

ORIGIN/ACTION

ARA-5

DEPARTMENT OF STATE

AIRGRAM

POL 2 BRAZ

FOR RM USE ONLY

RM/R	REP	AF
1	1	

ARA	EUR	FE

NEA	CU	INR
		5

E	P	IO
4		

L	FBO	AID
		12

AGR	COM	FRB
10	10	3

INT	LAB	TAR

TR	XMB	AIR
2	4	5

ARMY	CIA	NAVY
5	10	3

OSD	USIA	NSA
16	8	3

A-59

UNCLASSIFIED

NO.

TO : DEPARTMENT OF STATE

please pass Belem-1 Belo Horizonte-1
Recife-1 Salvador-1 Sao Paulo-1

1964 APR 6
ANALYSIS
BRANCH

HANDLING INDICATOR
DEPARTMENT OF STATE
BUREAU OF
INTER-AMERICAN AFFAIRS
APR 7 1964
DISTRIBUTION

FROM : Amconsul PORTO ALEGRE

DATE: MAR 31 1964

SUBJECT : WEEKLY SUMMARY No. 102

REF :

The Consulate recommends that this document not be disseminated outside of U.S. Government offices.

1. Tension Rises in Rio Grande do Sul As National Scene Turns Chaotic
2. Governors to Meet in Porto Alegre and Seek Solution to National Problems
3. Rigid Security Precautions at Porto Alegre Airport As Jango Transits Enroute to Rio
4. National SUPRA Boss Here
5. Credit Scare Sweeps State
6. Michaelson Explains Resignation
7. Military Note: Galhardo To Chief of Staff?
8. Miscellaneous

1. Tension Rises in Rio Grande do Sul As National Scene Turns Chaotic

Although there remain optimistic, uninformed, or simply unthinking members of the well-to-do classes who see nothing particularly alarming about the Easter weekend naval mutiny in Rio, most persons who feel that they would stand to lose anything by a popular uprising take an exceptionally grave view of the situation, which they see as the most serious crisis confronting the nation since the days of the Legalidade (aftermath of Jânio Quadros' resignation) in '61. Report

UNCLASSIFIED

FORM 4-62 DS-323

FOR DEPT. USE ONLY

☒ In ☐ Out

Drafted by:

TJDuffield/WDMcLainJr.:heb

Contents and Classification Approved by:

Clearances:

DECLASSIFIED

Authority NND 959000

after report reaching the Consulate states that landowners throughout the state are armed - in some instances with weapons not usually found outside the military establishment - well supplied with ammunition, and in a temper to start shooting at the first sign that plans to separate them from their property have passed to the action stage. Several industrial and commercial firms have sent messages to top officers on business trips abroad, urging their immediate return. Although disorders have thus far been avoided, occasions such as the approaching governors' reunion (see item 2 below) and March of the Family could easily lead to violence.

Summing up the conservative attitudes toward recent national developments, State Deputy Paulo Brossard, floor leader of the Partido Libertador, had the following to say before the Legislative Assembly:

"In two and a half years, the Goulart government has destroyed everything, the currency, which fell to levels lower than anyone had ever dreamed was possible; the parliamentary form of government, which in every continent and at every latitude and longitude has brought about the greatest social progress. In addition to this, it has destroyed confidence in the future and the very joy of living... It is a homeric task merely to survive... And now, the Government seeks to destroy the press, radio, and aviation... But first, it is necessary to destroy the Armed Forces." Concluded the Jango-hating deputy, who has become over the years something of an expert on impeachment procedures: "Let every one prepare himself as best he can to defend democratic institutions and his home against disorder and this attempt to abolish freedom."

2. Governors to Meet in Pôrto Alegre and Seek Solution to National Problems

In answer to an appeal by Governor Ildo Meneghetti of RGS, some 12 or more governors of other Brazilian states are expected to arrive in Pôrto Alegre on April 1, in order to assemble in secret sessions beginning the following day, for the purpose of seeking a solution to the current national crisis. Among the more probable visitors of gubernatorial rank are Adhemar de Barros (São Paulo), Carlos Lacerda (Guanabara), Magalhães Pinto (Minas Gerais), Lomanto Júnior (Bahia), and Ney Braga (Paraná). Possibles, however, include such figures as Badger Silveira (Estado do Rio) and even Miguel Arrais (Pernambuco), although the latter's appearance is at best highly uncertain. Deputy Leonel Brizola (PTB-Guanabara but an almost permanent fixture in RGS) considers the whole thing as a golpista attempt, although Secretary of interior and Justice Mondino asserts that on the contrary, it is publicly and notoriously anti-golpista, and in fact, another instance of RGS support of Legalidade (the established political order), "which today as in '61, is aimed at preserving the seats of those elected by popular vote and at enforcing the Constitution." The statement to be

UNCLASSIFIED

DECLASSIFIED

Authority NND 959000

issued at the conclusion of the meeting is still expected to be one of support for the constitution rather than one expressing criticism of the President.

Among many messages of congratulations addressed to Meneghetti for taking his firm stand was one from Federal Deputy Ranieri Mazzilli, presiding officer of the Chamber.

3. Rigid Security Precautions At Porto Alegre Airport As Jango Transits Enroute to Rio

His Easter vacation plans cancelled by the trouble in Rio, President Goulart passed briefly through Porto Alegre's Salgado Filho airport on his return to the north from his ranch at São Borja. Present on the occasion were Generals Assis Brasil and Benjamim Galhardo, as well as Deputy Brizola, to whom Jango is said to have referred to good-humoredly as "o comandante" (the chief). According to reports, the President did not seem particularly worried, and when queried about the interruption of his vacation, stated: "It makes no difference; I'll get some rest in Rio." Some eyebrows were raised because security measures during the President's stopover were completely turned over to the Army. The RGS state police, including its chief and the agents of DOPS (political security division) were apparently barred from the field, reportedly on orders of Assis Brasil.

4. National SUPRA Boss Here

Despite advance publicity that he would specify several fazendas marked for early expropriation during his visit here, it was a strangely muted SUPRA Superintendent João Pinheiro Neto who spent two almost furtive days here last week. His widely heralded television appearance was evasive and repetitive. He did say that only 2.8% (instead of a rumored 40%) of existing farmland would be expropriated and that this would commence within 30 days. However, Pinheiro Neto's persistent refusal to discuss methods of reimbursement (beyond stressing the need for a Constitutional amendment to permit payment in public obligation bonds) left unclear his true intention and capacity to act in so short a time in the face determined landowner resistance.

Comment: It is significant that Pinheiro Neto was almost effusive in his thanks for Governor Meneghetti's thorough and effective security measures which enabled him to carry out his visit without incident. He had reason for his gratitude since several fazendeiros have expressed their willingness to assist the young SUPRA leader into pijamas de pau (a coffin).

5. Credit Scare Sweeps State

The Bank of Brazil's announcement that, beginning March 25, it would cease its discounting and rediscounting operations in Rio Grande

do Sul brought a quick reaction from local businessmen and agriculturalists. A representative group hurriedly left for Rio de Janeiro to plead its case with federal Finance Minister Ney Galvão. The commercial community returned to an uneasy calm as the branch Bank of Brazil reopened its discounting activities today.

Comment: The tense atmosphere presently reigning here apparently caused many businessmen to forget that suspension of discounting operations during the last few days of the month has been the usual procedure recently. In justification of their fears, however, was the fact that this month the suspension reportedly was applied only to Guanabara, São Paulo and Rio Grande do Sul rather than to the entire country. Local businessmen believe that President Goulart, angered by recent critical a pedidos issued by commercial groups in the three states, took this opportunity to give them a warning sample of the consequences of presidential displeasure.

6. Michaelsen Explains Resignation

Federal Minister of Commerce and Industry Egydio Michaelsen who spent the Easter vacations at his Porto Alegre home, told newsmen that his rumored resignation is a fact and that he is only waiting for President Goulart to name his successor before formally abandoning his post. The former PTB candidate for governor emphasized that his resignation had nothing to do with the recent navy crisis in Rio and said his letter of resignation has been in Goulart's hands for at least two weeks (since March 14?). He said he was quitting because of his opposition to the "radicalization of our national policy."

7. Military Note: Galhardo To Chief of Staff?

General Benjamim Galhardo, currently CG III Army, is being mentioned as the most likely successor to General Humberto Castello Branco, Army Chief of Staff. Pending the appointment of a new permanent commanding general, Galhardo would be replaced by General Ladário Telles, currently CG 6th Inf Div.

8. Miscellaneous

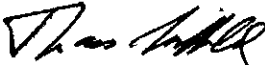
a. A group of stockholders of the Ipiranga oil refinery have hired attorneys to seek an injunction against the recent federal decree nationalizing the refinery and placing it under control of Petrobrás.

b. The CRT (state telephone company) announced it has received SUMOC authorization to import long distance telephone and telegraph equipment from Hungary. The Hungarian firm is presumably that former

UNCLASSIFIED

5
AIRGRAM A-59
PORTO ALEGRE

ITT plant expropriated by the Hungarian government several years ago.


Thomas J. Duffield
American Consul

cc.: Amembassy RIO
Pol. Section, Brasília
ARA-LA/BR, Washington
INR/RAR/P, Washington

Department: pass to all consular posts in Brazil

UNCLASSIFIED