

AIRGRAM

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DEPARTMENT OF STATE
BUREAU OF
INTER-AMERICAN AFFAIRS
NOV 16 1965

FROM : Amcongen SAO PAULO

DATE: November 12, 1965

SUBJECT : "Hardline" Military Attitudes

REF :

Attached is a memorandum of conversation with Mr. Victorio Walter dos Reis Ferraz, President of the Permanent Group for Industrial Mobilization in Sao Paulo. Mr. Ferraz reports that there is still a strong group of military "hardliners" who want to take immediate action against Governor Adhemar de BARROS; however, cooler heads will probably prevail and the Governor will be allowed to complete his term. Although Mr. Ferraz is a strong supporter of the Government and was one of the civilian leaders of the Revolution, he seemed generally pessimistic that the Government's efforts to form an effective party of the Revolution would be successful.

Niles W. Bond
Minister Consul General

Enclosure: a/s

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MEMORANDUM OF CONVERSATION

Participants: Victorio Walter dos Reis Ferraz, President,
Permanent Group for Industrial Mobilization,
William L. Wight, Jr., Deputy Consul General,
Sao Paulo

Date : November 9, 1965

Subject : "Hardline" Military Attitudes

Mr. Ferraz had some interesting observations concerning hardline military attitudes; he is extremely close to many top military officers because of his position as President of the Permanent Group for Industrial Mobilization. He is an important businessman, Director-Superintendent of the Cia. Sorocabana de Material Ferroviario. He states there are two schools of thought within the military. One group, evidently rash and extreme, want to arrest Governor Adhemar de BARROS immediately, since they consider the goals of the Revolution will not have been achieved till this symbol of corruption has been eliminated. He said representatives of the National Intelligence Service in Sao Paulo traveled to Rio several times a week to take documentary evidence against Governor Adhemar; that they now had enough material to fill a room. The hardliners are anxious to make use of this material, and are fearful that this documentary evidence of corruption will have been collected in vain. The other group within the military is more cautious, being reluctant to "rock the boat" and create a political upset in the State of Sao Paulo, so important to the economy of Brazil. This group points out that Adhemar will have to leave the scene when he completes his term, and that he can be kept under strict surveillance until that time. Other persons, including Mr. Ferraz, have counseled moderation, pointing out that if Adhemar is removed his replacement would in turn cause problems. Would he be a military man without administrative experience? Would he be a politician, and if so, whom? Ferraz's opinion was that cooler heads would prevail, and that Governor Adhemar would be allowed to finish his term.

Ferraz was one of the few civilians present at Itapeva when Minister COSTA E SILVA made his speech attacking the Supreme Court. Ferraz had the impression (which he could hardly believe) that the President had not known about the speech in advance. In any event, the emotional impact was terrific, and Ferraz reported that Costa e Silva and other senior military officers had tears in their eyes.

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Ferraz feels that Costa e Silva emerged considerably stronger as a result of the crisis, and that he will probably be the next President. Juracy MAGALHÃES, according to Ferraz, is considered a "politician" by the military and is not entirely welcomed by them.

Ferraz stated that the Brazilian military officers have quieted down considerably and are now generally happy because of the Second Institutional Act. Many of them are pleased merely to have the Act on the books, even if it is not implemented; others, he agreed, would like to see all provisions sternly carried out. He himself believes that there will not be any new lists of cassações, although a list might be prepared and held in reserve.

Ferraz said he had been visited by Col. MEIRA MATOS, Brazilian Commander in Santo Domingo, who had come to Sao Paulo to investigate the possibility of organizing a Party of the Revolution. Meira Matos' hope was to get together "the good politicians" in a group which would support the government and hopefully could elect pro-Revolutionary candidates. Ferraz had cautioned that this would take time; he thought more than a year would be required. The only thing the Second Institutional Act had accomplished, he said, was to ensure that this government would pick the next President. Ferraz seemed generally pessimistic that the Government would be able to pull together the necessary elements to form an effective party of the Revolution, and he was dubious whether direct State elections could be held in the fall of 1966.