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Rec'd:

OCTOBER 9, 1963

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Info

FROM: RIO DE JANEIRO

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TO: Secretary of State

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NO: 770, OCTOBER 8, 7 PM

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ACTION PRIORITY DEPARTMENT 770; INFORMATION PRIORITY BRASILIA 112, CINCOS 79

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AS INDICATED IN PUBLIC POSITIONS OF ADMINISTRATION - SUPPORTING ULTIMA HORA, ORTHODOX COMMUNIST NOVOS RUMOS, GOULART-INFLUENCED CGT AND PERNAMBUCO GOVERNOR ARRAES, LEFT SEEMS BREATHING SIGH OF RELIEF SIEGE DECREE WITHDRAWN BUT SOMEWHAT UNCERTAIN WHAT COURSE TO TAKE. ALL PUSHING (A) IMMEDIATE BASIC REFORMS, (B) AT LEAST INITIAL CABINET REFORM TO INCLUDE "REPRESENTATIVES POPULAR FORCES THAT DEFEATED SIEGE", AND (C) MEASURES SOLVE ECONOMIC CRISIS.

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ULTIMA HORA WANTS "NEW TYPE DIALOGUE BETWEEN GOVERNMENT AND NATION" TO PREVENT FIGHT BETWEEN EXTREMES CARRY NATION TO CIVIL WAR THAT WOULD BECOME PART OF COLD WAR. SAYS GOVERNMENT SHOULD (A) CONSOLIDATE CONFIDENCE IT STILL HAS WITH "GREAT POPULAR MASSES", (B) REACH UNDERSTANDING WITH BUSINESS GROUPS ON SACRIFICES NEEDED FACE FINANCIAL CRISIS, AND (C) KEEP EMPLOYER-WORKER RELATIONSHIPS FROM BREAKING POINT.

NOVOS RUMOS, IN EXTRA EDITIONS OCT 5 AND 8, DEMANDS GOVERNMENT TAKE "CONCRETE MEASURES AGAINST IMPERIALISM AND LATIFUNDIO AND DECISIVELY BREAK WITH POLICY OF CONCILIATION THAT BROUGHT BRAZIL TO PRESENT PROFOUND CRISIS ... IT ONCE MORE EVIDENT THAT CENTRIST SOLUTION NATIONAL PROBLEMS ONLY LEADS DISASTROUS

RESULTS."

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ACTION	ACTION	CONFIDENTIAL	PROHIBITED UNLESS "UNCLASSIFIED"
ASSIGNED TO: ARA: LA/BR	TAKEN	None	
NAME OF OFFICER	DATE OF ACTION	DIRECTIONS TO RM/R	
R. Burton	10/9/63	File	

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Authority NND 939529

File 770

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-2- 770, OCTOBER 8, 7 PM FROM RIO DE JANEIRO

RESULTS." URGES PEOPLE DEMAND (A) UNILATERAL DECLARATION MORATORIUM, (B) CANCELLATION AMFOP AGREEMENT, (C) RADICAL AGRARIAN REFORM, (D) IMMEDIATE MEASURES TO DEFEND CONSUMER INTERESTS AGAINST INTERMEDIARIES IN FOOD AND PRICE FIELDS, (E) IMMEDIATE SALARY READJUSTMENTS AND NEW MINIMUM WAGE, (F) ANTI-INFLATION MEASURES THAT WOULD AFFECT HIGHER-INCOME GROUPS AND FOREIGN MONOPOLIES PROFITS, (G) AMNESTY FOR BRASILIA REBELS, (H) ELIGIBILITY FOR SERGEANTS. ADDS "DEMOCRATS APPROVE AND DEFEND ENERGETIC AND EXCEPTIONAL MEASURES" AGAINST LACERDA AND ADHEMAR; "VICTORY AGAINST SIEGE CREATES NEW SITUATION WITH MORE FAVORABLE CONDITIONS FOR POPULAR FORCES, WHICH MUST MAINTAIN DEMOCRATIC VIGILANCE AGAINST DEFEATED REACTION AND COUNTER-OFFENSIVE IT PREPARING ... NEW NATIONALISTS AND DEMOCRATIC POLICY MUST BE ADOPTED; THERE ARE IN GOVERNMENT, HOWEVER, SECTORS INTERESTED IN ANTI-POPULAR SOLUTIONS," AS EVIDENCED BY CONDUCT JUSTICE MINISTER JUREMA AND OF "WORM-EATEN" PSD LEADERSHIP ON SIEGE ISSUE -- GOVERNMENT MUST "RID SELF OF THESE SECTORS".

COMMENT: PCB LINE ON JUREMA NOT YET ADOPTED ANY OTHER SEGMENT; "GET JUREMA" MOVE MAY INDICATE ATTEMPT TURN LEFTIST HEAT ON SIEGE AWAY FROM GOULART, WHOM LEFT NEEDS, AND MILITARY, AT LEAST PART OF WHICH LEFT FEARS.

CGT IN INNOCUOUS "MANIFESTO" CLAIMS VICTORY FOR "NATIONALISTS (#) STATIONS OF PEOPLE", AND REASSURES PRESIDENT THAT WORKERS CONTINUE MOBILIZED FOR "NECESSARY BATTLES".

ARRAES, IN " IF YOU (I.E. GOULART) ARE WITH PEOPLE THEY ARE WITH YOU" SPEECH IN RECIFE, SAID PEOPLE MUST REMAIN FREE TO DEMONSTRATE UNITED STRENGTH IN PEACEFUL PROTESTS AND SERENELY MARCH TOWARDS REFORMS AND EMANCIPATION OF BRAZILA. ADDED "UNITED AND ORGANIZED PEOPLE WILL DEMAND AND SUPPORT MEASURES SUCH AS EXPROPRIATION OF PUBLIC SERVICE CONCESSIONARIES AND FOREIGN TRADE MONOPOLY TO END THEFT INVOLVED IN INTERNATIONAL TRANSACTIONS."

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(4) OMISSION. CORRECTION TO FOLLOW.

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CONTROL: 6550

CORRECTION ISSUED: 10/10/63, 12:55 a.m.

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-2- 770, OCTOBER 8, 7 PM FROM RIO DE JANEIRO - CORRECTED PAGE 2

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None  
10-15-63

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