

AIRGRAM

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A-6
NO. CONFIDENTIAL

TO : DEPARTMENT OF STATE

INFO: RIO DE JANEIRO, BRASILIA, BELO HORIZONTE, BELEM, CURITIBA, PORTO ALEGRE, RECIFE, SALVADOR

1965 JUL 12 BUREAU 40

DEPARTMENT OF STATE

INTER-AMERICAN AFFAIRS

JUL 13 1965

ANALYSIS & DISTRIBUTION
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POLITICAL

1. Uproar Follows IPM Colonel's Manifesto.

On July 5 Air Force Lt. Col. Julio VALENTE, former coordinator of post-revolutionary military inquiries (IPMs) into São Paulo Federal Income Tax Office (A-60, Sept. 3, 1964) and head of the subsequent investigation into the São Paulo State Finance Secretariat, distributed a violent manifesto accusing

GROUP 3

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FORM
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the Federal Government of betraying the Revolution and blasting Governor Adhemar de BARROS and his administration for massive corruption. By innuendo he also cast aspersions on the motives of President CASTELLO BRANCO for ordering the termination of his IPM and for refusing to grant an extension for which he appealed.

Colonel Valente, known in São Paulo as a dedicated, disillusioned "hardlining" pilot, condemned the methods, measures and even the draft laws of the present Federal Government as virtually identical with those of Goulart's regime, and offered a lengthy recapitulation of standard "hardline" complaints as proof of the betrayal of the Revolution. His charges ranged from condemnations of economic and agricultural policies, to allegations of systematic sabotage of the Ato Institucional to permit the worst offenders to escape punishment. He taxed the Government for permitting Congress to function, for filing away IPM reports or referring them to civil courts, for condoning habeas corpus to notorious subversives and crooks, and for appointment to key positions of elements ideologically, morally or politically committed to the deposed, former Government. His specific accusations against the São Paulo State Government included theft of public money, perjury, pressuring investigators, and seeking to impede, undermine or nullify the IPM. He flatly indicated Adhemar de Barros as the chief peculator and corruptor.

Adhemar de Barros, surrounded by henchmen and cronies gathered together in his palace to demonstrate solidarity, protested that he was attacked only because of his resolve to transform São Paulo into a bastion of human liberty and a redoubt of democracy. Adhemar also asserted that the real target of the attack was Castello Branco, and, hinting very broadly that he had the UDN in mind, said that the manifesto was politically inspired by a desperate party which knows it will be defeated at the polls.

Local repercussions were immediate and widespread. Adhemar's legion enemies hailed the document as written substantiation of what was already public knowledge. Folha, while decrying military indiscipline and immoderation, heartily agreed with many of the colonel's conclusions. In Santos, a Janista city, several city councilmen congratulated the manifesto's author.

Having dropped his bombshell, the Colonel disappeared, reportedly to a fazenda in the interior of the State. The IV Air Zone, which is looking for him, released a statement that Colonel Valente will be punished, as prescribed by military regulations. (UNCLASSIFIED)

Comment: Adhemar de Barros is famous as perhaps the greatest, most blatant and incorrigible grafter still active in Brazilian politics. According to all current reports, despite the Revolution he has not altered or moderated his tactics in the slightest. That he survived the purges has galled "hardline" idealists ever since the

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Revolution, and the fact has been often cited by anti-Revolutionaries to illustrate their contentions that the Revolution was essentially a fraud. It is doubtful whether Adhemar will face any immediate difficulties as a result of this forceful exposé. However, it will not help his image or his forthcoming presidential campaign efforts.

Should Colonel Valente be apprehended, the "hardline" will, of course, have another martyr, perhaps more attractive than MARTINELLI. Given the nature of his IPM and the content of his revelations, the Colonel is sure to have a great deal of local sympathy from his "hardline", frustrated brother officers and from civilian revolutionaries, as well as from much of the general public, long disgusted by Adhemar's methods. (LIMITED OFFICIAL USE)

2. Democrats Form Unity Slate With Extreme Leftists in Key Metalworkers Union.

Several contending factions in the important São Paulo City Local Union of Metalworkers (largest local union in Brazil), after intensive maneuvering and talks, combined to form a unity slate in the elections scheduled for August 2-6. Among these factions are one "independent" democratic group supported by the State metalworkers federation with the apparent blessing of the International Metalworkers Federation (IMF), and another responsive to UDN Federal Deputy and gubernatorial candidate Herbert LEVY and to Antônio Pereira MAGALDI, democratic commercial worker leader, as well as sectors controlled by the Brazilian Socialist Party (PSB) and the dissident "Chinese-line" Communist Party of Brazil (CPB). Candidates for the seven-man executive board in the final slate include four leaders of the "independent" democratic group (including two former interventors), one leader of the "Levy-Magaldi" group, one PSB representative, and one man nominated by the PSB but reportedly with ties to both the Levy-Magaldi group and the Brazilian Communist Party (PCB). One well-known CPB leader is a candidate for trustee, and four other relatively obscure PSB nominees are candidates for lesser positions.

Joaquim dos Santos ANDRADE, "independent" democratic candidate for President on the unity slate, staunchly denied to the ConGen Labor Officer the presence of any PCB members on the slate. He claimed that the slate represents the only alternative to a PCB election victory or continuing intervention. Regional Labor Delegate Damiano GULLO also strongly supported this claim, and uneasily explained to the Labor Officer that unless the extremist candidates on the unity slate are challenged by metalworker union members, his hands were tied by Labor Ministry decree No. 40 regulating union elections. He added that if the extremists were challenged, he would immediately cancel their candidacies. Andrade also admitted privately that local "hardline" military have threatened to prevent the election unless the extremists are dropped from the slate. (CONFIDENTIAL)

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Comment: Prior to the 1964 Revolution this union, run by a PCB-PSB coalition (with the former dominant), constituted the kingpin of the PCB labor apparatus in São Paulo. PSB metalworker leaders have a long record of collaboration with the PCB. All reports indicate that the democrats doubted their ability to beat a Communist-inspired slate or to achieve the required vote quorum should the extremists be prevented from running, because of increasing discontent among the workers with Federal Government measures they consider harshly discriminatory against the laboring class. Observers see as another contributing factor the obvious desire of many prominent democratic leaders, such as Magaldi, the former interventors and the "independent" democratic leaders to maintain their comfortable positions and influence even at the cost of alliance with the extremists. One key point not completely clarified is the ambivalent position of the Regional Labor Delegate. It is unlikely that the unity slate could have been formed without at least his acquiescence, if not support. This is not the first instance of Gullo's looking the other way while the Communists make hay (see A-323 of May 20, 1965). Should the slate be allowed to run and should it attain the necessary quorum, the Communists will probably not immediately regain their former position of dominance in the metalworkers union, but will have their foot in the door. Furthermore, they will have set an important precedent for similar infiltration into other union emerging from intervention. The unity slate would appear to be an ominous development. (CONFIDENTIAL)

3. CP Disavows Presidential Aspirations.

Speculations and rumors on the presidential possibilities of São Paulo ex-Governor CARVALHO PINTO have intensified following presentation of the Federal Government's draft ineligibilities bill under which he could run for office in 1966 (WS 26). PSD Federal Deputy CUNHA BUENO declared that his party will continue to demand that Carvalho Pinto announce his candidacy. In a press interview condemning LACERDA's bitter attacks on the Government, Senate leader Daniel KRIEGER (UDN) emphasized that Carvalho Pinto "is a safe port for those despairing of all political currents", and broached the likelihood that he may "come to be the candidate favored by the Revolution". In response, Carvalho Pinto again denied that he coveted the Presidency, reaffirming his intention to compete for São Paulo's Governorship. Referring to the key economic and political role of São Paulo, he insisted that he could best serve Brazil by providing the State with an efficient administration. He counted himself out by adding that only a candidate wholly identified with the Revolution could possibly assure that Brazil would enjoy tranquility, especially required during the coming presidential term. (UNCLASSIFIED)

Comment: Many local observers are cynical about CP's repeated disclaimers, feeling that he "doth protest too much". They project that once the ineligibilities bill safely becomes law, Carvalho Pinto, who is known to harbor presidential ambitions, will find himself persuaded to bow to overwhelming pressure to announce his candidacy. His refusals thus far have been couched in terms of modesty and self-sacrifice for the common good, which appear to be enhancing his attractiveness as a nominee. Should the administration decide that

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it wants him, the lack of prior identification with the Revolution would not be a stumbling block. At this point, CP is holding the door open. (LIMITED OFFICIAL USE)

4. PDC Seeking Leftist Unity.

In a talk with Consulate General officers, João Carlos MEIRELLES, Secretary General of the São Paulo State PDC and a militant member of the party's extreme left-wing, confirmed that he and his associates were seeking to construct either a left-leaning party of "progressives", or a cooperative effort among political groups, ideologically close to them (WS 21). He denied that he was interested in any connection with Communists because, he claimed, they are the most dedicated enemies of the Christian Democratic movement in Brazil and throughout the world. Meirelles explained that Communists recognize that realization of Christian Democratic social programs would utterly destroy their reasons for existence. Thus, while he was trying to arrange a frente comum with the democratic Left, he said he opposed any frente unica proposals from the Communists. When questioned about past Left-wing PDC support of Communist slates in union elections, he admitted that such "tactical moves" might have occurred, but he disclaimed personal involvement. (UNCLASSIFIED)

Comment: In another portion of the conversation, Meirelles alluded to the necessity for realism in politics, i.e., supporting a candidate like CARVALHO PINTO who might subscribe to 70 percent of a party's program, rather than insisting on a party man who might not be able to win. Given frequent past reports about overtures to local Communists by PDC extremists, Meirelles' pious denial may simply have been a ploy toward American guests. Political realism may well inspire collaboration which might be considered advantageous. (LIMITED OFFICIAL USE)

5. First Democratic Union Seminar For Auto Workers.

The International Metalworkers Federation (IMF), a democratic International Trade Secretariat (ITS); the United Auto Workers of America (UAW); and the São Paulo State Federation of Metalworkers jointly sponsored a trade union seminar for some 25 workers from the automobile industry in the São Paulo area July 1-4. One American and one Canadian UAW representative, as well as a Mexican economist attached to the IMF's Inter-American office, participated as instructors. (UNCLASSIFIED)

Comment: To our knowledge this was the first specific program aimed at automobile workers in Brazil, and the first IMF educational effort in this area in recent months. The sponsors expressed to the ConGen Labor Officer their satisfaction with the seminar's impact, and the IMF and UAW are considering holding similar seminars in the near future for metalworkers in the Rio de Janeiro and Porto Alegre areas. (UNCLASSIFIED)

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PSYCHOLOGICAL1. TV Exposé - "The Truth About Santo Domingo".

After a month's visit to the Dominican Republic, Paulo Mario MANSUR, special correspondent and envoy of TV Paulista (Channel 5), appeared with a television panel composed of Mauro Guimarães (Chief of the Radio Nacional and TV Paulista news bureau), announcer Luis Lopes CORREA, and newswriters Antonio GARINI and Fausto NOGUEIRA. Ostensible purpose of the show (appearing at prime time on July 2) was to shed light on the Dominican situation, illustrated by motion picture footage taken there to back up the facts. The show was instead a series of jumbled fantasies presented against a series of newsclips often unrelated and somewhat unconvincing to a more sophisticated viewer. Even though the show was poorly done, it probably was effective with the general TV audience because it was presented as an eyewitness account. From the very beginning the show was anti-American in tone, pro-Caamaño, and naturally anti-Imbert. The only part of the show without anti-U.S. coloration was a short interview with Brazilian OAS Ambassador, Ilmar Penha MARINHO, but Mansur managed to cast doubts on Marinho's assertions that the majority of the people were politically neutral, by saying that he and other correspondents judged pro-Caamaño sentiments to be uppermost.

Throughout the interview both Mansur and announcer Correa labeled American military presence as "interventionist", and an attempt to stop the victorious revolution of Caamaño and prevent Juan Bosch from coming back to his constitutional powers. They were more careful, however, in their treatment of Brazilian presence. Mansur gave the impression that most American correspondents and others were against American "intervention", and that even one of them was hustled back to the U.S. under U.N. protection because he was talking too much. According to announcer Mauro Guimarães (quoting "Le Figaro"), the reason the U.S. intervened in the first place was to prevent Bosch from returning to the presidency because he had refused just before his ouster last time to accept a contract with an American light company, giving preference to a British one instead.

The show also included a taped recording of Colonel Caamaño's special statement to the Brazilian people already reported in last week's Weeka. Some of the most telling scenes in the show were the uncovering of grave sites of victims of "Imbert Terrorism". Mauro Guimarães closed the show explaining the Dominican revolt in terms of the economic misery of the inhabitants and quoting liberally from Newton CARLOS (leftist "Folha" columnist) assertions that there will be other uprising unless the economic problems of Latin America are solved soon. Of course, the U.S. was indirectly blamed for all of this in a parting shot that Colombia, for instance, loses 50 million dollars every time the coffee exchange in New York drops a cent.
(UNCLASSIFIED)

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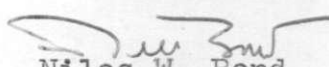
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from SAO PAULO

Comment: Inasmuch as TV-Paulista was purchased by the democratic and pro-U.S. (Rio) "O Globo" organization less than a year ago and reportedly has ties with TIME-LIFE, there are some imponderables that need answering. Possibly, editorial control is not being exercised yet or the financial arrangements leave TV-Paulista operators with certain autonomy. (LIMITED OFFICIAL USE)


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Minister Consul General

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