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AMEMBASSY BRASILIA

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TO RUESUA/AMEMBASSY RIO DE JANEIRO IMMEDIATE Ø579

INFO RUESUZ/AMEMBASSY BRASILIA 0043

RUESUP/AMCONSUL SAO PAULO 0060

RUESEI/AMCONSUL RECIFE 0067

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SUBJECT: US PRESS REACTION

1. NEWS COVERAGE OF DRAZILIAN EVENTYQMPILL SUBSTANTIAL, THOUGH NOT FRONT PAGE. RADIO AND TV REPORTS HAVE STOPPED.

2. NY TIMES THURS RAN ONE-COLUMN ARTICLE ON P 12 CAPTIONED "BRAZIL TO SEIZE 'ILLICIT' HOLDINGS: 100 DUE TO LOSE POLITICAL RIGHTS." EMPHASIZED THAT ONUS PLACED ON THOSE ACCUSED OF ILLICIT TRANSACTIONS.

3. SHORT ARTICLE ON P 10 WASH STAR WEDS REPORTS THAT TWO US PRIESTS HAVE BEEN SEIZED BY PERNAMBUCO SECURITY OFFICIALS AND HELD "VIRTUALLY INCOMMUNICADO". LIMITED BACKGROUND INFORMATION GIVEN. STORY ADDS THAT THREE FRENCH PRIESTS BEING HELD SINCE NOV 28.

4. HALF-COLUMN ARTICLE ON P 22 WASH POST THURS REPORTS THAT "BRAZIL CLAIMS PLOT FORCED IT TO ACT." PAPER NOTES THAT PUBLIC EVIDENCE ARRIVING FROM BRAZIL HAS SHOWN NO EVIDENCE OF COUP PLOT FROM LEFT. ARTICLE CONTINUES WITH REPORTS ON ARRESTED AMERICAN PRIESTS AND ON RELATED ACTIVITIES DOM HELDER.

5. ONE AND ONE-HALF COLUMN ARTICLE IN JOURNAL OF COMMERCE DWELLS ON "UNUSUAL" COMMENTARY FROM VATICAN CITY. OSSERVATORE DELLA DOMENICA QUOTED AS CALLING GOB "A REAL MILITARY DICTATORSHIP" AND AS OPINING THAT "IT IS UNDERSTANDABLE THAT A GENERAL FEELING OF HOSTILITY TOWARDS THE GOVERNMENT EXISTS." ARTICLE NOTES STATE DEPT SAYS FOREIGN AID PROGRAM FOR FRAZIL UNDER REVIEW. ONE NEW YORK BANKER QUOTED AS EXPECTING CONTINUATION OF "EXCEL-LENT RELATIONS" BETWEEN HIS BANK AND GOB. ANOTHER QUOTED AS SAYING "WE ARE MAKING NO REDUCTION IN OUR COMMITMENTS ON LOANS TO BRAZIL, WJD HAVE MADE NO DECISION TO FREEZE THEM AT PRESENT LEVELS," BUT WOULD WANT TAKE "CLOSE LOOK" AT ANY LARGE, MEDIUM-TERM LOAN PROJECT INVOLVING GOB.

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6. WASH STAR EDITORIAL WEDS CAPTIONED "BRAZIL BACK TO THE HARD LINE." BELIEVES THAT THE "AVERAGE BRAZILIAN WON'T NOTICE A THING" SINCE "DEMOCRACY HAS NOT DIED IT WAS NOT ALIVE TO BEGIN WITH."

7. VIRGINIA PREWETT, IN WASH DAILY NEWS WEDS, MAKES QUALIFIED JUDGMENT THAT "IN SOME DETAILS, THE BRAZILIAN CLAMP-DOWN IS MORE SEVERE THAN THE SUPPRESSION OF CZECHOSLOVAK LIBERTIES." BELIEVES THAT COSTA E SILVA "VIRTUALLY A FIGUREHEAD." SEES POWER RIVALRY BETWEEN SVYENO, ALBUQUERQUE LIMA, LYRA TAVARES, AND ANDREAZZA. PRAISES JARBAS PASSARINHO AND SEES HIM AS BEST HOPE OF SOFTLINE COLONELS IN STRUGGLE AGAINST HARDLINE GENERALS. PREDICTS THAT "FAR-REACHING ARRESTS AND PRESS ATTACKS WILL NOW FORCE INTO HOSTILITY MANY BRAZILIANS WHO HAVE HERETOFORE GONE ALONG ... " RUSK

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