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Morning session Chamber of Deputies ended 11:30 today without formal action siege bills. In obvious stalling effort Chamber President Mazzilli refused present bills for formal discussion using as excuse delay in printing copies for general distribution. Everyone confirms Government intention withdrawal siege proposal. PTB is in caucus with officials of Chamber Secretariat in search of acceptable legal face-saving formula for withdrawal siege proposals, which procedure not clearly provided for by regulation. Big question in active discussion by all Congressmen, newspapermen and interested observers is what will follow withdrawal action. Alleged statement by War Minister Dantas to effect siege proposal no longer necessary because it has already had desired settling effect, may indicate acceptance withdrawal by military ministers. Rumors of direct military intervention in Guanabara without

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siege powers persists, however. Ultima Hora columnist Flavio Tavares stated PTB grupo compacto line that although withdrawal siege proposal represents short-run setback Goulart, it will strengthen him in long run demonstrating again his support for the people. Also reported that Goulart in meeting last night with CGT promised complete eventual ministerial change. Tavares was of opinion this would not occur soon, especially in case military ministers. Another rumor circulating Congressional halls to effect PSD about to break with Goulart. In fact, intense confabulation between top PSD and UDN leaders noted. Questioned in this regard. UDN Leader Herbert Levy stated that nothing firm but admitted conversations in between UDN and PSD in progress.

report just received from that Presidential Message of withdrawal delivered Congress shortly after MKANX 12 noon. message will probably be subject afternoon Chamber session starting at 1:30.

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