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HANDLING INDICATOR

TO : Department of State

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INFO: BRASILIA, RECIFE, RIO DE JANEIRO

OAK 1969

SIS BRANCH

FROM : Amconsul São Paulo

DATE: September 8, 1969

SUBJECT : Political Party Reorganization

DEPARTMENT OF STATE
BUREAU OF
INTER-AMERICAN AFFAIRS

SEP 15 1969

SUMMARY

Political conditions in São Paulo were not propitious for the reorganization of the two political parties "from the bottom up" under the time limits and requirements imposed by Complementary Act Number 54 (AC-54). Nor is new and younger party leadership emerging; in fact the events of the past year, especially the cassations, eliminated many of the promising young politicians who could have challenged the old-time political figures. In order to insure the survival of the political parties, the old political leaders and groups took the initiative in going through the steps necessary to meet the minimum requirements of AC-54. Concurrently, these leaders and groups are engaged in a struggle to improve their own power positions vis-a-vis the others. Pressures of the São Paulo city and state administrations were blatantly used, contrary to the election laws, to strengthen the political positions of Mayor Paulo Salim MALUF and Governor Abreu SODRE. There have been numerous instances of police and military harassment of MDB party officials. Because of the competition by various groups in ARENA, that party had no difficulty in its membership drive or in organizing its party local directorates. Its various leaders, however, are engaged in an intense struggle to win control of the state executive committee to be organized on September 14. MDB, on the other hand, is engaged in a struggle for survival.

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FORM 4-62 DS-323

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8-28-69

Contents and Classification Approved by: EXEC:WLWight, Jr.

Clearances:

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1. Introduction. This report describes and analyzes the reorganization of political parties which is taking place in São Paulo in accordance with the requirements of Complementary Act Number 54. This reorganization consists of three main steps which each party must successfully carry out: (1) A membership drive which was to be completed by July 10; (2) the formation of local directorates on August 10 in each district of the capital and in each municipality in which the party had fulfilled the minimum membership requirements required by AC-54; and (3) the election at a regional convention to be held on September 14 of the parties' state committees and state presidents. This report covers only the reorganization efforts which have taken place up to August 31. ~~(The requirements established by AC-54 for carrying out the reorganization are described in Attachment 1.)~~

2. Reorganization Began Under a Cloud. When the parties started their membership drives in June, conditions were hardly ideal. The several waves of cassations, and the prospects of more to come, the lack of real prospects for direct elections for governor in 1970, and the basic lack of confidence by local civilian politicians that any meaningful political reopening was in the offing, tended to make politicians reluctant to spend time, energy and money on party activities. These same factors also contributed to voter apathy. The new cassations during the first week in July further dampened the enthusiasm of politicians, especially those in the MDB, toward their task of recruiting new members. The time limits imposed by AC-54 were too short to give new leaders a chance to emerge.

3. Special Problems of the MDB. The MDB faced a number of special problems, primarily the gloom that existed in the opposition camp. Nearly all of its dynamic "new generation" of politicians had been cassated. Among these was Mario COVAS, the party's minority leader in the Federal Congress and the man whom the party reportedly was going to run as its candidate in the Sao Paulo gubernatorial elections of 1970. MDB politicians also suspected that even if they succeeded in reorganizing the party and in gaining voter support, their candidate would either be prevented from winning by the imposition of indirect elections, or if by chance their candidate were elected, he would be prevented from taking office (in the same way that the MDB Mayor-elect of Santos, Esmeraldo TARQUINIO, had been prevented from assuming office, i. e., cassation).

4. The ranks of the MDB had also been thinned during the past year by transfers to ARENA. After ex-Mayor FARIA LIMA entered ARENA in May 1968, many of his loyal supporters in the MDB went over to ARENA to provide a base for him there. The reduction of ^{the number of São Paulo's} MDB deputies in the Federal Congress from 27 to 11 illustrates the magnitude of the impact on MDB of cassations and defections. A similar phenomenon also occurred on the state and local levels. Many mayors, elected last November on the

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MDB ticket, found soon after assuming office that the state government was denying them funds which they could obtain by joining ARENA. A number of these mayors caved in under this pressure and switched parties.

5. The MDB has been continually handicapped by a lack of money. ^{Its} /coffers were empty. With the closing of Congress and the state assembly, politicians' salaries were drastically reduced and therefore they had difficulty in contributing to the party. During the current reorganization drive, travel funds were supplied by the handful of persons actively participating. (The total amount expended by MDB during its membership drive was reportedly about NCr\$9,000,00 (US\$2195)).

6. Last but not least was the handicap of fear. Many people, especially those in the interior, feared that if they openly joined or worked for the opposition party, they would be punished by police.

7. MDB's Efforts to Attract Members. The two principal figures in MDB's reorganization effort were MDB's current state president, Senator Lino de Matos (ex-PSP, ex-PTN) and Federal Deputy Franco MONTORO (ex-PDC). Montoro is also one of MDB's national vice presidents. Senator Matos concentrated on recruiting members in cities of the interior by traveling extensively, and using his extensive range of contacts among Janista politicians (ex-PTN) and those ex-PSP men who had not joined ARENA.

8. Montoro concentrated on the city of Sao Paulo, aiming his efforts principally at university students, intellectuals, women, and workers. In contacts with potential party members he argued that MDB should adopt a consistent ideological line (Christian democracy), and even went so far as to spell out a national program for the MDB.

9. Senator Lino de Matos made statements to the press and two TV appearances in an effort to improve the climate in which the party's membership drive was being conducted. His statements were in reality appeals directed at both the electorate and the Federal Government. In these he pleaded that only a strong, formally organized and open opposition could combat the existing informal and covert opposition (which had developed because of a lack of constitutional protection for open opposition). He urged the Federal Government to try to create an atmosphere in which people could believe in the return to democratic processes, guarantees of individual rights, and direct elections. Especially important, he argued, would be a declaration by the President that the era of political punishments had come to an end.

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10. ARENA's Membership Drive. Despite generally prevailing voter apathy, ARENA has been conducting its reorganization with numerous advantages over MDB. People did not have to fear to join the party. The competition among the various leaders and groups within the party for hegemony insured that many people would be recruiting members. Governor Sodre and Mayor Paulo Salim Maluf used the power and influence of their respective governmental machinery for recruiting party members. For example, city and state employees were used to collect signatures, and automobiles and buses belonging to the two administrations were used to transport electors to registration centers. Oscar Klabin SEGAL, President of the São Paulo State Savings Bank and an intimate member of Sodre's political group, held meetings in several regions of the state where he brought together mayors from municipalities of the region. At the meetings he promised loans to the municipalities, urged the mayors to assist in the party membership drive, and obtained from them public resolutions promising support to Sodre. Sodre's rivals within ARENA, as well as MDB's leaders, have complained that Sodre's tactics were contrary to law.

11. Results of Membership Drive. During the membership drive ARENA succeeded in obtaining sufficient members to meet the minimum requirements to hold elections for local directorates in all 52 districts of the capital and in approximately 95 percent of the 576 municipalities of the interior. MDB met the minimum membership requirements in 36 districts of the capitals and in about 230 (40 percent) of the municipalities of the interior. ARENA party sources informed the Congen that ex-PSP politicians recruited more than half of the members who signed party membership books in the interior of the state. In the capital, Faria Lima's group reportedly obtained about 18,000 signatures, Mayor Maluf's group obtained 12,000, the ex-PSP got 9,500 and Senator Carvalho Pinto's group collected about 6,000 signatures with adherents of ex-Governor Laudo Natel and Governor Sodre trailing behind.

12. Phase Two: Election of Local Directorates. After the conclusion of the membership drive on July 10, the struggle within ARENA intensified. Governor Sodre had long wanted to assume control over São Paulo's ARENA, but had been consistently thwarted by State Chairman Arnaldo Cerdeira. One of his principal aims in the party reorganization, therefore, is to replace Cerdeira with a man of his own choosing and to minimize the amount of influence on the ARENA state executive committee of each of the other Paulista political leaders. Also São Paulo's Mayor Paulo Salim Maluf, who had taken office in April 1969, and who had no electoral bases, wanted to show his friends at the Federal level (i. e., President and Mrs. Costa e Silva) that he was gaining popularity. Both Sodre and Maluf used all the levers at their command of their respective administrations to line up support for themselves.

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13. Examples of Pressure. The pressures applied by Governor Sodre during the membership drive and prior to the organization of the local directorates on August 10 were exerted largely through the lending facilities and financial facilities controlled by the state, i. e., municipalities and individuals were made to understand that prospects of loans or assistance in financing would be dependent upon their providing political support to Sodre.

14. The pressure tactics used on behalf of Mayor Maluf were less subtle and, because they were concentrated in the capital, were well-known and much discussed. A small group of ex-PSP politicians, who had allied themselves to Maluf, began working in the corridors of the Mayor's office and in the administrative centers in other parts of the city. Speaking in the name of the Mayor, they approached city employees known to be supporters of other political groups (i. e., principally Faria Lima's group) and told them they should transfer their allegiance to Maluf. One employee (Luis Peixoto Soares) who was known to be a key supporter of Faria Lima's in the Pirituba district of the capital was transferred to Sao Miguel Paulista, a district approximately 30 kilometers from his home. In addition, he was given duties which kept him occupied until 10:00 p.m. each night. As the bus trip (three transfers) took one and one-half hours he was also effectively prevented from returning home in time to carry on political organization work at night. Next, the municipal government learned that 141 city civil servants in the Pirituba district had signed the party membership books being distributed by supporters of Faria Lima. On Sunday, August 10, these 141 employees were assigned to "emergency" duty in the Pacaembu district until after the polls closed. The votes of these men would have given the control of the Pirituba district committee to Faria Lima, as his slate lost by a margin of 36 votes in the district.

15. In Barra Funda district another type of pressure occurred. The major organization in the district is a football club which has existed for 24 years. The land on which its football field is located belongs to the municipality. The leaders of this club were known to be strong supporters of Faria Lima and succeeded in getting a large number of party members. One of Maluf's men, however, called the club's leaders together and told them that if the Mayor's slate did not win in the district, the club would lose its football field (as a result Maluf succeeded in electing the chairman of the district committee in Barra Funda).

16. The complaints made by political ARENA leaders against Sodre and Maluf were tempered by the knowledge that charges of electoral corruption would possibly bring federal intervention to the state. This in their view would be

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much more difficult to combat than are the maneuvers (albeit contrary to the electoral laws) of Sodre and Maluf. Therefore, complaints were and are being put in rather polite terms. For example, city councilman Vicente de ALMEIDA (ARENA) in a speech in the City Council said he believed in the Mayor's intention not to intervene, but that he (the Mayor) seemed to be ignoring certain facts. De Almeida then listed a series of cases in which Maluf's administration had acted contrary to election laws, and concluded by saying, "I am certain that Paulo Salim Maluf, being a dignified and correct man, does not know they are practicing these acts in his name."

17. Police and Military Pressures. Intimidation by military men was another form of pressure which has been reported. The first example of alleged intimidation occurred in the town of Tupã, where immediately after the formation of the local directorate on August 10 the local military commander obtained the names of all MDB delegates to the regional convention by threatening the local MDB party secretary with arrest if he refused to give the names. Regional party officials of MDB dismissed this activity as isolated actions of army officers "who wished to be more royal than the king," rather than characterizing these actions as general policy.

18. Since then, however, similar requests have been made by local police delegados throughout the state. The members of the local directorates have received summons to give depositions to the police concerning their political views. MDB party officials, realizing now that there must have been orders from a central source, have complained to Governor Sodre, DOPS officials, and the Chief of the Federal Police in São Paulo. All have denied giving the order to harass MDB officials.

19. The Results of ARENA's Local Directorate Elections. On the day following the August 10 elections for district directorates throughout the state, news stories appeared with headlines proclaiming that Mayor Maluf had emerged as the biggest electoral force in the city. Beneath the headlines the assertion was qualified somewhat to say that "Maluf and/or groups allied with him" had won control of a majority of local directorates in the capital.

20. The Congen inquired at ARENA party headquarters and got a completely different picture. Party officials (newspaper sources subsequently confirmed this) alleged that the headlines announcing Maluf's victory were the result of instructions by Federal Police Chief Silvio Corrreira de Andrade (who is close to Dona Yolanda Costa e Silva and Maluf) to local newspapers that they were to print only official news releases concerning the elections. It took spokesmen for rival groups three days to get their statements printed.

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represented. Governor Sodre proposed that they all agree to present a single slate of candidates for the 30-member state committee to be elected on September 14. The state would have 13 pre-determined members and 17 members who would be selected later. The 1193 convention delegates would vote to ratify the slate. This was dubbed the "Harmony" slate.

24. The 13 pre-determined members of Sodre's "Harmony slate" were the same men who participated in the series of meetings, i. e., Governor Abreu Sodre, Mayor Paulo Salim Maluf, Vice Governor Hilario Torloni, Justice Minister Gama e Silva, Finance Minister Delfim Neto, ex-Mayor Faria Lima, Senator Carvalho Pinto, Senator Moura Andrade (presently Brazilian Ambassador in Spain), President of State Assembly Nelson Pereira (Sodre man), President of Sao Paulo City Council José Maria Marin, ex-Governor Lucas Nogueira Garcez (Sodre man), ex-Governor Laudo Natel, and incumbent ARENA State President Arnaldo Cerdeira. This formula was agreed upon because nearly all local leaders wanted to avoid an open political battle at the time, due to their belief that conditions were ripe for open campaigning and fear that a fight would provoke federal intervention. The participants in the meetings also apparently believed that they would have their relative strength reflected on the "Harmony" slate.

25. Governor Sodre, however, already had agents in the interior obtaining signed pledges from delegates to vote for men linked to him, to fill at least 10 of the 17 positions. The other local leaders who had signed the agreement soon realized they had been tricked, and immediately set out to recoup their losses.

26. Vice Governor Hilario Torloni immediately withdrew his name from the list of 13 pre-determined members on Sodre's list, and began organizing a slate of his own. Some of the other members of Sodre's slate, disgruntled with what they believed to be Sodre's double cross, have tacitly been cooperating with Torloni. For example, Faria Lima and Laudo Natel have launched some of their own men to compete on Torloni's slate. Arnaldo Cerdeira has reportedly given Torloni encouragement.

27. Torloni's slate is called the "Municipalista" slate because it includes strong representation for cities in the interior of the state. Federal Deputy Herbert LEVY (ex-UDN) and retired Air Force Brigadeiro Roberto BRANDINI (who was called upon by the Federal Government to serve on the General Investigating Committee to Investigate Illicit Gains, but refused to accept the job after several meetings with federal authorities (See Sao Paulo's 130 for background on this). If Torloni's slate succeeds in getting the votes of

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20 percent of the delegates, Torloni will be able to name 6 of the 30 men on the state executive committee to be formed on September 14. Observers are estimating that Torloni's slate will get between 20 to 30 percent of the votes, thus assuring that he will accomplish his original objective, which was to escape being left with only one vote on the committee. Sodré, however, is fighting back, using all the means at his control. For example, he has publicly promised 22 mayors that they would be delegates from São Paulo to the national convention, if he won control of the state committee.

28. MDB: The Struggle for Survival. MDB party officials have been so busy struggling to insure that their party meets the minimum legal requirements for survival that they have had little inclination to engage in personal rivalry. The MDB succeeded in organizing directorates in 36 districts of the capital, and in approximately 240 of the 576 municipalities of the interior. This was sufficient to meet the minimum requirements of the first two phases of the reorganization required by AC-54.

29. MDB leaders remain worried, however, that they may be unable to muster the quorum of delegates required by AC-54 for the state convention on September 14 (50 percent plus one of the 1193 delegates will constitute a quorum). Their worry is based on the fact that many of the delegates are men of extremely modest means and can ill afford a sojourn in the capital; therefore, they may not show up.

30. Another serious problem for the MDB (and reportedly for ARENA also) was the ruling by the Supreme Electoral Court that each party would have to register their local directorates in a minimum of 25 percent (144) of the state's municipalities. For the MDB this means that about half of its directorates must be registered. Party officials are striving to fulfill this requirement but fear that they will fail.

31. Reorganization Given Boost by Municipal Election Announcement. The decree of IA-11 which authorized the holding of municipal elections on November 30 in about 70 Paulista municipalities, including those such as Santos where there had been Federal intervention, gave politicians some incentive in carrying out their organization efforts. MDB politicians would win easily in the two largest São Paulo cities where elections were scheduled to be held--Santos and Osasco.

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32. Conclusion: The Artificiality of Party Reorganization. The absence of a free political climate in which to organize, and the lack of hope, during the first two phases of the reorganization, of elections in the near future, made it inevitable that there would be minimum participation by the people in the reorganization, or that new leadership would emerge. In ARENA, the various competing leaders have avoided public statements and the normal type of open fight which accompanies any political reorganization in a free society. The state and municipal governments have engaged in tactics which are against the electoral law, in desperate attempts to give the appearance of having popular support. Participants and observers alike agree that never in their memories have fraud, vote buying by the government, police pressures and double dealing been practiced more blatantly than at the present.

33. Due to the factors outlined above, the stated purpose of AC-5--that of promoting party reorganization from the bottom up and of bringing new leadership to the fore--was impossible to achieve. São Paulo's various political leaders realized this from the beginning and therefore used the reorganization to try to strengthen their relative positions in their party's hierarchy. Moreover, the several potential candidates for governor in the elections of 1970 realize that their struggle to strengthen their political base within ARENA may be a futile exercise because the candidate probably will be selected in accordance with other criteria, i. e., the preference of military men.

34. Post Script. President Costa e Silva's illness and the assumption of power by a military troika has thrown cold water on local politicians' hopes for even a slight reopening of democratic political processes. Party leaders plan to hold their state conventions as scheduled on September 14, but now doubt that municipal elections will be held.

CORRIGAN

Embassy Rio Comment:

His strong showing in the competition for control of ARENA amply demonstrates the popularity and political influence which Faria Lima enjoyed, even after he left office. His death in recent days not only deprives Brazil of a potential national leader but leaves a large gap in São Paulo politics. It will be interesting to see what happens to the bloc of followers he attracted.

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