ARA OFFICIAL USE ONLY HANDLING INDICATOR NEA DEPARTMENT OF STATE 1963 FEB 10 PM 3 4 (Curit, ba) 10 BRAZILIA-1 AID Belo Horzonte ANALYSIS & DISTRIBUTION BElem, PaRA 12 SANTOS, SNO MANAUS, AMAZONOS BRANCH SAOLWIZ COM AGR FRB : Amconsul Porto Alegre LAB SUBJECT: PORTO ALEGRE WEEKLY SUMMARY Nº 42 TR REF ARMY NAV 5 1. Meneghetti Assumes RGS Governorship; Calls for Peace. OSD Brizola's Apotheosis; New Federal Deputy Calls for War. Organization of the Legislative Assembly Political Notes 5. Military Economic Notes 1. Meneghetti Assumes RGS Governship; Calls for Peace On January 31, Governor-elect Ilso Meneghetti took his oath of office before a Legislative Assembly which had not yet been successful in choosing a presiding officer. (See item 3.) Such a situation, although it does not appear to affect the validity of Meneghetti's assumption of office, was nevertheless an unprecedented one in the history of the State. In his inaugural address before the Legislature, the new Governor called for an end to party strife and for all to join forces for the betterment of the lot of the people. "I do not bring to the government the flaming sword of partisan revenge. I bring to all words of peace, concord and understanding. Peace, so that we may solve our problems; understanding, so that we may join forces for the purpose of giving to the people that which it needs, requests, and so justly demands." He went on to deplore conditions existing in some parts of the state, 85,000 persons in Porto Alegre eking out a marginal existence, thousands of unemployed in Rio Grande, the progressing depletion of the soil. He denounced the mistificadores, political opportunists who divide the people by their tricks at a time when union is so very necessary, the adventurers who do not hesitate to provoke the shedding of blood in order to serve their own wish to lead. However, he faced the future with confidence, and would devote his efforts to the building of a strong Brazil, "anti-feudal, anti-colonial, and -FOR DEPT. USE ONL OFFICIAL USE ONLY FORM DS - 323 In Out Contents and Classification Approved by: WDMcLain/TJDuffield:hhh Clearances:

hristian." As the new Governor began his speech and frequently thereafter, his words were muffled by the sound of firecrackers and other pyrotechnical devices set off by Brizola supporters in the square facing the Assembly.

2. Brizola's Apotheosis; New Federal Deputy Calls for War

In the jam-packed main staircase of the Palácio Piratiní, outgoing Governor Leonel Brizola turned governmental powers and residence over to Ildo Meneghetti. from whom he had received them four years previously. Starting with a review of his accomplishments (school construction, rural electrification, the preservation of the "Legalidade" in August 1961), the dynamic young Gaucho leader launched into a typical Brizola speech, with much talk of exploitation, social injustice, an obsolete internal structure, etc., etc. "We seek a new legal and constitutional structure which will ban exploitation of man by man, as well as that of nation by nation. We need a legal government which will protect our people against exploitation, the source of all the delays and suffering which are inflicted upon the Brazilian people. We know today that the process of exploitation can never be compensated by any policy of international aid, in the style of the Alliance For Progress, Food For Peace, etc. In the place of aid, we want the work of the Brazilian people to be treated with the consideration it deserves, both internally and internationally ... The Brazilian people expect that their present elite will make the gesture of liberation. However, they will take the place of this elite if the latter fails to carry out its pledges to the Nation ... "

Nearly bowling over several of the assembled dignitaries, Brizola's supporters placed their hero on their shoulders and rushed him out of the Piratini toward the bottom of the square, where a large PTB rally had been organized in his honor. A non-admirer of Brizola who was present on the occasion later reported with some satisfaction that the young Deputy was dropped twice by his friends before finally reaching the platform. He was reported to be in good shape, however, when be boarded the presidential plane for Brasilia at the end of the afternoon.

3. Organization of the Legislative Assembly

After a 15-hour deadlock, interrupted only to swear in an impatient Governor Meneghetti, the Legislative Assembly elected MTR Deputy Candido Norberto its President for the coming session. With the MTR holding the balance of power between the PTB and the ADP, Norberto's election was predictable. What was not expected was that he was elected by an unexpected MTR deal with the ADP instead of the PTB. The breakthrough came when the unpredictable PL agreed to vote with the ADP for an outsider for the presidency in exchange for the position of 4th Secretary for its Deputy Dario Beltrão. The PTB and MTR, who with the one man ARS, could have organized the Assembly in 15 minutes instead of hours, could not come to terms. The 1st and 2nd Vice Presidents, the 1st., 2nd and 3rd Secretary posts were divided among the UDN, the PSD, the PDC, and the PRP. Further strengthening the ADP's position were the terms of its deal with the MTR by which the MTR promised to support PDC, PRP and UDN candidates for Assembly President in 1964, 1965 and 1966, respectively. (Significantly, the PL, whose votes will be needed, did not bind itself this agreement.)

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COMMENT: The surprising MTR-ADP deal enabled the administration coalition to fare far better than it could have reasonably expected. However, the MTR has publicly and explicitly indicated that its agreement to help the ADP organize the Legislative Assembly does not include support of administration legislation. The ADP remains, therefore without a working majority.

4. Political Notes

- a. Governor Meneghetti took steps to put his patronage house in order on his first day in office by ordering all state employees on loan to the Federal Government and semi-autonomous agencies to return to their state jobs, and by temporarily abolishing extra "commission payments" to state workers. The following day he put a freeze on job appointments (except for certain key positions), pending further study.
- b. Deputy Justino Quintano was elected as leader of the PTB State Deputies to replace João Caruso, new head of SUPRA (Superintendencia de Reforma Agraria). Quintana, who profited from Sereno Chaise's withdrawal from the contest, defeated Wilson Vargas on the second ballot.
- c. Siegfried Heuser, Second Vice President of the state PTB will take João Caruso's place as the Rio Grande do Sul party leader (see b, above).
- d. The <u>Diario de Noticias</u> billed as an "important defection" the fact that Brizola's cousin Jair de Moura Calixto, mayor of Nonoai, telegraphed his congratulations to Governor Meneghetti. Calixto, an ardent supporter of Brizola during the <u>legalidade</u> crisis, was jailed for a short time this year because of his activities as a leader of the <u>sem terra</u> movement (see Summary No. 24, Airgram A-10, September 25, 1962). Calixto's telegram also informed Meneghetti of a new, "peaceful" sem terra movement in the Planalto district.

5. Military

- a. Brigadier-major Adamastor Beltrão Cantalice is being transferred from command of the Fifth Air Zone to become commander of the Escola de Comando e Estado Maior da Aeronautica. His interim replacement will be Brigadier Otelo da Rocha Ferraz.
- b. General Joaquim Justino Alves Bastos, recently appointed as commander of the Sixth Infantry Division here (see Summary No. 40, Airgram A-35, January 22, 1963), has been transferred to command of the Fifth Military Region and the Fifth Infantry Division in Curitiba. General Franklin Rodrigues de Moraes has been designated as interim commander of the Sixth.

6. Economic Notes

a. On his return from his conference with President Goulart (see Summary No. 41, Airgram A-36, January 29, 1963), Governor Meneghetti announced he had

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received confirmation of 16 billion cruzeiros in previously allotted federal aid for Rio Grande do Sul from the President, and the promise of Minister Celso Furtados' assistance in formulating a state Three Year Plan in harmony with the federal plan.

b. Paulo Schmidt, head of IGRA (Instituto Gaúcho de Reforma Agrária) has denied reports that his agency will be combined with the federal agency SUPRA (Superintendencia de Planejamento da Reforma Agraria), but has acknowledged that he will assume the additional function of SUPRA's regional representative in this state.

Thomas J. Duffield by For Thomas J. Duffield American Consul

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