estimate. Cr$2 billion of this increase is due to readjustments in pensions and retirements not calculated in the budget estimate, Cr$1 billion going to a special fund to amortize the Federal debt to the Social Security Institutes (established in August 1960 after the budget estimate was submitted) and the remainder consists of a Federal contribution to the Social Security Institutes to cover staff and administrative expenditures and "technical and operating deficits" in the Social Security funds. The latter contribution, which totals Cr$5 billion, was provided by law, apparently to replenish funds

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from the Social Security accounts which the Federal Government "borrowed" in the past to cover some of its operating expenses. At the same time an amount of Cr$0.8 billion representing Federal contribution to the Social Security Fund and another amount of Cr$250 million for payments on interest owed by the Federal Government to the Social Security funds were dropped from the budget estimate.

The significant aspect of this increase is the likelihood that not all of it will be spent this year but will simply be added to the fund to keep it on a pay-as-you-go basis. To the extent that these funds are not paid-out or are not matched by other Social Security payments in corresponding amounts, the budget deficit, in effect, would be reduced. It is, however, not a substantial figure in terms of the total forecasted deficit.

f) Legislative

Though small in terms of actual amounts (less than Cr$1 billion) increases in appropriations for the Senate and Chamber of Deputies over budget estimate were substantial in percentage terms (nearly 100%). This is due to the fact that DASP, in preparing the budget, makes no effort to estimate congressional expenditures but merely lists the figure from the previous year's budget. Considerably more was spent than appropriated by the Congress in 1960 largely because of the move to Brasilia and apparently it believes that "operating - between two capitals" will require heavier expenditures again this year.

g) Contribution to Point IV Program

Several of the appropriations in the Budget Law contain funds totalling some Cr$2 billion specifically in connection with the Point IV program. The most important of such items are listed as follows as of possible interest to certain end-users:

	Millions of Cr$
Ministry of Agriculture	
Office of Technical Assistance	150
Dept. of National Mineral Production	163
Ministry of Health	
Special Public Health Services	1,000
Malaria Control and Erradication	617
Audio-Visual Education and Training	7
Ministry of Education	
National Institute of Pedagogy	35
Getulio Vargas Foundation	55
Instr. in Management and Public Administration	25

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Ministry of Education (Cont'd)	Millions of Cr$
Brazilian-American Commission on Industrial Apprenticeship	40
Campaign for Training of Geologists	12
Rural Education Campaign	25
Ministry of Air	
Training of Aeronautical Engineers	7
Air Traffic Control	100
Ministry of Navy	
Training of Naval Engineers	6
Office of the Presidency	
DASP	2
Foreign Office	
Brazilian Representation to Point IV	1
T o t a l	2,099

Summary and Conclusions

In the introduction it was pointed out that, unlike the years of the Kubitschek Administration when, consistently, more was spent than appropriated, it is widely believed that the new government will take serious steps to curtail Federal spending. Therefore, the budget takes on a significance of a different sort because while in Brazil the amount appropriated does not constitute an effective ceiling on Federal expenditures, cutting expenditures, though popular with the public as a general measure, may not be so popular when the interests of special groups or regions are affected. This is true in any country and it is no less true in Brazil. What is more, it should be noted that it is not unusual for special interest groups to join together in the common cause of opposing the government even though their own pursuits are in conflict with each other. Thus, if enough special interests are involved, forces opposing the government can become a sizeable organization indeed.

In the circumstances, therefore, the level of Federal expenditures in 1962 may be less determined by the soundness of the Government's financial and fiscal policies than by its political astuteness, courage and determination. There is no better evidence available now for judging how the new government will handle itself in these respects than

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there was before the election. There may be some merit, however, in summarizing those elements with respect to the budget which may make cutting expenditures harder or easier as the case may be. Some of the pure budgetary factors have already been brought out in the preceding discussion. For example, we have seen that a large part (1/3) of the authorized expenditures are for the military establishment, a powerful organization politically in Brazil and one which can be expected to resist fiercely any attempts to curtail its program or reduce its size. On the other hand, it has been noted that appropriations for the Ministry of Transport and Public Works, and the Ministries of Agriculture and Education contain substantial amounts for "pork barrel" measures the elimination of which may be desirable but politically infeasible.

In the introduction, a number of factors militating against substantial budget cutting were mentioned, among them the legal difficulty of cutting the Federal payroll, with resultant relatively large number of "fixed" expenditures, political resistance of local and special interest groups and the desirability or even necessity of the government of a developing country to spend relatively large sums for social overhead capital.

The amount of expenditures, such as those for the military program which DASP considers to be relatively rigid or "fixed" either for legal or political reasons are indicated in the following breakdown from the table at enclosure 3:

1) All of the "costs" under "Ordinary Expenditures which are essentially personel services - i.e. linked to payroll costs. These are considered fixed in the sense that Federal employees can allegedly only be dismissed for cause 3/, though there is some dispute as to whether this is strictly true in all cases.

... approximately Cr$170 billion

2) Under "Transfers", DASP estimates that 60% of "Aids and Subsidies" are "required" by law in the sense that they are specifically tied to certain sources of revenue which may not be used for other purposes.

... approximately Cr$45 billion

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3/ It may be, however, that some of the funds which have been appropriated are slated for new positions or positions that are vacant but expected to be filled. Neither the budget estimate nor the Budget Law makes any mention of numbers of positions or of people on the payroll. As a matter of fact, as mentioned earlier, not even DASP knows the exact numbers of Federal employees. To the extent, however, that funds represent vacant or new positions budget cuts would obviously be simpler.

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3) Under "Transfers" expenditures provided by the Constitution" are fixed in the same sense as those described in Item 2) above.

... approximately Cr$7 billion

4) Pensions and survivors' benefits need no explanation.

... approximately Cr$34 billion

5) Interest on public debt assuming the Government does not decide simply to decree that it shall not be paid.

... approximately Cr$2.5 billion

6) Under "Capital Expenditures", "Expenditures provided for by the Constitution" same as 3) above.

... approximately Cr$17 billion

Thus, expenditures which DASP considers relatively "fixed", if not exactly required, amount to approximately Cr$275.5 billion. In addition to these, it is doubtful that any administration would eliminate entirely all so-called "pork barrel" measures at any political cost. Some may even be desirable from an economic point of view. Likewise, one should not get the impression that all of the Cr$90 billion (approximately) not accounted for in the above presentation is for local projects introduced by the members of Congress for the optical benefit of their constituents. Road building, dam building, educational programs and irrigation projects must consume a good part of the resources of a developing economy and are generally financed by government expenditure. This is not to say that all such projects in the budget are economically sound or that they need be undertaken this year. On the other hand, there may be many that the new government may find expedient to carry out regardless of its fiscal policy. Finally there may be projects started by the present administration which do not warrant the priority assigned them but which may be so far along as to make it undesirable or uneconomic to abandon them or delay them at this stage.

Finally there is the possibility of further inflation increasing some costs of government operations. Unlike the receipts estimates, where an additional inflation of 20% is expected to yield somewhat higher revenues, DASP does not calculate expenditures on the basis of any inflation factor other than those already calculated in the cost estimate of the various projects and pay raises already enacted. The assumption is made that the budget contains sufficient flexibility to absorb additional costs. This may well be, but should there be a further inflationary spiral, it will mean tighter appropriations and even greater difficulty in cutting expenditures.

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Viewed in this light, the outlook for appreciably reducing Federal expenditures and hence the deficit appears rather grim. But this cloud too has its silver lining and there is some reason to view the situation with cautious optimism. In the first place, the new Administration, having been elected by a record majority, will come to power with tremendous popular support. Much of this support appears to have been derived from the fact that large segments of the public have grown weary with year after year of inflation. Consequently, measures to attack the causes of inflation - and the budgetary deficit has been one of these causes - can be expected to win public support, at least in the early months of the new Administration while the new president's popularity is still high and public support and willingness to make sacrifices still active. In this connection, much will depend on whether the new administration will be in a position to move ahead rapidly with a definite program and capitalize on the apparent generous mood of the public while it lasts.

Secondly, with respect to "pork barrel" legislation and the likelihood of meeting political resistance, it is of some importance that this Budget Law was passed by a "lame duck" Congress, many members of which will not return. To this extent, the immediate political pressures such as are exerted on the Executive by the members of Congress themselves will be diminished.

In the third place, though for purposes of the discussion a number of expenditures have been described as "fixed", this term should not be interpreted literally. For example, even if dismissing of employees is legally prohibited (except for cause), the law could be changed and a strong president could have it changed. More flexible are the expenditures which are tied to specific revenues - so called "despesas vinculadas". (2), 3) and 6) above). These funds need not necessarily all be spent even though the revenue cannot be used for other purposes. In fact, a close examination of the various activities financed in this manner may reveal that many of them are of little value. In these cases the revenues involved could simply be committed to the appropriate account as a bookkeeping transaction without ever releasing the funds.

Finally, there is some flexibility with respect to revenues. In the first place, even though the sources of revenues are limited to those in the Budget Law, tighter collection efforts would obviously yield more income. DASP, in its estimate, considers this possibility and primarily for this reason believes that receipts may reach Cr$260 billion instead of Cr$250 billion figure they are using as an operating base. Cr$10 billion, according to most estimates, comes nowhere near approaching the level of tax evasion that actually takes place in Brazil. A very stringent application of the tax laws- should it prove feasible - would, therefore, undoubtedly yield substantially more.

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A more important factor with respect to the receipts side of the picture is the source used to finance whatever deficit may result. The principal concern with respect to the budgetary deficit is, after all, its inflationary impact. In the recent past in Brazil, budgetary deficits have undoubtedly contributed substantially to inflation owing primarily to the fact that they have been financed almost entirely by borrowings from the Bank of Brazil - in effect by issuing currency.

A budgetary deficit, however, need not result in credit expansion. This is true even in present circumstances in Brazil even though the financial climate (featuring very high inflationary rate and exhorbitant rates of interest) is not yet conducive to the application of such traditional non-inflationary means of government borrowing as the sale of long-term bonds. What must be borne in mind is that the Federal budget itself represents only part of the Federal fiscal operations. The government has other sources of revenue and makes other expenditures which are outside the budgetary process. It has, for example, income from railroads and postal service, and it could increase these rates thereby reducing or eliminating the amounts of budgetary funds required to support these organizations. The government also has a substantial income from the sale of foreign exchange in excess of the amounts paid to exporters (so called "agio profits") which in 1959, for example, amounted to Cr$46 billion. Expenditures from this account - such as bonuses to coffee growers and exporters - could be reduced thereby freeing funds from this account which the government could "borrow" to finance its budgetary operations without expanding credit. The operation of the so-called "autarchias" (such as Petrobras) and the mixed-economy corporations (Volta Redonda) likewise have non-budgetary incomes and expenditures of unknown quantities 4/ which canbe manipulated. In sum and substance, the important factor is the cash position of the total Federal fiscal operation. In this respect, the new administration will have a much wider latitude in which to work out a non-inflationary fiscal program.

For the Ambassador:

John Krizay
Second Secretary of Embassy

Coordinated:
Herbert K. May
Treasury Attaché

Enclosures:
1 - Federal Expenditure/Authorizations - 1955/1960
2 - Federal Receipts by Source - 1960/1961
3 - Breakdown of Expenditures in 1961 Budget Law
4 - Federal Expenditures by Branch of Government - 1959/1960/1961

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4/ The Embassy is now attempting to determine the exact magnitude of receipts and expenditures and the source of funds of these organizations. Results of this effort will be reported by separate despatch.

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Enclosure 1
Despatch 588
Rio de Janeiro

FEDERAL EXPENDITURE/AUTHORIZATIONS §/
1955/1960
Cr$ Million

	1955	1956	1957	1958	1959	1960 1/
Appropriated in the Budget	56,695	71,505	115,972	140,527	156,227	194,327
Actual budgetary expenditures	70,907	118,392	127,042	151,954	182,240	186,612

FEDERAL REVENUE
1955/1960
Cr$ Million

	1955	1956	1957	1958	1959	1960 1/
Anticipated in the Budget	53,482	70,960	98,258	130,234	147,671	179,494
Actual Revenue	55,671	70,353	85,471	117,816	157,827	169,892

1/ January through October.

Source: Finanças da União - SUMOC Reports

§/ These figures do not reflect the cash position of the Federal government in any given year since: a) all non-budgetary income and expenditures are excluded and b) expenditures "sem crédito" are not necessarily included in years when expenditures actually made but when those expenditures are appropriated for (always *ex post facto* and often in the following year).

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Enclosure 2
Despatch 588
Rio de Janeiro

FEDERAL RECEIPTS BY SOURCE
1960/1961

	Estimates 1960	Proposta 1961	Budget Law-1961	DASP 1961
Import tax	22,500	24,300	24,000	20,000
Consumption tax	81,000	84,261	90,000	100,000
Income tax	60,000	59,601	74,000	70,000
Stamp tax	25,000	22,004	28,000	30,000
Fees	7,000	7,800	3,500	8,000
Miscellaneous tax receipts	20,700	21,500	26,300	21,900
	216,000	219,600	245,800	249,900

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Enclosure 3
Despatch 588
Rio de Janeiro

Breakdown of Expenditures in 1961 Budget Law
(DASP Estimates in Parentheses)

(Cr$ Million)

ORDINARY EXPENDITURES		
Cost		
Civilian Personnel	28,064.7	(40,364.7)
Military Personnel	28,042.1	(65,042.1)
Supplies	7,585.0	
Equipment	1,031.6	
Services of Third Parties	3,064.2	
Miscellaneous Services	42,789.5	
	110,577.1	(159,877.1)
Transfers		
Aids and Subsidies	75,398.5	
Expenditures provided by Constitution	6,794.5	
Retirement	15,905.8	(34,395.7)
Survivors Pensions	2,689.9	
Interest on Public Debt	2,275.8	
Miscellaneous Transfers	11,517.3	
	114,581.9	(130,381.9)
CAPITAL EXPENDITURES		
Social and Economic Development		
Services Under Special Financing	36,220.4	
Expenditures provided by Constitution	16,776.0	
	52,996.4	
Investments		
Construction	20,040.6	
Equipment and Installations	3,141.2	
Expropriation and Purchases of Property	288.3	
	23,470.1	
FINANCIAL PARTICIPATION		
Mixed-Economy Corporations	481.0	
AMORTIZATION OF PUBLIC DEBT		
Foreign Debt	182.5	
TOTAL EXPENDITURE	302,289.1	(367,389.1)

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FEDERAL EXPENDITURES BY BRANCH OF GOVERNMENT
1959 - 1960 - 1961

(Cr$ MiLLion)

	Actual 1959	1st Ten Months 1960	1961 Executive Proposal	1961 Budget Law	Increase or Decrease (Over or Under) Proposta
Legislative					
Chamber of Dep.	718.7	1,335.2	644.4	1,179.7	+ 535.3 1/
Fed. Senate	289.8	564.2	357.5	726.2	+ 368.7 1/
Auxiliary Organs					
Court of Accts.	144.8	116.1	163.9	182.1	+ 18.2
Nat'l Econ.Council	28.3	27.0	53.9	53.9	0
Executive					
President	1,082.1	1,684.0	2,489.7	2,781.3	+ 291.6
DASP	174.4	1,133.4	1,667.9	1,676.0	+ 8.1
Armed Forces Hq.	37.0	26.8	47.5	75.6	+ 28.1
Veterans Adm.	5.1	5.1	6.8	6.8	0
War Reparation	.4	-.-	-.-	-.-	-.-
SUDENE	-.-	-.-	2,803.4	2.803.4	0
S.Francisco Valley Commission	1,878.5	1,500.0	1,997.7	3,167.2	+ 1,169.5
Nat'l Council on Water & Electric Energy	7.7	7.2	12.2	12.2	0
Nat'l Petroleum Council	44.6	107.1	62.6	182.6	+ 120.0
Nat'l Security Council	261.3	13.2	288.8	288.8	0
Amazon Dev.Com.	3,059.9	3,302.1	4,205.5	5,536.2	+ 1,330.7
S.E. Dev. Comm.	499.0	30.0	500.0	550.0	+ 50.0
Ministries:					
Air	11,289.4	10,123.7	12,330.0	14,608.4	+ 2,278.4
Agriculture	7,486.9	3,981.2	9,121.3	14,646.6	+ 5,525.3
Education	13,016.3	10,194.5	17,450.8	27,963.9	+ 10,513.1
Finance	51,318.4	38,477.9	54,545.5	55,628.3	+ 1,082.8
War	21,731.2	21,191.2	23,135.0	31,913.9	+ 8,778.9
Justice	5,998.7	5,250.7	7,837.6	6,028.6	- 1,809.0
Navy	10,989.9	9,224.3	12,650.0	12,953.6	+ 303.6
Fon. Affairs	1,334.3	1,771.4	2,517.9	2,539.9	+ 22.0
Health	6,743.9	5,909.8	11,267.2	13,834.4	+ 2,567.2
Labor, Industry & Commerce	2,936.9	10,187.0	3,752.5	10,870.3	+ 7,117.8
Public Works	40,908.0	41,136.0	47,656.2	83,469.9	+ 35,813.7
Organs transferred to State of Guanabara	-.-	-.-	-.-	6,883.0	6,883.0

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FEDERAL EXPENDITURES BY BRANCH OF GOVERNMENT (Cont'd)
1959 - 1960 - 1961

(Cr$ Million)

	Actual 1959	1st Ten months 1960	1961 Executive Proposal	1961 Budget Law	Increase of Decrease (Over or Under) Proposta
Judiciary	1,924.8	1,947.7	1,533.2	1,726.4	+ 193.2
T o t a l	183,910.6	169,047.3	219,099.0	302,289.1	+ 83,190.2

1/ Because Senate and House made own estimates, DASP only includes previous year's estimates.

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PRIORITY

CONFIDENTIAL
(Security Classification)

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832.10/1-1661
XR 832.131

FOREIGN SERVICE DESPATCH

FROM : AMEMBASSY, Rio de Janeiro

600
DESP. NO.

January 16, 1961
DATE

TO : THE DEPARTMENT OF STATE, WASHINGTON.

REF : Embassy Despatch are 572, January 9, 1961

20 For Dept. Use Only	ACTION	DEPT.				
	ARA-4	INFO RM/R-2	INR-7	E-7	ICA-11	
	REC'D 1-23-61	OTHER COM-8	TR-3	FRB-2	XMB-4	CIAS-6 NSA-2 ARMY-4 NAVY-2

DEPARTMENT OF STATE
BUREAU OF INTER-AMERICAN AFFAIRS
Full Ecom Action
RGB/ARA 2/17/61

SUBJECT: Estimated 1961 Balance of Payments

On January 12, Sr. Paulo Poock Correa, Director of the Exchange Department of the Bank of Brazil, submitted to the SUMOC Council his proposal of a Foreign Exchange Budget for the first half of 1961 and his estimate of foreign exchange transactions by the Bank of Brazil during the last half of 1961. The SUMOC Council decided at its meeting of that date that it would take no action on his proposal in view of the fact that the present Administration will leave office on January 31 and that President-elect Jânio Quadros might prefer to have a free hand in determining the Exchange Budget.

Nevertheless, Sr. Poock Correa gave the reporting officer a copy of his proposal, while emphasizing its confidential character, particularly in view of the fact that his proposal was not approved. The proposal, per se, is transmitted herewith as Enclosure 1, through eight thermofax copies. Translation of his justification of that proposal is transmitted as Enclosure 2. A few comments concerning the proposal were made in the reference despatch. A more comprehensive analysis will appear in a forthcoming despatch analyzing the financial situation confronting President-elect Jânio Quadros.

832.10/1-1661 HBS

CLASSIFIED FILE

For the Ambassador:

Herbert K. May
Treasury Attaché

FILED
MAR 17 1961

Coordinated:
William A. Fowler
William A. Fowler
Counselor of Embassy
for Economic Affairs

HKMay:dh

Enclosures: Two as stated

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ACTION COPY — DEPARTMENT OF STATE

The action office must return this permanent record copy to RM/R files with an endorsement of action taken.

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C O U N C I L

- Subject -

EXCHANGE BUDGET FOR CONVERTIBLE CURRENCIES DURING THE FIRST SEMESTER OF 1961, AND FORECAST OF RECEIPTS AND EXPENDITURES FOR THE SECOND SEMESTER OF THE SAME YEAR

- EXCHANGE BUDGET FOR THE FIRST SEMESTER OF 1961 -

1. In accordance with Article 82 of Decree No. 42820 of December 16, 1957, I herewith submit for approval of the Council the proposal for an Exchange Budget in convertible currencies for the first semester of 1961. As to inconvertible currencies and agreement currencies, an automatic balance between receipts and expenditures is foreseen, by virture of the provisions which control the bilaterial accounts covering commerce between Brazil and the countries of those currencies; any imbalances occuring during the period will be financed through "working balances" conceded by those agreements.

2. In summary, the proposed Budget foresees a deficit equivalent to $212.9 million until June 30, 1961, of which $148.3 million will be applicable to transactions with the United States and $64.6 million with other countries, as evidenced below:

SPECIFICATION	UNITED STATES	OTHER COUNTRIES CONVERTIBLE CURRENCIES	TOTAL
RECEIPTS	283.6	135.7	419.3
PAYMENTS	431.9	200.3	632.3
-Imports	279.9	169.6	449.5
-Financial transactions...	47.6	7.4	55.0
-Compensatory loans	104.4	23.3	127.7
DEFICIT	148.3	64.6	212.9

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3. I pass now to the considerations and clarifications which appear to me to be necessary concerning this proposal.

Receipts

Within the over-all forecast of receipts, $419.3 million, exports are overwhelmingly predominant, amounting to 97.8 percent of the total, i.e., the equivalent of $410.0 million. The remaining $9.3 million is composed of the postponement of $6.3 million to be effected by the Export-Import Bank through the Agreement of November 30, 1960, and $3.0 million for other small receipts in the official exchange market. There were not included in the receipts account any acquisitions of foreign exchange deriving from financial transactions in the free exchange market inasmuch as the latter, if effected, will be compensated by eventual sales of foreign exchange which will be necessary in the same market.

Exports

The estimate of export receipts is based on a study furnished by the Foreign Trade Department (CACEX), except for the estimates made with respect to receipts from coffee and from crude petroleum. For coffee, and in view of the fact that there is no likelihood of significant modifications in the quotations or in the 1960-61 crop, it seemed to me prudent to maintain the forecast of average monthly receipts at $50 million, approximately that which was realized in the first 11 months of 1960. As to crude petroleum, the forecast was made by PETROBRAS ($9 million). Accordingly it is expected that in the official exchange market, coffee will contribute $300 million and other products will contribute $30 million (71.5 percent and 7.2 percent of receipts, respectively).

In the free exchange market, exports should reach $161.4 million of which the Exchange Department expects to negotiate $80.0 million (19.1 percent of total receipts).

Compensatory Loans

The foreseen receipts of $6.3 million refers to the special Export-Import Bank credit, through the Agreement signed on November 30, 1960, for payment of the installments of specific loans, due during the period of January-May, 1961.

Expenditures

Of the foreseen expenditures of $632.2 million, $543.0 million refers to obligations already assumed by the Exchange Department. The remaining $89.2 million refers to obligations to be assumed and liquidated during this period.

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Among the various expenditure accounts, the following warrent special attention:

Petroleum and Derivatives

Up to the end of last December, obligations falling due during the semester, registered in the Exchange Department, for the importation of crude petroleum, petroleum derivatives, and chemical and other products for refinement amounted to $59.1 million. In addition, expenditures for payment of freight are estimated at $17.9 million, thereby increasing the total foreseen expenditures to $77.0 million. Imports to be effected in the first semester of this year will have their maturities at six-month duration, thereby falling in the second semester.

It is necessary to add that this Department is conducting negotiations with the traditional companies furinishing petroleum products, for the purpose of postponing certain obligations already assumed. If this objective is achieved, there will be a net reduction of about $40.0 million in the payments of the period.

PVC's and Exchange Contracted

The amount of $191.5 million represents the total of PVC's in circulation and the exchange contracts which have already been concluded and which will call for liquidation during the semester. It will be noted that within this total are included approximately $160 million deriving from the auctioning of convertible currencies during the last five months of 1960.

Newsprint and Paper for Books

The allocation of $4.2 million results from the calculations made in confirmity of the decision approved by the Council on November 9, 1960 and published in the Dario Official of December 1, 1960. The concessions were foreseen for coverage in 120 days.

Rubber

The allocation of $9 million results from concessions for the 1960 quota account, already deferred by the Council, which it is expected will be liquidated during the period. Imports to be effected in the first semester of 1961 will have their coverage at 180 days, therefore falling in the second semester.

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Automobile Industry (GEIA)

In order to meet the payments for imports of parts which are complementary to national production for the automobile industry of Brazil, the allocation of $25.1 million is made, in accordance with obligations registered in the Exchange Department.

Imports Covered in Certificates with and without Exchange Priority

For payment of foreign exchange obligations, it is estimated that $89.0 million will be necessary in the period, of which $6.3 million will be met by the postponements agreed upon in the Agreement of November 30, 1960 with the Export-Import Bank.

Air Navigation Companies

The allocation of $4 million refers to the monthly liberations of $1 million, which occurred in recent months for account of the 1960 quota, as provided by the Council in its Session of December 21, 1959 being destined for the importation of parts anc accessories for maintenance of air ships. In accordance with a decision of this Council in its session of December 7, 1960, liquidation of the obligations came to be made in 180-day periods. Accordingly the resulting impact of the monthly quota of $1.5 million recently approved by this Council for 1961 imports will only come to be felt in the second semester.

Interest on Compensatory Loans

Together, they are expected to total $9 million: To the Export-Import Bank there will be paid $4.4 million on the loans of $300 million, $45 million and $100 million. To the consortium of American Banks, $4.6 million will be paid on the loans of $200 million, $58 million and $10 million.

External Public Debt

It is caculated that $8.5 million will be necessary for payment of interest plus amortization on external loans of the Union, States and Municipalities.

Interest Payments to Bond and Share, Light and Power and I.T.and T.

The figure of $12.7 million refers to obligations already assumed for payment of interest, during this period, on

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loans of the Bond and Share, Light and Power, and International Telephone and Telegraph Corp., in the amounts of $1.6 million, $11.1 million, and $30,000 respectively.

Amortization of the Amounts Remaining of the Agreements with Japan and Finland.

Payments totalling approximately $3.2 million are foreseen. To Japan, $1.2 million in April, and to Finland, $2 million.

Export-Import Bank -

Amortization of the $300 million loan

On November 30, 1960, agreement was reached for the postponement for six-months of the amortization-schedule of this loan. Accordingly, only an amortization of $4 million will be required.

Amortization of the Loan of $200 million by a Consortium of Banks

The amount of $28.5 million is destined for the first amortization of the loan of $200 million on the basis of gold collateral, in accordance with the new payments schedule contracted with American bankers last October.

Amortization of the Loan of $58 million by a Consortium of Banks

$9.7 million is allocated for payment of the penultimate installment, due in February, on that loan.

Commercial Arrearages in Pounds Sterling

The equivalent of $0.3 million is called for as the amount necessary to liquidate those obligations completely.

International Monetary Fund

The total of $85.2 million consists of the obligation to deliver $47.7 million in May (initially due in November 1960) and $37.5 million deriving from an earlier postponement, coverage of which is now foreseen in June.

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Ministry of the Navy

The amount of $3.3 million meets the last payment foreseen in the contract signed with the Verolme Shipyeards of the Netherlands for remodeling of the aircraft carrier "MINAS GERIAS".

Books, Newspapers and Magazines

An expenditure during the semester of $0.8 million is estimated for the acquisition of books, newspapers and magazines (Item IV of Article 6 of Decree No. 42820 of December 16, 1957). These expenditures will be for coverage in 120 days.

Wheat, Including Freight

An allocation of only $4.2 million is made for the payment of freight on wheat to be imported. Eventual purchases in the international market will have to be made in subsequent semesters.

Stock Exchange Auctions

The amount of $36 million represents the estimate for the expenditure of foreign exchange deriving from the normal auctions to be realized in January, plus the additional auctions pursuant to Instruction No. 193, taking as the basis for this latter caculation the average sold during the period of April-December last year.

Other Imports

For other imports, among which are included material and equipment for PETROBRAS, Coal and raw materials for the National Steel Company, and equipment for the railroads, all on the basis of 150-day maturities, the payment of $5.4 million is foreseen this semester.

Brazilian Treasury Delegation

The semester requirements of the Brazilian Treasury Delegation in New York have been estimated at $7.8 million to cover Brazilian Diplomatic representation expenditures, and other expenditures which will be authorized, in each case, by the Minister of Finance.

1089

Interest Payments to Bankers

In view of the worsening of our position an expenditure of $3 million is foreseen for covering payment of interest on utilization of lines of credit in favor of the Bank of Brazil and on banking accounts of establishments authorized to operate in foreign exchange in Brazil.

Technical services for PETROBRAS

In order to meet obligations of a financial character such as earnings and salaries of foreign technicians, an expenditure of $4.8 million is foreseen.

Other Governmental Expenditures -- Including Contributions to International Organizations

To cover governmental obligations not elsewhere included, a contribution of $6 million was allocated to meet the special requisitions of the Ministry of Finance for payment of contributions to the United Nations and other International organizations, expenditures for the Suez Batallion for the National Airmail, as well as requisitions of the Purchasing Commissions of the Ministry of War, Navy and Air.

4. I should point out also that the following items are not covered in the Budget under examination:

a) The restoration of the availabilities of our lines of credit with private American banks, practically associated at the end of December, and

b) The servicing of obligations deriving from payment orders in transit for the liquidation of which the Bank of Brazil does not possess the necessary funds with its credit.

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Estimate of Receipts and Expenditures For the Second Semester of 1961

With respect to the Second Semester, comparing probable receipts with the total expenditures, a deficit results in the amount of $242.4 million, of which $210.7 million derives from transactions with the United States and $31.7 million with other countries, in accordance with the table below:

SPECIFICATION	United States	Other Countries Convertible Currencies	TOTAL
RECEIPTS	294.8	158.2	453.0
EXPENDITURES	505.5	189.9	695.4
-Imports	353.3	183.0	536.3
-Financial Transactions	64.6	6.9	71.5
-Compensatory loans	87.6	-	87.6
DEFICIT	210.7	31.7	242.4

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FOREIGN SERVICE DESPATCH

FROM : AMEMBASSY, RIO DE JANEIRO

619 DESP. NO.

TO : THE DEPARTMENT OF STATE, WASHINGTON.

January 18, 1961 DATE

REF : EMBDESP 519, December 22, 1960

	ACTION	DEPT.
20 For Dept. Use Only	ARA-4	RM/R-2 REF.1 INR-7 E-7 ICA-11 TAR-2 NSA-2 ARMY-4
	REC'D 1-27-61	INFO OTHER COM-8 TR-3 FRB-2 XMB-4 CIA-10 DLEY INT-7 OSD-5

SUBJECT: Efforts to Obtain Six Months Moratorium from Foreign Oil Companies

On December 19, 1960, Finance Minister Paes de Almeida convoked a meeting with representatives of Esso, Shell, Texaco and Atlantic at which he asked that they agree to extend a six months moratorium on payments for petroleum imports in view of Brazil's critical foreign exchange position; see reference Despatch. The company representatives stated they would reply as soon as possible. Later that day, Sr. Paulo Poock Corrêa, Director of the Exchange Department of the Bank of Brazil, sent a letter (Enclosure 1) to Sr. C. E. Nabuco de Araujo Jr., President of the "Syndicate of Wholesale Trade in Minerals and Mineral Combustibles," spelling out the Minister's request as follows:

"1) All PVC's and exchange contracts... maturing after this date with respect to petroleum products furnished to distributors and refinery companies in Brazil would be postponed for six months;

"2) Interest on the postponement would be paid by the Bank of Brazil, at a rate to be agreed upon;

"3) If the proposal under 1) is accepted, SUMOC will decrease, from 180 days to 150 days, the PVC's on current imports, including those already emitted on a 180-day basis;

"4) Exchange contracts which have already matured will be regularized by the Bank of Brazil in the shortest period possible."

On December 23, the President of the Syndicate sent a letter to Poock Corrêa asking for clarification of various points (Enclosure 2). Poock Corrêa's response of December 27 is transmitted as Enclosure 3. Then, on January 12, the Syndicate sent Poock Corrêa a letter advising him of the counter-proposals made by the four oil companies (Enclosure 4).

According to Mr. Cornelius Griffin, President of Esso do Brasil, the oil companies do not expect the Brazilian Government to accept the counter-proposals, particularly inasmuch as the Bank of Brazil simply does not possess the foreign exchange necessary to make the payments

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BUREAU OF
INTER-AMERICAN AFFAIRS
JAN 1961

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on overdue PVC's by January 25, as required in the counter-proposals. He stated that the overdue PVC's apply to the period (for his company at least) of November 14-December 31, and he estimated the overdue amounts which would have to be paid to the four companies' suppliers as approximately $25 million. Mr. Griffin told the reporting officer on January 17 that the January 12 counter-proposals were made essentially "for the record" so that the companies could not be accused by the incoming President, Janio Quadros, of having deliberately postponed this problem until after he took office.

For the Ambassador:

Herbert K. May

Herbert K. May
Treasury Attaché

Coordinated:

William A. Fowler

William A. Fowler
Counselor of Embassy
For Economic Affairs

Enclosures Nos. 1, 2 and 3, as stated.

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BANCO DO BRASIL, S. A.

Carteira de Câmbio
Caixa Postal 4277
Telegrams: "BATELGERAL"

Direção Geral

E Favor Citar Na Resposta
Camio/655/60

Rio de Janeiro, 19 de dezembro de 1960

Llmo. Sr.
Dr. C. E. Nabuco de Araujo Jr.,
Presidente do Sindicato de Comércio Atacadista de Minérios e Combustíveis Minerais
Rua Mexico, 41, 6º, gr. 606
Nesta

Sr. Presidente:

Com referência á reunião levada a efeito hoje, na residência do Exmo. Sr. Ministro da Fazenda, vimos apresentar, para a devida consideração por parte das afiliadas dêsse Sindicato, a sumula das propostas feitas por esta Carteira na aludida reunião:

1) Tôdas as promessas de venda de câmbio e contratos, inclusive os realizados com outros Bancos, vencíveis a partir desta data, relativos ao fornecimento de produtos de petroleo as distribuidoras e emprêsas de refino estabelecidas no Brasil seriam prorrogados por 6 (seis meses;

2) os juros relativos a essa prorrogação seriam pagos pelo Banco de brasil, a taxa a combinar;

3) se aceita a proposta a que se refere o item 1, a Superintendência da Moeda e do Crédito diminuiria, de 180 para 150 dias, o prazo das promessas de venda de cambio para as importações correntes, inclusive quanto as ja emitidas a 180 dias;

4) os contratos de câmbio já liquidados pelos importadores seriam regularizados pelo Banco do Brasil dentro do mais breve prazo possivel.

Solicitando a fineza de encaminhar o assunto às suas afiliadas e na expectativa de uma reação favoravel a proposta acima, apresentamos-lhe.

Cordiais saudações

|s|

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Translation

SINDICATO DO COMÉRCIO ATACADISTA DE MINÉRIOS E
COMBUSTIVEIS MINERAIS
Rua Mexico, 41 - 6º - Grupo 606
Rio de Janeiro,

Rio de Janeiro, December 23, 1960

The Director
Exchange Bureau
Bank of Brazil S.A.
Rio de Janeiro

Dear Sir:

We acknowledge receipt of your letter CAMIO/655/60 of the 19th instant.

The text of your letter under reply left certain doubts in our mind, and we therefore request clarification on the following points:

1) The Bank proposes that all exchange contracts and PVCs maturing after December 19, 1960 be extended for six months. Since no date is mentioned for termination of this agreement, we would like to know if it is the intention of the Bank of Brazil that it be made on a permanent basis or for a limited period.

2) Since Item 1 above refers to all exchange contracts and PVCs maturing after December 19, 1960, we understand that all shipments made after November 28, 1960 will be liquidated normally within the maximum time limit of 180 days, with a possibility of reducing this period to 150 days in accordance with your letter. We would appreciate your confirmation of our interpretation.

3) The Bank's proposal is unilateral, i.e., the Bank requests an extension of the time limit, without offering us anything in exchange.

   The importers are requested to extend payments for an unreasonable period of time and the Bank expresses its desire to pay existing arrearages within the shortest possible time. Would it not be possible for the Bank to guarantee liquidation of these arrearages within a certain maximum period of time?

4) The Bank proposes to extend the maturity date of exchange contracts and PVCs, including those signed with other banks.

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We would appreciate your advising us if, from a legal viewpoint, the Bank of Brazil can alter contracts with wither banks and if the latter were consulted and agreed with the proposed alteration.

5) Your proposal covers importations made by distributors and refining companies established in Brazil. Does this mean that crude importations made by Petrobrás would not be subject to this new ruling?

If the reply is in the affirmative, the distributors and refineries would be penalized by having to deposit cruzeiros in the Bank of Brazil for periods 60 to 180 days longer than Petrobrás, apparently without receiving the respective interest.

We are sure that you will understand the necessity for the clarification requested above which we believe to be essential for a complete understanding by our associates of the proposals made by you.

Yours very truly,

C. E. Nabuco de Araujo Jr.
President

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TRANSLATION

Exchange Bureau

BANCO DO BRASIL S.A.
GENERAL ADMINISTRATION

Please cite on answer:
CAMIO/DICAM-668/60

Rio de Janeiro, December 27, 1960

Dr. C. E. Nabuco de Araujo Jr.
Presidente do Sindicato de Comércio
Atacadista de Minérios e
Combustíveis Minerais
Rua México, 41, 6th, room 606
Rio de Janeiro

Dear Sir:

We take pleasure in acknowledging receipt of your letter of December 23, 1960, wherein you request some explanations regarding to the proposal synthetized in our letter CAMIO/DICAM-655/60 of December 19, 1960.

We answer below the different questions in the same order in qhich they were posed:

1) our proposal of a prorogation for six months would only apply to exchange contracts issued originally at 120 days and to respective PVCs;
2) Yes. Your interpretation as stated in item 2 is correct;
3) Unfortunately we cannot indicate the maximum time limit which commitments already due will be paid. We wish to assure you, however, that we shall make every effort to liquidate them within the shortest possible time.
4) Our proposal is to the effect that companies which have contracts with other Banks authorize them to prorogate said contract by 180 days, with the consequent automatic prorogation of respective coverage by the Bank of Brazil.
5) The new regime will also include Petrobras, as a refining company established in the Country.

Hoping that these explanations clear up satisfactorily the points raised by you, we are

Cordially yours,

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SINDICATO DO COMÉRCIO ATACADISTA DE MINÉRIOS
E COMBUSTÍVEIS MINERAIS

January 12, 1961

Mr. Paulo Pocok Corrêa
Director da Carteira de Câmbio do
Banco do Brasil S.A.
Rio de Janeiro

Dear Sir,

1. We refer to your letter of December 19, 1960 CAMIO/655/60, our letter of December 23, 1960, and your response of December 27, 1960, CAMIO/DICAM--668/60. As we advised in our letter to you of January 4, 1961, the contents of your letters were transmitted to our associates who, in turn, referred your proposal to their traditional suppliers.

2. We now advise that they have examined your proposals and have stated that they are not in a position to accept them. However, the suppliers of Esso and Shell have advised that they would be willing to extend the dates of payment of individual exchange contracts and PVCs, maturing in the months of January, February and March 1961, each for a period of six months, for each contract and PVC, providing that the following steps are carried out:

a) Payment in U. S. dollars to the respective suppliers of all arrearages existing as of December 31, 1960, relative to the supply of petroleum products to the distributing companies, direct importations of petroleum products by Brazilian Government departments, as well as crude oil to local refineries, such payments to be effectively made and in the hands of the suppliers no later than January 25, 1961.

b) Monthly payment of interest in U.S. dollars to the respective suppliers at the rate of 5-1/2% per annum, the same being based upon the amounts of contracts and PVCs whose maturities are extended as cited in paragraph 2 above.

c) Issuance by SUMOC of the necessary instructions to reduce the maturities of PVCs and exchange contracts for current and future importations from 180 days to the shortest time limit granted to any other importer in Brazil today, including the PVCs and exchange contracts already issued at 180 days.

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d) For each month of increased credit granted by the suppliers in excess of 120 days, for current and future importations, the payment of agios by the importers is to be deferred for a corresponding period, the importers assuming the obligation of meeting the payments at their respective maturities through promissory notes.

e) Formalization of the foregoing, i.e., paragraph 2 and sub-items a, b, c and d, to be made in writing.

Texas and Atlantic advise that their suppliers are willing to negotiate a reasonable extension provided that consideration be given to the following:

a) Liquidation of the contracts overdue and still unpaid.

b) Elimination of the discrimination as to the period of payment for the remittances relative to petroleum products in relation to other importations.

c) Guarantee of payment in U.S. dollars in the maturity of whatever extension is negotiated.

d) Entire consideration should be given (I) to the extension of agio payments for a reasonable period and also (II) to the privileges of the present distributors to import the necessary products not refined in Brazil.

Having this Syndicate posed the matter on the above terms, you may wish to discuss it for additional considerations.

Very truly yours,

C. E. Nabuco de Araujo Jr.
President

1099

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FOREIGN SERVICE DESPATCH

FROM : Amconsul São Paulo — 275 DESP. NO. — JAN 20 1961

TO : THE DEPARTMENT OF STATE, WASHINGTON. — January 18, 1961 DATE

REF : CERP - Section B - Item III - 6; Desp. 216, Dec. 5, 1960.

20 For Dept. Use Only	ACTION	DEPT.
	REC'D 1-23-61	INFO RM/R-2 REP-1 INR-7 E-7 ICA-11 OTHER COM-8 TR-3 FRB-3 XMB-4 CIA-10 AGR-8 NSA-2 ARMY-4 NAVY-4 JCS-7

SUBJECT: Budget of the State of São Paulo for 1961; Increase in Government Salaries.

The approximately 30 percent increase in salaries for government employees was voted by the state assembly and converted into law. Manifestations of dissatisfaction caused the Governor of São Paulo to explain the salary adjustment over a hook-up of São Paulo television stations. The Governor pointed out that upon the inclusion of new fringe benefits, that had already been approved, the total increase in remuneration in 1961 would be a little over 50 percent higher than that which prevailed in 1959. To justify the stand taken by the administration that the state could not give a higher salary increase, the Governor said that in 1961 the payroll for the 244,000 odd government employees would come to Cr$ 56 billion, which is 52 percent of the budgetary revenue. This, he added, compares with 40 percent of the budget devoted to salaries and wages in other recent years. The sum indicated for the 1961 payroll includes close to Cr$ 15 billion needed to meet the approximately 30 percent increase now granted.

In despatch 216 it was mentioned that the then proposed salary increase would increase the budgetary deficit by Cr$ 12.5 billion. The 1961 deficit now looms up as approximating Cr$ 15 billion. The government apparently intends to curtail some construction work to reduce the impending deficit. The remaining deficit probably could be eliminated if rising prices in the current inflationary economy result in greater than estimated receipts from the ad valorem sales tax, as has occurred in the past few years.

For the Minister Consul General:
Rudolf E. Cahn
American Consul

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1961 JAN 25 PM

CAA

Source: O Estado de São Paulo, Jan. 17, 1961.

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FOREIGN SERVICE DESPATCH

FROM : AMEMBASSY, Rio de Janeiro

627
DESP. NO.

January 23, 1961
DATE

TO : THE DEPARTMENT OF STATE, WASHINGTON.

REF : Embdes 572, Jan. 9, 1961; Embdes 573, Jan. 9, 1961; and Embdes 600, Jan. 16, 1961

For Dept. Use Only	ACTION	DEPT.
	ARA-4	
	REC'D 1/27	INFO RM/R-2 INR-7 REP-1 E-8 ICA-11 w/msg-3 OTHER CIA-10 COM-8 TR-3 FRB-2 XMB-4 DAF-7

SUBJECT: The Financial Situation Confronting President-Elect Jânio Quadros (Part I)

The Embassy has no reliable evidence concerning the financial policies which will be pursued by the Jânio Quadros Government, and little purpose would be served in hazarding any predictions on the subject. However, the great importance of those policies to Brazil and to relations between Brazil and the United States has led to preparation of the following comprehensive analysis of the financial situation which will confront Quadros. The presentation is divided into two major parts, the external and the internal, recognizing that long-term, fundamental, resolution of the external problems is inescapably intertwined with resolution of the internal problems, but emphasizing also that, sort of short-term resolution of the external problems has become a matter of imperious necessity. A serious balance of payments crisis is imminent, and Quadros must somehow find the means to resolve it, probably within his first month or two in office.

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Part I. The External Financial Situation

Economic development probably continues to be the major preoccupation of most Brazilian leaders, and it seems almost certain that Jânio Quadros will sooner or later devote considerable energy toward the acquisition of large amounts of foreign assistance for that purpose. However, there is no question of "sooner or later" concerning the need to obtain some type of foreign assistance to meet Brazil's balance of payments deficit. The Bank of Brazil has practically no foreign exchange reserves (§) and the Kubitschek Government has exhausted virtually every recourse, "ethical" and "unethical",

(§) As of January 16, 1961, the Bank of Brazil's dollar balances totalled $24.8 million; it had an overdraft position vis-a-vis other convertible currencies; its gold holdings in the U.S. were almost all mortgaged against certain U.S. bank loans; and while it held gold totalling $82 million in its own vaults in Brazil that gold is generally considered [illegible] economically.

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available to it for the purpose of covering the balance of payments deficit of approximately $290 million which it incurred during 1960, and so as to permit President Kubitschek to leave office on January 31 under apparently solvent circumstances. The Bank of Brazil expects a deficit of $455 million in 1961, and the Director of the Bank's Exchange Department has told the reporting officer that he knows of no way to cover the eleven-monthly deficits beginning in February, short of outright default on the many types of payments commitments falling due during that period. As will be spelled out below, the reporting officer has some doubts as to whether Brazil could continue to finance its necessary scale of imports in the absence of foreign assistance and even if there were an across-the-board default on all payments commitments.

Any estimate of Brazil's probable balance of payments position in 1961 will depend heavily upon the particular assumptions made with respect to Jânio Quadros' foreign exchange policies. The Embassy being unable to predict those policies, the reporting officer will endeavor to analyze below the different balance of payments situations which might be expected to prevail on various different hypotheses:

A. Assuming continuation of the present foreign exchange system and practices.

The Bank of Brazil has estimated a probable deficit in convertible currencies of $455 million during 1961, as reported in Embassy Despatches 572, dated January 9 and Embassy Despatch 600, dated January 16. Of this total, the deficit in U.S. dollars is estimated at $359 million while the deficit in the other convertible currencies is estimated at the equivalent of $96 million. As will be explained more fully below, various steps can be taken substantially to reduce the actual 1961 deficit. The following considerations demonstrate, however, that whatever steps are taken, a very large deficit nevertheless appears to be inevitable under the present foreign exchange system:

1. It will probably not be possible to reduce the amount of the deficit which will have to be incurred during the first half of 1961, unless the Brazilian Government proves able to postpone certain debt payments and/or unless the Bank of Brazil very much increases its purchases of dollars in the free market (§). The

(§) The possibilities of rescheduling debt payments will be discussed under A, 4 below. The possibilities of increasing purchases in the free market will be treated as a modification of present foreign exchange practices and will therefore be discussed under B,2 and B, 3 below.

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Bank has estimated (Embassy Despatch 600) that its convertible currency deficit during the first half of 1961 will total $212.9 million. It estimates convertible currency earnings during that period at $419.3 million (approximately the 1960 rate), and points out that the payments commitments which had already been assumed at the end of 1960 will require disbursements of $543.0 million, while it estimates that additional disbursements of $89.2 million will have to be made by the end of June even though no commitments for such purchases had yet been concluded at the end of 1960.

It will be noted, in the latter connection, that imports into Brazil are at present being made on the understanding that payment will be transmitted at the end of 150 days (as an approximate average) from the date of issuance of the applicable PVC. (§) The issuance of commercial auction PVC's plus PVC's applicable to "specific" imports of fertilizers, insecticides and automobiles have been increasing steadily in recent months, totalling $52.0 million in December, 1960, and a monthly average of $40.6 million during July-December, 1960. In addition, PVC's covering "preferential" payments (petroleum, newsprint, etc..) averaged $40.9 monthly during June-November, 1960 (latest data available). Accordingly, it seems entirely reasonable that PVC's issued during January, 1961, and calling for payments during June, 1961, will in fact total the $89.2 million estimated by the Bank of Brazil. Indeed, the additional payments to be made during this period may well be somewhat higher than $89.2 million, because of the need to spend an estimated $21.6 million for certain "financial transactions".

2. It should be possible substantially to reduce the deficit for the second half of 1961, now estimated by the Bank of Brazil at $242.4 million, even without debt rescheduling or increased purchases of dollars in the free exchange market.

It is true that that estimate is predicated in part on the Bank's assumption that its convertible currency earnings will increase somewhat (to $453.0 million as compared to $419.3 million during the first half of the year). But the

(§) PVC's are "Promesas de Venda de Cambio", i.e., promises to sell foreign exchange. They call for the more-or-less automatic issuance of import permits.

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reporting officer does not consider that assumption unduly optimistic, although it is obvious that -- the prospects for world-wide coffee production being what they are -- a weakening of Brazil's coffee market is certainly possible, and even a slight weakening would wreak havoc in Brazil's foreign exchange earnings (§).

On the other hand, the reporting officer believes that the Brazilian Government should be able to squeeze quite a bit of water out of the payments bill estimated for the second half of 1961 ($695.4 million) The Bank estimates that, of that amount, $280.8 million represents payments obligations of various types which had already been assumed as of the end of 1960. It seems necessary to accept those payments as inescapable (barring defaults or refunding), together with the $21.6 million of payments scheduled for "financial transactions" (the Suez battalion, interest payments to foreign bankers, Petrobrás services, and other governmental payments, including contributions to international organizations). However, the reporting officer believes that the Brazilian Government should be able to effect a substantial reduction in the estimated payments for imports ($393.0 million) for which PVC's have not yet been issued.

As shown in Enclosure 1 to Embassy Despatch 600, the estimated payments for the second half of 1961 include $216.0 million for "Leilão em Bolsa", i.e., payments covering PVC's sold in the commercial import auctions during February - July, 1961. The Bank is assuming that the "regular" monthly auctions will continue, as at present, to total $24 million ($6 million weekly, with an allowance for an occasional holiday-week, when no auction is held) and that SUMOC Instruction 193 will continue in effect, with

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(§) It is important to remember that a drop of one cent per pound in the world price of coffee would reduce Brazil's dollar earnings by $20 million annually, assuming no change in the volume of its exports.

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"supplementary" sales averaging $12 million monthly. (§) The reporting officer believes (a) that the "supplementary" sales under Instruction 193 can very rationally be terminated by the President-elect as soon as he takes office on January 31 and (b) that there is also room for some reduction even in the "regular" offerings.

The monthly record of "supplementary" sales of convertible currency PVC's is summarized in Enclosure 1 to Embassy Despatch 601, dated January 16, 1961. It will be seen that following the initial auction on March 29, 1960, such sales declined from $7.9 million in April to $5.5 million in July -- all of those PVC's calling for actual foreign exchange payments by the end of 1960. Thereafter, sales in August (to be liquidated in January, 1961) increased to $8.4 million, while sales during September, October, November and December (to be liquidated between February and May) amounted to $14.7 million, $11.6 million, $19.2 million, and $25.4 million (§§) respectively. Just during the first three auctions held in January, sales totalled $17.8 million in Rio and São Paulo alone, and two additional auctions remain to be held in January. (§§§)

(§) SUMOC Instruction No. 193, dated March 25, 1960, provides that on any day in which the exchange surcharge (agio) in the general category of the commercial import auctions reaches Cr$225 per dollar (later reduced gradually to the present agio of Cr$210 per dollar) and all of the "regular" offerings of convertible currency PVC's have been taken up, the Bank of Brazil will offer "supplementary" PVC's in an amount up to three [redacted] the "regular" offering of that day, at the maximum agio [redacted] to above.

(§§) The figure submitted for December in Despatch 572 was incorrect.

(§§§) The auctions for convertible currency PVC's are held on Tuesday of each week. The triple offerings under Instruction 193 are now available, furthermore, in each of the 13 authorized Stock Exchanges in Brazil, although normally only a relatively small amount has been taken up other than in Rio and São Paulo.

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Through December, these sales had already aggregated $106.3 million. Continuation of the sales at the December-January rate would require annual payments of over $300 million.

The continuation by the Brazilian Government of "supplementary" sales of PVC's in full knowledge that the foreign exchange resources of Brazil would not be adequate to honor those commitments has been variously described in the Brazilian press and elsewhere as "immoral", "irresponsible", "unprincipled", etc... The Brazilian Government has never expressed the judgment, officially or unofficially, that the imports covered by these PVC's are necessary to Brazil. Rather, such defense as has been offered for their sale has been the alleged need to prevent an increase in the cost of imports resulting from the increased agios which would certainly have ensued in the absence of [redacted] sales. Indeed, the maximum agio which was set at Cr$225 per [redacted] for the first auction (March 29) was reduced by one cruzeiro each week thereafter until it reached the present level of Cr$210 per dollar. Meanwhile, the Government continued, and even reinforced the inflationary practices, the inevitable result of which would have been either to increase the agio or -- as in fact happened -- to increase the demand for imports at the fixed rate. No statement has ever been made, to the Embassy's knowledge, concerning the means which would ultimately have to be employed if the PVC's were in fact to be honored on their maturity dates. It appears obvious, however, that President Kubitschek and Finance Minister Paes de Almeida have been less concerned than they might have been about the PVC's sold during September-January. It will be Janio Quadros and his Finance Minister who will have the problem of honoring those PVC's.

Paulo Poock Correa, Director of the Exchange Department of the Bank of Brazil has consistently been opposed for example, to the "supplementary" sales (see Embassy Despatch 951, March 29), and has repeatedly recommended its elimination or, at least, such increase of the maximum agio as would tend to reduce the demand for those PVC's. He told the reporting officer as recently as January 16 that he had recommended to the SUMOC Council on January 12 that the Instruction be revoked in light of the Bank's huge impending payments deficit for 1961; however, he was overruled. One of the arguments he has used may be of special

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though perhaps peripheral, interest. It is his impression, based on discussions with many businessmen, that importers have long been increasing their stocks to the limits of their financial (cruzeiros) capacity in expectation that Instruction 193 would momentarily be revoked. He accordingly believes that there would be no shortage of import commodities for some, unmeasurable, time into the future if Instruction 193 were revoked and even if there were some reduction in the "regular" offerings of PVC's on the commercial import auctions.

Cessation of the "supplementary" sales, effective with the first auction on February 7, 1961, would reduce the Bank's estimated deficit in the second half of 1961 by $72 million. Any delay in cessation of those sales will eliminate some part of that potential reduction inasmuch as any PVC's issued during February-July will require payment during July-December. (§) It is important to emphasize, in this connection, that the Bank's estimate of a $242.4 million deficit in that period was in part based on "supplementary" sales of $12 million monthly, although such sales are now running at a rate of more than $25 million monthly and although Instruction 193 at present permits "supplementary" sales of up to $65.3 million monthly (triple the current "regular" offerings in the general category of commercial import auctions, i.e., $21.8 million). Revocation of Instruction 193 would reduce the Bank's estimate of its deficit during the second half of 1961 from $242.4 million to $170.4 million, but failure to revoke that Instruction could result in deficit of as much as $562.2 million. (§§)

As suggested above, the President-elect should be prepared to consider not only the desirability of revoking Instruction 193, but also the desirability of reducing the

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(§) Unless the maturity periods, now set at 150 days, are increased.

(§§) $170.4 million plus "supplementary" sales of as much as $65.3 monthly over a six-months period.

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"regular" offerings of PVC's on the commercial import auctions. The reporting officer knows of no way to determine the "indespensable" minimum of imports "needed" by the Brazilian economy. However, inasmuch as the commercial import auctions have been completely free since 1953, in the sense that there have been no artificial restrictions on the competition for PVC's among importers (movements in the agios therefore clearly reflecting increases or decreases in the demand for the import commodities covered by those PVC's except in so far as that the Government has modified the supply of those PVC's), the reporting officer believes that the following facts demonstrate that the Government could cut its balance of payments deficit during the last half of 1961 by $25 - $75 million (an annual rate of $50-$150 million) by reducing its "regular" offerings of PVC's and without depriving the Brazilian economy of "necessary" imports:

(a) In January, 1959, the "regular" offerings of PVC's totalled $5.0 weekly, with an average general category agio of about Cr$230 per dollar. In March, 1959, and in spite of the Government's estimate of a 1959 payments deficit of $306 million, the weekly offerings were increased to $5.5 million (i.e., by $25 million annually) but the agio remained at approximately $230 per dollar.

Then, in April, 1959, SUMOC Instruction 181 provided that these PVC's would no longer cover payments for freight and insurance on the pertinent imports, such payments thereafter to be made through the free exchange market. However, since the total offerings of PVC's were held at $5.5 million, the effect of this Instruction was to increase the permissible value of imports by roughly 15 percent, i.e., roughly $825,000 weekly ($40 million annually). The agio then declined to about Cr$190 per dollar, but then increased gradually to about Cr$205 per dollar in November, 1959.

In November, 1959, the weekly offerings were increased to $6.0 million (i.e., by another $25 million annually). The agio again dropped to about Cr$190 per dollar, but began to rise thereafter until it reached Cr$230 per dollar in March, 1960, at which time Instruction 193 (discussed above) was issued, providing for the offer to sell "supplementary" PVC's at Cr$225 per dollar in amounts totalling triple the "regular" offerings. The maximum agio was gradually reduced thereafter to Cr$210 per dollar.

(b) Between January, 1959, and March, 1960, the

the wholesale price index (excluding coffee) of the Getúlio Vargas Foundation increased by 42 percent. Yet, the general category agio in March 1960, prior to issuance of Instruction 193, was approximately the same (Cr$230 per dollar) as it had been in January, 1959. To be sure, the amount of PVC's available to finance imports had been substantially increased during that interval, as summarized above. However, it seems reasonable to conclude that the considerable increase of the domestic price level relative to that of imported commodities could easily have accounted for the increase of the effective demand for imports. In other words, if the assumption is made that the rate of general category imports permitted in January, 1959, was adequate to meet Brazil's "needs" at that time,(§)

(§) The selection of any other base period since World War II would have been at least as arbitrary as that of January, 1959, in the opinion of the reporting officer. Moreover, to repeat, he knows of no way to measure Brazil's import "needs". If one were to state, for example, that construction of Brasília has been a political and/or economic necessity, and that Brazil's steel requirements have necessarily increased so as to permit the necessary rate of construction, the question would still remain as to whether Brazil's own steel production capacity has increased sufficiently, or even more than sufficiently, to satisfy the Brasília requirements. And how would one estimate the necessary rate of construction of Brasília or the extent to which reinforced concrete could be used instead of steel? In any event, it is not reasonable to believe that Brazil also needs to live within its income?

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it seems reasonable to conclude that Brazil's needs in March, 1960, might have been satisfied by roughly that same rate of imports if the relationship between domestic prices and the cruzeiro costs of imported commodities had been maintained constant. The same type of reasoning applies to 1961 import needs, recognizing that the maximum agio has been arbitrarily reduced to Cr$210 per dollar since July, 1960, while the wholesale price index for Brazil increased 68 percent between January, 1959, and October, 1960 (latest date available). Certainly, it would be entirely unreasonable to conclude that the present effective demand for imports, as reflected by the present rate of purchases of "regular" plus "supplementary" PVC's, represents anything like Brazil's import "needs".

(c) Even before issuance of Instruction 193 in March, 1960, it was an open secret in Brazil that the Bank of Brazil's exchange resources have been at rock bottom and that the Bank was living from hand to mouth, borrowing from Peter to pay Paul. There has been general expectation that Instruction 193 would momentarily be revoked or that at least, the maximum agio would be very much increased. In those circumstances, it seems highly likely that importers have in fact been increasing their inventories for a long time, as Poock Correa believes. If so, it would appear that Brazil's economy would suffer no serious strain if the "supplementary" sales of PVC's were suspended and if the "regular" sales were sharply reduced beginning in February, and even if the reduced rate of "regular" sales were less than might otherwise have been needed by the economy. Reduction of the present "regular" offerings ($6 million weekly) by $1 million weekly would reduce the estimated deficit in the last half of 1961 by $25 million. Reduction by $3 million weekly would reduce that estimated deficit by $75 million.

Conceivably, the "regular" weekly sales could be reduced by even more than $3 million weekly without damage to the economy. However, the reporting officer hesitates to suggest that possibility as a practical measure. For, while it may reasonably be assumed that many importers have built inventories off of which they could continue to live for some time into the future, it can not reasonably be assumed to have been

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true for all importers or for all imports, if only because of the uneven effects of the inflation rampant in Brazil.

Conceivably also, some reduction could be made, beginning in February, in the allocation of RVC's by the Bank of Brazil for the so-called "preferential" imports, estimated by the Bank to require the disbursement of $177 million. It certainly is possible that inventories may have been built up of some of the items in that category (petroleum, newsprint, rubber, airline equipment and supplies, wheat, etc...). However, the Embassy has good reason to believe that whatever stockpiles exist can only be of relatively small size. Importation of crude petroleum and derivatives alone is estimated by the Bank to require expenditure of $120 million during that period, and the special financial problems between the foreign oil companies and the Brazilian Government (Embassy Despatch 619, January 18) have, according to officials of Esso do Brasil, contributed to the fact that inventories of petroleum are at a "very" low level.

The reporting officer believes that the Bank has been very tight in its allocation of foreign exchange for "preferential" imports. Tire companies have even found it necessary intermittantly to cut down operations because of inadequacies of the allocations for rubber imports. And Washington agencies are familiar with the current shortage of wheat. In general, it seems doubtful that the Brazilian Government could significantly reduce its allocation of convertible currencies for "preferential" imports, without causing serious strains of some type, at least as long as the present foreign exchange system remains unmodified.

3. To summarize, unless the Brazilian Government defaults on its foreign obligations or is able to have those obligations rescheduled, there appears to be no possibility of reducing the prospective deficit during the first half of 1961 below the estimated $212.9 million. On the other hand, the estimated deficit during the second half of 1961 can be reduced by $97 million - $147 million. On these assumptions, a total deficit of $308 million - $358 million appears inevitable, if serious strains within Brazil are to be avoided.

B. Assuming continuation of the present foreign exchange system and practices; but assuming also default on, or rescheduling of, the 1961 debt payments scheduled as of December 31, 1960.

The Bank of Brazil's estimate of a 1961 payments deficit of $455.3 million (Embassy Despatch 600) was based in part on the assumption that the Bank would fulfill various types of debt payment obligations in this year aggregating $823.8 million. It might therefore seem at first glance that the Bank would be able to avoid its expected deficit by "simply" defaulting on half of its 1961 obligations or by negotiating a rescheduling of those obligations. However, the reporting officer believes (a) that defaulting could resolve the 1961 payments problem only if applied to much more than just half of the debts, and that such defaults would probably have other results which would be very much contrary to Brazil's interests, and (b) that while a substantial amount of assistance could feasibly result from rescheduling, the amount of such assistance would probably be much less than adequate to meet the full problem during 1961 if only because of the considerable period of time necessary for some types of negotiation.

Brazil's convertible currency commitments during 1961 may be summarized as follows, in millions of dollars, including principal plus interest: ($)

1.	Long and Medium Term	
	Eximbank	85
	I.M.F.	103
	IBRD	9
	Private U.S. Banks	86
	Private Other Loans	133
	Funded Debt	16
	Total	432
2.	Short-term	
	PVC's	392
3.	Total	824 ($$)

($) These data are to some extent estimates. They are derived from separate (and to some extent conflicting) estimates prepared by the Bank of Brazil, on the one hand, and by the Superintendency of Money and Credit (SUMOC), on the other.

($$) It is important to note that this figure represents only those obligations which were registered in the Bank of Brazil and SUMOC as calling for payment in 1961. Actually, the Bank will also be called upon to repay that portion ($78 million) which was outstanding at the end of 1960 on the short-term credit lines totalling $90 million which have been made available to it by certain U.S. banks.

.....(Cont'd Page 13)

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The following factors appear pertinent to an appraisal of Brazil's ability to default upon, or to reschedule, its 1961 commitments:

(1) Any large amount of defaults, whether on PVC's or on other debts, would certainly become known quickly to foreign exporters, thereby greatly reducing or eliminating the willingness of those exporters to continue selling to Brazil on the basis of new PVC's. Once the Government of Brazil has demonstrated that its promises can not be trusted, most or all foreign suppliers are likely to demand cash prior to shipment. If, then, we were to assume that cash had to be paid for all imports and that imports were maintained at the rate estimated by the Bank ($921 million annually) and that necessary financial transfers abroad (including expenses of the Suez battalion, diplomatic representation, services of Petrobras technicians, etc..., but excluding interest payments to certain banks) were also maintained at the rate estimated by the Bank ($37 million annually), total payments (958 million) would still exceed total estimated receipts ($872 million) by $86 million. In other words, total default would have substantially reduced, but would not have eliminated, a balance of payments deficit in 1961. On the other hand, reduction of the rate of imports could easily wipe out the balance of payments deficit, and a sufficient reduction of imports would make it possible to avoid a balance of payments deficit while meeting some payments on foreign debts. However, even a reduction of non-preferential imports to $4 million weekly (as compared with the $9 million weekly assumed by the Bank of Brazil) would still call for annual payments for all imports and necessary financial transfers of $591 million, leaving only $281 million for possible

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($) (from Page 12).....

In addition, it will have to redeem some (unknown) portion of the $350 million of "swaps" which were outstanding at the end of 1960. However, the Bank is assuming that it will again be able to draw on the credit lines as they are repaid, and that the swaps will be renewed, or replaced by other swaps, as they fall due.

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payment on 1961 foreign obligations of $824 million. (§)

(2) Knowledge in business circles abroad of substantial defaults on foreign obligations by the Brazilian Government would almost certainly provoke a sharp decline in the rate of foreign investments in Brazil. This, together with a probable decline in the willingness of official lending institutions abroad to extend new loans to Brazil, would be a severe blow to Brazil's hopes for economic development.

(3) A rescheduling of debts through agreements with foreign creditors would carry some, but certainly not all, of the connotations of a unilateral default. If the negotiations for rescheduling are conducted in the right atmosphere (including evidence that other steps are being taken to put Brazil's house in order), it seems likely that Brazil could continue to effect its imports on a 150-day basis, thereby offering a major balance of payments advantage over unilateral defaulting.

(4) On the other hand, the process of trying to reschedule its debts to the "satisfaction" of its creditors would obviously be a prolonged and difficult affair, particularly if the Brazilian Government were to seek to reschedule (a) all of the debts held by private persons and firms in the convertible currency area, (b) not only those payments now scheduled for 1961 but subsequent payments as well, and (c) its interest, as well as its principal, obligations.

The following facts pertaining to Brazil's foreign debt position may be of assistance in appraising the amount of balance of payments assistance which Brazil could hope to obtain in 1961 from a rescheduling of the obligations summarized above.

(a) According to SUMOC, the principal outstanding on Brazil's long and medium-term debt totalled $1,911 million in all currencies, as of August 31, 1960. Of this amount only $56 million was denominated in inconvertible currencies. The breakdown was as follows, in millions of dollars:

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Eximbank		569
Other U.S. Government		4
I.M.F.		140
IBRD		133
U.S. banks		230
Funded Debt		116
Commercial arrearages - UK		11
Other private loans		
Convertible currencies	653	
Inconvertible currencies	56	708
		1911

The nationalities of the entities holding the "other private loans" in convertible currencies were further subdivided as follows:

United States	220
Japan	127
France	94
Germany	92
Italy	65
United Kingdom	21
Sweden	19
Switzerland	6
Netherlands	5
Canada	3
Belgium	1
	653

(b) It will be recalled that the 1961 payments obligations on long and medium-term debts in convertible currencies were estimated above at $432 million, including principal plus interest. According to SUMOC, the 1961 payments schedule as of August 31, 1960 (prior to postponement of certain payments from 1960 to 1961), had called for $329 million, of which $266 million represented principal payments and $63 million, payments of interest. The payment obligations transferred from 1960 to 1961 were reflected predominantly in an increase of the 1961 obligations for payment of principal rather than interest. It seems reasonable to estimate (since definitive data are unavailable) that the 1961 payment obligations are now broken down somewhat as follows:

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Principal	$366 million
Interest	66 million
	$432 million

For the next few years, the debt was scheduled, as of August 31, 1960, as follows, in millions of dollars:

	Principal	Interest	Total
1962	253	57	310
1963	204	56	260
1964	163	45	208
1965	121	32	154
1966	97	26	123
1967	68	22	90

(c) The funded debt obligations are themselves the product of a rescheduling in 1943 of debts which went into default in 1930.

(d) Many of the individual loans payments on which are due to the Eximbank in 1961 were in fact shared jointly by the Eximbank and private persons and firms. That is, payments received by the Eximbank on those loans are in part retransmitted by the Bank to persons and firms participating in the loans. The Eximbank could not agree to any rescheduling of such payments without their approval.

(e) Of the $86 million scheduled for payment to U.S. private banks in 1961, $57 million represents payments on the $210 million gold collateral loans extended by those banks. If that schedule is in fact met the gold collateral will then be freed and available to the Brazilian Government for sale by it in order to meet its balance of payments deficit. However, it seems likely that the Brazilian Government would consider itself unable, for domestic political reasons, to sell the gold and would much prefer to renew the gold collateral loan, although it is understood that the Federal Reserve Bank of New York has long been desirous of seeing the loan liquidated.

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C. Assuming modification of the present foreign exchange system and practices.

No effort will be made here to comment upon the probable long-term and short-term balance of payments effects of each of the many types of "exchange reform" which President-elect Quadros might choose to effect. Instead, attention will be focused only upon the possible balance of payments effects during 1961 which could result from (1) recourse to the free exchange market either (a) by Bank of Brazil purchases of export and other earnings or (b) by requiring the financing of some imports through that market; and/or (2) allowing such increases in the cruzeiro costs of certain import items as would serve to reduce the effective demand for those imports. A discussion of each of these two broad possibilities appears below:

(1) The Bank of Brazil's estimate that it will incur a payments deficit of $455 million in 1961 was derived from the Bank's estimate that its purchase of convertible currencies ("official" payments) will total $1327 million (Despatch 600). That is, the Bank did not estimate a "balance of payments" deficit. It estimated only an "official payments" deficit. It made no allowance for imports entering Brazil in the form of equipment constituting direct foreign investment. More important from the point of view of this despatch, the Bank made no allowance for transactions in the free exchange market except in so far as the Bank forecast its own transactions in that market. Yet, SUMOC has estimated that the convertible currency inflow into the free exchange market during the first ten months of 1960 amounted to an annual rate of $458 million, net of Bank of Brazil transactions in that market. It is accordingly reasonable to ask whether the Bank of Brazil could not finance at least part of estimated "official payments" deficit by recourse to the free market.

For appraisal of this question it will be useful, first, to summarize the origins of the convertible currencies sold in the free market during 1960 by projecting on an annual basis the SUMOC data (adjusted by Bank of Brazil data) covering the first ten months of the year (the latest available):

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A. Inflow on Current Account

Exports	$330 million
Tourism	13 million
Transportation and Insurance	34 million
Other	91 million
Total	$468 million

B. Inflow on Capital Account

Private Foreign Investments	23 million
Private Foreign Loans	109 million
Other	8 million
Total	$140 million
	$608 million

C. Total Inflow

D. Less Purchases by Bank of Brazil — $150 million

E. Net Total Inflow — $458 million

Special attention is called to the fact that export proceeds were sold in the free market during the first ten months at the annual rate of $330 million and that Bank of Brazil purchases in that market were at the annual rate of $150 million during the same period; reference Despatch 573. SUMOC Instruction 192, dated December 30, 1959, provided that the proceeds of all exports other than those of coffee, cocoa beans and castor seeds would thereafter be sold in the free market rather than to the Bank of Brazil as had previously been required. No step has yet been taken, however, to free the Bank of Brazil of the responsibility of financing imports. To be sure, the Bank of Brazil used its administrative powers during 1960 to purchase foreign exchange in the free market at the rate of $150 million so as to help meet its need of financing imports. Even making due allowance for this fact, however, the effect of Instruction 192 was to have worsened the "official payments" deficit during 1960 ($) by about $180 million ($330 million minus $150 million).

($) When the estimated deficit totalled approximately $290 million.

It will be noted, from Page 2 of Enclosure 2 of Despatch 600, that the Bank expects during the first half of 1961 to purchase $80 million of the export proceeds (estimated at $161 million) to be sold in the free market during that period. For the year as a whole, the Bank expects to purchase $170 million (Enclosure 1 of that Despatch) in the free market out of export proceeds estimated at about $340-$350 million. In other words, the Bank's estimate of a 1961 "official payments" deficit of $455 million would be reduced by $170-$180 million (a) if all exporters were again required to sell their export proceeds to the Bank of Brazil, or (b) if the Bank of Brazil were to enter the free market so as to purchase all of the export proceeds sold there, or (c) if regulations were issued requiring the financing of imports in that amount through the free market. ($)

Obviously, any reduction in the supply of convertible currencies in the free market or any increase in the demand for such currencies, whether by the Bank of Brazil or by importers, would tend to depreciate the foreign exchange value of the cruzeiro in that market. The exchange rate would reach some new level at which the effective supply and effective demand were in "balance", probably for the most part by the process of driving out of the market (or by reducing the purchases of) persons and firms which would have been in the market (or which would have purchased more in the market) had the depreciation not occurred. Indeed, there is no doubt that Instruction 192 was issued at least as much because of the Government's desire to deter further depreciation of the cruzeiros in the free market as because of a desire to provide some stimulation to exports through the provision of an export rate more favorable than the maximum rate of

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($) It is interesting to observe that importation at that rate would amount by coincidence, to only a little less than $4 million weekly. This is the figure suggested above as satisfying Brazil's minimum requirements for "non-preferential" imports during 1961. Conceivably, therefore, the suggestions contained in this paragraph could be satisfied by elimination of the FVC system for all non-preferential imports (i.e., completely eliminating the commercial import auctions, except perhaps for the "special category"), requiring that such imports be financed thereafter through the free market.

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Cr$100 per dollar previously paid by the Bank of Brazil. (§)

The reporting officer is unable to predict the precise consequences of any effort to reduce the estimated "official payments" deficit in 1961 by recourse to the free market through any of the measures suggested in the preceding paragraphs. However, analysis of this question may be facilitated by reference to the following summary of the reported purposes for which purchases were made in that market during 1960: (§§)

A. Outflow on Current Account

Imports	$ 2 million
Tourism	57 million
Transportation and Insurance	47 million
Investment Income	
Earnings and Dividends	33 million
Interest	15 million
"Donations"	23 million
Other	195 million
Total	$ 372 million

B. Outflow on Capital Account

Amortization of Loans	$ 83 million
Other	3 million
	86

C. Total $458 million

(§) The free rate had fluctuated between Cr$133 per dollar and Cr$165 per dollar during June, 1958 - August, 1959; averaging Cr$155 per dollar in the latter month. It then moved rapidly to an average of Cr$204 per dollar in December, 1959, when Instruction 192 was issued. It declined quickly to Cr$186 per dollar in January 1960 and held at approximately that level until January 1961 when it broke sharply. It is now Cr$220 per dollar.

(§§) Again, SUMOC data (adjusted by Bank of Brazil data) for the first ten months of 1960 are projected here on an annual basis. It is regretted that these data are so imprecise, containing an especially large figure for "others".

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(2) The suggestion was made above of the possibility of helping reduce the 1961 "official payments deficit by allowing such increases in the cruzeiro costs of certain import items as would serve to reduce the effective demand for those imports. This suggestion was made with particular reference to (a) those "preferential" imports (particularly, petroleum, newsprint, and wheat) the PVC's for which are rationed directly by the Bank of Brazil at the "cost-of-exchange" rate of Cr$100 per dollar, and (b) those commodities (fertilizer and insecticides) the PVC's for which are sold in "specific" commercial imports where the agios have in practice held at about Cr$81.00 per dollar so that the effective import exchange rate (when the "official" rate of Cr$18.50 plus fees is added to the agio) has likewise held at approximately a $100 per dollar. (§) The PVC's for the "preferential", estimated by the Bank of Brazil to require payments of $300 million during 1961 ($240 million of which would be for petroleum and petroleum derivatives). The The PVC's for fertilizer and insecticides have recently been requiring payments of about $36 million annually.

Maintenance of the exchange rate of Cr$100 per dollar for these imports has been considered by President Kubitschek a matter of political necessity on the grounds that any increase of the cost of these imports would be inflationary and would cause unbearable social strains. Indeed, he broke off discussions with the I.M.F. in June, 1959, when the I.M.F. pointed out that maintenance of the Cr$100 rate for those imports was itself inflationary and that elimination of the subsidies implicit in that rate would not only help achieve monetary stabilization, but would help reduce the effective demand for importation of those commodities.

The reporting officer considers the achievement of monetary stabilization critical to the long-term correction of Brazil's balance of payments difficulties, and he will devote Part II of this report on "The Financial Situation

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(§) The "specific" auctions for fertilizers and for insecticides are now included within the "regular" auctions of $6 million weekly. The amounts of PVC's allocated to these "specific" auctions are deliberately adjusted when necessary so as to prevent an increase of the agio to more than $82.00 per dollar.

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Confronting President-Elect Jânio Quadros" to a discussion of this problem. (§) At this point, he only wishes to reiterate the possibility that there would be some reduction in the level of importation of even such "essential" items as petroleum if the domestic prices of petroleum products were more in line with those of other commodities. The cruzeiro price of gasoline, for example, is about 17 cents per gallon, when converted at the present free market rate of Cr$220 per dollar, and it seems reasonable to conclude that the consumption of gasoline would be less if its cruzeiro price were comensurate with its true dollar cost. There is also some substitutability in various regions of Brazil between thermal and hydro-electric power, depending upon their relative prices.

In general, it seems very likely that there would be some--perhaps considerable -- savings of foreign exchange if the subsidized exchange rates applicable to the imports cited above were eliminated. However, the reporting officer is unable to estimate the potential amount of such savings.

For the Ambassador:

Herbert K. May
Treasury Attaché

Coordinated:

William A. Fowler
Counselor of Embassy
for Economic Affairs

(§) Part II will be directed specifically toward the problems which Quadros will face if he tries to achieve monetary stabilization. A discussion of the importance of achieving monetary stabilization in Brazil and other Latin American countries is contained in Chapter III of the Enclosure to Embassy Despatch 487, dated December 12, 1960.

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1961 JAN 25 AM 5 56

FROM: Rio de Janeiro

TO: Secretary of State

NO: 938, January 24, 6 p.m.

ACTION:

INFO:

RM/R FILES

832.10/1-2461 HBS

PRIORITY

While entire financial situation which will have to be faced by President-elect Janio Quadros when he takes office on January 31 is serious, he may well find it essential take various steps during first month of office to resolve imminent balance of payment crisis. I can not predict specific nature of steps he will take, but I consider it possible he will seek massive US assistance. Accordingly, I urge senior officials Washington agencies study this subject soonest, for purpose guiding Embassy this immensely difficult problem. In particular, I recommend they read carefully Embassy despatch 627, January 23, before formulating positions.

CABOT

jf-9

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FOREIGN SERVICE DESPATCH

FROM : AMEMBASSY, Rio de Janeiro — 636 DESP. NO.

TO : THE DEPARTMENT OF STATE, WASHINGTON. — January 25, 1961 DATE

REF : Embassy Despatch 627

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	ACTION	DEPT.
INFO	REC'D 2/1	OTHER CIA-10 Com-8 TR-3 FRB-2 XMB-4 DOA-7

SUBJECT: Balance of Payments Deficit for 1961; Efforts to Hold Free Market Rate

On January 23 Sr. Paulo Poock Correa, Director of the Exchange Department of the Bank of Brazil, stated that he had not included any allowance for meeting the overdue payments on petroleum PVC's (Embassy Despatch 619) in his estimate of a 1961 convertible currency deficit for $455 million. Inasmuch as the overdue payments cover the period since November 14, it may be assumed that the amounts presently in default total over $40 million. A determination to pay this amount would, of course, increase the estimated 1961 deficit to approximately $500 million, although there is reason to believe that the foreign oil companies will, in fact, provide credit to Brazil of at least $40 million and probably more.

Poock Correa also described a measure employed by Finance Minister Paes de Almeida last week for the purpose of discouraging purchases of foreign exchange in the free exchange market. These subjects and others are summarized in the memorandum of conversation transmitted herewith as Enclosure 1.

For the Ambassador:

Herbert K. May

Herbert K. May
Treasury Attaché

Coordinated:

William A. Fowler

William A. Fowler
Counselor of Embassy
for Economic Affairs

Encl: As stated

HKMay|dh
REPORTER

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Memorandum of Conversation with
Sr. Paulo Poock Correa, January 23, 1961

1. I told Poock Correa that I had one major question concerning his estimate of a 1961 convertible currency deficit of $455 million: Had he made allowance for the now over-due payments on petroleum imports (Embassy Despatch 619)? He said that he had not made any allowance for those over-due payments. He referred to his report to the SUMOC Council (Enclosure 2 of Embassy Despatch 600) in which he had stated that his budget proposal had not included "the servicing of obligations deriving from payment orders in transit for the liquidation of which the Bank of Brazil does not possess the necessary funds". He said that he had included the over-due obligations to the petroleum companies as obligations "in transit".

2. Poock Correa explained the recent strengthening of the cruzeiro in the free exchange market (from Cr$335 per dollar to approximately Cr$220 per dollar) as follows: The Bank of Brazil daily receives reports from all foreign exchange brokers listing the sales of dollars during the previous day in the amounts of over $10,000. (§) He stated that when the cruzeiro was weakening most sharply last week, the Finance Minister had sent agents from his department to each of the various companies purchasing large amounts of dollars and that those agents were instructed to say, "You obviously have been earning a lot of cruzeiros if you were able to purchase so many dollars. Accordingly, I am under instructions to reexamine your books immediately to determine whether you have been complying with income tax regulations". Poock Correa stated that the immediate result of that action was to spread the word through the business community that further purchases of dollars would lead to further income tax inspection, thereby obviously tending to reduce purchases of dollars. He acknowledged that this sort of device could not

Very clever

(§) Poock Correa showed me one day's report for the previous week. I noted that some of the biggest purchases of dollars on that day were the Massey-Ferguson Company, Singer Sewing Machines, and the Matarazzo Industries.

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long be effective, estimating that it would be effective, at the most, for about 10 days. He then added, "That's all we need". (Jânio Quadros takes office on January 31).

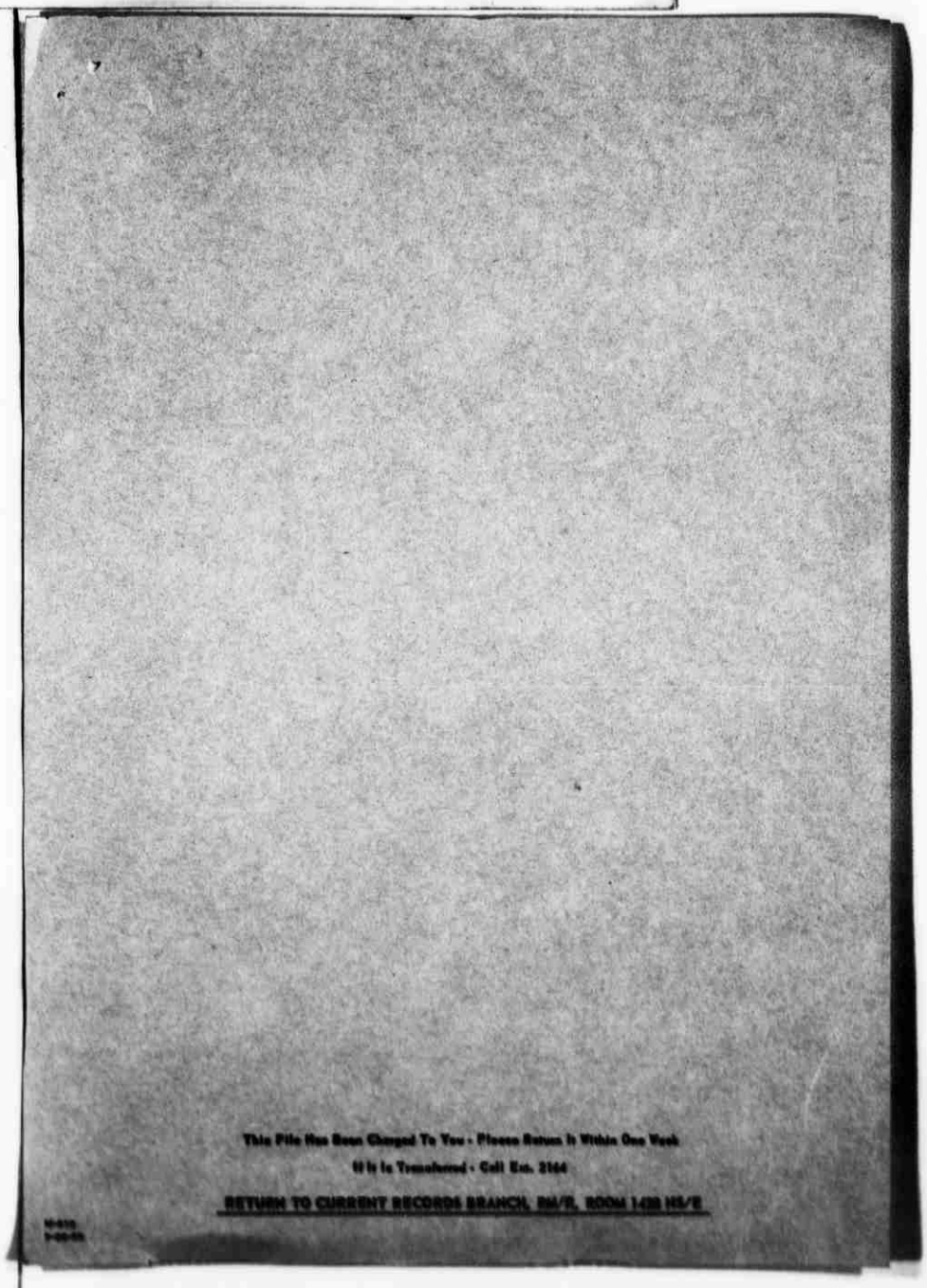
3. Poock Correa stated that he expects to continue as Director of the Exchange Department of the Bank of Brazil for a few days after Quadros takes office, in order to give Quadros time to appoint a new Director. He added that he would not, however, continue permanently in that office even if Quadros urges him to do so. He said that his reply under that hypothesis would be, "My doctor will not permit me to stay". (He has, in fact, been sick, and under doctor's surveillance).

4. I expressed my concern about the possibility that he might be the target of criticism in the new Government for various foreign exchange practices by the Kubitschek Administration which have served to make life difficult for the incoming Administration. He said that he too has long been concerned about this matter, but that he has kept copies of all documents pertaining to doubtful foreign exchange practices. He said in particular that he has a record of documents demonstrating his opposition to SUMOC Instruction 193 and of the instructions to him on that subject, overrulling his objections. He went on to say that the record may never catch up with public slander against him, but that he had long felt that he had to continue in his job if only for the purpose of preventing the appointment in that position of someone who would aggravate, rather than ameliorate, irresponsible financial practices.

Herbert K. May
Treasury Attaché

HKMay|dh
January 25, 1961

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FOREIGN SERVICE DESPATCH

FROM : AMEMBASSY, Rio de Janeiro

649
DESP. NO.

TO : THE DEPARTMENT OF STATE, WASHINGTON.

January 30, 1961
DATE

REF : Embdes 487, Dec. 12, 1960; Embdes 573, Jan. 9, 1961; and Embdes 627, Jan. 23, 1961.

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	REC'D 2-6-61	INFO OTHER COM-8 TR-3 FRA-2 IMA-4 CIA-10 ZAF-7 AGR-8

SUBJECT: The Financial Situation Confronting President-Elect Jânio Quadros (Part II)

Part I of this report (Despatch 627) focused on the balance of payments problem confronting Jânio Quadros in 1961. However, it is important to recognize also that Brazil's balance of payments difficulties will almost certainly continue into 1962 and possibly for many years thereafter. Even with Brazil's present rate of export earnings, it has been unable to pay for its essential imports and also to service its foreign obligations (most of which derived from loans for economic development) except by greatly increasing its foreign obligations. It has not only been borrowing from Peter to pay Paul, but has been borrowing from John to pay the grocer.

However, the great bulk of the loans from "Peter" and "John" during 1960 were on a short or medium-term basis (Despatch 572, January 9), and there is reason to believe that Brazil can no longer expect to receive such loans on a scale commensurate with its needs. Furthermore, the volume of coffee being produced in Brazil, and in the rest of the world, is so much in excess of the amount being consumed at present world prices, and it seems so likely that coffee production will be greatly increased during the next several years, that it appears quite probable that the world price will again begin to decline before long, after having held at about 35 cents per pound for over a year. Remembering that every decline of one cent per pound would represent a loss of about $20 million annually to Brazil, it seems essential that steps be taken to promote exports which can supplement Brazil's receipts from its coffee exports.

A decision by the United States Government to permit the increased importation of sugar from Brazil could make an important contribution toward that objective. A decision by Jânio Quadros to support the Hanna Company's project to export Brazilian iron ore could likewise be of great help to Brazil's balance of payments. Unfortunately, however, it seems quite clear to the reporting officer that neither of these measures, nor the two of them jointly, would be adequate to meet Brazil's long-term, or short-term, need

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for expanded exports. If Brazil obtains a United States sugar quota of as much as 1,000,000 tons, this would supplement Brazil's export earnings by about $120 million annually. If the Hanna Co. project is approved, exports are estimated to total 3,000,000 tons ($24 million at present prices) annually in the initial stages, possibly increasing eventually to 15,000,000 tons ($120 million) annually. At their peak, these two measures would be inadequate to resolve Brazil's presently anticipated deficit for 1961 (Despatch 627), though they would certainly go a long way toward doing so. In any event, that peak will certainly not be reached in 1961. Even if the possible sugar quota is approved soon enough in 1961 to permit such exports in the amount of 1,000,000 tons this year, it will be a long time before the peak of iron ore exports can be reached. Furthermore, much or all of what Brazil might hope to gain from expanded exports of sugar and iron ore may prove to have been offset by the prospective decline in Brazil's coffee earnings.

It is important to note also that it would be unrealistic to forecast any reduction of Brazil's import requirements. There had long been some hope that Brazil contains oil resources which are commercially exploitable in quantities which could free Brazil of the need to expend huge amounts annually for the importation of petroleum. However this hope has now been very largely dissipated, and there appears to be good reason to anticipate an increase of Brazil's petroleum import requirements, as a result of an increase of domestic consumption at a rate greater than the anticipated increase of domestic production. To be sure, there could conceivably be some decrease in Brazil's general import requirements along with an increase in the domestic production of items now being imported. However, the available evidence seems to demonstrate that Brazil's general import requirements have steadily been increasing, as has been the case with other countries during the process of industrialization.

An increase in the production and exportation of commodities other than coffee therefore appears to be essential if Brazil is eventually to surmount its balance of payments difficulties. In the opinion of the reporting officer, there can be no reasonable expectation of that increase of exports unless the Brazilian Government initiates a sound monetary stabilization program under circumstances which convince the Brazilian people that the Government is firmly determined, as well as realistically able, to attain monetary stability and to maintain that stability for at least a few years.

The importance, to Brazil and to other Latin American countries, of obtaining and maintaining monetary stability was discussed in the Enclosure (particularly Chapter III) of Embassy Despatch 487, dated December 12, 1960. For reasons spelled out in that Enclosure, the reporting officer is convinced that the inflation which has prevailed in Brazil since the end of World War II has not only

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greatly restrained the rate of economic development which Brazil should have experienced during that period, but has been responsible for discouraging investment in industrial and agricultural enterprises for the production of exportable commodities.

The problems generally faced by Latin American governments seeking to achieve monetary stabilization after a prolonged period of inflation were carefully analyzed in Chapter VII of the Enclosure to Despatch 487. Almost all of those problems are encompassed within the financial situation confronting Jânio Quadros, although he has the special advantage of undertaking his responsibilities as President (a) for a five-year period, (b) with the knowledge that he was elected in a landslide victory, and (c) at a time when the public at large seems aware of the need for drastic financial reforms and is expecting those reforms. The general public seems to have welcomed the promise of "disinflationary" measures which was made by Quadros shortly after the Brazilian election results became known. However, Quadros has never explained what he meant by "disinflation". Nor has he ever suggested the specific measures which he intends to employ for achieving that objective. Indeed, the Embassy has no reliable evidence concerning any of the financial policies which he intends to pursue.

The analysis in Part II, below is designed to facilitate appraisal of the likelihood that Quadros will be able to achieve monetary stabilization. For, it is assumed that if Quadros seeks U.S. Government assistance in meeting Brazil's 1961 balance of payments deficit (Despatch 627), the U.S. Government will continue to attach some importance to the question of whether Brazil can be expected eventually to surmount the recurrence of such deficits. It seems clear that the kind and amount of U.S. assistance which might be considered appropriate during the course of a sound and firm Brazilian program for monetary stabilization would be different from the kind and amount of assistance which might be considered appropriate in the absence of such a program.

Part II. The Internal Financial Situation

1. Developments in 1960

Some indication of the internal financial situation which will be facing Jânio Quadros when he takes office may be derived from examination of the data summarized in Despatch 573, dated January 9, 1961. Remembering that the major inflationary pressures in Brazil have been attributable to issuance of paper money and that all issuance of paper money may in turn be explained by

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reference to transactions by or through the Bank of Brazil, it will be noted by reference to Enclosure 1 of that Despatch that the principal factors accounting for the increase of paper money during the first ten months of 1960 (Cr$26.8 billion) were as follows:

Increase of Bank of Brazil loans to cover the Treasury's cash deficit	Cr$31.8 billion
Increase of loans to other banks by Rediscount Department of Bank of Brazil	5.6 billion
Increase of other loans by Bank of Brazil...	43.0 billion
Increase of Governmental purchases of coffee (from agio procceds deposited in Bank of Brazil)	29.0 billion
	Cr$109.4 billion

The principal factors tending to reduce the supply of paper money during those ten months were as follows:

Net cruzeiro "profits" from foreign exchange transactions.....	Cr$ 42.7 billion
Net sale of Bank of Brazil Letters to exporters	10.7 billion
	Cr$ 53.4 billion (§)

(§) It will be noted that the difference between the factors cited as tending to increase the supply of paper money and those tending to reduce the supply is Cr$56.0 billion, i.e., Cr$29.2 billion in excess of the actual increase of money supply. This apparent discrepancy can be accounted for by such circumstances as (a) the fact that the cash assets of the Bank of Brazil declined sharply during this period; (b) the need of private commercial banks to increase their deposits at the Bank of Brazil as reserves against their own increase of deposits; (c) the increase of time deposits at the Bank of Brazil; etc...

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While calling the foregoing data "some indication" of the internal financial picture confronting Jânio Quadros, the reporting officer wishes to emphasize that the 1961 picture is not likely to correspond closely to that of the first ten months of 1960. Indeed, the picture changed considerably even during the last two months of 1960 when (for reasons which can not yet be satisfactorily explained in view of the absence of complete data) the paper money supply increased by Cr$24.7 billion as compared with an increase of Cr$26.8 billion during the preceding ten months. As will be pointed out below, furthermore, certain problems (in particular, that of the budget and that of coffee) will be much different in 1961 from what they were in 1960. However, the data for the first ten months are significant, at least insofar as they reveal the nature of the inflationary factors at work during that period and the degree of the restraint which would have had to be exercised by the Kubitschek Administration if it had desired and sought to attain monetary stability. For, those data demonstrate that, contrary to the widely-held views, inflation could have been greatly diminished -- in fact, could quite conceivably have been eliminated -- during those ten months without "austerity" and without retarding the Government's "development program". Attention is called to the following points:

(a) Government purchases of coffee for stockpiling purposes alone totalled more than the entire increase of paper money during that period. (§) Whatever might be said of the political necessity for the Government's policy

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(§) This situation was even more pronounced in 1959. During the first ten months of 1959, Government expenditures for stockpiling coffee totalled Cr$38.0 billion while paper money increased by Cr$18.2 billion. For 1959 as a whole, coffee stockpiling cost Cr$49.0 billion while paper money increased by Cr$34.8 billion. It is important to note, however, that the 1959-1960 coffee crop totalled about 44 million bags as compared with an estimated crop during 1960-1961 of about 30 million bags. (On January 27, the Embassy's Agricultural Attaché increased his earlier estimate of about 25 million bags). The Government's stockpiling expenditures during the first half (July-December) of each crop year normally represent 80-85 percent of the expenditures for the full crop year.

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of purchasing coffee for stockpiling purposes, it can hardly be said that refusal to purchase that coffee, or the payment of much lower prices, would have entailed "austerity" for the country as a whole. Cessation of stockpiling would obviously entail a degree of austerity for the coffee industry, but the economic ramifications upon the country as a whole would not be seriously harmful, in the reporting officer's opinion. There are those who claim, furthermore, that the coffee industry would in general continue to be quite profitable despite cessation of coffee stockpiling by the Government.

In any case, no reasonable argument can be put forward that the Government's purchase of coffee for stockpiling purposes has promoted the economic development of Brazil. On the contrary, it can justifiably be argued that those purchases have in fact resulted in the dissipation of manpower and other resources (e.g., warehouse construction; railway cars and trucks used for storage purposes as well as for transportation) which could otherwise have been utilized for economic development. It can even be argued that the land employed in the production of surplus coffee could better be devoted to production of crops for which there is a market in Brazil and abroad than to production of a of a commodity for which there is no prospective market. Indeed, the very fact that the Government is holding huge stocks of surplus coffee and that the volume of coffee production seems destined to continue to increase at a rapid rate (as a result of the continuation of coffee tree plantings) has had a depressing effect on world coffee prices, to the detriment of Brazil's balance of payments.

(b) While there will be no discussion at this point of the increase of Bank of Brazil loans to cover the Treasury's cash deficit during January-October, 1960, special attention will be called to the increase of rediscounts (Cr$5.6 billion) for other banks during that period. Although this was not the single most important factor accounting for the increase of money supply, it was certainly one of the least defensible economically. The major rationale of rediscount operations is, of course, to stimulate an expansion of loans by the commercial banking system at times when a country's economic

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activities require a special shot in the arm (§). The fact that there was no need for this Cr$5.6 billion shot in the arm seems amply demonstrated by the inflation prevalent during this period. It is further demonstrated by the fact that the money being pumped into circulation through other sources (in addition to rediscounts) served to increase commercial bank reserves to such an extent that those banks were able to expand their loans to the public by an estimated Cr$95.8 billion during the first ten months of 1960 as compared with "only" Cr$55.6 billion during the same period of 1959 (Embassy Despatch 573).

(c) The expansion of "other" loans by the Bank of Brazil in the amount of Cr$43.0 billion during the first ten months of 1960 is especially worthy of note. Almost all of this expansion was to the private sector of the economy for the purpose of meeting short-term working capital requirements. (§§) To be sure, the extension of those loans to business firms served at the same time to free the other resources of those firms for possible investments of a long-term, economic development, nature. Also, there is no doubt that the working capital requirements of business firms have increased along with inflation. Nevertheless, the reporting

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(§) Rediscounts designed to salvage banks in danger of failing are handled in Brazil by the Caixa de Mobilização Bancaria, a different Department of the Bank of Brazil. Rediscounts by this Department did not increase during 1960.

(§§) The increase of loans to the private sector totalled Cr$40.1 billion. The increase of loans to State and Municipal Governments totalled $0.4 billion, and increase of loans to Government corporations totalled Cr$2.5 billion.

1134

officer knows of no economic reason which could have justified an expansion of loans in an amount even close to the actual total of Cr$43.0 billion, especially when it is recalled that the comparable expansion in 1959 totalled "only" Cr$13.9 billion. After all, the essence of inflation is the fact that the supply of money is increasing faster than the available supply of goods and services. Expansion of Bank of Brazil loans to the business community might serve to increase slightly that community's ability to acquire resources which would otherwise be acquired by the governmental sector. However, the total supply of goods and services being inelastic, the major impact of such expansion is, of course, purely inflationary.

(d) On the other hand, the factors tending to increase money supply during January-October, 1960, would have been even more effective if they had not been offset by two principal factors tending to reduce money supply: (1) the net cruzeiro "profits" from foreign exchange transactions -- Cr$42.7 billion, and (2) the net sale of Bank of Brazil Letters to exporters -- Cr$10.7 billion.

No effort will be made at this point to discuss the "profits" derived from the difference between (i) the average buying rate of exchange applicable to all of the foreign exchange purchased by the Bank of Brazil and (ii) the average selling rate applicable to sales of PVC's equivalent to that same amount of foreign exchange by the Bank. On the other hand, it should be pointed out that the counter-inflationary influences mentioned in the preceding paragraph were in large part made possible by practices which Jânio Quadros can not confidently expect to continue, or at least can not expect to continue at the same rate:

First, the Bank sold PVC's during the first ten months of 1960 in an aggregate value which was much larger than the Bank's purchases of foreign exchange (Embassy Despatch 572, dated January 9, 1961). The sale of PVC's in amounts greater than Bank purchases of foreign exchange obviously contributed to the Bank's net cruzeiro "profits" from foreign transactions. However, the PVC's represent commitments to sell foreign exchange, and it is obvious that Quadros can not expect the Bank to continue forever to sell more foreign exchange than it buys. Certainly, the methods employed in 1960 to

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cover the difference between purchases and sales of foreign exchange can not be expected to continue forever (page 2 of Despatch 572).

Second, the sale of Bank of Brazil Letters can not be expected to continue to be as important a counter-inflationary force in the future as it was during January-October, 1960, unless the maturity period of those Letters (at present, six months) is greatly extended and/or unless the value of the cruzeiro in the free exchange market depreciates greatly and/or unless there is a considerable increase in the value of the exports the proceeds of which are sold in the free market. (§)

(§) It will be recalled that these Letters are being sold pursuant to SUMOC Instruction 192, dated December 30, 1959 (Despatch 672, dated December 31, 1959). This Instruction provides that the proceeds of all exports other than coffee, cocoa beans, and castor seeds may be sold in the free exchange market, on the understanding that the exporters will receive cruzeiros in cash equivalent to Cr$130 per dollar and will be paid for the difference between the free rate and Cr$130 per dollar in the six-month Bank of Brazil Letters. Since the end of June, 1960, therefore, the Letters issued pursuant to Instruction 192 have served primarily to replace maturing Letters, except in so far as there has been an increase in the value of the pertinent exports and insofar as the free market value of the cruzeiro has depreciated.

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2. The Prospects for 1961

The reporting officer believes that, on balance, the economic opportunities for monetary stabilization in 1961 are quite good. There are mixed favorable and unfavorable factors, to be summarized below:

Coffee

Even accepting continuation of the present coffee policy for the 1960-1961 crop, the financial burden of Government stockpiling during the first half of 1961 will be relatively small. It has normally been the case that stockpiling expenditures during the first half (July-December) of each crop year represent 80-85 percent of the total stockpiling expenses for the full crop year and it is believed probable that the same percentage applies to the current crop year. Assuming a crop of 30 million bags and exports of 18 million bags, and using the formula appearing on Page 13 of the Agriculture Attaché's Report No. 26, dated August 3, 1960, net cruzeiros expenditures for the full crop year are estimated at Cr$22.3 billion. Assuming expenditure of 80 percent of that amount during July-December, 1960, the expenditure in those months would have totalled Cr$17.8 billion. (§) The necessary expenditure during January-June 1961 would accordingly amount to only Cr$4.5 billion as compared with Cr$15.0 billion during the same period of 1960.

On the other hand, the prospects for the last half of 1961 are very much less favorable. It appears probable that the 1961-1962 coffee crop will be 40 million bags or more. Assuming continuation of the pricing policy applicable to the 1960-1961 crop, assuming a 40 million bag crop and exports of 18 million bags, and using the Agricultural Attaché formula cited above, the stockpiling costs during 1961-1962 would be Cr$54.0 billion. The expenditure of 80 percent of this total during July-December, 1961, would amount to Cr$43.2 billion.

Rediscount Requirements:

The reporting officer knows of no reason why there should be any increase of rediscounts for other banks by the Bank of Brazil during 1961. On the contrary it should be possible to reduce the outstanding total of such rediscounts, as was done in 1959, when the total was reduced by Cr$3.8 billion. SUMOC has estimated that as of the end of September, 1960 (latest data available) legal reserves held by the private banks totalled Cr$63.1 billion, while they held

(§) In fact expenditures just during July-October already totalled Cr$14.0 billion.

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excess reserves of Cr$35.4 billion. The considerable issuance of paper money subsequent to September suggests the likelihood that excess reserves are even larger at present.

Treasury Cash Deficit.

As carefully expained in Embassy Despatch 588, dated January 12, 1961, the Federal Budget for 1961 (enacted in November, while Quadros was on his European trip) would, if fully implemented, result in a deficit of at least Cr$100 billion. It is quite likely, furthermore, that additional expenditures of substantial dimensions (which have not yet been estimated by the Embassy, however) will have to be made for the purposes of covering the non-budgeted deficits of the various Government corporations, such as the Federal Railway Network. (§)

Any effort by Quadros to institute a sound monetary stabilization program would certainly have to be concentrated in major part on an effort to prevent the realization of the potentially very large Treasury cash deficit. There are, however, certain hope-bearing aspects of this situation:

(a) Over the past several years the Finance Ministers of Brazil have regularly imposed "economy plans" whereby a considerable amount of the expenditures authorized by the Congress have not, in fact, been incurred. There is no doubt that savings of this nature can again be achieved in 1961, although it appears very doubtful that the full prospective budgetary deficit could be wiped out in this fashion. See Despatch 588.

(§) See, for example, TOICA Airgram A-1254, dated January 26, 1961. It should be noted, however, that part (though not all) of the railway deficits are to be covered out of the Federal Budget.

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(b) The prospective deficits of various Government corporations could undoubtedly be greatly reduced by increasing the fees charged for their services and/or by discharging surplus personnel. (§) Obviously, however, each of these measures would arouse political opposition, as would any "economy plan" for the Federal Budget.

(c) The expenditures authorized in the Federal Budget are in part based on the assumption of inflation during 1961. An effective stabilization program would accordingly somewhat reduce the need for expenditures. It is true that revenue estimates were likewise based in part on a 20 percent inflation in 1961, but it is important to note also that a considerable part of the increase of revenue estimates for 1961 was based on the inflation of 1960; this is particularly true of the estimate for 1961 income tax revenues.

(d) There is no doubt that a considerable (non-budgeted) increase of revenues could be obtained through a vigorous crack-down on tax evasion. Again, however, there would be political difficulties.

Other Bank of Brazil Loans

As was true with rediscount policy, the policy of the Bank of Brazil concerning the extension of loans to the private sector of the economy is a purely discretionary matter. In the opinion of the reporting officer, the Bank could hold its expansion of such loans to a very much lower rate than that of 1960. It is true that the general wage increases established in October and November, 1960, have caused an increase in the working capital requirements of business. However, it seems likely that the pertinent credit lines at the Bank of Brazil and private commercial banks have already been increased so as to compensate for the increased wage costs. Indeed, one of the favorable aspects of the financial situation confronting Jânio Quadros is the fact that the last round of wage increases having been concluded shortly before his assumption of office, he need not anticipate great pressure for further wage increases for some time.

(§) It has been estimated that there are 80,000 surplus personnel on the railways alone.

1139

Net Cruzeiro "Profits" from Foreign Exchange Transactions

It is generally agreed that, whatever revision of the foreign exchange system might ultimately be decided upon, the rate of exchange applicable to coffee exports will almost certainly be set at a level substantially lower (in terms of cruzeiros per dollar) than the rates applicable to other exports. Accordingly, the Brazilian Government can plan to continue to derive some "profits" representing the difference between the average rate of exchange at which it acquires foreign exchange and the average rate at which it sells foreign exchange (or PVC's). However, it is important to realize that its "profits" may tend to be less than 1960 because of the Bank's inability to sell PVC's at the 1960 rate and because of the need to redeem maturing Bank of Brazil Letters.

On the other hand, the "profits" may tend to grow if, as suggested by the International Monetary Fund in June 1959, there is a substantial increase (cruzeiros per dollar) in the effective rate of exchange applicable to "preferential" imports, that rate now being set at Cr$100 per dollar. Again, however, there might be political difficulties from a resulting increase in the domestic prices of the products of the "preferential" imports, particularly petroleum products, wheat, and newsprint.

For the Ambassador:

Herbert K. May

Herbert K. May
Treasury Attaché

Coordinated:

William A. Fowler

William A. Fowler
Counselor of Embassy
for Economic Affairs

GM.

1140

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(Security Classification)

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FOREIGN SERVICE DESPATCH

FROM : AMEMBASSY, Rio de Janeiro — 673 (DESP. NO.)

TO : THE DEPARTMENT OF STATE, WASHINGTON. — February 1, 1961 (DATE)

REF :

20 For Dept. Use Only	ACTION	DEPT.
	ARA-4	INFO RM/R-2 REP-1 INR-7 E-3 ICA-11
	REC'D 2-6-61	OTHER COM-8 TR-3 FRB-2 XMB-4 OIR-10

SUBJECT: Financial Policies of New Government

According to Casimiro Ribeiro, Chief of the Monetary Studies Division of SUMOC, the new Government is actively engaged in preparing the groundwork for establishment of its own financial policies. Ribeiro stated that on January 30, the day before Jânio Quadros took office as President, he (Ribeiro) received a telephone call in Petrópolis (where he had been vacationing for the month of January) from Octávio de Gouvea Bulhões (the new Executive Director of SUMOC) asking Ribeiro to return immediately to Rio. He did so, and was advised by Bulhões that the new Finance Minister, Clemente Mariani, has asked that a study be prepared immediately analyzing the probable repercussions of an exchange reform, particularly elimination of the "cost of exchange" rate. According to Bulhões, Mariani told the latter that he will first devote his attention to Brazil's balance of payments problems, including the foreign exchange system, and will then concentrate on credit policies of the Bank of Brazil. Ribeiro also told the reporting officer that, according to Bulhões, Mariani wishes to receive a preliminary report on the repercussions to be expected from exchange reform within the next day or two, on the understanding that Mariani will then wish to meet at the week-end with Bulhões and Ribeiro to discuss the subject further.

Ribeiro stated that he had set up a small committee of SUMOC economists (Messrs. Gomes, Coutinho and Rodrigues) to help him in the requested study. He added that when he first met with this group yesterday, the general attitude had been to focus exclusively on efforts to obtain "$500 million" from the Export-Import Bank. He said that he had finally succeeded, however, in convincing the committee to focus first, at least, on what Brazil could do to meet its own problems.

Ambassador:
Herbert K. May

Coordinated:
William A. Fowler
Counselor of Embassy
for Economic Affairs

DEPARTMENT OF STATE
BUREAU OF
INTER-AMERICAN AFFAIRS
FEB 10 1961

Herbert K. May
Treasury Attaché

HKMay|dh
REPORTER

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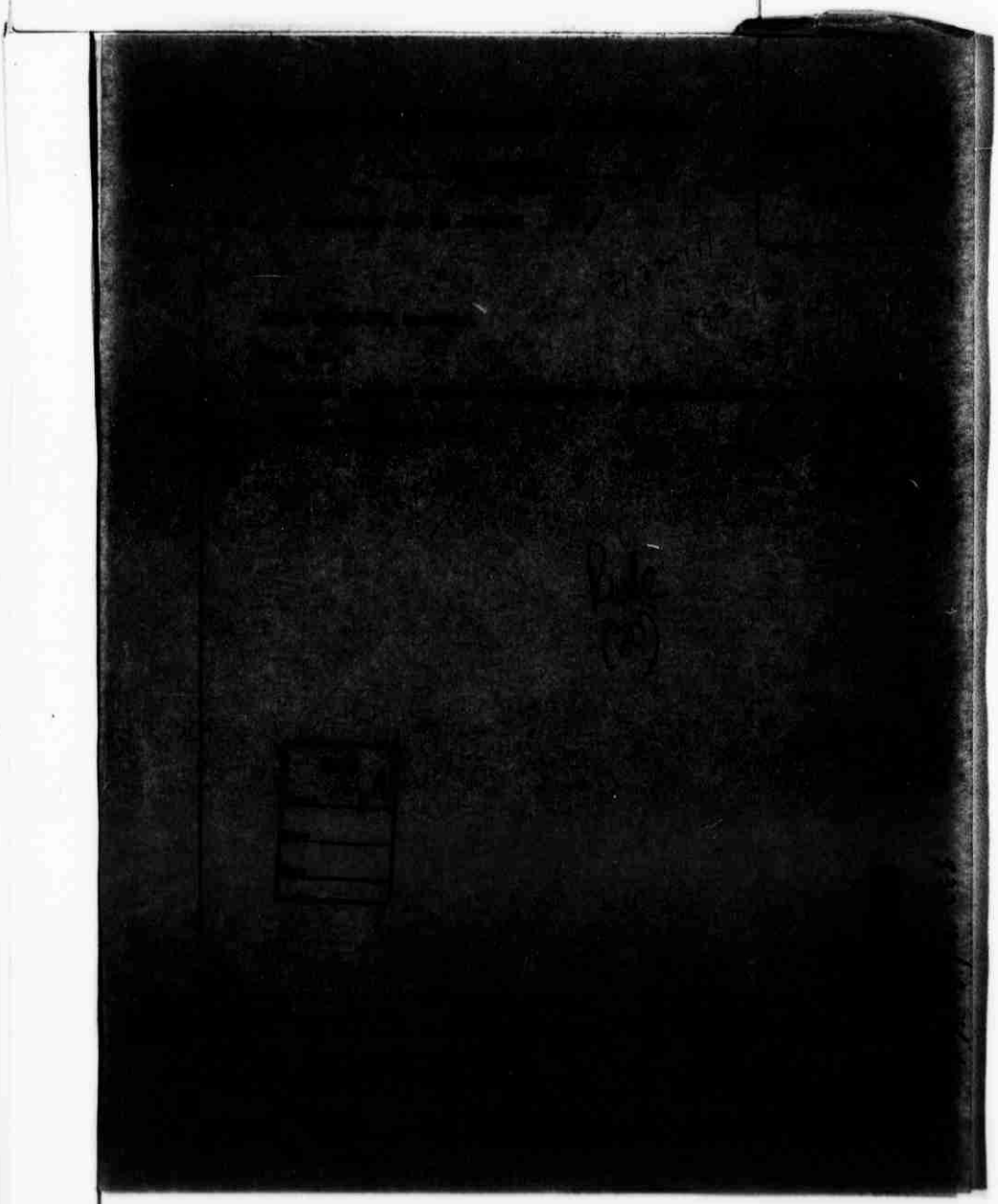
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5:21 p.m.

1961 FEB 3 PM 6 11

FROM: Rio de Janeiro

TO: Secretary of State

NO: 994, February 2, 1 p.m.

JOINT STATE-ICA MESSAGE

Reference: Your 991 dated February 1.

$20,000,000 figure based on estimated cost of program by Sampaio. Assume therefore cruzeiro equivalent would be at free market rate currently 225.

CABOT

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832.10/2-261 HBS

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FOREIGN SERVICE DESPATCH

690
DESP. NO.

FROM : AMEMBASSY, RIO DE JANEIRO

TO : THE DEPARTMENT OF STATE, WASHINGTON.

February 6, 1961
DATE

REF : CERP, Section B, III, A-1a, April 3, 1957
Embassy Despatch 398, November 10, 1960

FEB 10 1961

Enclosures

For Dept. Use Only	ACTION	DEPT.
	REC'D 2/14	INFO OTHER

ACTION: ARA-4
DEPT.: RM/A-2 INR-2 REP-1 E-7 ICA-4
OTHER: CIA-10 COM-8 IRS 3 FRB-3 XMB-4 DLE-9
NAM-2 Army-4 Navy-2 NSA-4

SUBJECT: Federal Fiscal Operations, January-November 1960

I. Summary - Budgetary Activities

According to the latest available report of the Contador Geral to the Finance Minister, the Brazilian Federal Government incurred an actual budgetary deficit of some Cr$26.3 billion from January 1 to November 30 of fiscal year 1960. The actual budgetary deficit represents the excess of government obligations 1/ over government revenues derived from sources provided for in the budget law. In this calculation all obligations of funds during the fiscal year beyond those appropriated in the budget law ("despesas sem crédito") are included. The reported budgetary deficit, which excludes some Cr$20.7 billion of such obligations, was Cr$5,773.3 million.2/

Enclosure 1 lists obligations through November broken down by the various government activities compared with the like amounts provided for in the budget law. It will be noted that the total obligations already exceeded total appropriations by some Cr$18 billion with still one month remaining in the fiscal year. This over obligation is attributable almost entirely to the Ministry of Finance whose obligations for the first 11 months were more than double its appropriations, reflecting the magnitude of the various pay raises, funds for which were allotted directly to the Finance Ministry rather than to each individual ministry and agency.

While the Finance Ministry substantially over-obligated, other Ministries though still remaining within their allotments made substantial obligations not appropriated for (Despesas sem crédito). The Ministry of Transport and Public Works, for example, obligated

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1/ Obligations roughly in the sense used in U.S. budgetary jargon; i.e., that the funds are committed but not necessarily disbursed.

2/ On the other hand, an amount of Cr$24.4 billion of "Despesas sem crédito", referring directly to activities of the various government ministries is included.

832.10/2-661 FILED MAR 7 - 1961 C A A

DEPARTMENT OF STATE
BUREAU OF
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FEB 16 1961

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1144

over Cr$10 billion (roughly 1/4 its total obligations) not appropriated for. The obligations of the Ministry of Labor, Industry and Commerce consist almost entirely of such "despesas sem crédito" (Cr$7.7 billion out of a total of Cr$9.6 billion). What this indicates is that the Government has chosen to ignore certain projects for which funds had been appropriated (perhaps including certain so-called "Despesas Vinculadas" i.e., expenditures tied to specific tax receipts) while carrying out programs it considered to be more important. It is, in any case, an interesting example of how the executive branch in Brazil can manipulate the budget without regard to Congressional action or attitudes.

II. Receipts

The following table lists revenues through the first eleven months by major category as compared with the latest DASP estimates of revenues for the entire year.

	D A S P 1960 Estimates	A c t u a l through November 30, 1960
	(Cr$ Billion)	
Import Taxes	22,500	19,750
Consumption Tax	81,000	71,067
Income Tax	60,000	56,649
Stamp Tax	25,000	21,926
Fees	7,000	1,692
Taxes on Capital Holdings	4,500	1,992
Industrial	2,200	2,079
Other Revenue	5,000	4,927
Extraordinary	9,000	22,400
	216,200	202,482

It would appear likely that the revenue collections in December at least reached, if they did not even exceed, the DASP estimates. For the most part, these DASP estimates are substantially in line with the actual rate of collections with the interesting exception of the so-called "Rendas Extraordinarias" which for the first eleven months far exceeded the estimate (Cr$22 billion collected as opposed to Cr$9 billion estimates). This category of revenue consists principally of excess profits tax and a surtax on income. The report of the Contador Geral indicates that roughly half of the total amount collected was collected in November quite contrary to the pattern of previous years which show no sudden increase in November. The office of the Contador offered as a possible explanation that this sudden increase was due to "tighter collection methods". This is an explanation of doubtful validity but the chief of the section responsible for this particular account in the Contadoria was not enthusiastic about probing deeper for an answer leaving it to the imagination as to what the real answer might be.

1145

Financial Deficit

The financial deficit is becoming increasingly difficult to calculate these days - at least from the report of the Contador Geral - because of lack of detailed explanations supporting the various entries, because of mis-use of certain accounts, and a general sloppiness which has characterized the presentation in recent months.

From previous reports, by netting out the various accounts (i.e. entries d through g of Enclosure 1 to Despatch 398 of November 10, 1960) we were able to arrive at the net cash position of the Federal Government's fiscal operations including all of its financial activities except those involving the Agio accounts, Bank of Brazil lendings to the autarquias and other State or parastatal organizations, borrowings of these organizations from other sources, and direct spending of funds from the social security accounts for various government activities (an operation of doubtful legality).

In the November report, there are at least two entries in these various accounts involving substantial amounts which grossly distort the reported financial deficit. One of these items involves including a part of the agio operations in one of the accounts (Fundos e Provisões). This was reported on before in Despatch 398 of November 10. The same receipts and expenditure figures for these agio operations are listed in the "fundos" account in the November report as were listed in the August report, i.e., showing a net credit position of Cr$25.2 billion. The office of the Contador insists that this account is only adjusted bi-annually and for this reason has remained constant. However, from other sources, we know that the agio position fluctuates monthly and furthermore that the total agio account shows no such net position. It can only be assumed therefore that the Government has "borrowed" from this account to finance the deficit and that certain activities ordinarily financed from agio receipts must have been financed from other sources. At any rate, it is believed that a more realistic picture of federal fiscal operations would be presented by subtracting the agio receipts and credits from the operating accounts and including the net agio position as a source of financing the deficit.

A second entry which likewise leads to the financial deficit being understated is a receipt entry in the amount of Cr$13.2 billion "pursuant to Article 6 of Law 3,531 of 1959". Actually this is nothing more than a book-keeping entry constituting a part of a larger internal debt write-off which the article of the law cited authorized. Since no actual receipts are involved, the real financial deficit - the difference between the cash inflow and outflow - is larger by Cr$13.2 billion than the report indicates.

1146

Enclosure number II lists a breakdown of the various operating accounts indicating their net positions with the two entries listed above excluded. On this basis, the actual cash deficit amounts to some Cr$36.9 billion.

IV. Financing the Deficit

The following table lists sources and means of financing the deficit:

	(Millions of Cruzeiros)
1) Net Bank Advances, Bank of Brazil and other Banks	27,118.6
2) Net issuance Treasury Letters Jan. 1 - Nov. 30, 1960	240.3
3) "Net Borrowings" from Agio Acct.	25,208.2
Sub total	52,567.1
4) (-) increase or (+) decrease in Treasury Cash balance	-15,612.4
Total excluding changes in Treasury Cash Balances	36,954.7

V. Summary

According to DASP estimates, revenues collected during the month of December probably amounted to about Cr$15 to Cr$18 billions. Obligations for the month of December were reported to have been heavy owing to the effects of the Wage Parity Law passed on November 23 (which further increased military and civil service salaries) and to the Kubitschek administration's last minute efforts to wind up several pet public works projects before leaving office. If the rate of obligations only equaled the November rate (roughly Cr$40 billion) the actual budgetary deficit for the year would be on the order of Cr$50 billion. It is quite likely that it actually exceeded this figure.

For the Ambassador:

John Krizay
Second Secretary of Embassy

Coordinated:
Herbert K. May
Treasury Attache

Enclosures:
(Listed on following page)

1147

Enclosures:

1. Obligations of Federal Government

2. Federal Financial Operations, thru November 30, 1960.

1148

Enclosure 1
Despatch 690
Rio de Janeiro

REPORTED OBLIGATIONS by Major Category

(Millions of Cruzeiros)

	Budget Law	January-November 1960
Legislative Power		
Chamber of Deputies	644.4	1,339.8
Federal Senate	357.5	585.0
Various Instrumentalities		
Tribunal of Accounts	162.7	130.3
National Economy Council	48.8	30.7
Executive Power		
The Presidency	2,523.3	1,785.1
D.A.S.P.	943.4	1,143.4
Armed Forces Headquarters	39.4	32.0
Commission for Read. of Veterans	5.9	5.3
San Francisco Valley Commission	2,521.5	1,707.2
Nat'l Waters & Electric Energy	10.1	8.1
Nat'l Petroleum Council	62.2	107.1
Nat'l Security Council	288.2	13.2
Amazon Planning Agency	4,968.1	4,555.5
Southwest Frontier Planning	550.0	30.0
Ministries of		
Aeronautics	11,662.1	11,346.9
Agriculture	11,573.7	4,951.7
Education and Culture	16,794.6	11,988.6
Finance	27,073.2	61,192.8
War	22,267.6	23,047.8
Justice & Internal Affairs	7,989.9	5,983.6
Navy	11,927.2	10,572.8
Foreign Relations	2,287.4	1,938.3
Health	10,047.5	6,560.0
Labor, Industry & Commerce	4,710.8	9,608.2
Transportation & Public Works	53,140.4	47,605.4
Judiciary Power	1,727.5	1,981.7
Total	194,327.5	208,250.6
Expenses of Previous Years	-.-	5.0

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Enclosure 2
Despatch 690
Rio de Janeiro

Summary of
Federal Financial Operations thru November 30, 1960
(Millions of Cruzeiros)

1. Need for Extra-Budgetary Financing	November 1960
a) Reported Budgetary Results	
Revenues	202,482.2
Expenditures	208,255.5
Reported Budgetary Deficit	5,773.3
b) Plus decrease in "Responsaveis"	+ 20,520.9
c) Actual Budgetary Deficit	26,294.2
d) Plus decrease of "Depositos"	+ 13,550.4
e) Minus increase in "Fundos"	- 4,981.0
f) Plus decrease in "Operações de Financiamento"	+ 331.3
g) Plus decrease in Transitory Accounts	+ 1,759.8
Total Financial Deficit	36,954.7

Explanatory Notes

a) "Responsaveis" - represents the balance of Responsabilidades "apuradas" and "liquidadas". The "responsabilidades apuradas" represent payments actually made in this or a prior year (an expenditure account) without prior Congressional authorization it being virtually certain that these expenditures will be authorized, i.e., "liquidadas", in this or a later year at which time they are considered "budgetary" expenditures; the offset to the "apuradas" account is, of course, represented by a decrease of the cash availabilities account.

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Enclosure 2
Despatch 690
Rio de Janeiro

b) "Depositos" - represents the balance of receipts and expenses of various accounts like those for the Caixas Economicas and the Instituto do Açucar e do Alcool. An excess of expenses over receipts causes a decrease in "depositos" and adds to the need for financing. An increase in "Depositos" has the reverse effect.

c) "Fundos" - represents the balance of receipts and expenses of accounts of various special organizations such as the Fund for the Improvement of the Amazon and the Federal Electrification Fund. A decrease in Fundos is an excess of expenses over receipts and an increase in financing requirements. An increase is the reverse.

d) "Operações de Financiamentos" - represent the balance of receipts and expenses of accounts for operations such as COFAP. A decrease is an excess of expense over receipts reducing these accounts; an increase is the reverse.

e) Transitory Accounts - represent the balance of total "Receita a Classificar" and the balance of "Movimentos de Fundos". A balance on the expense side is considered a decrease adding to financing requirements; a balance on the receipts side is considered an increase.

1151

AIR POUCH [redacted] ONLY

FOR [redacted]

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FROM : AMEMBASSY, RIO DE JANEIRO DESP. NO.

TO : THE DEPARTMENT OF STATE, WASHINGTON. DATE February 6, 1961

REF : CERP, Section B, III, E-1, April 3, 1957 FEB 10 1961
Embassy Despatches 531, December 28, 1960 and 655, January 31, 1961

20 For Dept. Use Only	ACTION *	INFO *	DEPT.
	ARA-4		CAP/R-2 REP-1 INR-7 E-7 ICA-11
	REC'D 2-14-61		OTHER * COM-8 TR-3 FRB-3 XMB-4 CIA-10 DLF-7

SUBJECT: Bank of Brazil Balance Sheet, December 31, 1960.

BEGIN UNCLASSIFIED

The following conclusions may be drawn from analysis of the Bank of Brazil's balance sheet for December 31, 1960 (enclosed), in comparison with that for the previous month:

(1) Outstanding loans by the Bank, other than to the National Treasury, increased in December by Cr$11,235 million, following an increase of Cr$3,172 million during November. The increase in December 1959, was Cr$6,212 million. Outstanding loans of the Bank of Brazil, other than to the National Treasury, are summarized below, in millions of cruzeiros, as of selected dates:

	Dec. 31 1958	Dec. 31 1959	Nov. 30 1960	Dec. 31 1960
Loans to the Public	115,971	134,038	177,480	186,259
Loans to State & Municipal Govts....	13,617	13,063	13,407	14,165
To Autarchies	4,456	7,482	11,403	13,101
Total, excluding Nat'l Treasury	134,044	154,583	202,290	213,525

(2) Outstanding rediscounts by the Bank of Brazil at the Carteira de Redescontos increased during December, 1960, by Cr$9,704 million, following an increase of Cr$5,556 million in November. Since total rediscounts by the Rediscount Bureau increased by Cr$15,676 million in December, rediscounts for commercial banks must have increased by Cr$5,972 million. Rediscounts by the Bank in December, 1959, increased by Cr$11,638 million.

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FEB 17 1961

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(3) The sum of the various Bank of Brazil accounts derived from agio profits decreased during December by Cr$3,354 million. This item had decreased by Cr$1,839 million in November and had decreased by Cr$3,731 million in December, 1959.

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(4) It is estimated that the net debtor position of the National Treasury at the Bank of Brazil increased during the full year of 1960 by approximately Cr$79.6 billion, including an estimated increase of approximately Cr$25.6 billion during the month of December. This compares with an increase of Cr$40.7 billion during the full year of 1959, including a decrease of Cr$19.9 billion during December, 1959. See Embassy Despatch 214 dated September 12, 1960, for a description of the method by which the "net debtor position" is now being computed.

For the Ambassador:

John Krizay
Second Secretary of Embassy

Coordinated:
Herbert K. May
Herbert K. May
Treasury Attache

Enclosures: as n.y.
6 copies of Bank of Brazil Balance Sheet, December 31, 1960

1153

Enclosure to Rio de Janeiro 691

BANCO DO BRASIL S. A.

BALANÇO EM 31 DE DEZEMBRO DE 1960

– COMPREENDENDO DIREÇÃO GERAL E AGÊNCIAS NO PAÍS (450) E NO EXTERIOR (4) –

ATIVO

DISPONÍVEL

REALIZÁVEL

IMOBILIZADO

DE RESULTADO PENDENTE

DE COMPENSAÇÃO

PASSIVO

NÃO EXIGÍVEL

EXIGÍVEL

Operações de câmbio, à ordem do Tesouro Nacional:

Depósitos à vista e a curto prazo

Do Tesouro Nacional:

Das autarquias:

Superintendência da Moeda e do Crédito:

Do público (compulsórios):

Do público (diversos):

DEPÓSITOS A PRAZO

OUTRAS RESPONSABILIDADES

Títulos redescontados:

DE RESULTADO PENDENTE

DE COMPENSAÇÃO

BANCO DO BRASIL S. A.

DEMONSTRAÇÃO DE LUCROS E PERDAS EM 31 DE DEZEMBRO DE 1960

— COMPREENDENDO DIREÇÃO GERAL E AGÊNCIAS NO PAÍS —

DÉBITO

			Cr$
I — DESPESAS FINANCEIRAS			
Juros e descontos			4.323.565.754,00
II — DESPESAS ADMINISTRATIVAS			
Honorários da Diretoria		6.601.768,70	
Honorários do Conselho Fiscal		300.000,00	
Despesas de pessoal:			
Vencimentos do pessoal em exercício	5.166.089.061,40		
Abonos de comissionamento, abonos-familiares, diárias, gratificações, ajudas-de-custa, licenças-prêmio e transportes	1.983.534.518,20		
Pessoal inativo	717.312.829,70	7.846.936.409,30	
Contribuições patronais		390.006.232,20	
Despesas de impostos e taxas		143.695.537,60	
Despesas de material consumido		73.026.312,80	
Despesas de assistência por serviços prestados pelos correspondentes		35.334.752,10	
Amortização do valor dos imóveis próprios de uso do Banco e dos móveis e utensílios		914.294.124,30	
Publicações de interesse do Banco		2.914.389,80	
Donativos para assistência social		11.568.411,10	
Despesas gerais — locação de imóveis e de equipamento mecânico, comunicações, despesas de viagens dos funcionários portadores de suprimentos de numerário, frete de material de expediente, fiscalização, in-loco, da aplicação de empréstimos, material para manutenção do serviço médico-cirúrgico, auxílios a herdeiros de funcionários e outras despesas		464.806.722,20	9.887.484.640,10
III — PERDAS DIVERSAS			
Em operações de exercícios anteriores		61.827.075,50	
Reajuste e alienação de valores patrimoniais		2.680.016,00	64.507.091,50
IV — PROVISÕES			
Para cobrir as despesas e encargos normais previstos, tais como: instalação de novas agências; modernização geral dos serviços; juros de operações passivas; e, quanto ao funcionalismo, aposentadoria e assistência social		2.280.000.000,00	
Destinada ao «Fundo para projetos eventuais», instituído pelo art. 41, § único, dos Estatutos		251.442.456,00	2.531.442.456,00
V — DISTRIBUIÇÃO DO LUCRO LÍQUIDO DO SEMESTRE — Art. 41, § único, dos Estatutos:			
Fundo de reserva, cota de 10%		95.263.720,90	
Percentagem da Diretoria		2.100.000,00	
Dividendo aos Acionistas, à razão de 20% ao ano, máximo estatutário		60.000.000,00	
Fundo de beneficência dos funcionários, cota de 1%		9.526.372,10	
Fundo de garantia, cota de reforço		785.747.116,00	952.637.209,00
			17.759.637.150,60

CRÉDITO

		Cr$
I — RENDAS		
Juros e descontos	12.235.434.916,10	
Comissões	4.820.499.300,00	
Outras rendas	13.955.887,50	17.069.890.103,60
II — LUCROS DIVERSOS		
Em operações de exercícios anteriores	660.011.525,90	
Reajuste e alienação de valores patrimoniais	29.735.521,10	689.747.047,00
		17.759.637.150,60

CARLOS CARDOSO
Presidente

Brasília, DF, 23 de Janeiro de 1961

OSWALDO ROBERTO COLIN
Chefe Substituto do Departamento de Contabilidade
Contador — C.R.C.-GB. n.º 8.079

2º CADERNO

JORNAL DO COMMERCIO

10 PAGINAS

RIO DE JANEIRO, SEGUNDA-FEIRA, 30, E TERÇA-FEIRA, 31 DE JANEIRO DE 1961

Resultados da "Noturna" de ontem no H. da Gávea

A União Interna que o Jockey Club Brasileiro levou a efeito, ontem, no Hipódromo da Gávea, apresentou os seguintes resultados:

1º Páreo — 1.500 metros — 1º Leilão; 2º Alencar — Vencedor (3) Cr$ 40,00; Duplo (2) Cr$ 82,00; Placês (3) Cr$ 20,00 e (2) Cr$ 60,00 — Tempo: 96"4/5 — Não correu: Leal Canto.

2º Páreo — 1.200 metros — 1º Dudu; 2º Lilu — Vencedor (2) Cr$ 32,00; Duplo (12) Cr$ 43,00; Placês (2) Cr$ 16,00 e (1) Cr$ 17,00 — Tempo: 87"2/5.

3º Páreo — 1.300 metros — 1º Gazeta; 2º Lady Champagne — Vencedor (1) Cr$ 27,00; Duplo (13) Cr$ 38,00; Placês (1) Cr$ 16,00 e (3) Cr$ 10,00 — Tempo: 87"1/5.

4º Páreo — 1.500 metros — 1º Sobrenome; 2º Ideal — Vencedor (6) Cr$ 13,00; Duplo (6) Cr$ 46,00; Placês (6) Cr$ 12,00 e (1) Cr$ 14,00 — Tempo: 96"2/5 — Não correu: Dudu.

5º Páreo — 1.400 metros — 1º Lindo D'Or; 2º Challenge — Vencedor (1) Cr$ 21,00; Duplo (13) Cr$ 27,00; Placês (1) Cr$ 14,00 e (4) Cr$ 26,00 — Tempo: 83"2/5.

6º Páreo — 1.000 metros — «Prova Especial» — 1º Disco; 2º Bastardo — Vencedor (3) Cr$ 63,00; Duplo (12) Cr$ 50,00; Placês (3) Cr$ 29,00 e (1) Cr$ 19,00 — Tempo: 62"2/5.

7º Páreo — 1.200 metros — 1º Intermediário; 2º Tenível — Vencedor (1) Cr$ 22,00; Duplo (12) Cr$ 27,00; Placês (1) Cr$ 13,00 e (2) Cr$ 17,00 — Tempo: 70"3/5 — Não correu: Minha Negrinha.

8º Páreo — 1.200 metros — 1º Ioiô; 2º Invencível; 3º Palmeirinha — Vencedor (8) Cr$ 5105,00; Duplo (24) Cr$ 82,00; Placês (8) Cr$ 35,00, (6) Cr$ 25,00 e (3) Cr$ 18,00 — Tempo: 77"2/5.

	Cr$
Movimento de apostas	45.891.300,00
Comissões à Bettings	1.357.730,00
Movimento geral ...	47.249.030,00

Fluminense empatou com o ABC de Natal

Um a um o resultado do entrevero do tricolor carioca em grandes peripécias — Mauricinho fêz o autor do primeiro gol

Natal, 29 (Sport Press) — Depois de haver participado dum torneio quadrangular no Recife, contra equipes locais, o Fluminense do Rio de Janeiro enfrentou, na tarde de hoje, nesta capital, contra o ABC, colhendo o seu segundo empate em dois jogos, em sua temporada pelo Nordeste do país. Nesta grande vitrine pela apresentação de vice-campeão carioca, que muito anseia a posição a ocupar Edmilson, ex-defensor do ABC e das seleções potiguares. Por sua, o Estádio Juvenal Lamartine apinhou um grande público que muito esperou para ver o esquadrão carioca e, também, um dos grandes craques do futebol local.

MAURICINHO ASSINALA

Vinha a partida dando mostras excessivas pela contemplação com o Fluminense procurando adaptar-se ao terreno e o ABC, fazendo do entrevero uma arma para aplicar seus ataques. Contudo, o tempo já ia correr quase esgotado, quando Mauricinho procurando um dos seus raros dribles dentro da área, fêz o tento da vitória, batendo a vigilância do goleiro Edmilson. Vantagem esta que durou quarenta e cinco minutos para os alvinegros, por isso.

ABC EMPATA DE «PENALTY»

No período final, os locais iniciaram com muita disposição e forçaram os limites proibidos, durante os quais o ABC conseguiu o empate. E numa dessas investidas do ABC o defensor Fabinho cometeu falta dentro da área, sendo o árbitro Mario Vianna que, na ocasião, não vacilou, pois o regulamento assim o determina, e marcou o ponto da igualdade. Para bater a «penalty» apresentou-se o ponta-esquerda Ivanildo (Cordeiro) e Fabinho (Paulinho).

Saiu Mauricinho pelo desempate e o Fluminense ficou, novamente às investidas. Foi um resultado que satisfez ao ABC, que será o representante do Rio Grande do Norte, na I Taça Brasil.

ARBITRAGEM, RENDA E QUADROS

Dirigiu a contenda o Sr. Evaldo Cardia que faltou lamentavelmente ao marcar uma penalidade máxima contra o «carioca» dando o empate para o equipe local. No final do encontro foi abordado por Pinheiro e Mauricinho que foram mostrar sua indignação. A renda fornecida à assistência foi de Cr$ 412.660,00; sendo pagadores Cr$ 8.260,00 e gratuitos 1.000. Os quadros formaram assim constituídos:

ABC — Rômulo, Rui, Fabinho e Orlando; Souza e Dunga; Mota, Zé Mário (Josephat), Fernando (Jorge), Ivanildo (Cordeiro) e Tinoco (Paulinho).

Fluminense — Edmilson, Pinheiro e Jair Ma-

CARNAVAL:

Atlantic promoverá "Folias de palhaço"

Nos salões do Botafogo a magna festa do tradicional clube — Quitandinha — Programa carnavalesco dos alvi-negros — Banho à Fantasia do Flamengo — Diversas

Sendo um dos principais acontecimentos do Carnaval Carioca, o Baile do «Atlantic Refining Clube», é aguardado com grande expectativa, tudo indicando que êste ano, na têrça-feira gorda, quando forem abertas as portas dos luzuosos salões do Botafogo de Futebol e Regatas, será suplantado o sucesso dos anos anteriores.

«Folias de Palhaços» é o motivo da decoração que irá proporcionar aos foliões, um espetáculo deslumbrante que ficará marcado como o maior acontecimento do Carnaval Carioca de 1961.

Excelentes orquestras darão vibração e ritmo contagiante aos súditos de Sua Magestade, Rei Momo I e Único, que prestigiará com a sua presença êste desfile de fantasias apresentadas pelos «brotos», que darão a nota máxima de alegria neste recanto momesco.

QUITANDINHA

Ninguém poderá mais desligar Quitandinhado Carnaval carioca, pois as festas carnavalescas do grande hotel petropolitano sempre foram e serão sempre festas do próprio Carnaval carioca. E tanto assim é que, no computo geral dos grandes bailes do Carnaval do Rio, a festa de domingo de Carnaval de Quitandinha entra no calendário de festejos como se fôra o grande hotel localizado no próprio Estado da Guanabara (antigo Distrito Federal). E na verdade, no domingo de Carnaval, do Rio sobem caravanas e mais caravanas para a grande festa, e uma verdadeira ponte da folia é formada entre Petrópolis e o Rio.

Para êste ano, as coisas prometem ser mais sensacionais ainda. E' que os organizadores do Carnaval de Quitandinha não vêm medindo esforços para transformar o Carnaval deste ano no famoso hotel o mais sensacional dos últimos tempos. E tudo vai correndo de vento em pôpa pois os pedidos de reservas de mesas e «Tickets» (2.000 cruzeiros com direito a ceia, e 1.500 sem direito a ceia), tanto na gerência do próprio hotel como nos escritórios cariocas de Quitandinha (Avenida Rio Branco, 311-B, loja), estão ultrapassando tôdas as expectativas.

PREMIOS

No tradicional desfile de luxo, o primeiro prêmio, no setor das fantasias para senhoras, já está certo: uma pulsagem Rio-Nova York-Rio, pelo «Boeing 707» da Varig.

Mas o Carnaval de Quitandinha não ficará retrito, neste ano da fôlia de 1961, apenas à grande festa do domingo de Carnaval, dia 12 de fevereiro. Neste mesmo dia, com início marcado para às 16 horas, será realizado nos salões do hotel uma animada matinée. E já no sábado, dia 28, Quitandinha mostrará a fôrça do seu Carnaval com um banho a fantasia que será realizado na piscina de águas tépidas do Hotel. O banho, que leva o título «Até debaixo d'água...», será o Grito de Carnaval do majestoso hotel da montanha.

até 2 sócios — Infantil: Cr$ 500,00. Juvenil e Individual — Cr$ 200,00.

NAS FESTAS DO BOTAFOGO F.

R. NÃO SERÃO VENDIDOS INGRESSOS NA PORTA

É terminantemente proibida pelo Juizado de Menores, a presença de menores de 5 anos, nos salões do Clube.

NOTA — Para as festas de Carnaval, o traje será o de FANTASIA ou ESPORTE, tendo a Comissão de Porta poderes para vetar a entrada dos trajes que não considerar à altura do nosso ambiente social. — A reserva de mesas é feita na Gerência e a de convites na Superintendência.

AVISO AO QUADRO SOCIAL

Nas festas em que alugamos os salões aos Clubes abaixo, os sócios só terão ingresso se adquirirem ingressos nos mesmos:

Standard F. C., dia 12.
Clube Sul América, dia 13 e matinée de 14.
Atlantic Refining Clube, dia 14.

BANHO À FANTASIA

Domingo dia 5, mais uma maravilhosa matinê de carnaval organizada pelo Grupo Flamengos de Verdade. Local Praia do Flamengo em frente a sede do Flamengo, entre 10 e 13 horas.

As mais famosas agremiações carnavalescas estarão brindando o povo carioca com o grande carnaval que sabem fazer.

Os campeões Astória e Renascença, os Foliões de Botafogo, Unidos da Rainha das Aguas Férreas, Aventureiros do Leme, Império de Botafogo, Aprendizes de São Cristóvão, Corações Unidos, Unidos das Marrecas, Magnatas do Senado, Bloco Má Vontade, Unidos de Hutuntã. Unidos da Lagoa, Chicharrões do Pacífico, Elite de Copacabana, Conjunto do Almeidinha e outros estarão firmes na disputa de valiosas taças e prêmios, que serão distribuídos.

Eliminado o América no torneio da morte

Resultados do certame paulista — Juventus melhorou consideràvelmente sua colocação

São Paulo, 29 (Sport Press) — Peleja de vida e morte, renhida, vibrante, disputada palmo a palmo, do primeiro ao minuto final, realizaram esta tarde, o América e o Corintians prudentino, no estádio «Mário Alves Mendonça», em São José do Rio Preto, pelo chamado Torneio da Morte, que apontará os dois clubes condenados ao descenso e o que permanecerá na Divisão Especial. E o empate de 1 x 1, se por um lado, premiou os esforços dos contendores, por outro, reduziu-lhes as possibilidades, favorecendo o Juventus, que lidera o certame sem ponto perdido, vencedor que foi, daqueles dois adversários, no primeiro turno.

ELIMINADO O AMÉRICA

Com o empate de hoje, o América viu desaparecer suas últimas esperanças, ficando com 5 pontos perdidos e tendo apenas de enfrentar o Juventus, na rua Javarí. Quanto ao Corintians, para aspirar ainda alguma coisa, terá de vencer o Juventus, em Presidente Prudente e aguardar um sucesso, muito remoto, do América, sôbre êste mesmo Juventus, na rua Javarí. Portanto, o clube grenat desta capital, encontra-se em posição previlegiada.

Os tentos foram marcados na etapa final, por Dirceu para o América aos 2' e Bertamin para o Corintians, em espetacular cabeçada, aos 29'. O O árbitro, foi o Sr. Romualdo Arppe Filho e a renda, prejudicada pela chuva, somou Cr$ 124.800,00. As equipes, jogaram assim constituídas: — América: Lugano, Fogueira, Martins e Ambrosio, Adêso e Peter, Cucu, Serginho, Adamastor, Urias e Dirceu. Corintians: Acosta, Luizinho, Bertamin e Luiz Valente, Brandão e Cotia, Teotônio, Nelson Luques, Joãozinho, Zé Amado e Plínio.

Primeira derrota do Dinamo de Bucareste

Quebrada a invencibilidade pelo Palmeiras, em Goiânia, na tarde de anteontem — Detalhes

Goiânia, 29 (Sport Press) — O público esportivo goianiense, que em pequena parte, devido às fortes chuvas, compareceu ontem ao estádio da Av. Paranaíba, para assistir o prélio interestadual, entre o Vila Nova local e o Palmeiras, de São Paulo, vencido pelo campeão da II Taça Brasil por 1 x 0, com a melhoria do tempo, voltou hoje em massa àquele local, a fim de assistir o cotejo, entre o Palmeiras, representante do futebol brasileiro e o Dinamo da Rumênia, que se encontrava invicto em nosso país, com duas vitórias e dois empates, tendo vencido no Recife o combinado Náutico e Santa Cruz e em Taubaté o clube do mesmo nome, empatando em Campina Grande com o Treze e no Rio com o Vasco, representado por uma equipe mista.

Venceu o Palmeiras por 2x1, quebrando a invencibilidade do Dinâmo, não traduzindo o placard o que foi o desenrolar do jôgo, comandado inteiramente pelo clube brasileiro, que jogou comodamente e chegou na etápa complementar, aos 2x0, sem muito esfôrço, sofrendo um gol ao final, por facilidade do goleiro Rozan, estreando no arco palmeirense. Ao contrário do esperado, a equipe visitante apresentou um futebol primário, quasi totalmente defensivo, não justificando em nenhum momento, os bons resultados conseguidos nos jogos anteriores.

O placard foi construido na fase final, por intermédio de China aos 15' e Bocêcê aos 33' para o Palmeiras e Ene, aos 40' para o Dinâmo.

Stefan Walter Glanz da Federação Paulista, estêve bem na arbitragem. A renda, não informada oficialmente, foi calculada entre 800 e 900 mil cruzeiros. E as equipes, formaram assim constituídos: Palmeiras; Rozan, Djalma Santos (Jorge), Valdemar e Geraldo, Zequinha e Mané (Clóvis), Romeiro, Julinho, Abilio), Humberto (China), Chinezinho e Cruz (Becocê). Dinâmo — Voinescu, Nunweiller e Popa, Staicu (Cornel), Iriney e Bone, Anghel Panif, Soe, Estimie (Seriday) e Tartaru.

Fluminense não tem medo de perder Zezé

EMPRÊSA DE TRANSPORTE COMÉRCIO E INDÚSTRIA S/A.

RELATORIO DA DIRETORIA

Senhores Acionistas:

Atendendo as disposições legais e estatutárias, vimos apresentar a Vv. Ss. o relatório das atividades da sociedade, no decorrer do exercício findo em 31 de dezembro de 1960. Êste documento vai acompanhado do Balanço Geral e da Conta de Lucros e Perdas, as quais foram aprovadas pelo Conselho Fiscal.

Os citados documentos demonstram o movimento financeiro da Sociedade, conforme se verifica das colunas nas respectivas contas.

Ficamos a inteira disposição dos senhores acionistas para quaisquer outros esclarecimentos.

Rio de Janeiro, 16 de janeiro de 1961. — *Mario Martins de Mattos.* Diretor-Presidente.

PARECER DO CONSELHO FISCAL

Em cumprimento as disposições legais o Conselho Fiscal da Emprêsa de Transporte Comércio e Indústria S.A. examinou o Balançoo Geral e a Conta de Lucros e Perdas, levantados em 31 de dezembro de 1960, tendo verificado o estado da Caixa e tomado conhecimento dos dados constantes do relatório da Diretoria. Os documentos apresentados estão na mais perfeita ordem pelo que o Conselho Fiscal é de parecer que sejam aprovados, bem como as contas dos Diretores da Assembléia.

Rio de Janeiro 21 de janeiro de 1961. — *Waldemar Alves da Rocha.* — *João Cardoso de Macedo.* — *Rubens Hoffmann.*

RESUMO DO BALANÇO GERAL ENCERRADO EM 31 DE DEZEMBRO DE 1960, E REFERENTE ÀS TRANSAÇÕES DE 1.º DE JANEIRO A 31 DE DEZEMBRO DE 1960

ATIVO

		Cr$
Disponível		
Caixa	96.919,05	
Bco. Comércio do Café S.A.	482,30	
Bco. Mineiro da Produção S.A.	3.814,80	101.216,10
Realizável		
Contas Correntes	898.494,90	
Contas a Receber	10.800,00	909.294,90
Imobilizado		
Móveis e Utensílios	12.974,30	
Material Rodante	328.208,10	
Títulos Pert. à Emprêsa	42.160,00	
Maquinismos	400,00	
Depósitos	622,00	384.364,40
Compensação		
Ações em Caução	30.000,00	
Títulos em Caução	22.000,00	52.000,00
Resultado		
Lucros e Perdas		4.385.166,30
		5.832.041,70

PASSIVO

		Cr$
Não Exigível		
Capital	1.200.000,00	
Fundo Reserva Legal	77.711,90	
Fundo Reserva Material	53.525,00	1.331.236,90

Enclosure to Rio de Janeiro 691

BANCO DO BRASIL S. A.

BALANÇO EM 31 DE DEZEMBRO DE 1960

– COMPREENDENDO DIREÇÃO GERAL E AGÊNCIAS NO PAÍS (450) E NO EXTERIOR (4) –

ATIVO

DISPONÍVEL

REALIZÁVEL

IMOBILIZADO

DE RESULTADO PENDENTE

DE COMPENSAÇÃO

PASSIVO

NÃO EXIGÍVEL

Capital 600.000.000,00
Fundo de reserva 371.650.230,80
Fundo de previdência 4.915.230.577,20
Fundo de amortização de imóveis, móveis e semoventes 5.183.945.763,20
Fundo para prejuízos eventuais 2.976.730.738,80 13.047.705.310,10
Fundo para o desenvolvimento de iniciativas de interêsse público 316.077.051,30
Agências no exterior (total do não exigível) 63.945.728,60 13.047.788.089,90

EXIGÍVEL

Operações de câmbio, à ordem do Tesouro Nacional:
Correspondentes no exterior 14.954.712.300,60
Obrigações em moedas estrangeiras em poder de correntistas 1.881.055.441,70
Depósitos obrigatórios (Decreto 36.986, de 26-2-54) 36.486.450,00
Outras contas vinculadas a câmbio 8.761.212.975,40 23.895.445.428,40

Depósitos à vista e a curto prazo

Do Tesouro Nacional:
À disposição de autoridades federais 1.101.402.340,80
Fundo de indenizações (Dec. 27.147, de 24-6-1949) 25.277.223,40
Fundo de garantia de estradas de rodagem (Lei 2.456, de 27-12-57) 3.262.915.318,60
Fundo de modernização e recuperação da lavoura nacional 18.955.170.737,10
Fundo de recuperação econômico-rural da lavoura cacaueira 1.000.000.000,00
Fundo para amparo à lavoura cafeeira 798.222,00
Fundo especial para concessão de estímulo a fabricantes no país (Lei 3.244, de 14-8-57 — Art. 30) 701.977.093,70
Outros saldos 13.204.172.942,20 43.347.811.838,80

De governos estaduais 374.519.838,10
De governos municipais 302.907.020,60
De outras entidades públicas 6.660.295.545,40

De autarquias:
Superintendência da Moeda e do Crédito:
Conta de fundos 39.147.221.079,10
Contas de juros 1.182.731.196,40
Fundo Monetário Internacional 6.474.189.335,10
Banco Internacional de Desenvolvimento 142.106.750,00 46.946.168.360,60
Caixa de Mobilização Bancária 2.701.924.392,00
Outras autarquias 29.065.754.196,20 88.611.847.238,60

De bancos 56.529.636.668,00

De público (compulsórios):
Judiciais (Decreto-lei 3.077, de 26-2-41) 4.989.381.972,40
De empresas concessionárias de serviços públicos (Decreto-lei 3.977, de 26-9-41) 404.804.401,20
Obrigações de juros extraordinários (Decreto-lei 9.155, de 10-4-46) 29.867.481,80
Depósitos para investimentos (Lei 3.870, de 26-11-58) 730.832.156,20
Outros depósitos obrigatórios 486.359.871,80 6.731.204.023,50

De público (diversos):
Sem limite 20.424.715.417,50
Limitados 1.795.859.215,60
Populares 8.631.187.947,00
Sem juros 3.636.811.545,50
Outros depósitos 2.902.998.951,80 37.390.716.377,20
Saldos credores de empréstimos 601.032.079,80 380.022.348.380,90

DEPÓSITOS A PRAZO

De autarquias 2.788.980.595,60
De público (compulsórios):
Judiciais (Decreto-lei 3.077, de 26-2-41) 51.951.388,90
De público (diversos):
De prazo público 563.957.484,60
A prazo fixo 348.579.513,00 911.431.997,60 3.732.363.981,30

OUTRAS RESPONSABILIDADES

Títulos redescontados:
Comerciais 32.548.784.947,20
Contratos de Carteira de Crédito Agrícola e Industrial 44.684.904.903,00 77.233.689.850,10
Mobilização de créditos em moratória 2.000.000.000,00
Caixa de Mobilização Bancária (Redescontos) 4.072.718.367,00
Carteira de Colonização, conta de recursos 171.478.283,60
Títulos e letras hipotecárias da Carteira de Crédito Agrícola e Industrial, em circulação 731.468.100,00
Correspondentes no país 75.209.641,80
Ordens de pagamento 1.717.705.683,30
Cobranças efetuadas, em trânsito 1.979.997.735,80
Clientes do país 1.577.161.238,00
Dividendos a Pagar:
Anteriores, não reclamados 7.302.760,00
10% dividendo, a distribuir 60.000.000,00 67.302.760,00
Outras contas de passivo exigível 17.613.388.001,70 117.039.226.880,40

Direção Geral e Agências (contas de relações internas) 551.723.387.440,10
Agências no exterior (total do exigível) 1.331.086.331,70 956.343.026.548,80

DE RESULTADO PENDENTE

Contas de resultado pendente 30.302.425.874,60
Agências no exterior (total de resultado pendente) 34.757.495,00 30.427.177.370,20
960.436.974.914,30

DE COMPENSAÇÃO

Depositantes de valores em garantia e custódia 429.681.704.331,70
Depositantes de títulos para cobrança:
Do país 194.279.162.459,80
Do exterior 462.452.373,40 194.735.788.324,20
Outras contas de compensação 115.304.672.783,20
Agências no exterior (total de compensação) 969.001.700,60 740.691.166.809,70
1.729.724.155.214,00

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Proximas SAIDAS do Rio para a Europa		Proximas CHEGADAS do Europa	Rio	Santos	Capital Federal
				Rebocker	Cruzeiro
CAP PALMAS	31-1	SANTA ELENA	1-2	1-2	—
SANTA TEREZA	1-2	CAP TIZIANO	1-2	—	2-2
CAP FINISTERRE	16-2	CAP ORTEGAL	16-2	—	16-2
CAP VERDE	21-2	SANTA INES	2-3	—	3-3
CAP VILANO	3-3	CAP ROCA	1-3	—	1-3

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BURG SPARRENBERG	1-2	CAP CASTILLO	4-2
ERICH SCHROEDER	15-2	RAVENSBERG	15-2
RAVENSBERG	2-3	BOW SANTOS	16-2
CAP CASTILLO	6-3	CAP BONAVISTA	3-3

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PARA TODAS AS LINHAS INTERNACIONAIS

AGENTES OFICIAIS DA IATA

LEGALIZAÇÃO DOS DOCUMENTOS DE VIAGEM

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PASSAGENS: TERREO TEL. 31-3304

NORTE

BOCAINA vg. 5-1

Sai hoje, 31 do corrente, para:

ILHEUS e SALVADOR

EUROPA

LOIDE ARGENTINA vg. 7-1

Sairá a 1 de fevereiro, para:

VITORIA — S. VICENTE — HAVRE — SOUTHAMPTON — DUNQUERQUE — LONDRES — ANTUERPIA — ROTERDAM — BREMEN e HAMBURGO

EUROPA

LOIDE CUBA vg.

Sairá a 5 de fevereiro, para:

CABEDELLO — S. VICENTE — PLYMOUTH — HAVRE — DUNQUERQUE — LONDRES — HULL — ANTUERPIA — ROTERDAM — BREMEN e HAMBURGO

LOIDE MÉXICO vg. 13-1

Sairá a 13 de fevereiro, para:

VITORIA — S. ILHEUS — SALVADOR — CABEDELO — S. VICENTE — CASA BLANCA — TANGER — GIBRALTAR — BARCELONA — GENOVA — NAPOLES — TRIESTE e HAIFA

AVISO

Qualquer alteração nas datas de saída dos navios será publicada neste local.

AMERICA DO NORTE

SAIDAS DE SANTOS

LOIDE VENEZUELA

Sai hoje, 31 do corrente, para:

RIO — VITORIA — SAN JUAN e NOVA ORLEANS

LOIDE URUGUAI

Sairá a 2 de fevereiro, para:

ANGRA DOS REIS — RIO — NITEROI — VITORIA — S. DOS ILHEUS — SALVADOR e N. YORK

AMERICA DO NORTE

SAIDAS DO RIO

LOIDE VENEZUELA

Sairá a 3 de fevereiro, para:

VITORIA e NOVA ORLEANS

LOIDE URUGUAI

Sairá a 4 de fevereiro, para:

VITORIA — S. DE ILHEUS — SALVADOR E NOVA YORK

L. FIGUEIREDO NAVEGAÇÃO S. A.

SANTOS

"SANTO ANDRE"

Sairá para:

BELEM e MACAPA

"SÃO MIGUEL"

Sairá em 8 de fevereiro, para:

S. LUIZ, BELEM e MACAPA

PRAÇAS, FRETES E INFORMAÇÕES, A

RUA MIGUEL COUTO, 104 — TELS.: 23-5841 e 23-5842

CIA. NAC. DE NAVEGAÇÃO COSTEIRA

AUTARQUIA FEDERAL

ESCRITORIO CENTRAL — Avenida Rodrigues Alves, 10/12 — Tels.: 43-3434 e 23-2211 — AGENCIA DE PRAÇA: Rua da Alfandega, 5 — Telefones 43-4560, 23-5296 e 43-9570 — ESCRITORIO DE PASSAGENS: Rua da Alfandega, 5, Loja — Telefones: 43-4560 e 43-4561 — ARMAZENS (entrega e recebimento de cargas) — Cais de Pharoux — Telefones 43-4192 e 23-2072 — ARMAZEM 12A Cais do Porto.

NOTA — Mudanças e bagagens quando para os portos acima deixam ainda o DELAY.

SUL

ITAHITÉ

(NOVO)

Sairá para:

SANTOS — RIO GRANDE

NORTE

RIO JEQUITINHONHA

(CARGUEIRO)

Sairá para:

LEILÕES

Juizo de Direito da 16.ª Vara Civel da Cidade do Rio de Janeiro — Estado da Guanabara

EDITAL de leilão, com o prazo de cinco dias, ao [illegible]

TERRENO

Medindo 11,50 [illegible]

Preço Avaliação [illegible]

O Doutor Moacir Gouvêa Coelho, Juiz de Direito da Décima Sexta Vara Civel da Cidade do Rio de Janeiro — Estado da Guanabara — Faz saber aos que o presente edital de leilão, com o prazo de cinco dias, virem ou dêle conhecimento tiverem, que, no dia 9 (nove) de fevereiro, ainda diretas vezes e a hora 12 (doze), depois de [illegible] no saguão do edifício do Forum desta Capital, à Praça Mauá, será levado a público leilão, pelo maior preço [illegible] do Code. de Pro. Civil, [illegible] 17 anexo — Grupo 141, [illegible] de mercadorias, sito à Lapa, [illegible] Avaliação, ultima numeração. Constando [illegible] de um terreno com [illegible] 11,50 de frente por [illegible] 25, [illegible] [illegible] [illegible] Avaliação [illegible] 22 [illegible] [illegible] [illegible]

OUTGOING TELEGRAM Department of State

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1961 FEB 7 PM 1 20

02667

Origin

SENT TO: Amembassy, RIO DE JANEIRO PRIORITY 1022

Info:

LIMIT DISTRIBUTION

White House desires have opportunity make here any public announcements pertaining loan offer.

Rusk

RUSK

832.10/2-761

CLASSIFIED FILE

RM/R
Anal. 28
Rev.
Cat.

832.10/2-761

Drafted by: ARA:EST:GAEconstra:cd 2/7/61

Telegraphic transmission and classification approved by: ARA:EST - Mr. Boonstra

Clearances:

Export-Import Bank
Mr. Killefer

s/s Mr. Stoessel

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OUTGOING TELEGRAM Department of State

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SENT TO: Amembassy, BUENOS AIRES 1057 LIMIT DISTRIBUTION
PRTD INFO: Amembassy, RIO DE JANEIRO 102)

FYI U.S. Government believes our objectives best served by tangible immediate expression our willingness to assist Quadros Government. Accordingly Ambassador Cabot has been authorized subject his discretion to inform GOB that Eximbank would be willing to extend at this time a credit line of 100 million dollars to help GOB in financing essential imports of U.S. capital goods. Early consultation would be necessary in this case regarding procedures for utilization of credit and negotiation of repayment terms.

We are aware, if and when this loan made and announced, of probable Argentine sensitivity respecting U.S. policy Brazil compared Argentine stabilization program. Following points will be useful in answering inquiries:

1. U.S. Government as before takes the position that such loans do not REPEAT not contribute basically toward solution problems unless related effective stabilization program.

2. Objective this loan is to assist Quadros in facing immediate financial crisis, and thus provide time to study problem and work out constructive program.

3. Amount

832.10/2-761

832.10/2-761
LWS

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EM/R 37
final

ARA:RMT:GAboonstra:ed 2/6/61

Telegraphic transmission and classification approved by: [illegible] T. O. [illegible] 4 C 4

Clearances:
E - Mr. Martin
Treasury - Mr. Willi[illegible]
Eximbank - Mr. Killea[illegible]
S/S-CR REA - Amb. Turke[illegible]

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3. Amount of loan has been established at level not REPEAT not providing solution for Quadros problems but is adequate instead for encouraging and making possible the establishment of program providing solution. End FYI.

Rusk
ACW

RUSK

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832.10/2-861

FOREIGN SERVICE DESPATCH

FROM : Rio de Janeiro

701
DESP. NO.

TO : THE DEPARTMENT OF STATE, WASHINGTON.

February 8, 1961
DATE
FEB 10 1961

REF :

For Dept. Use Only	ACTION REC'D	DEPT.
55	ARA-4 2/14	INFO RM/A-2 INR-7 REP-1 E-9 ICA-11 OTHER CIA-10 COM-6 TR-3 FRB-3 XMB-4 OCF-9

SUBJECT: NEW FINANCE MINISTER DISCUSSES BRAZIL'S FINANCIAL PROBLEMS AND POLICIES IN FIRST PRESS CONFERENCE

Following the same general theme set by President Janio Quadros in his inaugural day address (see Despatch 682 of February 3, 1961), Clemente Mariani, in his first interview with the press since becoming Finance Minister, gave further evidence that the new administration is fully cognizant of the country's financial problems and may soon embark on a stabilization program as a means of solving them.

Of particular interest was Mariani's reference to past differences with the International Monetary Fund. These differences, he promised, would be "ameliorated" by the spelling out of a new exchange policy in particular and by the new administration's financial and economic policy in general. He added, however, that no immediate change in the exchange policy is planned, since this matter is still under study.

With reference to internal financial policy, he said the position of this government with respect to bank credit would be one of "caution" and that he would recommend against further expansion of the money supply. He added that the government would try to achieve a "balance" between the money supply and "its uses" with a view toward eliminating the economic distortions which resulted from the policies of the previous administration.

Other significant highlights of the press conference were:

(1) That the foreign exchange auctions suspended on January 31 would be resumed on February 21, although whether "extra offerings" (three times in excess of regular offerings) under SUMOC Instruction 193 would be continued would not be decided until the next meeting of the SUMOC Council. (See Despatch 667, February 1, 1961 and Embassy telegram 1016, February 4, 1961.)

(2) That the resignations of Tosta Filho, Director of CACEX, and Paulo Poock Correia, Director of the Exchange Department of the Bank of Brazil, are being accepted but that the latter would continue in his present position "for the time being".

832.10/2-861

CAA FILED

DEPARTMENT OF STATE
BUREAU OF
INTER-AMERICAN AFFAIRS
FEB 17 1961

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

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1162

(3) That on the basis of a recalculation which has been made since the new administration assumed office, it now appears that execution of the present budget law will result in a deficit of Cr$165 billions, which could not be eliminated simply by "compressing" expenditures. He added that more drastic measures were being studied but that he would not rule out the necessity for further borrowings from the Bank of Brazil (resulting in paper currency issues), however undesirable. (It should be noted that in discussing the deficit of Cr$165 billions, the Finance Minister included Cr$45 billions in unpaid obligations from previous years' budgets. The picture is therefore somewhat distorted since very likely this amount would be offset by similar unpaid obligations from this year's budget.)

(4) That no changes in the internal or external coffee policies are contemplated before the end of the present "crop year" (June 30).

(5) That he considers necessary a revision in the current level and criteria for the application of the so-called "cost of exchange" (see Despatch 673, February 1, 1961) as well as the rules applicable to imports without exchange cover.

For the Ambassador:

John Krizay
Second Secretary of Embassy

Coordinated:

Herbert K. May
Treasury Attaché

1163

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(Security Classification)

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XR 832.131

FOREIGN SERVICE DESPATCH

FROM : AMEMBASSY, Rio de Janeiro — 702 DESP. NO.

TO : THE DEPARTMENT OF STATE, WASHINGTON. — February 9, 1961 DATE

REF : Embassy Despatch 673 via, February 1, 1961

COPY NO. 1 SERIES A

55 For Dept. Use Only	ACTION	DEPT.
	ARA-1	
	REC'D 2/16	INFO OTHER RM/R-2 ENA-7 E-1 RM/A Mrs Gronen-3 REP-1

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DEPARTMENT OF STATE BUREAU OF INTER-AMERICAN AFFAIRS FEB 21 1961

SUBJECT: Finance Minister Mariani's Plans for a Stabilization Program Including Exchange Reform

LIMIT DISTRIBUTION

According to Casimiro Ribeiro (recently appointed Director of the Economic Department of SUMOC) Finance Minister Mariani is at present leaning toward a three-step stabilization program summarized briefly as follows: First, an immediate increase in the cost of exchange rate to Cr$200 or more per dollar as compared with the present rate of Cr$100 per dollar; Second, a trip to Washington where he would endeavor to obtain a stand-by credit at the IMF plus an Export-Import Bank balance of payments loan based on firm commitments for a comprehensive stabilization program; and Third, upon returning to Rio, the adoption of the full stabilization program, including complete exchange reform, the major ingredient of which would be that all imports and all financial transactions would be put on the free market together with the exchange proceeds of all exports other than coffee. A memorandum of conversation transmitting further detail on Minister Mariani's plans is transmitted herewith as Enclosure 1.

Copy No(s) 3

Dest: [illegible]

Note: P.C.D. Date 1/16/62

For the Ambassador:

Herbert K. May

Herbert K. May
Treasury Attaché

Coordinated:

William A. Fowler

William A. Fowler
Counselor of Embassy
for Economic Affairs

Encl: As stated

HKMay|dh
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LIMIT DISTRIBUTION

Memorandum of Conversation with Casimiro Ribeiro, February 8, 1961

1. Ribeiro told me that, following the conclusion last week of his study of the probable repercussions of an exchange reform (Embassy Despatch 673, February 1, 1961) Minister of Finance Mariani has decided that it is essential to move ahead with a comprehensive stabilization program "quickly". Ribeiro said that Mariani has not yet decided definitely between two alternatives: a) an immediate complete exchange reform followed by a comprehensive stabilization program, as recommended by Roberto Campos, or b) a two-stage exchange reform and stabilization program. According to Ribeiro, Mariani is presently leaning toward the second alternative, to be effected in the following steps:

First, an immediate increase in the cost-of-exchange rate to Cr$200 or more per dollar, plus immediate action to purchase dollars in the free market at the rate of $200 million annually. (Mariani has definitely decided, said Ribeiro, that he will temporarily resume convertible currency PVC sales in the amount of $5 million weekly, beginning February 21, but that he will not restore the effectivity of SUMOC Instruction 193).

Second, having taken the foregoing measures, Mariani would then leave for Washington where he would endeavor to obtain a standby credit at the IMF plus an Export-Import Bank balance of payments loan, all on the basis of firm commitments of a comprehensive stabilization program.

Third, upon returning successfully to Rio, Mariani would "quickly" institute all aspects of the stabilization program, including the complete exchange reform, the major ingredient of which would be that all imports and all finance transactions would be put on the free market together with the exchange proceeds of all exports other than coffee.

Ribeiro stated that Minister Mariani recognizes that the free rate will probably move immediately to Cr$250 or more per dollar as soon as the first step (above) is taken, and is

1165

reconciled to that movement. (Roberto Campos told Mariani that the rate might at first move to as much as Cr$400 per dollar, but would probably strengthen thereafter). On the subject of putting all imports into the free market, Ribeiro stated that there is some question about the legality of doing so, although Campos and others are urging Mariani to proceed with an administrative decree, asking later for any legislation which might be necessary; they point to the fact that Oswaldo Aranha acted in that fashion in 1953 when he was Minister of Finance, and got away with it with no difficulty.

Ribeiro stated that Minister Mariani is fully aware of the political difficulties which would derive from a substantial increase in the cost of petroleum or wheat, but feels that the measure is necessary and that President Quadros can politically justify it. Ribeiro stated also that Petrobras has been urging him to persuade Mariani to increase the cost-of-exchange rate because of the increased revenues which would thereby accrue to Petrobras. (§) Ribeiro stated that when he advised Mariani of the Petrobras point of view, Mariani was very pleased and stated that he would try to get Petrobras to present its recommendation in writing, although (according to Ribeiro) Mariani is determined to move the rate even without a written recommendation from Petrobras.

On the subject of Minister Mariani's general strategy I expressed the personal opinion that he would be well advised to have full governmental approval of all of the elements of a sound stabilization program (which Ribeiro can "unquestionably" put together in a form which would be satisfactory to the IMF) prior to departing for Washington, and even though he might not feel that he could implement all of that program prior to receipt of balance of payments assistance from abroad. I

(§) Petrobras receives 15 percent of the revenues from the "imposto unico" which in turn is based on the exchange rate applicable to petroleum imports. The imposto unico yielded Cr$26 billion in 1960. An applicable exchange rate of Cr$200 per dollar would increase the yield to Cr$52 billion, increasing Petrobras' share from Cr$3.9 billion to Cr$7.8 billion.

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expressed the view that having such a program, formally approved by the SUMOC Council and by the President, in his pocket, Mariani would be in a strong position to persuade Washington as to the seriousness of his determination to effect a stabilization program. Furthermore, I emphasized, I consider it important that President Quadros be able to say that he approved various measures because he was convinced that they were in Brazil's best interests and that he then went to Washington to receive help in enforcing those measures. I offered the view that it is important that President Quadros be able to escape the charge (which would undoubtedly be made, particularly in view of the various public statements made by President Kubitschek in July 1959 when Brazil broke off discussions with the IMF) that Brazil had gone to Washington to ask for help and had been coerced, as the price for that help, into the adoption of measures demanded by the IMF, even though those measures were contrary to Brazil's interests. Ribeiro stated that he agreed completely with my point of view but that Brazil's foreign exchange position is so critical that Mariani simply does not have the time to prepare a comprehensive program before going to Washington. I offered no comment on that point.

2. Ribeiro told me that Herculano Borges de Fonseca resigned yesterday as Director of the Economic Department of SUMOC and that he, Ribeiro, was immediately appointed thereafter by Bulhões to succeed Borges de Fonseca. He stated that the Portaria is to be issued today or tomorrow announcing his appointment as Director of the Economic Department. He said that he expects Borges de Fonseca to return to the Bank of Brazil as a member of its legal staff. 1/ Ribeiro stated that he has appointed Eduardo Gomes to succeed him as Chief of the Monetary Studies Division of the Economic Department.

Ribeiro stated that he has heard from various sources of an effort to being promoted by Paulo Poock Correa to have Ribeiro designated to replace Poock Correa as Director of the

---

1/ Borges de Fonseca told me a few months ago that he had received a good offer outside of the Government and that he would soon resign from SUMOC. However, since that time he appears to have been endeavoring (principally through his friendship with Governor Magalhães Pinto of Minas Gerias) to obtain a higher ranking position in the Government. He, of course, failed in that objective, if indeed it was his objective.

1167

Exchange Department of the Bank of Brazil. Ribeiro stated that he would not be able to turn down such an offer if it were made to him. He said that Bulhões is anxious that Poock Correa's replacement be an economist so that Bulhões would have the support of another economist as a voting member of the SUMOC Council and as a voting member of the Board of Directors of the Bank of Brazil. Ribeiro stated that he understood that Roberto Campos and Eugenio Gudin are also urging Mariani to appoint Ribeiro in Poock Correa's place.

Herbert K. May
Treasury Attaché

February 8, 1961



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(Security Classification)

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RMAR 832.131

FOREIGN SERVICE DESPATCH

FROM : AMEMBASSY, Rio de Janeiro 705 DESP. NO.

COPY NO. 1 SERIES A

TO : THE DEPARTMENT OF STATE, WASHINGTON. February 9, 1961 DATE

REF : Embassy Despatch 702, February 9, 1961

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For Dept. Use Only	ACTION	DEPT.
	ARA-1	RMAR-2 REP-1 INA-7 E-1
	REC'D 2/16	INFO OTHER RMR (Mrs Carman)-3

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SUBJECT: Finance Minister Mariani's Plans for a Stabilization Program Including Exchange Reform

DEPARTMENT OF STATE BUREAU OF INTER-AMERICAN AFFAIRS FEB 21 1961

LIMIT DISTRIBUTION

Dr. Octávio Bulhões, newly appointed Executive Director of SUMOC, told the reporting officer this morning of Finance Minister Mariani's plans for a stabilization program, including an exchange reform, in Brazil. Bulhões description of Mariani's plans was very similar to that given by Casimiro Ribeiro (Despatch 702). The only substantial difference between the interpretations of Bulhões and Ribeiro is that Bulhões stated that Mariani is planning to seek complete approval of the basic outlines of a stabilization program before departing for the United States, while Ribeiro was under the impression that the stabilization program would be formed in the United States in consultation with the IMF. Bulhões stated also that he does not know the precise date on which Minister Mariani will leave for the United States, but thinks that it will probably be toward the end of February. Minister Mariani left Rio yesterday in route to Brasilia for the purpose, according to Bulhões, of attempting to receive approval of his plans by President Quadros. Minister Mariani is then expected to spend about a week in Bahia, his home state, returning to Rio on February 15, immediately after Carnival.

832.10/2-961

OCT 10 1961

FILED

For the Ambassador:

Herbert K. May

Herbert K. May
Treasury Attaché

Coordinated:

William A. Fowler

William A. Fowler
Counselor of Embassy
for Economic Affairs

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FOREIGN SERVICE DESPATCH

FROM : AMEMBASSY, Rio de Janeiro

710
DESP. NO.

TO : THE DEPARTMENT OF STATE, WASHINGTON.

February 10, 1961
DATE

REF : Embassy Despatches 572, January 9; 627, January 23; and 649, January 30

FEB 18 1961

For Dept Use Only	ACTION	DEPT.
	ARA-4 *	RM/R-2 REP-1 INR-7 E-7 IOA-11
	REC'D	INFO OTHER
	2-16-61	COM-8 TR-3 FRB-2 XMB-4 CIA-10 DHF-7 AGR-8

SUBJECT: Bank of Brazil Receipts and Payments, 1960

832.10/2-1061 HBS

The official payments deficit of the Bank of Brazil in convertible currencies during 1960 amounted to $312.9 million. In addition, the Bank had a deficit in inconvertible currencies of $52.7 million, that deficit being registered predominantly with Argentina for the purchase of wheat. Eight thermofax copies of a Bank of Brazil summary of its 1960 receipts and payments are transmitted herewith as Enclosure 1.

The convertible currency deficit of $312.9 million was met predominantly as follows:

Swaps	$125.4	million
Commercial bank credit lines	69.8	"
Prepayments for exports	38.2	"
IMF	47.7	"
Increased gold collateral loan	10.0	"
"Other credits"	31.4	"

DEPARTMENT OF STATE
BUREAU OF
INTER-AMERICAN AFFAIRS
FEB 23 1961
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No action required
REA 2/17/61

According to Paulo Poock Correa, Director of the Exchange Department of the Bank of Brazil, the item, "other credits" represents overdue payments on FVC's which had matured but which the Bank of Brazil was unable to honor. The Bank of Brazil's summary of the means by which it covered its convertible currency deficit in 1960 is transmitted in eight thermofax copies, as Enclosure 2.

The reporting officer will not seek to analyze the Bank's payments position in 1960 in view of the extensive coverage given to this subject in Embassy Despatches 627 and 649.

For the Ambassador:
Herbert K. May
Herbert K. May
Treasury Attaché

Coordinated:
William A. Fowler
William A. Fowler
Counselor of Embassy
for Economic Affairs

HKMay:dh

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Encl: As stated

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XR 832.51

FOREIGN SERVICE DESPATCH

FROM : Amcongen São Paulo — 300 (DESP. NO.)

TO : THE DEPARTMENT OF STATE, WASHINGTON. — February 10, 1961 (DATE)

REF : CERP - Section B - Item III - 6

AMERICAN CONSULATE GENERAL
SÃO PAULO, BRAZIL

	ACTION	DEPT.
26 For Dept. Use Only	ARA-4	INFO RMR/R-2 REP-1 INR-7 E-7 ICA-11
	REC'D 2-18-61	OTHER Com-8 TR 3 FRB-3 XMB-4 CIA-10 DLF-1 NSA-4 ARMY-4 NAVY-4

FEB 1

SUBJECT: São Paulo Municipal Accounts for 1960.

The Mayor of São Paulo submitted a statement of the accounts covering the year 1960 to the city council. Budgetary revenue came to Cr$9,347,631,695.70 and budgetary and extrabudgetary expenditures totaled Cr$10,943,008,133.50, leaving a gross deficit of Cr$1,595,376,437.80. This deficit was covered in part by the issuance of municipal bonds that netted Cr$1,334,581,960.00, leaving an uncovered balance of Cr$260,794,477.80.

For the Minister Consul General:

Scott C Lyon

Scott C. Lyon
American Consul

832.10/2-1061

DEPARTMENT OF STATE
BUREAU OF
INTER-AMERICAN AFFAIRS
FEB 23 1961

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FOREIGN SERVICE DESPATCH

FROM : Amembassy, Rio de Janeiro

711
DESP. NO.

FEB 21 1961

TO : THE DEPARTMENT OF STATE, WASHINGTON.

February 10, 1961
DATE

REF :

For Dept. Use Only	ACTION	DEPT.
19	ARA-3	REP-1 RM/R-2 INR-7 E-7 ICA-4 SCS-2
	REC'D 2-25	INFO OTHER OSM-8 TR-3 FRB-3 XMB-6 CIA-10 DLF-7 TAR-2

SUBJECT: Economic Views of Dr. Clemente Mariani, Finance Minister

Enclosed is a translation of excerpts of statements made by Finance Minister, Clemente Mariani, in the course of a round table discussion sponsored by business magazine "Industria & Mercados" early in January. These remarks, having been made by Dr. Mariani before he became Finance Minister, (probably before he had any inkling that he would be named Finance Minister) may be of interest as an indication of his real views on financial policy.

For the Ambassador:

John Krizay
Second Secretary of Embassy

Coordinated by:

Herbert K. May
Treasury Attaché

Enclosure: (1) Translation, as stated.

DEPARTMENT OF STATE
BUREAU OF
INTER-AMERICAN AFFAIRS
MAR 1 1961

832.10/2-1061 HBS

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In the panel discussion, Clemente Mariani made the following statements on each of the ensuing items.

Stability of Currency: "A reasonable degree of stability of the value of currency should be achieved at a level corresponding to its actual value in light of the country's receipts and expenditures in foreign currencies, the volume of money supply available for the purchase of foreign exchange and the potential production of goods likely to replace imported items."

Protection to Industry: "The policy of supporting the various industrial and agricultural activities deemed worthy thereof should be implemented by means other than that of the manipulation of exchange rates. This is apparently the easiest way to do it, but the distortions it brings about create a range of inconveniences, the correction of which is more difficult than the adoption of the right approach from the onset."

Results of an Improvement in the Exchange Situation: "If, however, by the expression 'exchange improvement' it is intended to mean a reasonable approximation of the actual value to the official value of the currency in the international markets, I believe that, (sort of Exchange Improvement) can be beneficial to export products, including those that industry may export."

"Cost of Exchange": "In answering a question as to whether the government could go on with the present cr$100.00 rate for the "Cost of Exchange," in the 1959 Annual Report of the Banco de Bahia I already considered the (100 to 17 "Cost of Exchange" rate had been exceeded and was responsible for the cr$29 billion deficit of the Agio Account in the 2nd semester of that year. Later on the situation became more aggravated. The cocoa-dollar rate set presently at cr$90.00 is in reality much higher in view of the procedure adopted by CACEX in buying this product at a fixed price in cruzeiros much higher than its external price would bring at the official rate, the loss thereby being charged to the agio account. In order that the price obtained by the cocoa in the import markets should yield, at the official rate, the same amount of cruzeiros guaranteed internally by CACEX, it would be necessary that sales be made at $o.325 FOB per pound, whereas the present quotation is $o.21, slightly higher than the lowest price in 1957, when the support scheme started. I don't know the actual price paid for the cocoa-dollar, but in a recent statement the director of CACEX stated that the margin between that price and the free exchange rate has almost been eliminated. One may perhaps estimate the price paid for the cocoa-dollar at cr$150.00. It is obvious that the cost of

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exchange can no longer be called such, it being simply a preferred rate or a subsidized rate, defrayed, if it is to be kept, by direct subsidies.

From the foregoing, one infers that the shifting of cocoa to the free market means a minor change and cannot affect greatly the external quotations, because any decline in the present level will meet the resistance of the African producers.

As to coffee, the problem is extremely delicate and funds have to be provided for thedefense of external prices through the internal backing of prices.

Exchange Reform: "With regard to a possible exchange reform, the thesis held by professors Romulo Ferrero and Eugénio Gudin should be interpreted in its proper setting. Professor Eugénio Gudin, as well as Octávio Bulhões and all those affiliated to that school of thought believe that a freely fluctuating exchange rate is the normal corrective measure to be used whenever difficulties arise in the placement of export products, but they do not suggest that the government cross its arms and abandon the exchange rate to its fate regardless of its effects on the balance of payments. Very much to the contrary, the government has to take protective measures so that a fluctuating rate may not become a national calamity which once unleashed may create an extremely dangerous situation.

Consolidation Without Funding: "I cannot see how Brazil can force creditors into a funding, nothing has been more detrimental to our credit policy than the procedures adopted for obtaining previous fundings." My opinion is in agreement with the concepts already expounded. As to the measures to be taken, they might probably be concentrated on the following:

1) Consolidation of external obligations at a short-term, their maturity dates being broken down into reasonable periods;

2) To encourage all possible sources of exchange, including investment of capital;

3) To limit external and internal expenditures to those within our capabilities, including the resources from desirable credit operations.

SOURCE: Jurnal do Comercio, February 4, 1961

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AIR POUCH
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(Security Classification)

[redacted]

FOREIGN SERVICE DESPATCH

FROM : Amcongen São Paulo

302
DESP. NO.

February 16, 1961
DATE

TO : THE DEPARTMENT OF STATE, WASHINGTON.

REF : CERP - Section D Item V - A - 3

	ACTION	DEPT.
20 For Dept. Use Only	ARA 4	RM/R-2 REP-1 INR-7 E-7 ICA-11
	REC'D 2-21-61	OTHER COM-8 TR-3 FRB-3 XMB-4 CIA-10 RAF-7 AGR-8

FEB 17

SÃO PAULO, BRAZIL

SUBJECT: Acceptance Company has Good Year

(1)

The acceptance company, Companhia Sul Americana de Investimentos, Credito e Financiamento, issued its annual report for 1960 and reported that it had a profitable year. The company operated with a capital of Cr$120 million of its own and Participation Funds supplied by outsiders in the amount of Cr$206 million 1/.

The report said that continued inflation in 1960 created a greater demand for credit, primarily for new investments and to finance the sale of durable goods on a medium term basis. Financing operations went into the following economic activities:

	Own Capital	Participation Funds
1. Trucks, tractors and agricultural and industrial implements	Cr$66,524,042	Cr$9,512,000
2. Road building equipment	27,748,117	41,231,862
3. Household goods	48,121,019	52,964,511
4. Rural and other vehicles	29,306,746	60,339,807
Total	171,699,924	164,048,180

Sul Americana is one of about a dozen acceptance companies in São Paulo financing installment sales of durable goods. It is the only one so far that has indicated the types of financing undertaken during the past year. In this respect it is interesting to note that about 57 percent of the financing was on installment sales of household goods and vehicles to individuals, while the remaining 43 percent covered durable goods for productive purposes.

For the Minister Consul General:

Scott C. Lyon
American Consul

1/ US$1.00 equals Cr$222 at the free market rate of exchange on Feb. 10.

DEPARTMENT OF STATE
BUREAU OF
INTER-AMERICAN AFFAIRS
FEB 27 1961

832.10/2-1661 HBS

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(Security Classification)

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832.10/2-2161
XR 832.131

FOREIGN SERVICE DESPATCH

FROM : AMEMBASSY, RIO DE JANEIRO
722
DESP. NO.

TO : THE DEPARTMENT OF STATE, WASHINGTON.
FEB 2 1961
February 21, 1961
DATE

REF : Embassy Despatch 701, February 8, 1961
832.10/2-861

For Dept. Use Only	ACTION	DEPT.
19	ARA-3	REP-1. RM/R-2 INR-7 E-7 ICA-11 SCS-1
	REC'D 2-25	INFO OTHER Com-8 TM-3 FRB-3 XMB-4 CIA-10 TAR-2 DLF-7 AGR-8

SUBJECT: Dollar Auctions.

The Finance Ministry announced on Saturday that the dollar auctions which Finance Minister Mariani had promised would be resumed on February 21 (see reference Despatch) would again be postponed pending completion of a study now underway of the internal and external financial situation. The announcement gave no inkling as to how long this would be but the press speculated that dollar auctions would not be resumed until a new exchange policy had been decided upon and was ready to be put into effect.

For the Ambassador:

John Krizay
Second Secretary of Embassy

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MAR 9 11 44 AM '61

832.10/2-2161

Coordinated:
Herbert K. May
Herbert K. May
Treasury Attaché

DEPARTMENT OF STATE
BUREAU OF
INTER-AMERICAN AFFAIRS
MAR 1 1961

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(Drafting Office and Officer)

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832.10/2-2161

DEPARTMENT OF STATE

Memorandum of Conversation

DATE: February 21, 1961

SUBJECT: Brazilian Financial Situation

PARTICIPANTS: Mr. Ralph E. Kimpel, Vice President, Morgan Guaranty Trust Company of New York

ARA - Mr. Barall
EST/B - Mr. Wilson

COPIES TO: ARA - Mr. Barall (2)
EST - Mr. Boonstra
EST/B - Mr. Wilson - 3 (1 cc)
E
REA -
Amembassy Rio de Janeiro

832.10/2-2161

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Mr. Kimpel said he had come in to discuss the Brazilian financial situation. His Bank had observed that the financial situation in Brazil seemed to be getting worse and worse. They are somewhat heartened by the election of Quadros but are concerned at Brazil's apparently permanent balance of payments problem. He said that he understood that the new Brazilian Finance Minister, Mariani, was coming to the U.S. shortly.

In reply to Mr. Kimpel's question as to how the Department of State views the situation, Mr. Barall mentioned the general belief that Quadros has sound financial views and will probably be inclined to take constructive measures. We do not know, of course, whether he will meet all the usual IMF conditions for an agreement on a stabilization program.

The United States Government is willing to help Brazil in the emergency and has so told the new Government although, contrary to press reports, we have not offered a specific amount of credit. Mr. Barall said that we have not actually talked to Quadros yet and do not know that he will accept our offer of emergency help.

There was some discussion of the problem of the Brazilian Northeast and of our hope that the Food-for-Peace Program could be of assistance there.

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APR 17 1961

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Brazil
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