Foreign Service of the United States of America

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Date: Sept. 18, 1962

TO: Sec State 642 PRIORITY

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Ref: Emb Tel 636 (88)

Following from Brasilia.

New Cabinet announced officially late yesterday differs from that detailed reftel in following respects: (1) Hermes Lima to hold both Prime Ministry and Foreign Affairs: (2) Justice to João Mangabeira: (3) Education to Darcy Ribeiro (now Rector University Brasilia); (4) Labor to João Pinheiro Neto (presently Labor Under Secretary): (5) Health to Dr. Eliseu Paglioli (now Rector University Rio Grande do Sul); (6) Navy, Agriculture and Air to be filled by hold-overs from da Rocha Cabinet.

In press conference held yesterday following his return from Rio Primin designate Lima emphasized transitory character of new Cabinet, asserting its only function that of serving as overseer of October 7 elections and stating that it would be re-organized soon thereafter.

Embassy office believes Lima's public emphasis on temporary nature new Cabinet probably made in response to political pressures PSD and party leaders with whom he doubtless conferred during Rio trip. Whether it really represents shift previous Goulart intention maintain Lima Cabinet in office until next year's plebescite (reported reftel) or is merely attempt buy time by publicly soft-

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soaping party leaders (who doubtless disappointed at Goulart failure to provide immediate quid pro quo for recent PSD-PSP support on plebescite issue) remains be seen. Most likely hypothesis seems be Goulart awaiting election results order decide if able stick with this latest group "high quality" cronies or needs bring in outside elements order achieve wider political support.

As for Cabinet itself, Ribeiro and Mangabeira appointments hardly reassuring (given generally socialist tenor new Cabinet)

MAN though Embassy office still believes Cabinet as whole some improvement over Brochado group.

GORDON

Approved in draft by PRaine.

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