

TELEGRAM

Foreign Service of the
United States of America

OUTGOING

CONFIDENTIAL

Charge: Embassy

Classification

Control:

Date: August 22, 1963

TO: SECSTATE 24 priority

RPTD INFO: AMEMBASSY RIO DE JANEIRO 67 PRIORITY

PSD relations with Goulart Administration deteriorated to new low when party caucus in Brasilia August 21 resolved that National Directorate call national convention this year. Convention would presumably fix party line on whether to withdraw from Administration coalition and whether to continue support for constitutional amendment on agrarian reform. Note published after meeting also requested (1) continuing fight preservation democratic institutions and (2) that party leaders keep in mind attitudes and positions expressed at meeting in dealing with Goulart.

At caucus ~~Armando~~ Armando Falcão (Ceara) accused Goulart of planning coup. Peracchi Barcelos (RGS) said process would start with intervention in Guanabara. PSD Justice Minister Abelardo Jurema was criticized for helping Lacerda candidacy by making PSD appear to endorse anti-democratic positions. Of almost 90 deputies present, only 7 or 8 attempted to defend Goulart, saying problems faced by Goulart were general ~~at~~ throughout Latin America. Serving as focus discontent was document ~~pre~~ presented to meeting by preparatory committee (full translated text follows by pouch) main points of which were: (1) Goulart administration, and PSD support of it, causing disaffection in PSD electorates; (2) anxiety spreading

CONFIDENTIAL

Classification

REPRODUCTION FROM THIS COPY IS
PROHIBITED UNLESS "UNCLASSIFIED"

8-22-63

350 BRAZIL

+

TELEGRAM

Foreign Service of the
United States of America

OUTGOING

Charge: 0

CONFIDENTIAL
Classification

-2-

To Dept 24 Info Rio 67
Control:

Date: August 22, 1963

that agrarian reform proposals becoming attack on private property, a fundamental PSD tenet; (3) communists or communist sympathizers being appointed to positions of key importance; (4) strikes have been misused for political purposes; (5) business has been slandered; (6) Document said Govt. shall hold to "respect and guarantees for foreign capital...with remittance of profits reasonably controlled;" (7) ~~xxx~~ realistic planning; (8) support of free enterprise; (9) request that govt face urgent problems of supply of basic foodstuffs and inflation with highest priority.

GP-4

~~DEARXX~~

DEAN
RD

CONFIDENTIAL

Classification

REPRODUCTION FROM THIS COPY IS
PROHIBITED UNLESS "UNCLASSIFIED"