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A-760 CONFIDENTIAL

NO.

TO : Department of State

FROM : AmEmbassy, Rio de Janeiro

DATE: February 9, 1966

SUBJECT : Conversation with Nascimento Brito, Publisher of Jornal do Brasil.

REF :

Enclosed herewith is a Memorandum of Conversation with Sr. Manoel F. Nascimento Brito, Publisher of Jornal do Brasil, Rio de Janeiro's daily of largest circulation. The newspaper might best be described as enlightened-conservative and Nascimento Brito as the young, serious minded, socially conscious but not always clear thinking, son-in-law of the daily's owner, the Condessa Pereira Carneiro. He is convinced of the need for reform in Brazil if the nation is to modernize but has on occasion been led astray by intellectuals of more facile thought and expression than himself. On the other hand, when he clearly sees that action is necessary to preserve democracy or the welfare of his country, he is not afraid to act. Thus, he had a not inconsiderable part in the overthrow of the Goulart Government and while he and the Jornal do Brasil continue to support the Castello Branco Government, they have not hesitated to criticize some of its more authoritarian acts. The paper constantly calls for return to democratic procedures and is considered to have a salutary influence on the Government.

Nascimento Brito's concerns outlined in the enclosure relate to the recrudescence of an ultra-nationalistic campaign in Brazil sponsored inter alia by nationalistic industrialists and Carlos Lacerda (see the Embassy's telegram no. 1754 of February 4, 1966), the unsuitability of War Minister Costa e Silva as a presidential candidate, potential political unrest in Brazil, and his fear that status quo elements in the country may effectively slow down or stop needed reform promised by the Castello Branco "revolution".

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Brito's concerns are probably over stated, but that he has grounds for concern there can be no question. The beginnings of an ultra-nationalistic campaign are evident from a number of indications which will be reported separately. Today's (February 9) Jornal do Brasil strikes hard at the roots of such a campaign in a full dress lead editorial.

As indicated in the Embassy's telegram no. 1754, the Country Team is working on measures to counteract damage already done by the anti-foreign press campaign and is considering measures which might be useful in meeting a wide spread nationalistic campaign directed against the United States, should one develop.



Philip Raine
Chargé d'Affaires ad interim

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Memorandum of Conversation

Date: February 2, 1966

Place: Maison de France Restaurant

Subject: Views of Jornal do Brazil Publisher on Anti-Foreign
Press Campaign and Costa e Silva Candidacy

Participants: Manoel Nascimento Brito, Publisher of Jornal do Brasil,
Chargé d'Affaires ad interim, Philip Raine

1. Nationalist Campaign. Brito plunged into the conversation as soon as we sat down. In unaccustomed frankness and display of concern over developments in Brazil, he seemed particularly disturbed over the growing ultra-nationalism which he sees as developing in the country. He said that the present campaign launched by Deputy João Calmon in the name of the Chateaubriand chain of newspapers, magazines, radio and TV stations was only the beginning and would serve as a sort of launching pad for a full dress campaign which he claims to see in the offing. He mentioned as a sign of the foregoing the forthcoming luncheon being held by the Confederação Nacional de Industria (National Confederation of Industries), honoring Calmon. He said that of course he will not attend but is shocked by the Confederation's action which in effect endorses Calmon's campaign. He went on to say that after several lengthy conversations with Carlos Lacerda recently and with businessmen he fears that this campaign will have quite wide support, overt or covert, from many of the more important Brazilian industrialists, political demagogues and Lacerda himself intends to make the issue a principal instrument in his bid to return to power. The United States will be the whipping boy and Lacerda also made clear to Brito that one of his principal objectives is Roberto Campos who will be attacked on his pro-American, deflationary policy.
2. Minister of War, Costa e Silva. Brito's estimate of the War Minister is more or less as follows: He considers him a good fellow, anti-communist, a strong character but believes that he understands very little of the

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political game as played in Brazil and indeed, as he, Brito, believes it must be played if there is to be a semblance of tranquility in the country. He sees his failings as a serious lack of patience and ability to deal with difficult situations and possessing very little understanding of world affairs or economics. He is convinced that in office Costa e Silva will head inexorably toward military dictatorship, as soon as he is crossed several times and finds himself unable to handle problems through the traditional orthodox political methods. Brito opined that the War Minister had seized the initiative from President Castello Branco. The President, he is convinced, does not favor his candidacy. He thinks that the President is still able to maneuver to a limited degree despite the fact that Costa e Silva is very cleverly maintaining the initiative during his present trip abroad. Brito referred to a talk he had some time ago with Castello Branco in which the President had stated flatly that he would not tolerate any cabinet member running for public office from his cabinet post, ruefully adding that now he has one and can apparently do nothing about it. He thus surmizes that the President will attempt to move the War Minister out of his job but if it comes to a confrontation he will accept the War Minister as the Government's candidate rather than risk a serious crisis, the outcome of which would be unpredictable. He sees the show-down over the question of how long a government official must be out of public office before he can run for the presidency. It is known that the War Minister would strongly resist getting out of office six months before elections as required by the Constitution since the fact is that once out of the War Ministry he will be pretty much of a shorn-Samson. When I questioned Nascimento Brito on whom he thought were Costa e Silva's advisors since they seemed to me to be very able, he said that he is obviously being advised by some of the old-line PSD, naming Renato Archer, Deputy and recently defeated gubernatorial candidate from Maranhão, who is linked to the Rocha Miranda interests. He said that he knows that the WarMin has played poker with Archer.

3. Carlos Lacerda. From his lengthy talk with Lacerda, Nascimento Brito has reached the conclusion that the ex-Governor is perhaps the most dangerous man in Brazil. He is seeking power and will use any method to reach it. He said he is diabolic and Machiavelian, probably one of the most intelligent and amoral men on the Brazilian scene today. He sees him using the methods of Fidel Castro to reach power. He noted again that Lacerda will be a leader in the anti-US - Nationalist campaign and has indicated to Brito that he will accept any allies therein. When I asked Brito what rational the attack would assume he said that it would be an attack on the

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Alliance for Progress on the basis that it is being used primarily to push U.S. private capital into the country, affronting national interests and that the Alliance has brought little public capital for development purposes which brings U.S. policy to about where it was during the Eisenhower Administration. Lacerda indicated that he will not re-enter the political arena until March or April, and does not intend to do any writing or speaking until he has consulted with War Minister, Costa e Silva, on his return from his trip abroad. Brito said that Lacerda and Costa e Silva had conversed and that while he does not know what agreement was reached between them he deduces that Lacerda is agreeable to accepting a subordinate position with Costa e Silva with the intention of eventually taking power from him. He added that the ex-Governor is thinking only in national terms and that he has lost all interest in state affairs.

4. Constitutional Democracy. Nascimento Brito is gravely concerned over the inability of the government to legitimize itself, that is, return to constitutional procedures and effectively to meet its mounting political problems to say nothing of social and economic problems. He sees the danger of the "revolution" becoming a "counter-revolution", seeking only to maintain the status quo which could create so much dissatisfaction that an explosion would be inevitable within a few years. At which time the Goularts of Brazil can come back saying "I told you so". The time would then be ripe, he fears, for a communist take-over.

5. Coup possibilities. According to Nascimento Brito a hardline-led military coup is possible in May or June. It would be the result of misunderstanding or falling out between the War Minister and the President. Carlos Lacerda would be one of its principal instigators and President Castello Branco would be its target.

6. Jornal do Brasil is doing extraordinarily well financially and in circulation. He mentioned that the preceeding Sunday over 239,000 issues had been printed and only a thousand copies returned unsold. Many stands sold out early in the morning. He said that it is not the intent of the Jornal to print more copies since it is way ahead of its nearest competitor and it prefers, under present conditions of printing and machinery, to keep the circulation lower. He said that last year the paper had shown a billion cruzeiros net profit. This year he expects it to run about 2 billions. He went on to say that the paper had recently bought ground on which it will construct a new building where newly ordered presses would be installed. He expects to use computers for some of the newspaper work.

7. On the Diarios Associados campaign being led by Calmon, Nascimento Brito considers this a very dangerous development. He said the real trouble with the press in Brazil today is that it is mostly dishonest, cannot support itself from either advertising or circulation and that consequently many newspapers become vehicles for blackmail. If the government is worried about a venal press, all it needs to do, he said, is indicate that the creditors of the newspaper insist on payment which would close down virtually overnight most of the newspapers that have no reason for existence. This is why he believes that it was a mistake for the President to establish the committee investigating the so-called interference of foreign capital and thought in the Brazilian press and other news media. Brito sees this move as giving respectability to what before then had been pretty much demagoguery. He went on to say that the Jornal do Brasil is negotiating with ABC for a usage arrangement on some of ABC's material. He said that he had told Calmon, who knows about the foregoing, that if he raises the issue publicly Jornal do Brasil will let Diarios Associados have it "with both barrels", indicating that he has a good deal of unsavory information about the Chateaubriand chain. As one item he mentioned that Diarios Associados has a long standing debt with RCA of over a million dollars, a debt from the assistance given Chateaubriand by RCA in setting up radio and television stations some years ago.

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