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FROM : AmConsulate, Curitiba

DATE: June 17, 1963

SUBJECT: CURITIBA WEEKLY SUMMARY OF JUNE 14

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1. Popular Mobilization Front in Favor of Basic Reforms Established in Santa Caterina
2. Parana State PTB Deputy Against Direct Contact Brazilian State and Municipal Authorities With U.S. Officials to Obtain Alliance Aid
3. Governor Braga Proposes Creation of SUDERSUL, Southern Version of SUDENE
4. UDN State Deputy Joins PDC Causing Shift in Balance of Power in Legislative Assembly
5. Ex Parana Governor Lupion Still Trying to Obtain a Federal Deputyship and Thereby Receive Immunity from Legal Prosecution
6. PTB Youth in Parana Support President Goulart with Slogan "Either Reforms or Revolution"
7. Popular Cultural Center Under Attack from Curitiba University Students

1. Popular Mobilization Front in Favor of Basic Reforms Established in Santa Caterina

On June 14, a meeting was held in the restaurant of the Santa Caterina Students Union to establish this organization. Various state deputies, President of the Santa Caterina Brazilian Socialist Party (PSB), President of the Bank Workers Union and representatives of student organizations, workers and various classes and the press were present. The following board members were selected: PTB Deputy Evilasio Caon, PDC Deputy Nereu do Valle Pereira, PSP Deputy Paulo Wright, President of PSB

GROUP 4 - Downgraded at 3 year intervals.

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Arlindo Gondin, President of Bank Workers Union Carlos Gevaerd, Rogerio Queiroz, representative of the Santa Caterina Students Union and Jose Soar, representative of the Florianopolis Student Union. Two representatives of the workers union are as yet unannounced. Mssrs. Roberto Mattar and Natalicio Barcellos, Fiscal Delegate of the National Treasury, were selected as treasurers. The expressed purpose of the organization is to form a statewide organization without distinction of class or politics to fight for basic reforms by amending the constitution. (UNCLASSIFIED)

COMMENT: The composition of the directorate includes well known leftist elements such as the PSB Deputy, Paulo Wright and Manoel Ribeiro, who in addition to being a councilman, is also President of the Coal Workers Union at Criciuma. (CONFIDENTIAL)

2. Parana State PTB Deputy Against Direct Contact of Brazilian State and Municipal Authorities with U.S. Officials to Obtain Alliance Aid

Parana state PTB Deputy Leon Naves Barcelos, leader of the PTB in the Legislative Assembly expressed concern over such contacts to obtain Alliance aid. He criticized Governor Braga for seeking such direct aid which is contrary to the provisions of the Brazilian constitution in regard to the making of international agreements. He claimed that Parana should not obligate its resources under an international agreement as was done when the Parana State Bank guaranteed a loan from the Inter-American Development Bank to purchase electric power generators.

Governor Braga anticipated the attack in a press interview held before the Deputy spoke by stating that aid agreements must have the concurrence of the federal government before finalization. (UNCLASSIFIED)

COMMENT: The facts as stated about the loan agreement with BID for the electric generators are not accurate. Only preliminary talks have been held and the generators are part of the package deal for the Capavari-Cachoeira hydro-electric plant. (LIMITED OFFICIAL USE)

3. Governor Braga Proposes Creation of SODERSUL, Southern Version of SUDENE

Governor Braga asked that studies be initiated for the creation of SODERSUL (Superintendency for the Economic Development of the Southern Region) using SUDENE as a model. He suggested that SODERSUL would take over and supervise federal financing for the promotion and discipline of economic progress in the southern states.

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COMMENT: This activity would differ from that of CODESUL (Development Council of the South) which relies exclusively upon the resources and contributions of the three southern states. (UNCLASSIFIED)

4. UDN State Deputy Joins PDC and Causes Shift in Balance of Power in Legislative Assembly

Parana UDN state deputy Almir Passos has been a problem for the UDN leadership. They consider him to be a leftist and beyond the point of rehabilitation. It was only a question of time when Passos would transfer his allegiance. (UNCLASSIFIED)

COMMENT: The Reporting Officer considers him to fit more appropriately in the left wing of the PTB and was surprised to see him enter the PDC. Passos has led the attack against the Alliance in the Assembly but admitted to the Reporting Officer that he was not aware of the information given him by the latter concerning AID projects approved for Brazil. This, however, has not prevented him from returning to the attack, but not as frequently. The PDC now has 13 deputies and is the major party in the Legislative Assembly. (LIMITED OFFICIAL USE)

5. Ex Parana Governor Lupion Still Trying to Obtain a Federal Deputyship and Thereby Receive Immunity from Legal Prosecution

Ex Governor Lupion is now first suplente for federal deputy. He finally succeeded in getting the present incumbent to take leave of absence so that he could assume the position. However, there is little likelihood that Lupion will be able to enter the legislature unnoticed since Parana PDC Deputy Jose Richa and Guanabara UDN Deputy Arnaldo Nogueira have already warned the legislature that Lupion is an undesirable element. Lupion still faces trial in Parana for peculations during his administration as governor. Lupion is also having his hands full in maintaining control of the Parana PSD party. He is being challenged by Federal Deputy Accioly Filho for the presidency of the state party. (UNCLASSIFIED)

COMMENT: Lupion's maneuvers to obtain some elective position by hook or by crook, such as offering to buy off the successful PSD candidate, had met with little success until this recent development. It is not yet clear what the deal was to remove the present incumbent even temporarily from office. (CONFIDENTIAL)

6. PTB Youth In Parana Support President Goulart with Slogan " Either Reforms or Revolution"

The PTB youth movement distributed a manifesto to the

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population pledging its solidarity with President Goulart in his program of economic, social and political reforms. The manifesto ended with "Either Reforms or Revolution".

COMMENT: This group has entered the lists against UDN efforts to obtain support against the agrarian reform as proposed by the President and his party. (UNCLASSIFIED)

7. Popular Cultural Center Under Attack from Curitiba University Students

Curitiba university students criticized the activities of the Popular Cultural Center (CPC) which was founded here about one and a half years ago by leftist students and labor groups to promote the theater and cultural uplifting. Many consider this cultural group to be subversive because of its ultra-nationalism, extremely anti-U.S. attitude and its heavy criticism of the University and its professors. Some student groups have gone on record against the center's continuing its activities. Reliable reports indicate that the center uses very subtle propaganda in its plays to attack the U.S. and to paint leftist ideology in glowing colors. (CONFIDENTIAL)

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