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POLITICAL

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POLITICAL

1. Brazil/U.S. relations in the headlines.

For two days, São Paulo headlines were monopolized by the

Decontrolled following January 1, 1983

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S. C. Lyon

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RJ Burton
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American Congressional release on Communist infiltration in Brazil (in the form of testimony credited to Ambassador Gordon). Editorials, even in the friendly press, criticized the timing and supposed intent of U.S. Government concern with Brazilian Communists (see item 9). Most accused or implied that the Congressional release was an attempt to put a political price on the success of Finance Minister San Thiago DANTAS' mission. Some important papers, however, held that the American information on Brazilian Communists was accurate. Most newspapers and columnists refused to blame Ambassador Gordon personally, some of them presenting elaborate arguments in his behalf. Despite the Ambassador's extraordinary personal popularity in São Paulo, however, he received one or two attacks from minor papers. These were toned down on succeeding days. The same pattern fit the State Legislative Assembly: none of the Deputies approved of the U.S. "maneuver," but some still spoke out loudly in favor of the Ambassador and American Government. The only violent attack noticed was from a far-leftist member of the PTB. Jânio QUADROS was the only prominent public figure to criticize the Ambassador. Some of the principal Communist-controlled unions -- but no others -- made the expected protests. There were no public manifestations whatever, and the whole incident died with remarkable rapidity. (OFFICIAL USE ONLY)

2. Russian publicity offensive in São Paulo.

Soviet "space twin" astronauts Pavel POPOVITCH and Adrian NICOLAYEV arrived in São Paulo on March 22, too late for the opening of the Aeronautical and Space Fair but not too late to become a big attraction. They visited anti-Communist Governor Adhemar de BARROS, who went through the necessary formalities. They were greeted by medium-sized crowds. The press gave them full coverage but rather less space than the event deserved: a reflection of the newspapers' general anti-Communist bias. To judge from press interviews, Popovitch and Nicolayev did a good job of public relations. Asked why Soviet astronaut launchings were not announced in advance as were those in the United States, they replied that the Russian idea was to "work more and talk less." They claimed that the results of USSR space explorations were freely shared with the rest of the world, all in the interest of peace and science. Their present mission, they said, was to contribute to the cause of peace by increasing understanding between peoples.

Russian Ambassador Andrei A. FOMIN had made his first formal call on the Governor during the previous week. He evidently made less of a hit than the "space twins." A member of the Governor's staff reports that neither the Ambassador nor anyone on his staff could speak Portuguese, but Governor Barros was able to communicate with them in English.

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Two Soviet Embassy officials were for several days available for consular work at an office in downtown São Paulo. (OFFICIAL USE ONLY)

Comment: Americans doing the same things would probably have aroused more attention -- a commentary on the orientation of the São Paulo press and public.

One wonders whether the informal and temporary Soviet consular office opens a precedent for a more permanent establishment in São Paulo.

3. UDN and PDC "independent" toward Adhemar.

After almost becoming a member of the new opposition bench in the Legislative Assembly, the Christian Democratic Party (PDC) backed off and declared itself simply "independent" toward Governor Adhemar de Barros. This leaves the opposition -- at least that part of it which has so far formed -- composed of the Janista MTR and PTN parties plus the small PSB.

The UDN went through a more complicated process. One wing found an ideological attraction in Adhemar's anti-Communist line and a practical attraction in his candidacy for the 1965 presidential elections. The other wing maintained that his scandalous previous terms in office had made him permanently incompatible with the traditions of the UDN. Defeated senatorial candidate Roberto de Abreu SODRE, a member of the group willing to get along with Adhemar, was elected President of the São Paulo UDN directorate on March 23 -- but not until the anti-Adhemar members thought they had him tied down. Just before the vote, they passed a resolution making official a position of "watchful independence" (independencia e fiscalização) toward the Governor. In theory, this position cannot be altered without convoking another full meeting of São Paulo party officials. The same motion expressed the "hope that the orientation of this /Adhemar's/ government, on the ideological plane, will be sustained according to the terms already in effect, that is, of repudiation of the extremists /read Communists/" (LIMITED OFFICIAL USE)

Comment: The São Paulo UDN maneuverings were of considerable interest as a stage setting for the 1965 show. The party's position is not an easy one: it must reconcile its traditions with the Governor's new line and the possibility that Adhemar might become the strongest acceptable presidential candidate. This problem must first of all be thrashed out in São Paulo. "Watchful independence," which presumably boils down to neither support nor methodical opposition, is the UDN's answer for the time being. By being neither fish nor fowl, the party runs the hazard of getting neither the fruits

of office nor the useful publicity of opposition.

The PDC decision, though similar in appearance, had lesser implications. The party does not seem to be even contemplating support of Adhemar. Its main reason for avoiding the Janista opposition was probably to avoid domination by Quadros.

At least two of the parties in CARVALHO PINTO's once powerful coalition, then, are still available for his leadership. Unfortunately, this leadership has not yet been very evident. (LIMITED OFFICIAL USE)

4. PTB State Deputies are hopeful converts to Adhemarismo.

The PTB bench in the State Legislative Assembly has publicly expressed its wish to become a member of the administration political coalition. State PTB leader Ivette VARGAS is obviously unhappy with this turn of events -- and turn it is -- but she has not yet been able to do anything about it.

This is not Ivette Vargas' only intra-party problem. There had been brief signs that her famous feud with João GOULART might be mending, but now she has broken publicly with labor Minister Almino AFONSO, who reportedly ignored her preferences in making some important appointments to the labor bureaucracy in São Paulo. (LIMITED OFFICIAL USE)

Comment: The PTB Deputies' switch to Adhemar is so far-fetched that it may yet be blocked, even if it takes President Goulart to do it. Adhemar is the most conservative politician of prominence in the State, and the PTB and PSB are the most leftist of the parties which recently fought him tooth and nail. It will be recalled, for example, that all of the official Brazilian Communist Party candidates in São Paulo ran on PTB slates in the recent election, while the widest plank in Adhemar's platform was anti-Communism. This gives an accurate idea of the value the Paulista PTB places on convictions and coherence.

Ivette Vargas' leadership is surely one of the party's biggest problems. If Goulart was thinking of trying to get along with her, it must have been only because his attempt to undermine her in the 1962 elections was a fiasco. The incident with Afonso is one more sign that it will be ^{not} easy either to get along with Ivette Vargas or to make the PTB a major electoral force in Brazil's biggest labor center. (LIMITED OFFICIAL USE)

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5. Jânio getting back in the swing.

March 22, date of Jânio Quadros' 1953 election to the São Paulo mayoralty, has been celebrated annually as the anniversary of the beginning of his political career. This year the show was small, perhaps because the "22 de março" political movement has largely switched its allegiance to ex-Governor Carvalho Pinto. To take its place, Quadros has organized the "União de Resistencia Janista" (Union of Janista Resistance).

In the State Legislative Assembly, Jânio's followers are working effectively. The two Janista parties (PTN and MTR) have organized the Assembly's nearest approach to an opposition bench. Deputies of the minor Brazilian Socialist Party have joined them, and members of the locally important Christian Democratic Party came very close to doing likewise (see item 3). Quadros has expressed the intention of giving the opposition Deputies active guidance. He has repeated the claim that he himself is not a candidate for any office, but he has reportedly told his followers that he plans to take a decisive part in electing some other "leftist" candidate to the presidency in 1965. He has apparently not decided who this candidate will be. The most important "rightist" opposition, as he claims to see it, will come from Juscelino KUBITSCHKE and Adhemar de Barros.

Quadros was evidently piqued by a story in Lisbon's Diario da Manhã, the gist of which was that he wished he had been more understanding of Mr. SALAZAR's Angola policy when President of Brazil. This story, in the unlikely event that anyone outside of Portugal believed it, would obviously have been inconsistent with Jânio's leftist pose. He promptly issued an irascible denial. A few days later, in an interview which is to be printed in Portuguese opposition paper Portugal Democrático, he again blasted Salazar's "cruel," "obscurantist," and "medieval" dictatorship. (LIMITED OFFICIAL USE)

Comment: Jânio does in fact seem to be evolving a new and more leftist line, though his definition of the terms "left" and "right" is more tactical than ideological. By "left" he evidently means everything which is good and/or in his favor; "right" he understands as applying to his opponents and to measures of which he does not approve. (LIMITED OFFICIAL USE)

6. Newspaper sees dark motive in Goulart's reformist zeal.

Estado de S. Paulo claims to see right through the President's desire for constitutional reform in such matters as agrarian policy. After breaking down the Brazilian Congress' resistance toward secondary constitutional modifications, Estado says, Goulart will try to slip through an amendment allowing him to run for a second term in office. (UNCLASSIFIED)

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Comment: Estado is a bitter, lifetime enemy of Goulart and would smell a rat in anything he cooked up. It happens, however, that the newspaper is alone only in making public its expression of this particular opinion. A great many private Paulista observers also believe that President Goulart will never leave office without a struggle. (LIMITED OFFICIAL USE)

7. Date set for Municipal Elections.

369 of the 505 São Paulo municípios (townships) will hold elections next October. All will elect city councilmen (aldermen), and most will elect Mayors and Vice Mayors as well. To ease the problem of counting votes for this large number of offices, the elections will be held on three dates. 184 municípios will vote on October 6, 184 more a week later on October 13, and the city of São Paulo on October 20. The capital city is one of the few townships which will not elect a Mayor at this time. (UNCLASSIFIED)

8. Communist union leaders combat Three Year Plan.

The Communist-dominated São Paulo (city) Local Union of Metalworkers called a two-day strike on March 18 against the VEMAG (DKW) automobile factory, ostensibly for a twenty-percent cost-of-living wage increase effective April 1 instead of the seventeen-percent increase agreed upon in the current contract. However, Communist metalworker leaders publicly declared that the strike represented a protest against the Three Year Plan. They threatened a series of staggered political strikes to protest the Three Year Plan, urge "basic reforms," and effect the expulsion from Brazil of Ambassador Gordon. (UNCLASSIFIED)

Comment: Despite recent Communist gains (with Federal Government support) in the local labor movement, their chances of achieving widespread worker participation in politically motivated strikes remain virtually nil. Not only would the mass of the workers continue apathetic to political strike calls, but the state authorities would probably take forceful repressive action against any such attempts. The Communists are undoubtedly aware of these factors. One wonders how far they are prepared to go in opposing the Three Year Plan and thereby possibly alienating the invaluable support of the Federal Government on labor issues. Democratic labor groups such as the Democratic Union Movement (MSD) and the Workers' Union Movement (UST) are aware of the possibilities open to them for supporting the Three Year Plan with a view toward replacing the Communists in President Goulart's labor apparatus. However, the MSD leaders appear to seriously doubt the Federal Government's sincerity in executing the Three Year Plan, while UST leaders are seeking a

working arrangement with Goulart (see Weekly Summaries 62 and 63).
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PSYCHOLOGICAL

1. Local press reaction.

Toward the end of the week, all the papers of São Paulo agreed that San Thiago Dantas' mission to the United States had been successful, although the meeting between President Kennedy and the Brazilian negotiator was expected to be the last and most important step of the negotiations. The consensus was well expressed by Folha de S. Paulo's columnist Hermano Alves who said: "The destiny of Brazil depends at this moment on a decision of President Kennedy." He argued that Kennedy's decision concerned the future of United States influence on all Latin America because "a Brazil in turmoil could change the whole South American picture and also the balance in the world of power." Hermano Alves added that President Kennedy will have to face "the resistance of the Republicans, ill will in certain military sectors and some powerful economic groups, and also the badly disguised resentment of many Latin American politicians who insist that Brazil not be given special treatment." The same paper and Ultima Hora and A Hora expressed their opinions that only the IMF was hampering the negotiations by insisting that "Brazil change its own program to check inflation." "IMF's demands are incompatible with certain characteristics of the Brazilian situation," said Folha de S. Paulo. O Estado de S. Paulo admitted the existence of Communist influence in the Government and mentioned the names of Celso FURTADO and Labor Minister Almino Afonso to refute Dantas' reported statement in the United States that "there are no Communists in the Government of Brazil." O Estado said that the U.S. gave Brazil what was "necessary to get out of the deadlock under which we struggled" and suggested that if Brazil did not get more it was because of this country's "nonsense policy regarding Cuba" and "its effect on the spirit of the American people."

The press of São Paulo also paid considerable attention to the statements attributed to Ambassador Gordon on "Communist infiltration in the Brazilian government" (see item 1). The papers were divided in their attitudes concerning the validity of the statements, but on one point they all agreed: Ambassador Gordon's testimony before the House Subcommittee should not have been publicized, particularly during San Thiago Dantas' stay in Washington. O Estado de S. Paulo said: "We cannot see what the State Department had in mind when that document was given publicity, but there's no doubt that it wouldn't have been made public without the consent of Secretary Dean Rusk, Secretary Douglas Dillon and President Kennedy himself." This

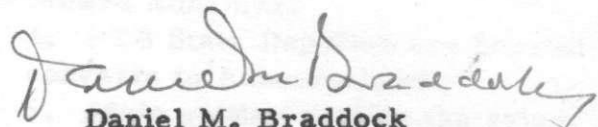
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important paper, however, affirmed that the statements were entirely correct. Folha de S. Paulo had a similar opinion, but said that the Communists don't guide the government, while O Estado said they do. A Hora, Ultima Hora and Correio Paulistano attacked Ambassador Gordon bitterly for the statements which were attributed to him. These papers saw the incident as a maneuver of radical groups in Brazil and in the United States designed to disturb the financial negotiations between the two countries.

Deeply concerned with the Dantas mission in the United States and the "Gordon affair," the papers of São Paulo couldn't concentrate also on the Conference of San Jose. Four important papers, however, devoted editorials to the two-day meeting: A Gazeta, O Estado de S. Paulo, Diário de S. Paulo and Correio Paulistano. The consensus was that President Kennedy was correct in giving priority to the economic subjects rather than to the case of Cuba. Correio Paulistano lauded President Kennedy for "holding back his ardent Central American counterparts who wanted immediate measures of sanction against Fidel Castro government." O Estado deplored that the Central American Declaration, being a document in defense of democracy, had been signed by President Luiz Somoza, "follower of the bloody dynasty that has been oppressing Nicaragua for several years."



Daniel M. Braddock
Minister Consul General

Contributors: D.C. Proper
J. Liebof
J. MacGillivray

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