84 DECLASSIFIED NNNNESA912SUA310 PP RUEHCR E.O. 13292, Sec. 3.5 DE RUESUA 607 2982345 NLJ 03-294 ARA ZNY CCCCC By us , NARA, Date 3-24-04 P R 252240Z Info IFM AMEMBASSY RIODEJANEIRO TO RUEHCR/SECSTATE WASHDC PRIORITY 889 20036 SS INFO ZEN/AMEMBASSY BRASILIA 76 1965 OCT 25 PM 8 51 G STATE GRNC SP BT CONFIDENTIAL OCT 25 SAH

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1. FEDERAL DEPUTY ALOMAR BALEEIRO TOLD EMBOFF OCTOBER 24 THAT HE HAD BEEN CALLED TO DISCUSS CURRENT POLITICAL SITUATION WITH PRESIDENT CASTELLO BRANCO ON OCTOBER 21. PRESIDENT HAD DOUBTS THAT CONGRESS WOULD APPROVE EMERGENCY LEGISLATION NOW BEFORE IT AND INDICATED THAT IN THIS EVENT HE WOULD BE IN VERY PRECAKIOUS POSITION. FAILING CONGRESSIONAL APPROVAL OF LEGISLATION PRESIDENT THOUGHT IT POSSBIBLE THAT HE WOULD FALL IN MILITARY GOLPE WHICH WOULD PROPEL COUNTRY INTO CHAOS WITH SUCCESSION OF MILITARY LEADERS ATTEMPTING TO SEIZE POWER. PRESIDENT CONCLUDED, ACCORDING TO BALEEIRO, THAT HE MAY HAVE TO LEAD GOLPE HIMSELF IN ORDER TO PREVENT

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COUNTRY FROM BEING DELIVERED OVER TO GREATER EVIL.

2. BALEEIRO SAID PRESIDENT FEELS NEED FOR STRENGTHENING HIS POWERS TO ENSURE STABILITY UNTIL 1966 ELECTIONS BUT RELUCTANT TO TAKE RESPONSIBILITY FOR DECREEINNG NEW INSTITUTIONAL ACT. PRESIDENT QUESIONED BALEEIRO AT LENGTH OVER LEGAL MEANS OF OBTAINING NEW POWERS. BUT CONCLUSION WAS THIS NOT FEASIBLE.

- 3. ONE FACTOR WHICH WEIGHS HEAVILY ON PRESIDENT, BALEEIRO SAID, IS POSSIBLE U.S. REACTION TO ANY MOVE OF HIS TO ASSUME EXTRAORD INARY POWERS AND TO HOLD INDIRECT ELECTIONS. BALEEIRO IMPLIED THAT THE PRESIDENT IS VERY UNCERTAIN REGARDING POSITION U.S. MAY TAKE IF THIS HAPPENS.
- 4. WHATEVER SOLUTION IS FOUND FOR PRESENT CRISIS, BALEEIRO SAID, PRESIDENT IS NOW CONVINCED THAT INDIRECT ELECTIONS ONLY ACCEPTABLE POSSIBILITY NEXT YEAR. PRESIDENT VIEWED INDIRECT ELECTION BY NEW CONGRESS AS "THEORETICALLY" BETTER, BUT SAW DRAWBACK IN HAVING CONGRESSIONAL ELECTIONS CONDITIONED BY PRESIDENTIAL CAMPAIGN, MAKING CONGRESSMEN, IN EFFECT, ELECTIORAL DELEGATES OF PRESIDENTIAL CANDIDATES. BALEEIRO SAID PRESIDENT EXPRESSED THOUGHT THAT

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-2- 889, October 25, From Rio de Janeiro

OUTGOING CONGRESS MIGHT MAKE MORE "OBJECTIVE AND SERENE"
CHOICE. COMMENT: WHILE EMBASSY HAS FOUND BALEEIRO ACCURATE
IN PAST, SINCE THIS REPORT INDICATES CASTELLO BRANCO PREPARED
TO MOVE MUCH FARTHER TOWARD AUTHORITARIAN REGIME THAN PREVIOUS
INDICATIONS, IT WILL NEED CONFIRMATION. GP-3 RAINE
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