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INCOMING TELEGRAM *Department of State*

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Action

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Info

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FM AMCONSUL SAOPAULO

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TO RUEHC/SECSTATE WASHDC PRIORITY

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INFO RUESUA/AMEMBASSY RIODEJANEIRO PRIORITY

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JULY 15.

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1966 JUL 15 PM 5 08

1. FORMER SAO PAULO GOVERNOR CARVALHO PINTO IN SMUB SELF-SERVING NOTE ANNOUNCED JULY 14 ACCEPTANCE OF INVITATIONS FROM PRESIDENT AND FROM REGIONAL ARENA EXECUTIVE TO RUN FOR SENATOR ON ARENA TICKET IN NOVEMBER 15 DIRECT ELECTION. CP DECISION GREATLY ENCOURAGED MOST OTHER ARENA NOVEMBER CANDIDATES WHO BELIEVE EX-GOVERNOR'S PRESTIGE AND POPULARITY WILL ATTRACT BADLY NEEDED VOTES FOR WHOLE ARENA SLATE. EX-UDN PARTISANS OF INCUMBENT SENATOR PADRE CALAZANS WHO DESIRES RE-ELECTION FURIOUS AT HIS "BETRAYAL" BY ARENA LEADERS. CALAZANS DENOUNCED ARENA, ATTACKED CARVALHO PINTO RECORD, AND DECLARED RESIGNA-

TION FROM PRO-GOVERNMENT PARTY.

2. ARENA STATE CONVENTION MEETING JULY 15 TO NOMINATE GUBERNATORIAL CANDIDATES. ACCORDING ALL REPORTS SODRE WHO WILL BE REGIONAL EXECUTIVE'S ONLY RECOMMENDATION TO CONVENTION FOR GOVERNOR WILL BE NOMINATED EASILY WITHOUT ORGANIZED OPPOSITION. IN DEVELOPMENT YESTERDAY EXECUTIVE DECIDED BY MAJORITY VOTE TO PROPOSE SAO PAULO CITY COUNCIL PRESIDENT MANOEL FIGUEIREDO FERRAZ (EX-PSP), SON-IN-LAW OF EX-GOVERNOR ADHEMAR DE BARROS, FOR CONVENTION ENDORSEMENT AS NOMINEE FOR GENERALLY UNIMPORTANT VICE GOVERNOR POST. THIS EXECUTIVE SUGGESTION MIGHT PROVOKE FLOOR FIGHT FROM SUPPORTERS OF INFLUENTIAL EX-PSP STATE DEPUTY HILARIO TORLONI WHO HAD BEEN CONSIDERED FRONT RUNNER FOR VICE GUBERNATORIAL NOMINATION. BITTER OPPONENTS OF FORMER GOVERNOR ADHEMAR ALSO EXPECTED REGISTER VOCIFEROUS OBJECTION TO NOMINATION OF ADHEMAR RELATIVE, THOUGH FIGUEIREDO FERRAZ WAS NEVER CONSIDERED KEY ADHEMAR HENCHMAN OR CONFIDANT.

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-2- SAO PAULO 057, JULY 15

3. MDB CONVENTION OPENED JULY 13 AND IS IN RECESS UNTIL CONCLUSION OF VOTING AT ARENA CONCLAVE. WILL MEET LATE JULY 15 TO SELECT GUBERNATORIAL TICKET, THOUGH CONSIDERABLE OPPOSITION EXISTS IN PARTY RANKS TO PARTICIPATION IN INDIRECT ELECTIONS

WHICH ARE TERMED "FARCICAL". OPPOSITION MAY NOMINATE CANDIDATES ONLY TO GAIN LEGAL OPPORTUNITY TO WAGE ANTI-GOB CAMPAIGN, WITHDRAWING TICKET FROM CONTENTION JUST BEFORE SEPTEMBER 3 ELECTION DATE. POSSIBLE GUBERNATORIAL CANDIDATE MOST PROMINENTLY MENTIONED IN MDB STILL FORMER GOULART AGRICULTURE MINISTER RENATO COSTA LIMA. THOUGH MDB NOT SCHEDULED CHOSE SENATORIAL AND OTHER CANDIDATES AT THIS TIME, THERE ARE RUMORS THAT BID WILL BE MADE TO CALAZANS TO ENTER OPPOSITION AND RUN FOR RE-ELECTION ON MDB SLATE. GIVEN EXTREME PRO-REVOLUTION STANCE OF CALAZANS THIS WOULD BE BIZARRE DEVELOPMENT EXCEPT FOR FACT THAT HE ALSO IN LACERDISTA.

COMMENT: TESPWUZ*

WIN INDIRECT GUBERNATORIAL ELECTION WITHOUT MARKED DIFFICULTY GIVEN HUGE ASSEMBLY MAJORITY. THAT CARVALHO PINTO DEVELOPED INTO MOST EARNESTLY WOODED ARENA CANDIDATE FOR DIRECT ELECTIONS IRONIC AS HE BY NO RPT NO STRETCH OF IMAGINATION MAY BE CONSIDERED A REVOLUTIONARY. HOWEVER, HIS ADHERENCE TO ARENA AND INCLUSION ON NOVEMBER TICKET WILL PROVIDE PRO-GOVERNMENT FORCES HERE WITH VALUABLE MORALE BOOST. IXRENA MEMBERS APPRECIATE PARTY'S POPULARITY STUCK AT VERY LOW LEVEL AND THUS FEAR SEVERE REVERSES AT POLLS

PAGE 4 RUESUP 057 C O N F I D E N T I A L LIMITED OFFICIAL USE ESPECIALLY IN SAO PAULO URXBN AND INDUSTRIAL CENTERS. THEY HOPE CP'S NAME AND ACTIVE CAMPAIGN WILL SERVE TO BAIL OUT MANY ARENA FEDERAL AND STATE LEGISLATIVE CANDIDATES, MOST OF WHOM INTEND FASTEN FIRMLY ON CP COATTAILS. IN THIS ASSUMPTION THEY MAY BE MISCALCULATING SINCE AS AT LEAST ONE ARENA FEDERAL DEPUTY CONFIDED IT IS ENTIRELY PROBABLE THAT CP POPULARITY IS PERSONAL AND WILL NOT RUB OFF ON OTHER ARENA CANDIDATES. WHETHER OR NOT CP ASSOCIATION WILL PROVE BENEFICIAL, SAO PAULO ARENA WILL CLEARLY HAVE UPHILL FIGHT SHOULD DIRECT ELECTIONS OCCUR IN NOVEMBER UNDER PRESENT GROUND RULES. BOND.

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