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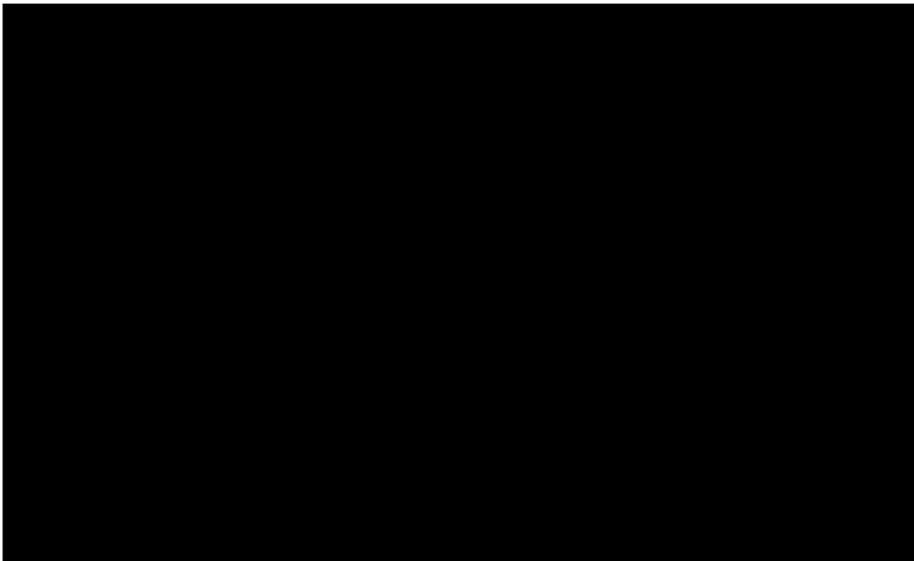
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CURRENT INTELLIGENCE WEEKLY REVIEW

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CURRENT INTELLIGENCE WEEKLY REVIEW

BRAZIL

Recent political compromises in Brazil have strengthened President Goulart's political position for the next several months. On 15 September the Congress set 6 January as the date for a plebiscite on the parliamentary system adopted to curb Goulart's power when he took office a year ago. Congress also empowered him to name a provisional cabinet without parliamentary approval, an arrangement which allowed the legislators to resume campaigning for the 7 October elections.

The plebiscite is generally expected to result in restoration of a strong presidency. Political attention now is focused on the balloting for two thirds of the Senate, the entire Chamber of Deputies, eleven state governors, and a number of lesser state and municipal offices.

The elections are expected to result in some diminution of the archconservative majority in the legislature. Extreme leftists, who have some 20 percent of the seats in the Chamber, are likely to make some gains. Goulart's anti-US brother-in-law, state governor Leonel Brizola, who aspires to leadership of the leftist nationalist forces in Brazil, is likely to be elected as federal deputy. The Brazilian political system, however, has built-

in resistance to sharp swings of the political pendulum, and there is little chance that the leftists will win a majority in either house of Congress.

The three most important gubernatorial races are in Goulart's home state of Rio Grande do Sul, the industrial state of Sao Paulo, and in Pernambuco, the key state in the impoverished northeast. In Rio Grande do Sul the race is among three candidates, each of whom is less leftist than incumbent Governor Brizola. Goulart's Labor Party candidate Michaelson appears to be trailing both the conservative candidate and a non-Communist reformer.

In Sao Paulo, the race appears to be very close between corrupt machine politician Adhemar de Barros and erratic former President Quadros. In Pernambuco, pro-Communist Miguel Arraes appears to be losing ground to his strongly conservative opponent.

If Michaelson, Quadros, and Arraes all are defeated, the left-wing threat--which has appeared increasingly menacing during the past year--will recede, and moderate pro-US former President Kubitschek believes it will then be possible to remove Communist infiltrators from many of the offices where they now are installed.

