

INCOMING TELEGRAM

Department of State

POL 2 BRAZ

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Control: 15661

Rec'd: March 20, 1964
2:12 p.m.

Rio 2007

45
ActionARA
Info

FROM: Rio de Janeiro

SS

ACTION: Secstate 2007, Priority

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INFO: Brasilia 222

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DATE: March 19, 6 p.m. (SECTION ONE OF TWO)

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Activity continues apace with left and Goulart continuing "clarify" their positions vis-a-vis recent events and opposition still groping for united countervailing position.

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1. Left: A) Communist: This week's issue of orthodox Communist (PCB) organ NOVOS RUMOS carries long excerpts of speech delivered in Rio de Janeiro by Luis Carlos Prestes on March 17, on occasion paper's fifth anniversary. Departing widely from theme "political situation and role of people's press", Prestes reviewed PCB's "errors" before 1958, its orientation since then, Goulart's policy since 1961 which, though marked by "positive" acts was generally one of "conciliation" until December 1963 when Goulart seems to have "begun to understand that... policy of conciliation...does not bring anything positive". As result this "understanding" and events following March 13 rally, which sparked "greater unity of patriotic and democratic forces", Prestes urged full support for (Dantas) United Front, for government composed of "political directors" of that front, and called for "all patriots firmly to support Goulart's actions (decrees), his March 13 speech, and his message to congress. Goulart raises flag of constitutional reform, and exactly (justamente) on those

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In opening portion of speech, Prestes eulogize March 13 rally as "political event of great and profound significance... masses took cognizance of actions (decrees) of President and heard him in speech which, without any doubt, we can call memorable. With those actions and those words, Goulart told Brazilian people he wants assume leadership of democratic process developing in our country. We communists have since 1961 systematically struggled against his policy of conciliation, of commitments to imperialists and the Latifundio. It is exactly because of that, because we have firmly struggled against...conciliation, that we cannot fail to proclaim our support for gestures of President which signify striking down that policy. That is what we saw on March 13". (Full text Prestes excerpts being translated for airgram transmission).

B) National Parliamentary Front's (FPN) weekly O SEMANARIO in editorial entitled "now, constitutional reform", opens by lauding courage of Mrs. Goulart in appearing beside President at March 13 rally and closes saying "supra decree was step towards destruction of old structure. Second step will be taken by constitutional reform. On with it!"

C) Popular mobilization front leaders, including Brizola and Arrais, met in Brizola's Rio de Janeiro apartment March 18 to discuss situation and reportedly agreed that "consultative plebiscite" on reforms is only solution to present "impasse".

2. Goulart: A) Goulart spoke as scheduled March 18 in Bom Jesus de Itabapoana, state of Rio de Janeiro. Replied to criticisms of his "reform" movement, reiterated that his position is fully detailed in message to congress, reviewed his actions in petroleum field and pledged "still

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-3- 2007, March 19, 6 p.m., (SECTION ONE OF TWO), from: Rio de Janeiro

other measures will be adopted", again cited late "reformist" Pope John, appealed to Brazilian women to support his efforts. Goulart also said, "as long as I head nation, the people will express themselves freely, in public squares and streets"; reviewed his decade of close friendship with people since his days as Labor Minister, claimed his reaching Presidency means people are now conscious of their responsibilities and, therefore, that liberation of people is now in people's own hands", and pledged that he, "interpreting people's democratic sentiments", will give full support and full "democratic cover" to people so this nation may attain its glorious destiny".

B) Goulart reportedly told PSD agressivos at March 17 luncheon (REFTEL) that he "would never accept being dictator". In other "leaks" from luncheon which JORNAL DO BRASIL claims were omitted from yesterday's official text his remarks, Goulart made efforts to depersonalize his current drive, reviewed his identification with PSD during both his Vice-Presidential campaigns, noted that Brazil's new international stature demanded revision of "feudal" internal structures.

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Action

Control:
Rec'd:

16022
March 20, 1964
9:14 p.m.

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FROM: Rio de Janeiro

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ACTION: Secstate 2007 Priority

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INFO: Brasilia 222

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DATE: March 19, 6 p.m. (SECTION II OF II)

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C) Some of press, including ULTIMA HORA, reports following decrees in prospect: Paper import monopoly; nationalization of Bank of Amazonia; rubber export monopoly; petroleum distribution monopoly; price schedules for building materials, price schedules for all industrialized products; especially pharmaceuticals. ULTIMA HORA holds petroleum distribution decree will be delayed six months pending development of distribution system.

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D) Cabinet: DIARIO CARIOCA headlines "Popular Front Articulates Reform Cabinet" and begins Cabinet guessing game with Deputy Jose Aparecida (UDN-Minas Gerais, until recently Magalhaes Pinto's head advisor) for Labor; Temperani Pereira -- Mines and Energy or Embassy in Soviet bloc; Wilson Fadul (Health) and Oswaldo Lima Filho (Agriculture) remaining; Helio de Almeida returning to Transportation; various papers see Ney Galvao (Finance) on way out. No hard rumors yet concerning Military Ministers or Foreign Minister.

E) Supra decree became effective on publication in DIARIO OFFICIAL March 18.

3. Opposition: A) Lacerda sent letter to all state governors

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150 2007

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-2- 2007, March 19, 6 p.m. (SECTION II OF II) from Rio de Janeiro

governors asking they join him in "democratic union against usurpation and demagogy". Charged Goulart wants "totalitarian 'plebiscite' with loaded questions which will not include: Do people prefer liberty or communism? People will be asked if they want reforms -- everyone does -- and on basis vague answer, it will be attempted to 'prove' that people are against Congress and vice-versa." Separately, Lacerda charged Goulart received from USSR, through PCB leader Prestes, "certainty of PCB support" for his continuation in power.

B) UDN reportedly planning anti-Goulart "manifesto" to nation. Magalhaes Pinto reportedly suggested to Adhemar de Barros that they issue joint manifesto. Adhemar postponed scheduled television debate with Lacerda and Kubitschek until after Easter. Sent message to nation's Bishops, Mayors and Municipal Chamber Presidents urging movement "for preservation democratic institutions."

4. Presidential Candidates:

A) Kubitschek evaded reply to Lacerda's questions (reference telegram) in weak television statement saying "Congress should be respected," recalled situation in 1955 when, under "identical intranquility" elections were held. Further statement promised for March 21, after his nomination.

B) Former Finance Minister Carvalho Pinto, in what various commentators feel was first step towards his candidacy, issued statement after meeting with Magalhaes Pinto and Ney Braga. Called himself "guardian of ... constitution" and in apparent poke at Congress, warned "blind and reactionary" elements that their failure to act on "demands imposed by social justice" throws country "into arms of demagogues and adventurers who ... cast Brazil along tormented path of revolution and dictatorship."

5. Church: Dom Helder Camara denied rumors he planning convoke Bishops of Northeast to examine government program and issue of PCB legalization. DIARIO CARIOCA reports Sao Paulo Cardinal Motta sent message to Goulart.

6. Military:

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-3- 2007, March 19, 6 p.m. (SECTION II OF II) from Rio de Janeiro

6. Military: A) Press continues reporting denials but hinting at possibility that Military Ministers plan pro-Goulart statement in event Congress does not act on Goulart message.

B) Former President Marshal Dutra, in exclusive statement to JORNAL DO BRASIL, said he breaking his "deliberate silence" since 1951 in consideration of "gravity of circumstances of present situation," and appealed to "clear-headedness and traditional good sense" of Brazilians, urging that "democrats unite, while there is still time" to prevent "advent of conditions which will fling Brazil into ... internal secession."

7. Economic Situation: Finance Ministry last night finally denied rumors that GOB planning freeze 30 percent of all bank deposits.

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