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HANDLING INDICATOR

TO : Department of State

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DEPARTMENT OF STATE
JUN 15 8 26 AM 1970

WH

INFO: Amembassy, RIO DE JANEIRO
Amembassy, BRASILIA

FROM : Amconsul, SÃO PAULO

DATE: June 8, 1970

SUBJECT : Key Economic Leaders Shifted in São Paulo State Governme nt

REF :

Dr. Dilson Domingos FUNARO will take office June 8, 1970 as State Secretary of Finance, having moved from his job as State Secretary of Economy and Planning upon the resignation of Dr. Arrobas MARTINS. Governor Abreu SODRÉ announced the shift after releasing Dr. Martins, who had apparently been seeking to resign for health reasons since the first of this year. Dr. Gustavo SA E SILVA, Director of the School of Business Administration of the Getulio Vargas Foundation in São Paulo, is expected to replace Funaro as Secretary of Economy and Planning.

Dr. Funaro is closely linked to the GOB's Minister of Finance, Antonio DELFIM NETTO, and is favorably known to Governor-designate, Laudo NATEL. Funaro has established a reputation as a competent economist, a forceful administrator, and an ambitious politician, as well as a successful industrialist (See São Paulo's A-215 of 10-6-69 for biographic data). These qualifications, combined with his impressive connections, make it likely that he will continue in his position as Secretary of Finance when the Natel administration is organized.

Dr. Funaro's career has undoubtedly been advanced by this shift, and at the age of 41 he is now one step closer to a Federal Cabinet position that he is known to covet. In such a position he would be unlikely to show much sympathy for U. S. interests in Brazil. Funaro is nationalistic and often misinformed despite an obviously keen mind. (See memoranda of conversations dated April 23, 1970 and May 27, 1970-Rio) His nationalism has mellowed since the Revolution of 1964 and he has become more responsible in his attacks on foreign influences in Brazil,

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but he remains opposed in principle to foreign investment, while accepting some forms as necessary evils. He has also expressed at every chance his resentment of certain American commercial policies.

Dr. Sá e Silva is likely to be an interim appointee who will be superseded in the new administration. While trained and qualified for his new job as Secretary of Economy and Planning, he has given every indication of a strong commitment to his role as an educator and will probably wish to return to the Getulio Vargas Foundation.

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Dr. Eliam Domingos FUNARO will be the new Secretary of Economy and Planning upon the resignation of Dr. ... Governor Ademar SOPHIA announced the shift ... who had apparently been seeking to ... first of this year. Dr. ... Business Administration of the Getulio ... is expected to replace Funaro as Secretary of Economy and Planning.

Dr. Funaro is closely linked to the GOVERNMENT ... DELFIM NETTO, and is favorably known to ... Laudo NATEL. Funaro has exhibited himself as an economist, a formal administrator, as well as a successful international ... (See geographic data). These ... connections, make it likely ... of Finance when the ...

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