

September 26, 1961

President George Meany

Serafino Remaldi

Enclosed reports on Punta del Este and Brazil

I am enclosing for your personal information two memoranda, one dealing with "The Political Aspects of the Punta del Este Economic Conference", and the other with the "Free Labor and the Brazilian Crisis." I am not planning to circulate them among the members of the AFL-CIO Committee on Inter-American Affairs, unless you so advise. Only Mike Ross got a copy.

The first memorandum was shown to Vice-President William C. Deherty and Director of Research Stanley Ruttenger, whom I accompanied to Punta del Este as member of the AFL-CIO observer delegation. Deherty expressed agreement with my observations and comments and even suggested some pertinent additions which have been incorporated into the final text. Agreement was likewise expressed by Stanley Ruttenger.

The second memorandum, dealing with the "Free Labor and the Brazilian Crisis", was shown to Secretary-Treasurer William F. Schnitzler, who is mentioned in all of the episodes that took place during the ORIT Convention. He expressed concurrence with its content and comments.

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President George Meany

Serafino Romualdi

"Free Labor and the Brazilian Crisis"

The democratic sector of the Brazilian labor movement played a crucial part, in my opinion, during the recent political crisis in that country because it refused to support the general strike called by the Communists and their sympathizers, aimed at bringing back into power President Juscelino Quadros when he suddenly decided to resign in such a dramatic fashion. The general strike attempt, which was, in my opinion, a serious one, and could have been the first stage for the eventual transformation of Brazil into a Communist-inspired police state, failed largely because of the democratic labor leaders' timely intervention, which I shall now try to relate.

I left Sao Paulo for Rio, Sunday morning, August 20th. The country was already seething over the split between President Quadros and the Governor of Guanabara, Carlos Lacerda, based on Lacerda's accusation that the President's foreign policy was becoming more and more pro-Soviet. On doctor's order, upon my arrival at the Hotel Gloria in Rio, I was confined to bed at the result of a neglected cold. The ORIT Convention was scheduled to be inaugurated that afternoon. The Minister of Labor, Castro Neves, was going to speak at the opening ceremony as a representative of President Quadros. Governor Carlos Lacerda, by previous arrangements, was scheduled to speak the following Friday, at the closing session of the convention.

Governor Lacerda phoned me requesting my intervention to make it possible for him to speak that very same day at the opening ORIT session, because he was considering resigning in order to lead "from the streets" the fight against the pro-Communist policy of Quadros. He did address the Congress.

The following day, Monday, August 21st, Governor Lacerda came to see me at the hotel and gave me confidential information on the worsening of the national crisis and the probability of an attempted coup by Quadros to install himself as a sort of dictator. The following Thursday evening, August 24th, the Governor gave an official reception for the ORIT delegates, at which he announced that he was not going to resign after all, but reiterated, in even stronger terms, his determination to fight to prevent the absorption of Brazil into the Communist orbit. Having recovered from my illness, I was present at the reception. The Governor took me aside and informed me that he was going on TV the same night to denounce the plot by Janio Quadros to dissolve Congress and establish himself as a sort of dictator. He invited me to visit him again the following day at 3:00 p.m.

On Friday afternoon, at the appointed hour, I was again at Guanabara Palace. After an unusually long wait, I was finally ushered into the Governor's office. There was an air of great excitement, with aides —civilian and military— going in and out. Governor Lacerda, who was visibly agitated, apologized for talking to me standing and in such a hurried manner. He told me that the President had just resigned and confided in me his suspicion that it was a move to cause an uprising of the population to carry Quadros back into power.

The Governor's Labor Secretary, Helio Walcacer, and I went into a conference to review the strategy on how to defeat the expected Communist call for a general strike.

Although we felt that the overwhelming majority of the union leaders in Sao Paulo and Rio (the two cities that count most) had already become disenchanted with Quadros' policy and would not go on strike to bring him back into power, it was, nevertheless, agreed that the top leaders of the Sao Paulo and Rio labor movements who were attending the ORIT Convention should immediately be contacted in order to make doubly sure that they did not fall into any Communist trap. This was done so effectively that, in retrospect, I feel justified in stating that democratic labor played a decisive role in that fateful day for Brazilian history. At one conference we had with some leaders of the Sao Paulo delegation, AFL-CIO Secretary-Treasurer William F. Schnitzler was also present. Effective work was also done by Morris Paladino who had cultivated many acquaintances in Brazil during his assignment there last year.

Since my return to the United States, I have received a letter from Jorge E. Sierra, ORIT representative in Brazil, informing me that Quadros' Minister of Labor, Dr. Francisco Castro Neves, had prepared an administrative decree outlawing ORIT's operation in Brazil as a reprisal for the alleged complicity of ORIT with Governor Lacerda's anti-governmental plans and was prevented from doing this only by the unexpected resignation of Quadros. It is noteworthy, however, that Castro Neves figured prominently among those Brazilian leaders who, during the crucial 24-hour period following Quadros' resignation, tried desperately to promote, in cooperation with the Communists, the success of a general strike with the view of bringing Quadros back into power.

The following day, Saturday, August 26th, the Communists issued the expected general strike order, but first the Maritime Workers, then the Central Committee of the Railway Unions and then, the powerful Trade Union Committee for the Defense of Democracy, which less than a month before had assembled in Sao Paulo 820 democratic union leaders representing over four million workers, went into action and caused the general strike to fail.