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ARMY	CIA	NAVY	INTER-AMERICAN AFFA SEP 6 1963	IRS	
OSD	USIA	5 NSA	1. Parana PSD Chairman Still Undecided		
15	8	3	2. Third Force in 1965 Elections	T. TR	
		NSC 3	3. Labor Minister Still Under Fire in Parana No A	ction	
		3: =	in Interior	LA/BR urton	
			5. Santa Catarina Newspapers Reappear After Strike Settled		
			6. Red Chinese Exhibit in Curitiba Public Librar SEP 9 1963  1. Parana PSD Chairman Still Undecided		
			Santa Catarina PSD Federal Deputy Joaquim Ramos		
			was sent to Parana by the national party chairman to try		
			to mediate the disputed elections. The first state con- vention elected Federal Deputy Accioly Filho as chairman		
			whereas a second state convention elected ex-governor		
			Moyses Lupion. No local solution could be found and the situation remains unsettled.		
			The longer the chairmanship remains unresolved the		
			deeper the split and the firmer the positions adopted. The		
			party's chances in the municipal elections in October 1963 appear very slim. The PSD has formerly been in third place.		
			(UNCLASSIFIED)		
			2. Third Force in 1965 Elections		
4			There is a great deal of attention being paid locally		
*			GROUP 4 - Declassified at 3 year intervals.	_	
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to the possibility of the creation of a third political force.

The visit of Rio Grande do Norte Governor Aluisio Alves to Curitiba on August 20 added fuel to the conjectures and rumors concerning the establishment of this force to step in the void between a "leftist" coalition composed of Kubitschek and Arraes and a "rightist" combination of Lacerda and de Barres.

The contacts of Governor Ney Braga with Sergipe Governor Seixas Doria, Paraiba Governor Pedro Gondini, Minas Gerais Governor Magalhaes Pinto and their representatives are considered to be evidence of such an alignment. The presidential candidate of this coalition will supposedly either be Carvalho Pinto, Magalhaes Pinto or Ney Braga, in that order of preference.

This post has reliable information that Governor Ney Braga is suspending his efforts to obtain nomination as a presidential or vice presidential candidate until after the October 1963 municipal elections in Parana. He considers these elections to be a test of his electoral strength in Parana. After a speech recently delivered in Londrina, he expressed amazement at the audience's reaction - the only enthusiasm he aroused was when he attacked the federal government. This should not have surprised him since this is an area of coffee, corn and cetton producers and these elements are not happy with the treatment they are receiving from the federal government. (CONFIDENTIAL)

### 3. Labor Minister Still Under Fire in Parana

During the second anniversary ceremonies of the anti-communist Parana Agrarian Front in Maringa on August 11, Bishop Jayme Luiz Coelho of Maringa bitterly attacked the Labor Minister for recognizing the "communist" farm workers organizations rather than the Christian farm labor groups already established. As a result of this attack, the Parana Legislative Assembly set up a fact-finding committee to investigate the accusations. The Labor Ministry's delegate in Parana was requested to provide a list of the farm labor unions registered in the state and the names of the directors. (UNCLASSIFIED)

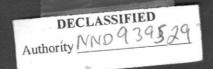
# 4. Parana Student Union "Educating" Student Groups in Interior

The UPE has organized a mobile group to travel in north Parana from August 19-25 to energize the students current political scene, to meet with local labor leaders and to strengthen the Labor-Peasant-Student Alliance.

UPE also released a telegram supporting the position taken by Minister of Education Paulo de Tarso on the Alliance for Progress at the Third Inter American Conference of Education Ministers in Bogota.

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The UPE efforts at this time may be twofold - namely to consolidate support behind President Goulart's reforms and to line up support for delegates to participate in the UPE Congress to be held in mid-September in Curitiba. (LIMITED OFFICIAL USE)

# 5. Santa Catarina Newspapers Reappear after Strike Settled

The newspapers ceased operation when the printers demanded higher pay. After about a week of negotiations, the printers received a 40% increase and returned to work.

Reliable reports indicate that the CGT had its hand in this strike.

# 6. Red Chinese Exhibit in Curitiba Public Library

Mainland China is exhibiting about 50 photo-murals in the Public Library under the patronage of the Parana Photography Club. The cellection is entitled "Collection of the Chinese Photographic Society." The exhibit will be on display from August 12-30 and will then be sent to Rio.

Only one newspaper item was noted on the exhibit and attendance is considered to be light. The <u>Ultima Hora</u> surprisingly has given no publicity to the exhibit. This might indicate a pro-USSR orientation rather than pro-China. (LIMITED OFFICIAL USE)

Arthur W. Feldman
American Consul

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