

TELEGRAM

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Foreign Service of the
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1811

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4. JORNAL DO BRASIL EDITORIAL OF OCTOBER 31 CALLS ON GOB TO
R 012155Z QUESTION OF INDIRECT ELECTIONS. PAPER SAYS THAT
FM AMEMBASSY RIODEJANEIRO INDIRECT ELECTION FORMULA: THAT GOVERNMENT
TO RUEHCR/SECSTATE WASHDC 982 TIED TO POPULAR TEST, AND THAT IT
INFO ZEN/AMEMBASSY BRASILIA 95 ELECTION NEXT YEAR RATHER THAN
STATE GRNC BY CONGRESS WHICH STRIPPED OF SOVEREIGNTY BY
BT

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1. DIARIO DE NOTICIAS OF OCTOBER 31 QUOTES WAR MINISTER COSTA
E SILVA AS REPLYING TO REPORTER'S QUESTION RE POSSIBLE CUT-OFF
U.S. AID DUE TO NEW INSTITUTIONAL ACT IN FOLLOWING WORDS:
"THAT PROBLEM MUST BE DECIDED BY THE UNITED STATES. FOR OUR PART,
THAT IS FOR BRAZILIAN PART, ANY DECISION THAT MAY BE TAKEN BY THE
UNITED STATES WILL NOT ALTER THE COURSE OF THE BRAZILIAN REVOLUTION.
THE REVOLUTION AND THE INSTITUTIONAL ACT WILL CONTINUE WITH OR
WITHOUT AMERICAN AID. THAT IS ALL I CAN AFFIRM."

2. O JORNAL EDITORIAL OF OCTOBER 31 ASSERTS THAT ISSUANCE
OF ACT SHOULD DEPRIVE LEFTIST OPPOSITION OF CHARGE THAT POLICY
THIS GOVERNMENT IS CONTINGENT UPON U.S. APPROVAL. EDITORIAL
REMARKS IT CURIOUS THAT "NATIONALIST" OPPOSITION WHICH HAS
CONSISTENTLY CHARGED THIS GOVERNMENT WITH SUBMISSION TO FOREIGN
INTERESTS SHOULD NOW POINT TO FOREIGN CRITICISM OF ACT TO BOLSTER
ITS OWN CHARGES THAT ACT IS STEP IN WRONG DIRECTION. CORREIO
DA MANHA, WHICH HAS FOLLOWED CONSTANT ANTI-"FOREIGN ECONOMIC
TRUST" LINE ASKS WHETHER FOREIGN INVESTORS WILL PUT FAITH AND
DOLLARS IN COUNTRY WHOSE GOVERNMENT HAS HAD TO RELY ON ACT OF
FORCE.

3. TRIBUNA DA IMPRENSA, WHICH IS OFTEN INDICATOR OF CARLOS
LACERDA'S TACTIC, HAS PUBLISHED SEVERAL EDITORIALS (ONE OF WHICH
WE INFORMED DRAFTED BY LACERDA HIMSELF) IN PAST FEW DAYS STATING
ACT IMPLANTS DICTATORSHIP IN BRAZIL BUT IT REMAINS TO BE SEEN
WHETHER IT WILL BE DICTATORSHIP OF OR AGAINST PEOPLE. PAPER
SAYS CASTELLO BRANCO GOVERNMENT DESERVES NO CREDIT OF CONFIDENCE
AND WILL ONLY MERIT SUPPORT OF PEOPLE INsofar AS IT REALLY
USES POWERS OF ACT AND INsofar AS IT CORRECTS DISASTROUS
ECONOMIC-FINANCIAL POLICY. O ESTADO DE SAO PAULO, WHICH ALSO
CLOSE TO LACERDA, URGES GOB TO USE POWERS OF ACT TO ATTAIN
GOALS OF REVOLUTION RATHER THAN RELY UPON ACT AS SIMPLE MEANS
OF PRESSURE.

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5. GENERAL SITUATION REMAINS AS REPORTED EMBTEL 964.

GORDON

1. DIARIO DE NOTICIAS OF OCTOBER 31 SAYS SENATOR COSTA E SILVA AS RESPONDING TO REPORTER'S QUESTION RE POSSIBLE U.S. AID DUE TO NEW INSTITUTIONAL ACT IN FOLLOWING WORDS: "THAT PROBLEM MUST BE DECIDED BY THE UNITED STATES. FOR OUR PART, THAT IS FOR BRAZILIAN PART, ANY DECISION THAT MAY BE TAKEN BY THE UNITED STATES WILL NOT ALTER THE COURSE OF THE BRAZILIAN REVOLUTION. THE REVOLUTION AND THE INSTITUTIONAL ACT WILL CONTINUE WITH OR WITHOUT AMERICAN AID. THAT IS ALL I CAN AFFIRM."

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