

INCOMING TELEGRAM *Department of State*

~~CONFIDENTIAL~~

2

81
Action

19933
10000

55

Info

ESA486SUA900
RR RUEHC
DE RUESUA 5027/1 2942210
ZNY CCCCC
R 212145Z OCT 66
FM AMEMBASSY RIODEJANEIRO
TO SECSTATE WASHDC
STATE GRNC
BT

1966 OCT 21 PM 10 24

~~CONFIDENTIAL~~ SECTION ONE OF TWO RIO DE JANEIRO 5027

EXDIS

OCTOBER 21

REF: RIO DE JANEIRO 4067

FOR GORDON AND KUBISCH FROM TUTHILL

1. AT CLOSE OF EXCLUSIVE INTERVIEW GRANTED BY PRESIDENT CASTELLO BRANCO TO HAL HENDRIX OF SCRIPPS HOWARD OCT. 19, THE PRESIDENT OPENED A FOLDER ON HIS DESK CONTAINING A LARGE STACK OF PAPERS MARKED SECRET
2. CASTELLO BRANCO TOLD HENDRIX HE HAD BEEN READING A REPORT FROM THE BRAZILIAN EMBASSY IN WASHINGTON WHICH DESCRIBED THE VIEWS OF "THE AMERICAN LABOR MOVEMENT, THE AFL-CIO." THE PRESIDENT SHOWED THE REPORT TO HENDRIX AND THE PRESS ATTACHE WHO WAS SERVING AS INTERPRETER WHERE HE HAD UNDERLINED LENGTHY PARTS OF THE REPORT. PRESIDENT CASTELLO BRANCO BEGAN READING FROM THE REPORT, SKIPPING OVER SOME WORDS WHICH IDENTIFIED BY WHOM IT WAS WRITTEN AND WHO

PAGE TWO RUESUA 5027/1 ~~CONFIDENTIAL~~
THE PERSON IN THE AFL-CIO WAS THAT HAD EXPRESSED THE VIEWS HE WAS READING. THE PRESIDENT READ A PORTION WHICH SAID THE BRAZILIAN GOVERNMENT HAD EXCESSIVE CONTROL OF THE UNIONS AND THAT THE GOB HAD PUT OBSTACLE IN THE WAY OF THE EXECUTION OF A LOWCOST HOUSING PROGE

(AM SPONSORED BY THE AMERICAN LABOR MOVEMENT IN BRAZIL. AT THIS POINT, THE PRESIDENT STOPPED, PAUSED, CHUCKLED AND HIS EYES FIXED ON HENDRIX AND HE SAID VERY SLOWLY: "THESE THINGS ARE NOT ALL TRUE. BUT I AM GLAD TO HAVE THIS REPORT FROM OUR FRIENDS (HE REPEATED THE WORD "FRIENDS") IN THE AMERICAN

DECLASSIFIED

~~CONFIDENTIAL~~

E.O. 13292, Sec. 3.5

NLJ 04-20

By ms, NARA, Date 6-28-04

CONFIDENTIAL

-2-RIO DE JANEIRO 5027 SECTION ONE OF TWO OCT 21

LABOR MOVEMENT. I AM GOING TO CALL IN MY MINISTER OF LABOR AND SEND THIS TO ROBERTO CAMPOS TO FIND OUT IF THEY ARE (TRUE) AND WILL DISCUSS THEM WITH THE LABOR MINISTER."

3. THE PRESIDENT CLOSED THE FOLDER, REOPENED IT AND POINTED TO THE WORD "SECRET" ON THE DOCUMENT AND SAID: "BUT THAT IS A SECRET."

4. THE PRESIDENT LAUGHED WHILE LOOKING AT HENDRIX AND ADDED: "SO YOU DON'T KNOW THIS."

5. HENDRIX TOLD THE PRESS ATTACHE HE DID NOT INTEND TO USE THE EXCHANGE OR TO MENTION THE INCIDENT SINCE HENDRIX DID NOT CONSIDER THE PRESIDENT SPOKE ON THE RECORD IN THAT INSTANCE.

6. THE PRESIDENT HAD A CORDIAL AND RELAXED SESSION WITH HENDRIX WHICH LASTED A BIT OVER 20 MINUTES, KEEPING THE MINISTER OF JUSTICE WAITING FOR THAT PERIOD OF TIME SINCE HENDRIX HAD BEEN FIFTEEN MINUTES LATE FOR HIS APPOINTMENT WITH THE PRESIDENT.

PAGE THREE RUESUA 5027/1 ~~CONFIDENTIAL~~

THE INTERVIEW WAS ARRANGED THROUGH ROBERTO CAMPOS. THE PRESIDENT SAID IN RESPONSE TO HENDRIX'S OPENING EXPRESSION OF APPRECIATION TO THE PRESIDENT FOR SEEING HIM DURING A BUSY TIME THAT HE HAD BEEN TRYING SINCE NOVEMBER TO SEE THE PRESIDENT. THE PRESIDENT SAID THIS WAS THE FIRST HE HAD HEARD OF THE REQUESTS. HENDRIX HAD PLACED HIS REQUESTS THROUGH THE PRESS SECRETARY TO THE PRESIDENT, WHICH INDICATES NOT ALL REQUESTS TO SEE THE PRESIDENT ARE DELIVERED BY THE PRESS SECRETARY

(ETARY ALTHOUGH HE ASSURES NEWSMEN THAT IS THE CASE. PRESIDENT CASTELLO BRANCO ALSO ADDED HE IS ALWAYS HAPPY TO SEE FOREIGN NEWSMEN. "WE NEED TO CLARIFY OUR OBJECTIVES TO OTHERS," HE SAID.

7. A TRANSCRIPT OF THE ENGLISH LANGUAGE VERSION OF THE EXCHANGE OF QUESTIONS AND ANSWERS BETWEEN THE PRESIDENT AND HENDRIX AS WRITTEN IN NOTE FORM BY HENDRIX, OF WHICH A COPY WAS SENT TO PRESIDENT CASTELLO BRANCO BY REQUEST, FOLLOWS:

8. COMMENT: IN REFTEL, I REPORTED THAT PIO CORREA STATED ALL OF MEANY'S SUGGESTIONS WERE "CONSTRUCTIVE." THERE WERE OTHERS AT THE MEETING. CASTELLO BRANCO MAY HAVE BEEN REFERRING NOT TO MEANY'S COMMENTS BUT TO THOSE OF OTHERS.

CONFIDENTIAL

~~CONFIDENTIAL~~

-3- RIO DE JANEIRO 5027 SECTION ONE OF TWO OCT 21

UNCLASSIFIED MEMCOK: LARANJEIRAS PALACE, OCT. 19.

PARTICIPANTS: PRESIDENT CASTELLO BRANCO; HAL HENDRIX OF SCRIPPS

PAGE FOUR RUESUA 5027/1 ~~CONFIDENTIAL~~

HOWARD;

PAULO PARANAGUA, CHIEF OF CEREMONIAL OF PRESIDENCY; JACK WYANT.

1. WHAT DO YOU CONSIDER THE PRINCIPAL ACCOMPLISHMENTS OF YOUR GOVERNMENT?

A. MY GOVERNMENT HAS NOT ONLY ATTACKED ON ONE FRONT. WE HAVE OPERATED ON SEVERAL FRONTS. THERE HAS BEEN NO DISPERSION OF OUR FORCES. IT WAS NECESSARY TO RE-ESTABLISH AND RECUPERATE IN MANY ZONES OF POLICY, POLITICS AND ADMINISTRATION.

WE TRIED TO ACHIEVE ORDER IN POLICY AND POLITICS, IN FINANCE, IN ECONOMICS AND IN PUBLIC LIFE.

A. POLICY OF GOVERNMENT (

POLITICS ALSO)...WE ACTED TO RECUPERATE

THE INSTITUTIONS OF BRAZIL AND ELIMINATE THE COMMUNIST INCURSIONS.

B. FINANCES...WE DEDICATED OURSELVES TO FIGHT AGAINST INFLATION WITHOUT QUARTER. WE ALREADY HAVE ACHIEVED CONTROL OF FISCAL POLICY, MONETARY POLICY, SALARY POLICY AND CREDIT POLICY.

C. INsofar AS THE ECONOMIC SITUATION IS CONCERNED, WE HAVE ESTABLISHED THE BASIS FOR BEGINNING DEVELOPMENT AGAIN ON A REALISTIC BASIS...WE HAVE BEEN ABLE TO ACHIEVE ESTABLISHMENT OF CONDITIONS FOR RESSURGENCE OF DEVELOPMENT WITHOUT INFLATION. WE HAVE SOUGHT TO DESTROY THE ILLUSION OF DEVELOPMENT THROUGH (BASED ON) INFLATION.

D. PUBLIC

LIFE...WE HAVE RE-ESTABLISHED ORDER AND SECURITY FOR ALL

PAGE FIVE RUESUA 5027/1 ~~CONFIDENTIAL~~

BRAZILIANS, WITHOUT WHICH WE WOULD NOT HAVE BEEN ABLE TO MAKE THE SACRIFICES IMPOSED ON THE BRAZILIAN PEOPLE.

THESE ARE THE OBJECTIVES WE HAVE ATTAINED.

~~CONFIDENTIAL~~

~~CONFIDENTIAL~~

-4- RIO DE JANEIRO 5027 SECTION ONE OF TWO OCT 21

2. DO YOU PERSONALLY, FEEL YOU HAVE HAD A CONSIDERABLE MEASURE OF SUCCESS?

A. OUR AIM WITHIN ALMOST THREE YEARS OF GOVERNMENT HAS BEEN TO ACHIEVE THE ESTABLISHMENT OF THE BEST CONDITIONS POSSIBLE FOR THE INSTALLATION AGAIN OF A NORMAL GOVERNMENT IN BRAZIL, WHICH WILL HAPPEN MARCH 15, 1967. THEREFORE, I WOULD SAY THERE HAS BEEN SUCCESS.

3. WHEN DO YOU THINK THE BRAZILIAN REVOLUTION WILL BE OVER THE HUMP, DOING ALL IT SET OUT TO DO?

A. 1970 WILL BE THE GREAT YEAR OF BRAZIL. THE NEW POLITICAL INSTITUTIONS WILL HAVE BEEN EXPERIMENTED, WILL BE OPERATING, WILL BE UNDERSTOOD AND FIRMED...THE BAD EFFECTS OF INFLATION WILL HAVE BEEN OVERCOME. THE GREAT INVESTMENT, PRIVATE AND GOVERNMENT, NATIONAL AND FOREIGN, WILL BE PAYING OFF FULLY.

4. HOW DO YOU FEEL ABOUT BEING THE TARGET OF A CONSIDERABLE AMOUNT OF CRITICISM FROM PEOPLE HERE, ESPECIALLY BECAUSE OF THE ECONOMIC PINCH?

A. THE ORIGINS OF THE CRITICISMS MUST BE CONSIDERED

A. THERE IS SYSTEMATIC CRITICISM FROM THE UNCONFORMED ONES, THOSE "DISMOUNTED" FROM THE GOVERNMENT WHO CAN NO LONGER USE THE GOVERNMENT FOR ADVANTAGE AND PRIVILEGE.

PAGE SIX RUESUA 5027/1 ~~CONFIDENTIAL~~

B. THE OTHER IS THE AUTHENTIC CRITICISMS, WHOSE ^{WAR} CRITICISMS AND SUGGESTIONS HELP US.

FOR THE FIRST TYPE I HAVE PATIENCE. FOR THE SECOND I AM HUMBLE AND INTERESTED.

5. HOW DO YOU SEE THE DIFFICULTIES IN BRASILIA BEING RESOLVED?

A. WHAT IS HAPPENING IN BRASILIA IS AN EPISODE AND IT WILL BE NO MORE THAN THAT. IT IS AN ATTEMPT BY COUNTER-REVOLUTIONARIES WHO ARE DESPERATE. FURTHERMORE, THEY DO NOT HAVE THE SUPPORT OF PUBLIC OPINION. THEIR SHOUTS ARE FALLING INTO A VOID. WE WILL NOT CEDE.

~~CONFIDENTIAL~~

~~CONFIDENTIAL~~

-5- RIO DE JANEIRO 5027 SECTION ONE OF TWO OCT 21

6. WILL THERE BE MORE CASSATIONS?

A. TO ASSUME AN OBLIGATION EITHER NEGATIVE OR POSITIVE IS NOT POSSIBLE (MEANS HE CAN'T SAY YES OR NO NOW). BY WAY OF ILLUSTRATION, HE SAID; A PENAL CODE EXISTS, UNFORTUNATELY. THE POWER TO CASSATE EXISTS, UNFORTUNATELY.

TUTHILL

BT

~~CONFIDENTIAL~~