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1967 APR 10 PM 114

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HANDLING INDICATOR

TO : DEPARTMENT OF STATE

INFO : BELEM, BRASILIA, RIO DE JANEIRO, SALVADOR, SÃO PAULO

FROM : Amconsul, BELO HORIZONTE

SUBJECT : Monthly Summary - March 1967

REF : Belo Horizonte's A-30, March 9, 1967

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GROUP IV

Downgraded at 3-year intervals/
Declassified 12 years after date
or origin.

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FORM 4-62 DS-323

Drafted by:

WEPrice/JChallinor:t

4/3-5/67

Contents and Classification Approved by:

Clearances:

Action: ARA/BR - NAN - File

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MINAS GERAIS:

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1. Frente Mineira

Governor Pinheiro has been dissuaded from further attempts on his part to establish the "Frente Mineira" by ex-PSD and ex-UDN factions in ARENA/Minas Gerais. (BHZ A-30, March 9, 1967, Item 2b). This move came about after further reflection on the pros and cons of the idea by the majority of the ex-party members, motivated by different reasons.

The Governor's meeting with Minister of Foreign Relations Magalhães Pinto in Brasilia immediately prior to the presidential inauguration proved to be unproductive. Magalhães Pinto is reported to have evinced little or no interest in the idea, contrary to his reported initial interest, because in the meantime he had determined that by associating himself with Governor Pinheiro in the "Frente Mineira" he would only add prestige to the Governor and, on balance, would gain little more by way of support for his cause than he would otherwise be able to obtain by other means. Magalhães Pinto's rejection of the idea, taking with him his ex-UDN's, together with Governor Pinheiro's ex-PSD's cooling to the idea, brings the Governor's efforts thus far practically to naught except for the economic aspect involved in the idea. That is, to close political ranks and vote for the receipt of Federal funds when available for various Minas Gerais development projects. Even this phase of the idea has been weakened considerably as it has been pointed out to him by his political advisors that the Governor should originate and present development projects through regular channels with requests for funds, calling upon the support of ARENA/Minas Gerais.

Comment: Though reluctant, Governor Pinheiro apparently has decided to lay aside the idea of forming the "Frente Mineira" and expend his energies "to consolidate and integrate" ARENA forces in Minas Gerais in other ways. This does not mean, however, that Governor Pinheiro has abandoned the idea entirely and he may revive it at a later date. Also, despite Magalhães Pinto's action he has left the door slightly ajar in case the idea can be used to his future advantage. (CONFIDENTIAL)

2. Protest Against Decree-Law 317

Decree-Law 317 signed by President Castello Branco on March 13, 1967, which inter alia now places State Military Police and Corps of Firemen under the command of the Army, with certain exceptions, has caused considerable consternation and has been the basis for direct complaint to the Federal Government on the part of the State Government and the Commander of the Military Police of Minas Gerais.

As soon as the provisions of the new decree-law were known here, Colonel Milton Campos, Commander of the Military Police of Minas Gerais, with the

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consent and support of Governor Pinheiro, made a trip to Brasilia accompanied by his legal advisors to protest the decree-law. Upon return to Belo Horizonte he stated he discussed the new decree-law with the Minister of the Army, protested the specific provision which places State Military Police under the command of the Army, and asked that the Military Police of Minas Gerais be exempted from the operation of such provision. He further stated that he believed the Federal Government will respond to the protest by granting exemption in the case of Minas Gerais.

Vice Governor Pio Canedo also made a trip to Brasilia to discuss the matter and plead exemption with the federal authorities.

Comment: The Military Police of Minas Gerais has a long and proud tradition of independence, is quite sensitive to outside interference and reacts immediately to any attempt on the part of the Federal Government to impose controls which would curtail its freedom of action.

It is known that Minister of Foreign Relations Magalhães Pinto has been asked to intercede with the Federal Government in behalf of the Military Police to bring about an amicable solution to the problem. (LIMITED OFFICIAL USE)

3. Commission Drafts New Constitution for Minas Gerais

The special Commission which had been appointed by Manoel da Silva Costa, President of the Legislative Assembly, to draft a new Constitution completed its work and presented the draft Constitution to Governor Pinheiro on March 30 for his information and review. (BHZ A-27, February 8, 1967, Item 2). The eleven-man Commission, with Senator Milton Campos as its President, held its first session on March 1 and immediately launched into intensive studies to comply with the responsibilities entrusted to it.

The draft Constitution essentially follows the form and provisions of the new Federal Constitution with certain necessary modifications as they pertain and conform to the particular needs and conditions prevailing in the State.

On March 31 the draft Constitution was transmitted to the Legislative Assembly by Governor Pinheiro where, in plenary sessions, it will be subject to amendment by members of the Assembly, the Executive and the Judiciary. To comply with the 60-day time limit as provided by the Federal Constitution for deliberations, discussions and for amendments the vote will be called no later than May 15, that is, 60 days after the Legislative Assembly convened on March 15.

Comment: Soundings among a sampling of Assembly members of all old ex-party affiliations indicate there is little opposition to the provisions of the new Constitution as drafted and debate will be pro forma. (LIMITED OFFICIAL USE)

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4. Mayor of Belo Horizonte Experiencing Difficulties

Souza Lima, newly appointed Mayor of Belo Horizonte (BHZ A-27, February 8, 1967, Item 3), has experienced a stormy two-month period since assuming office. His difficulties stem essentially from his sudden and arbitrary suspension of activities on all public works programs in progress which had been initiated by his predecessor. Also, he has not as yet appointed a full slate of department heads who act as his advisors and direct the day-to-day work. Belorizontinos scathingly refer to his "do-nothing" policy and seeming inability to measure up to the responsibilities and duties of his position while MDB members at both State and Federal levels clamor for his resignation "for the benefit of the city."

Because of the seriousness of the situation, the Municipal Council, with its 12 MDB and 9 ARENA Councilmen, requested Souza Lima to appear before it in early March to answer questions. During his appearance before the Council, Souza Lima claimed that the Municipal treasury contained only a small part of the funds said to have been transferred to him by the former administration. This caused an immediate uproar. He also explained that he had suspended activities on all public works programs because of irregularities he claimed to have found in the contracts. Later in the month former Mayor Oswaldo Pieruccetti voluntarily appeared before the Council and successfully defended his actions on both counts.

Comment: The matter of the transfer of funds has since been satisfactorily resolved and public works contracts are in the process of being reviewed and approved on an individual basis. It is now believed that by May activities on public works projects will return to near normal. However, Souza Lima by his actions lost the small measure of confidence the people had in him and it will require considerable positive accomplishment on his part to regain any part of it.

Souza Lima's disparaging remarks involving former Mayor Pieruccetti brought Minister of Foreign Relations Magalhães Pinto into the fray and he is said to have called in person on Governor Pinheiro and asked him to advise Souza Lima to cease his attempts to discredit Pieruccetti. (LIMITED OFFICIAL USE)

5. Students Apprehended by DVS

Six university students were apprehended by DVS (Departamento de Vigilância Social) and delivered to the custody of DFSP (Departamento Federal de Segurança) at Juiz de Fora on March 14. They were detained by DFSP for 24 hours and questioned in connection with suspected activities involving subversion. Further investigations are being conducted by DFSP and when completed the resultant reports are to be delivered to the Military Court of Justice of the Fourth Military Region at Juiz de Fora to determine if IPM procedures should be instituted against any of them. The six are presently under DVS surveillance.

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The students who were held for questioning were José Jarbas Saraiva CERQUEIRA, Rômulo Antônio Pinto MIRANDA, Arnaldo Soter Braga CARDOSO, Jorge Aparecido MONTEIRO, Luiz Eduardo Dias GRUNEWALD, and Waldo SILVA.

Comment: Of the six students detained, the Consulate has prior information only on Cerqueira who is known as "a left-wing radical."

PSYCHOLOGICAL:

National Security Law

The daily newspapers, particularly DIARIO DE MINAS and Catholic O DIARIO, described the National Security Law as an "instrument of oppression." They decried the fact that national security was not defined. ESTADO DE MINAS, the leading newspaper, was less critical but commented that the new law could be a source of abuses. ESTADO expressed the hope that the President would be "discerning" in the application of the law. (UNCLASSIFIED)

Costa e Silva Administration

The newspapers commented on Costa e Silva's inauguration in terms of optimism for the future of Brazil. ESTADO DE MINAS said that the work of the March 31 Revolution would be consolidated with firm measures, but "without the necessary toughness of the first two years that followed the March movement." DIARIO DE MINAS opined that Costa e Silva would correct the "subterfuges" of the Costello Branco administration and restore the concept of nationalism in the utilization of national resources. The Catholic daily O DIARIO emphasized the social scene, expressing hope that Costa e Silva would reinstate dialogues with the workers, students and intellectuals. (UNCLASSIFIED)

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