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AIRGRAM

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1. Ex-Mayor of Porto Alegre Blasts PTB

Loureiro da Silva, popular ex-mayor of Porto Alegre, took time from his vacation in neighboring Santa Catarina to accuse today's PTB leaders of perverting the anticommunist ideals upon which the party was founded. Da Silva, who broke with the PTB several years ago and was elected mayor as an independent, lamented this betrayal of "my old chief" Getulio Vargas, who founded the PTB as a wall against communism. Today's leaders are going far to the left and the cooperation of communism with the PTB is shockingly apparent. Commenting on the 1965 presidential campaign, da Silva said he had serious doubts that the elections would be held at all.

Comment: At present, da Silva is the only prominent candidate for governor on an anti-PTB ticket in 1966. Because of this

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successful "defection" from the PTB, his criticism of the party carries more weight than most.

2. Federal Aid for Porto Alegre

A triumphant Sereno Chaise, whose whirlwind of activity as new Mayor of Porto Alegre is winning friends for his PTB, returned from talks with President Goulart last week with promises of federal aid that may reach a total of Cr\$ 8 billion. Chaise announced the immediate commencement of an ambitious (and sorely needed) plan of vote getting street, water and electrification projects.

Comment: If Goulart delivers and Chaise carries out his program, PTB stock will boom. Chaise belongs to Federal Deputy Leonel Brizola body and soul. As Goulart is doubtless aware, a popular and successful Chaise administration would strengthen Brizola's grip upon the state.

3. Revolution Scare Fades

The stir caused by the Meneghetti administration's attempt to establish the existence of a revolutionary plot to overthrow the state government has died down to intermittent snipping, at least for the present (see Weekly Summary No. 91, January 14, 1964, and previous). Last week: PTB State Deputies happily made public the Federal Minister of War's negative reply to their inquiry asking if his office had any knowledge of the plot; acting state Secretary of Security Antônio Feres announced that a sem terra leader from Bage was involved in "Oswaldo's" revolution; and Candido Norberto (MTR), President of the Legislative Assembly, accused the Government of "exporting fear." In spite of a mild stir created by reports of threats against the life of Meneghetti's spokesman José Antônio Aranha, state Secretary of the Treasury, the public remained indifferent and incredulous.

4. Brizola's Activities

Federal Deputy Leonel Brizola (PTB-Guanabara), currently vacationing at the beaches of nearby Capão da Canoa, unexpectedly flew to Rio de Janeiro last week at the urgent request of Federal Deputy Max da Costa Santos. There, he attended a meeting of the Frente de Mobilização Popular to hear a report on Pernambuco Governor Miguel Arraes' recent meeting with President Goulart. Returning to Porto Alegre, Brizola put off importunate newsmen by distributing, without comment, the FMP's press release listing the demands of the left upon the national government.

As a possible indication that Brizola has not yet given up his hopes of becoming Minister of the Treasury, his henchmen here are predicting that Goulart will fall to a rightist golpe by July unless someone, presumably Brizola, steps in to control inflation.

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5. PDC to Remain in Government (?)

events leading to the resignation of former Secretary of Interior and Justice Gay da Fonseca the PDC directorate decided to remain in Governor Meneghetti's administration by one vote only and set a special state meeting for January 24 to further consider its position. (See Weekly Summary No. 91, January 14, 1964.) It now appears that calmer, more pragmatic heads will prevail. A majority of the party leaders seem to prefer accepting the rough treatment to which da Fonseca was subjected to losing the patronage and prestige that comes with occupancy of the Secretariats of Interior and Justice and of Labor and Housing. Ney Braga, Governor of Paraná and PDC National President, will attend the January 24 meeting.

6. Political Notes

a. State PL leaders are pressing the national party organization to reach an early agreement on Carlos Lacerda as its presidential candidate. They are urging quick action to permit Lacerda to campaign as an official candidate without awaiting the decision of the UDN.

b. Presidential candidate Juscelino Kubitschek is scheduled to visit Rio Grande do Sul next week for the first time since 1959. His state campaign manager, State Secretary of Education Ariosto Jaeger, announced that Kubitschek will visit the cities of Porto Alegre and Pelotas on January 25 or shortly thereafter. State PSD President, Federal Deputy Tarso Dutra, is touring the interior to check on Kubitschek strength in the rural areas. He also is investigating reports that a significant number of PSD rural leaders have committed themselves to Carlos Lacerda.

c. PTB State Deputy Wilson Vargas is quietly campaigning for his party's nomination for governor in 1966. Although immensely popular with the PTB rank and file, Vargas learned to his sorrow the price of even mild opposition to Leonel Brizola when last fall he lost his bid for the PTB nomination for Mayor of Porto Alegre to Brizola's last minute choice, (now Mayor) Sereno Chaise. Once again a vigorous Brizola supporter, Vargas has a good chance for the nomination...unless Brizola himself decides to run.

7. Miscellaneous

a. The State Administration this week announced the opening of Civil Service examinations to regularize the positions of thousands of contract workers whose contracts have expired but who have been continued on the state payroll. The Administration's original decision had been to fire most contract workers. This received such withering criticism in the Legislative Assembly that the idea was abandoned. The Administration's decision to maintain these workers will increase the strain on the already unbalanced budget.

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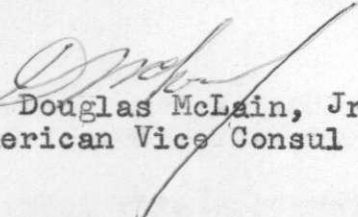
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b. Workers of the State Electrical Energy Company (CEEE) are threatening to strike if their demands for a 70% wage increase and other benefits are not met. Although the workers promise to present their demands directly to Governor Meneghetti before acting, they have called a meeting for January 22 to set tentative strike strategy.

c. Norwegian Ambassador Knut Thommessen arrived in Porto Alegre on January 20, for a two-day official visit. While here, Ambassador Thommessen hopes to appoint a local shipping agent to represent Norwegian interests in Porto Alegre.


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