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POLITICAL

1. Janio and Janistas Still Bustling

As the road toward gathering his widely dispersed admirers into one party is proving bumpy and sinuous, ex-President Janio QUADROS and his disciples have been endlessly bargaining with divergent factions to iron away disagreements and devise compromises. Even a name for a new, united Janista front is being hotly disputed. But, despite problems Janistas profess confidence that the bulk of the PTN, MTR, and PR will meld with factions of the PRT, PST and PTB to sire a strong national organization under Janio's spell.

In a surprise move, greatly complicating fusion negotiations, Janio let it be known that his pick for Sao Paulo Governor in '66 is Fauze CARLOS, Sao Paulo city Secretary of Hygiene and Health, whose brother Emilio until his death (February 1963) was the charismatic, spellbinding chief of the Paulista PTN, and a Federal deputy. Young Dr. Fauze (44), no political novice, was Secretary of Health (1958-62) under Governor CARVALHO PINTO. Many observers, including Governor Adhemar de BARROS and Janista leaders, have pooh-poohed the news as a trial balloon or a ploy to end Carvalho Pinto inroads into Janista support. Elements from the MTR are openly unhappy to see a PTN man in ascendancy and are insisting that the new united party select a candidate. PR pro-Janio leaders want nomination of Mayor FARIA LIMA for Governor, so that PR Vice Mayor Leoncio FERRAZ, Jr. can take control of the city for them. Many maintain Faria Lima would be a stronger rival to Carvalho Pinto, and are pressing for an anti-CP alliance with Adhemar. However, ignoring these disagreements and repercussions, Janio has reiterated support for Fauze who is now busily receiving city and interior delegations, eagerly lining up behind him.

During the week word also circulated that Janio has endorsed Israel PINHEIRO for Governor of Minas Gerais and João AGRIPINO for Governor of Paraíba. He also managed to meddle in the Mato Grosso election by revealing that he refused several invitations to visit the state, as a trip there might be misinterpreted "as direct influence on my friends...in favor of Pedro PEDROSSIAN". To ensure his followers got the message, he added that his mere presence might be misunderstood simply because Pedrossian has "the total and massive support of all parties most intimately linked to my public life".
(UNCL)

Comment: Janio's increasing political activity is worrying and irritating his many enemies who are demanding that the Government force him to comply with measures under which his political rights were suspended. O Estado is campaigning against resurgence of the Janista menace, and Folha has condemned Janio for irresponsible maneuvers. Adhemar's spokesman, Agriculture Secretary CERDEIRA, publicly

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criticized Janio's interference in current elections and termed his political activity "criminal". The importance of Janio's growing influence is also being observed by local Communists with close attention. A ConGen source has reported that the Secretary of the Paulista PCB considers Janismo as the only aggressive, well-organized political force in the state today. There also are reports that the Communists plan to infiltrate Janismo to increase their own influence. (LOU)

2. Mato Grosso Election Preview

On the eve of Mato Grosso's gubernatorial election the few political pundits and observers in Sao Paulo, willing to comment on politics in the hinterlands, are cautiously inclining toward a narrow win by UDN hopeful Ludio COELHO (A-60, September 24). However, no one is definitely counting his aggressive PSD/PTB rival, Pedro PEDROSSIAN, out of the race. UDN banner-waving O Estado de Sao Paulo, which has been muckraking without respite against Pedrossian since his nomination, recently grouched editorially that "according to good sources, the worst can come to pass in Mato Grosso where...Filinto MULLER...could come out victorious in the person of a candidate against whom revolutionary justice has already manifested itself" (i.e. Pedrossian).

According to a Folha story filed from Campo Grande, President CASTELLO BRANCO recently dispatched the sub-chief of his military household, Colonel Dilermando Gomes MONTEIRO, to survey the progress of the Mato Grosso election campaign and to sample the pre-election mood of the state. Reportedly, he concluded that while some tensions exist between rival camps, the election should come off peacefully and normally, with both the PSD and UDN pledging to cooperate to maintain order. The article claimed he revealed that the President has no preference between the candidates and will support whomever wins. (UNCL)

Comment: Information from Mato Grosso is sparse and the truth is that no one in Sao Paulo at this stage really knows how things are going. When discussing the likelihood of a Coelho win, local prognosticators cite Coelho's flying headstart, his family's immense campaign expenditures, and all-out support for him by cattle barons who traditionally control rural votes. While Pedrossian has undeniably been gaining, it is impossible to assess how much. (UNCL)

3. Union Elections: Interventors Crushed

In the two most important union elections last week, the interventors' slates did very poorly. A Communist-supported opposition slate won by a wide margin in the Piracicaba textile workers union. The contest in the Sao Paulo City chemical and pharmaceutical workers union also ended in a crushing victory for the opposition over the former interventor, but preliminary reports indicate that the opposition leaders are democratically-oriented and not unfriendly.

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Meanwhile, the post-election hassle in the Sao Paulo City printers union boiled over (WS 37 and 38). A democratic slate supported by the interventor squeezed out a very narrow win over the Communist-supported opposition slate, but failed to get the majority required by Labor Ministry Decree No. 40. While in such cases the decree calls for a run-off, the interventor installed the winning slate, alleging procedural delays. However, the Regional Labor Delegate refused to recognize this action, promptly removed the interventor, and named a replacement to convoke a run-off election, which might swing the other way. Another exceptional situation arose in the Sao Paulo City bus and truck drivers union, where the Communist-supported opposition recently defeated two democratic slates by an overwhelming margin (WS 35). Subsequent investigation revealed that some of the good conduct certificates from the political police (DOPS) presented by opposition candidates were forged, whereupon the Regional Labor Delegate annulled the election and reinstated the former interventor with instructions to hold another election in three months. According to informed observers, if the Communists succeed in organizing another opposition slate, they would probably run away with the new contest. Investigations into the validity of DOPS good conduct certificates presented by victorious Communist-supported opposition candidates in at least two other recent elections are still in progress. (LOU)

4. Democratic Union Movement (MSD) Exhumed

The Democratic Union Movement (Movimento Sindical Democrático - MSD), a loose grouping of Sao Paulo anti-Communist labor leaders, actively opposed the Goulart administration and fought increasing Communist penetration into Brazilian unions prior to the 1964 Revolution, after which it sputtered out. Last week Antônio Pereira MAGALDI, President of the Sao Paulo State Federation of Commercial Workers and MSD President, announced plans to revive the MSD in order that "so many laws and Government measures against the workers can be fought within the spirit of the March Revolution". As examples of MSD targets, Magaldi cited the recent law forcing the labor courts to calculate private sector wage adjustments below the intervening cost of living increases, the 1964 strike law, and Labor Ministry Decree No. 40 regulating union elections. Magaldi claimed the support of seven Paulista union federations. However, Lourival PORTAL DA SILVA, President of the Sao Paulo petroleum products distribution workers union, former MSD stalwart and Magaldi crony, publicly opposed revival of the MSD at this time as inopportune and involving the unions in electoral maneuvers. (UNCL)

Comment: Informed sources agree that the MSD resuscitation is in reality designed to mobilize labor support for UDN Federal Deputy Herbert LEVY in his 1966 gubernatorial campaign (WS 37). Levy was instrumental in the MSD's founding in mid-1961 and almost certainly supported that organization financially at various times. In essence the MSD never had real base support. While the new MSD's projected

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program would seem carefully calculated to capitalize on widespread worker opposition to the Government measures mentioned, it will not be easy to corral significant numbers of worker votes for conservative banker Levy. (LOU)

5. PSP Rivals Trade Punches

What should have been a PSP love feast at the Santos City Council Chamber on September 24 developed into an embarrassing party uproar. At the invitation of the Council, Dona Leonor Mendes de BARROS, wife of Sao Paulo's Governor, visited the Chamber to accept the title of citizen emeritus of the city. By the time her escort, Agriculture Secretary Arnaldo CERDEIRA, who represented the Governor, finished with a short address, the festive spirit had been killed. In an incredibly tactless speech, Cerdeira blurted that he considered such ceremonies banal and routine, and only attended because of the high civic and moral virtues of the lady being honored. Outraged councilmen reconvened thereafter to lash his abuse of hospitality and his offensiveness, and charged that the Secretary's outrageous behavior was caused by the internal struggle within PSP between Cerdeira and Santos Mayor Silvio Fernandes LOPES, leading contenders for the party's gubernatorial nomination. This in turn engendered acid exchanges between the would-be candidates, both of whom recently have openly admitted their pursuit of the nomination. PSP followers of both are still busily exchanging insults. (UNCL)

Comment: The incident has brought into the open intraparty tensions over the gubernatorial nomination which have been simmering for several months. Both Lopes and Cerdeira have been touring the state, denigrating each other and soliciting support from party members. In spite of this, party chief Governor Adhemar de BARROS is still contributing to the suspense by stating that PSP mayors throughout the state will ultimately choose the party's standard bearer. In a September 29 interview the Governor listed no less than eight potential candidates, including both Lopes and Cerdeira. Until he reveals his choice, party in-fighting is expected to increase in virulence. (LOU)

6. Campaign Against Tax Reforms Continues

With great fanfare Sao Paulo Governor Adhemar de BARROS played host to a palace luncheon conference for Paulista federal legislators to discuss formation of a united front against federal tax reform proposals (WS 38). All three senators and 37 of the state's 59 deputies attended. Warning against the financial ruin of the state government and the death of Brazil's federal structure, should proposed changes be adopted, Adhemar suggested a national campaign to explain dangers for all states and municipalities in the planned measures. He also pleaded for a campaign for presidential veto of

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modifications in the sales and consignment tax recently approved by Congress. Along with these points both the Governor and the politicians enjoyed an orgy of high-sounding patriotic prose. Press reaction to the gathering was mixed. (UNCL)

Comment: The question of proposed tax reforms is complicated, controversial, and not well-understood by those who are issuing public comments. Apparently it is true that the several proposed measures would have the effect of reducing Sao Paulo tax revenues substantially. Also, certain proposed measures seem to reduce tax authority of the states in favor of the national government. These considerations naturally generate much political resentment. The Governor has evidently fastened on to the proposed reforms as a major political weapon which he plans to exploit to the utmost. Keeping his eye on his presidential aspirations, and realizing how vital Paulista votes are to him, he obviously is trying to adopt the pose as the disinterested, non-partisan champion of Sao Paulo's prosperity. (LOU)

7. Schemberg Plays Martyr

Sao Paulo's Red physicist, Professor Mario SCHEMBERG, who has been in scrapes with military probes since the Revolution, has again made a splash (ourtel 60). Recently a Sao Paulo military court, considering a subversion case in which he is implicated, refused him permission to travel to Japan for a physics conference and ordered his preventive detention (WS 35). This week, when the Supreme Military Tribunal (STM) postponed hearing his habeas corpus appeal until after the conference opened, Schemberg, protesting innocence, dramatically presented himself for imprisonment. From a manifesto rehearsing his tribulations it was transparent that he aimed to dramatize himself and win sympathy, to pressure the STM and to embarrass the Revolution at home and abroad. In his declaration, Schemberg portrayed his conference invitation as an important plaudit for Brazil and denounced his difficulties as a "gross outrage against Brazilian science and culture". He moaned he was in precarious health and that he has been persecuted for a year and a half "by enemies of liberty and culture". Addressing himself to national and international public opinion, he sanctimoniously insisted that he was sacrificing himself voluntarily only "to awake consciences lulled by the indifference and obscurantism which has dropped over Brazil". Following his confinement under especially comfortable conditions, Sao Paulo University professors and students quickly mounted a telegram and manifesto onslaught on his behalf. On September 24, the STM granted his habeas corpus by a 5 to 4 vote, and Schemberg triumphantly emerged from confinement after only 24 hours. At a reception given by university students in his honor he hailed his release as "a victory for democracy". The next day he departed for Japan without difficulty to participate in the conference at the University of Kyoto. (LOU)

Comment: By his clever tactics Schemberg, a Central Committee

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member of the Brazilian Communist Party, succeeded in foisting himself off as a victim of obtuse officialdom, and in the process has made the "hard-lining" military court appear ridiculous and malicious. Knowing how short Brazilian memories tend to be, even conservative O Estado, long a Schemberg foe, recognized the affair as a serious public relations blow for the Revolution, and berated the bunglers who allowed themselves to be maneuvered into a trap set with Communist shrewdness. (LOU)

8. CNTI Seeks to Bury Hatchet With ICT

Relations between the National Confederation of Industrial Workers (CNTI), Brazil's largest union organization, and the Labor Cultural Institute (ICT), Brazilian affiliate of the American Institute for Free Labor Development (AIFLD), have been strained since CNTI attacks on the ICT following the ORIT Congress in Mexico City last February (A-33, August 24, 1965). A recent conversation in Sao Paulo, initiated by four CNTI directors with AIFLD representative Gilbert RICHMOND, appears to have cleared the atmosphere somewhat and prepared the way for at least limited collaboration. CNTI Secretary General Ary CAMPISTA and Social Welfare Director Domingos ALVARES, who spearheaded the campaign against the ICT, participated in the discussion and seemed interested in patching up differences with the ICT. Key catalyst in this rapprochement was Olavo PREVIATTI, CNTI treasurer and ICT secretary. (LOU)

Comment: The CNTI's eagerness to mend its fences with the ICT leads to the suspicion that the former's reported efforts to obtain West German financing for educational activities have not yielded positive results. Furthermore, the above conversation spotlighted the role of Campista as CNTI kingpin. (LOU)

9. Czech Minister Visits Sao Paulo

Czech Vice Minister of Foreign Commerce Lutvik UTL, head of a Czech trade mission to Brazil, spent September 28 and 29 in Sao Paulo as a guest of the state government. According to press accounts, he discussed prospects of increasing trade between Brazil and Czechoslovakia with Governor Adhemar de BARROS and with local business leaders. Reportedly, both he and Vaclav BUBENICEK, Second Secretary of the Czech Embassy in Rio, who accompanied him, stressed that the Czech market was open to Brazilian industrial exports such as electrical home appliances, electric gauges, and textile machinery. At the invitation of CELUSA, one of the state electric corporations, the visitors spent part of their second day in Sao Paulo flying over hydroelectric construction projects such as Urubupunga. (UNCL)

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PSYCHOLOGICAL

1. Ambassador Gordon's Visit to Sao Paulo and Santos Obtains Unexcelled Media Coverage

Ambassador Gordon's visit to Sao Paulo and Santos on September 23 (WS 38) received wide and enthusiastic coverage by the press and other media in both cities, exceeding all expectations. The full text of the Ambassador's address to the Chamber was carried in four papers, O Estado, Folha, Diario de Sao Paulo, and Diario Popular. Diario de Sao Paulo applauded the address in general but claimed coffee producers and exporters would disagree that comparison of the present international market with what it would be without the international coffee agreement gives good reason for encouragement. O Estado agreed fully with the Ambassador, particularly with his warning that internal efforts are essential to avoid chronic coffee overproduction. Ceremonies in Santos also had large coverage, and mention by the Ambassador in Santos of Brazilian world famous soccer star Pelé was written up in a half-page story by popular A Gazeta Esportiva. (UNCL)

2. Revolutionary Impetus Weakening

Newspapers supporting the Brazilian Revolution are showing increasing concern over accumulating evidence of a return to political activity by anti-Revolutionary elements. O Estado has been denouncing this state of affairs for several weeks, and blames the "weakening of the Revolutionary impetus" on President CASTELLO BRANCO. As if to confirm O Estado's fears, small but telling indications keep cropping up in the media, especially on television. Latest indication of a return to the status quo ante was the performance by a top singer on TV-Record's (Channel 7) anniversary program of "Subdesenvolvido" (underdeveloped), a song made famous by the National Student's Union (UNE). "Subdesenvolvido" is a smart satirical composition blaming Brazil's troubles on foreign capital, especially U.S. capital. Records of this song were confiscated in mass by the police and army after the Revolution. (UNCL)

3. Courses on "Journalism"

One of Sao Paulo's most influential press organs, Folha de Sao Paulo, has been promoting intensive journalism courses in the interior cities of the State, nearly always inviting a well-known Leftist-leaning intellectual to close each with a lecture. Judging from the kinds of intellectuals invited to address each graduating class, the content of these "journalism" courses could be somewhat suspect. The city of Ribeirão Preto was the latest scene of a Folha course in journalism, and Professor Paulo DUARTE of the University of Sao Paulo Institute of Pre-History was the guest speaker.

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Paulo Duarte is persona non grata with the University Rector for his support of student political activities, and he minced no words at the closing lecture in denouncing the University Administration for "cultural terrorism". (UNCL)

4. Press Reaction on International Events

Return of former Dominican President Juan BOSCH to Santo Domingo received editorial attention in the Paulista press. Although Bosch is generally regarded as an "idealist" by the papers, he is unrealistic to some and a "useful innocent" to others for condemning the OAS and demanding indemnity from countries composing the International Peace Force in Santo Domingo. O Estado, for instance, deplores Bosch's first public declaration on his arrival, and says that his return is proof of the success of the OAS operation in the Dominican Republic. "Without the intervention", affirms O Estado, "Bosch would still be in Puerto Rico and his ideas couldn't be expressed in public meetings (in Santo Domingo)". Leftist columnist Newton CARLOS commenting in Folha says "the Dominican crisis is far from solution... The crisis enters a new phase".

Also commenting on the House of Representatives' resolution against subversive movements in Latin America, Carlos says that "the interventionist resolution represents an enormous step backward in time". Folha also carried some short critical notes on the resolution, mostly supporting Chilean reaction against it and asking if "the United States no longer recognizes the OAS". Reaction thus far is slow to get started, and may not increase in volume unless provoked. (UNCL)

Niles W. Bond

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Minister Consul General

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