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TO : DEPARTMENT OF STATE 1965 DEC 21 AM 9 13 BUREAU

DEPARTMENT OF STATE
INTER-AMERICAN AFFAIRS
DEC 23 1965

RM/AN
ANALYSIS & DISTRIBUTION
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FROM : Amembassy RIO DE JANEIRO

DATE: December 16, 1965

SUBJECT : Conversation With President of the Ex-PTB, Lutero VARGAS

REF :

Enclosed is a memorandum of conversation with Lutero Vargas, President of the ex-PTB, in which Vargas discusses the role of the old PTB in the present scene. Vargas appears to hold no animosity against President Castello Branco for having abolished political parties. To the contrary he indicates his willingness to cooperate with Castello, although for the time being the PTB, as a body, would not enter either of the two political groupings (ARENA and MODEBRA) in process of formation. Vargas appears to believe that he will be able to keep the PTB as a separate entity, at a later date bringing it into the opposition party, MODEBRA, as a "sublegenda" in the states where it has a strong following. Eventually he believes there will be popular elections and then the PTB will have its day.

Throughout the conversation Vargas repeatedly stated his opposition to communism and his friendship for the US. He indicated that he would continue his efforts to try and weed extremists out of the ex-PTB in order to return it to the "Getulista tradition".

For the Ambassador:

Frank C. Carlucci
Frank C. Carlucci
First Secretary

Enclosure:

As stated.

GROUP 3: Downgraded at 12-year intervals; not automatically declassified.

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for the victories of opposition candidates in a number of states during the October elections, he avoided any direct criticism of Castello Branco. In fact, he appeared to accept Institutional Act Number 2 in a rather philosophical vein, prophesying that eventually the PTB would have its day, "that is unless the government issues a new Institutional Act every day". He thought that the investiture of Negrão de Lima, although it represented a setback for the hardline, would not put an end to their subversive activity. In his opinion, the real goal of the hardline was to remove Castello Branco from office.

Throughout the conversation, Vargas dropped hints of his willingness to collaborate with the Castello Branco government. When asked whether the economic policies of Castello Branco were not at variance with the PTB program, Vargas indicated that uppermost in his mind was the need to thwart Lacerda's presidential aspirations. In fact, he gave the impression that the main reason he did not object to Institutional Act Number 2 was that it appeared to remove Lacerda from the coming presidential campaign.

Guanabara Elections. Vargas claimed that he had expected all along that both Hélio de Almeida and Lott would be banned by the Central government from the Guanabara political race. At the second PSD-PTB convention on Lott's candidacy he went along with the nomination of Lott, even though he believed he could muster a majority against him, as a tactical measure to out-maneuver the extremists (presumably to avoid splitting the party). Vargas, of course, considered that the PTB had been responsible for Negrão's election. As far as the Guanabara communists were concerned, "half of them voted for Negrão and half for Aurélio Viana". In discussing the overall strength of the Communist party, Vargas estimated that their total number in Brazil would not exceed 20,000. They were well organized but did not have any outstanding leaders. In general he did not feel the communists were important and wondered why the present government simply did not arrest them.

Getulio's Suicide Note. Asked what were the "occult forces" to whom his father referred in his suicide note, Vargas responded in the best diplomatic tradition. He said his father was referring to those same trusts that the US Government opposes.

Personalities. Vargas had little comment to make on Brizola other than to say that he had tried to convince him not to blame the US for the actions of some American trusts. He spoke disparagingly of Goulart for bringing subversive elements into the PTB. His greatest animosity, however, was reserved for Kubitschek, who had now sealed his political

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fate by disregarding everybody's advice and returning to Brazil at the wrong moment, and Lacerda. It is quite possible that his animosity against the latter two springs from his fear that if they gain power they may eclipse the "Vargas tradition" by establishing traditions of their own.

Vargas Personal Following. Vargas claimed that there are 20,000 former patients of his in Guanabara on whom he can count to vote whatever way he indicates. He said he had performed much of his orthopedic surgery practice without fee and that as successful orthopedic surgery usually is dramatic in its results, his ex-patients have a deep gratitude and loyalty to him. Vargas is obviously proud of his U.S. medical training and reminisced fondly concerning his experiences in the States.

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