

TELEGRAM

AMEMBASSY BRASILIA POL 15

ACTION POL CHRON

CONFIDENTIAL

RIO 8969

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OCTOBER 29, 1969

P R 282305Z OCT 69 FM AMEMBASSY RIO DE JANEIRO TO RUEHC/SECSTATE WASHDC PRIORITY 1891 INFO RUESUZ/AMEMBASSY BRASILIA 5058 RUESEI/AMCONSUL RECIFE 2959 RUESUP/AMCONSUL SAO PAULO 4155 RULPAL/USCINCSO

ACTION TAKEN

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CONFIDENTIAL RIO DE JANEIRO 8969

REF: RIO'S 8635 AND 8939

DECLASSIFIED Authority NND53154

SUBJECT: PRELIMINARY EVALUATION OF MEDICI'S CABINET

1. CABINET ANNOUNCED BY PRESIDENT-ELECT GARRASTAZU MEDICI CONTAINS SIX MEN WHO ARE HOLDOVERS FROM COSTA E SILVA (ONE OF THEM, PASSARINHO, TRANSFERRED FROM LABOR TO EDUCATION) AND TEN NEW APPOINTEES (ONE OF WHOM, PROFESSOR JOAO PAULO DOS REIS VELOSO, WAS PROMOTED UPWARD FROM SECRETARY GENERAL OF MINISTRY OF PLANNING). FOR MOST PART, BOTH HOLDOVERS FROM OLD CABINET AND NEW APPOINTEES APPEAR TO HAVE BEEN SELECTED ON BASIS OF PROFESSIONAL AND TECHNICAL COMPETENCE (IN ADDITION, OF COURSE, TO "REVOLUTION-ARY RELIABILITY"). A MAJOR EXCEPTION IS NEW MINISTER OF LABOR, PROFESSOR JULIO DE CARVALHO BARATA, WHO IS CONSIDERED "BUREAUCRATIC HACK," AND WHO MAY HAVE BEEN CHOSEN IN ORDER PERMIT PASSARINHO HAVE CONTINUED ACCESS TO LABOR SECTOR.

IN GENERAL, EMBASSY'S FIRST JUDGMENT IS THAT CABINET MINISTRY ON BALANCE IN IMPROVEMENT OVER OLD FROM STANDPOINT U.S. INTERESTS. DEPARTURE OF JUSTICE MINISTER GAMA E SILVA AND EDUCATION MINISTER TARSO DUTRA ARE DEFINITELY PLUSSES. NEW MINJUSTICE MAY BE INCLINED FOLLOW IN GAMA E SILVA'S PATHS OF REPRESSION, BUT UNLIKELY BE QUITE AS VINDICTIVE; PASSARINHO, THOUGH NEW TO EDUCATIONAL FIELD, LIKELY BRING NEW IMAGINATIVE AND CONCILIATORY APPROACHES IN FIELD OF CONSIDERABLE IMPORTANCE FROM STANDPOINT USAID. GIBSON BARBOSA AS FOREIGN MINISTER WITH HIS CLOSE FAMILIARITY WITH U.S. ALSO A DECIDED IMPROVEMENT OVER NEUTRALIST TENDING, NATIONALISTIC AND POLITICALLY MOTIVATED MAGALHAES PINTO. RETENTION OF DELFIM NETO ASSURES CONTINUANCE OF SALUTARY FINANCIAL-DEVELOPMENT POLICIES; THE NEW PLANNING MINISTER IS A MAN WITH TECHNICAL COMPETENCE AND EXPERIENCE AND OF SOUND ECONOMIC IDEAS AND MAY BE LESS OF AN ADMINISTRATIVE BOTTLENECK TO BRAZIL-USAID RELATIONS AS MINISTER THAN HE WAS AS THE MINISTRY'S SECRETARY GENERAL; AND THERE IS GOOD PROSPECT THAT THE NEW HEALTH MINISTER WILL DECIDEDLY BE MORE FAVORABLE TO U.S. OBJECTIVES THAN HIS PREDECESSOR. ON OTHER HAND. CONFIDENTIAL

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APPOINTMENT OF GENERAL GEISEL AS MINISTER ARMY COULD CREATE SOME FRICTION IN MILITARY RELATIONS.

- 3. FOLLOWING ARE DETAILED COMMENTS SUPPLEMENTING THOSE ALREADY FORWARDED IN EMBTEL 8635.
- 4. MINISTER OF JUSTICE ALFREDO BUZAID, WELL-KNOWN JURIST WHO PARTICIPATED IN REVISION VARIOUS LEGAL CODES UNDERTAKEN BY GAMA E SILVA, IS PROFESSIONALLY WELL EQUIPPED FOR MINISTER JUSTICE POSITION, BUT, ON BASIS HIS RECORD AS RECTOR UNIVERSITY OF SAO PAULO IS LIKELY TO DEMONSTRATE "HARD-LINE" ATTITUDES SIMILAR TO THOSE OF GAMA E SILVA IN EDUCATIONAL AND POLITICAL SECTORS. IT REMAINS TO BE SEEN, HOWEVER, WHETHER HE WILL HAVE AS MUCH FREEDOM AS GAMA E SILVA HAD TO INDULGE SUCH PUNITIVE-REPRESSIVE PROPENSITIES.
- 5. FOREIGN MINISTER MARIO GIBSON BARBOSA SHOULD BE AN IMPROVEMENT OVER MAGALHAES PINTO FROM THE STANDPOINT OF U.S. INTERESTS, AND PROBABLY FROM THE STANDPOINT OF THE NEW BRAZILIAN ADMINISTRATION AS WELL. A CAPABLE AND RESPECTED PROFESSIONAL DIPLOMAT KNOWLEDGEABLE OF AND WELL DISPOSED TOWARD THE UNITED STATES, HE LACKS THE PROVINCIALISM AND THE PERSONAL BUSINESS AND POLITICAL INTERESTS WHICH DETRACTED FROM MAGALHAES PINTO AS A STATESMAN AND WHICH UNDOUBTEDLY CONTRIBUTED TO VARIOUS NATIONALISTIC POSITIONS HE PUBLICLY TOOK ON VARIOUS ISSUES, E.G., NUCLEAR PROLIFERATION AND POPULATION CONTROL. ON THE OTHER HAND, GIBSON BARBOSA HAS BEEN CLOSE TO MAGALHAES PINTO AND MAY HAVE BEEN INFLUENCED BY THE LATTER'S IDEAS. HE MAY HAVE BEEN SELECTED IN LARGE PART AS A TOKEN OF BRAZILIAN DESIRE FOR CLOSE RELATIONS WITH THE U.S.
- 6. MINISTER OF PLANNING JOAO PAULO DOS REIS VELOSO IS AN EXPERIENCED AND COMPETENT TECHNICIAN WHO IS AT HOME WITH MODERN ECONOMIC CONCEPTS AND IS WELL DISPOSED TOWARD THE U.S. MILITARY OFFICERS AT BRAZIL'S NATIONAL WAR COLLEGE, WHERE HE HAS LECTURED ON VARIOUS OCCASIONS, REPORTEDLY CONSIDER HIM OUTSTANDING AMONG CIVILIAN COMPONENTS OF THE NEW CABINET. AS SECRETARY GENERAL OF THE PLANNING MINISTRY, UNDER BELTRAO, HE WAS THE LOGICAL SUCCESSOR TO THE PLANNING POST WHEN BELTRAO REPORTEDLY DECLINED MEDICI'S INVITATION TO CONTINUE. VELOSO'S PRINCIPAL FAILING HAS BEEN AN INABILITY TO DELEGATE RESPONSIBILITIES, A FACTOR WHICH HAS HANDICAPPED USAID IN ITS RELATIONS WITH THE

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MINISTRY. THESE RELATIONS COULD BE SMOOTHED IF VELOSO SELECTS A GOOD SECRETARY-GENERAL.

- 7. MINISTER OF FINANCE ANTONIO DELFIM NETTO WAS PROBABLY RETAINED BECAUSE OF THE UNQUESTIONED SUCCESS OF HIS POLICIES IN PROMOTING ECONOMIC DEVELOPMENT AND FINANCIAL STABILIZATION, A PERFORMANCE WHICH HAS WON HIM THE FULL CONFIDENCE OF THE SAO PAULO BUSINESS COMMUNITY AND WHICH HAS IMPRESSED A LARGE SECTOR OF THE MILITARY AS WELL. ON THE OTHER HAND, DELFIM IS UNPOPULAR WITH LABOR AND IS BITTERLY OPPOSED BY THE ALBUQUERQUE LIMA FACTION OF THE ARMY, WHICH ACTIVELY PROPAGANDIZED FOR HIS REMOVAL ON THE BASIS OF ALLEGED FAVORITISM TOWARD THE SOUTH AS WELL AS HIS WIDELY-PUBLICIZED (SUPPOSED) HOMOSEXUAL TENDENCIES. MEDICI MAY HAVE DECIDED ON A FIRM STAND; RETENTION OF DELFIM CARRIES CONNOTATIONS OF A REBUFF TO ALBUQUERQUE LIMA. DELFIM IS LIKELY TO CONTINUE TO BE A TARGET FOR THE ALBUQUERQUE LIMA GROUP.
- 8. MINISTER OF TRANSPORTATION MARIO DAVID ANDREAZZA WAS
 RETAINED APPARENTLY BECAUSE OF HIS CLOSE PERSONAL TIES WITH
 MEDICI AND COSTA E SILVA, AND BECAUSE MEDICI REGARDS HIM AS A
 DYNAMIC AND SUCCESSFUL MINISTER AND HAS FOUND NO PROOF (AFTER A
 REPORTEDLY THOROUGH INVESTIGATION) OF THE CHARGES OF CORRUPTION
 WHICH HAVE BEEN MADE AGAINST HIM. ANDREAZZA'S POLITICAL FREEWHEELING UNDER COSTA E SILVA DID NOT ESCAPE MEDICI'S ATTENTION,
 HOWEVER, AND THERE IS INDICATION THE NEW PRESIDENT INTENDS TO KEEP
 ANDREAZZA ON TIGHT REIN. VARIOUS REFERENCES IN MEDICI'S SPEECH
 ANNOUNCING HIS CABINET (RIO'S 8939), E.G., "THERE WILL BE NO
 PREDOMINANT MINISTERS...NO SOLITARY OR ERRANT STARS," PROBABLY
 WERE DIRECTED AT INDIVIDUALS LIKE ANDREAZZA. MEDICI MAY YET HAVE
 REASON TO REGRET HIS CHOICE, FOR ANDREAZZA IS LIKELY TO CONTINUE
 TO BE A CONTROVERSIAL FIGURE WITH THE MILITARY AND HIS PRESENCE
 IN THE CABINET THEREFORE A FACTOR IN POTENTIAL OPPOSITION
 TO MEDICI.
- 9. MINISTER OF AGRICULTURE LUIZ FERNANDO CIRNE LIMA, YOUNGEST MEMBER OF CABINET (36 YEARS OLD) AND A GAUCHO WITH AN IMPRESSIVE RECORD IN AGRICULTURE, APPARENTLY WAS CHOSEN FOR HIS TECHNICAL COMPETENCE. PRESIDENT OF THE FEDERATION OF AGRICULTURE OF RIO GRANDE DO SUL, HE IS AN EXPERT ON ZOOLOGY OF APPARENTLY INTERNATIONAL REPUTATION, A PROFESSOR IN TWO COLLEGES, A RANCHER AND RICE PLANTER, AND AN ADMINISTRATOR OF RURAL ENTERPRISES. AS PRESIDENT OF THE AGRICULTURE FEDERATION HE REPORTEDLY PERSUADED THAT ORGANIZATION TO DESIST FROM RADICAL OPPOSITION TO AGRARIAN REFORM.

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- 10. MINISTER OF INDUSTRY AND COMMERCE RABIO RIODI YASSUDA,
 OF JAPANESE ORIGIN, IS AN AGRICULTURAL ENTREPENEUR WHO HAS BEEN A
 LEADER IN THE MAMMOTH SAO PAULO AGRICULTURAL COOPERATIVE COTIA
 AND HAS SERVED BOTH THE SAO PAULO AND FEDERAL GOVERNMENTS IN
 ADMINISTRATIVE AND ADVISORY CAPACITIES IN SECTOR OF AGRICULTURE,
 PARTICULARLY ITS COMMERCIAL ASPECTS. WE UNDERSTAND THAT MEDICI
 AT FIRST SELECTED HIM FOR MINISTRY AGRICULTURE, BUT ON
 INTERVIEWING HIM DECIDED HE WAS NOT RIGHT MAN FOR THAT JOB.
 HE WAS MUCH IMPRESSED WITH HIS CAPABILITIES, HOWEVER, SO PUT
 HIM IN COMMERCE AND INDUSTRY, FOR WHICH SOME RATIONALE CAN BE
 FOUND IN YASSUDA'S EXPERTISE IN MARKETING. (THE ORGANIZATIONS
 FOR THE MARKETING OF BRAZIL'S BIG COMMERCIAL CROPS -- COFFEE,
 COCOA, SUGAR -- COME UNDER INDUSTRY AND COMMERCE. AT THE SAME
 TIME, INDUSTRIALISTS TEND TO LOOK MORE TO THE FINANCE MINISTRY
 THAN TO INDUSTRY AND COMMERCE.)
- 11. MINISTER OF MINES AND ENERGY ANTONIO DIAS LEITE, A
 HOLDOVER, DOUBTLESS WAS MAINTAINED AS A COMPETENT ENGINEER AND
 ECONOMIST. DIAS LEITE IN SOME SECTORS HAS BEEN ACCUSED OF STATIST
 AND NATIONALISTIC TENDENCIES, WHICH HE APPEARS INDEED TO HAVE,
 THOUGH ONLY (IN THE EMBASSY'S JUDGMENT) IN MODERATE DEGREE.
- 12. MINISTER OF INTERIOR JOSE COSTA CAVALCANTI, A HOLDOVER, WAS PRESUMABLY RETAINED ON THE BASIS OF GOOD PERFORMANCE IN TWO MINISTRIES AND WARM FRIENDSHIP WITH MEDICI, AND AS A REPRESENTATIVE OF THE NORTHEAST IN A PREDOMINANTLY SOUTHORIENTED CABINET. HE IS FRIENDLY TOWARD THE UNITED STATES AND COOPERATIVE WITH ITS AGENCIES.
- 13. MINISTER OF EDUCATION JARBAS PASSARINHO APPARENTLY WAS SELECTED IN THE BELIEF THAT THE ABILITIES HE HAD DISPLAYED IN HANDLING DIFFICULT LABOR PORTFOLIO MIGHT BE USED EFFECTIVELY IN THE PERHAPS EVEN MORE DIFFICULT EDUCATIONAL SECTOR. PASSARINHO APPARENTLY HAS LITTLE TECHNICAL BACKGROUND FOR HIS NEW POST, BUT HIS APPROACH TO PROBLEMS IS MUCH MORE RATIONAL AND MODERN THAN THAT OF TARSO DUTRA. HIS ASSETS INCLUDE INTELLIGENCE, ENERGY, IMAGINATION, A PLEASING PERSONALITY AND A WILLINGNESS AND ABILITY TO COMMUNICATE WITH OTHERS. PASSARINHO'S PLACE IN THE CABINET WILL BE A SPECIAL ONE, SINCE HE IS REGARDED IN VARIOUS SECTORS OF THE MILITARY AS THE PERSON BEST SUITED TO LEAD ANY TRANSITION AWAY FROM A MILITARY-HEADED REGIME. PASSARINHO IS A LIBERAL AND MAY BE ABLE TO EXERT SOME INFLUENCE TOWARD A RELAXATION OF ADMINISTRATION CURBS IN THE CULTURAL SECTOR.
- 14. MINISTER OF LABOR JULIO DE CARVALHO BARATA IS ONE OF THE WEAKEST MEMBERS OF THE CABINET. RETIRED IN 1968 AFTER 22

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YEARS AS A JUDGE IN THE SUPERIOR LABOR COURT, HE BECAME AN ADVISOR TO PASSARINHO, WHO PROBABLY HAD SOMETHING TO DO WITH THE CHOICE OF BARATA AS HIS SUCCESSOR. HE IS DESCRIBED IN LABOR CIRCLES AS AN ULTRA-CONSERVATIVE BUREAUCRAT, WITH LITTLE UNDERSTANDING OF ORGANIZED LABOR, ITS PHILOSOPHY OR ITS PROBLEMS. BARATA IS LIKELY TO BE MERELY A FIGUREHEAD, WITH THE ACTUAL RESPONSIBILITY FALLING TO THE AS YET UNAPPOINTED NATIONAL DIRECTOR OF LABOR, A KEY POSITION IN THE MINISTRY. IT IS SUSPECTED THAT PASSARINHO MAY HAVE PREFERRED A WEAK SUCCESSOR IN THE LABOR MINISTRY, THINKING THERBY TO KEEP LABOR OPEN TO HIS OWN CONTINUED INFLUENCE.

- 15. MINISTER OF HEALTH FRANCISCO DE PAULO DA ROCHA LAGOA
 IS A MEDICAL DOCTOR WHO HAS HEADED THE OSVALDO CRUZ INSTITUTE
 SINCE 1964, HAS SERVED IN THE MINISTRY OF HEALTH AS SUPERVISOR
 OF RESEARCH, HAS TAUGHT IN SAO PAULO, BELO HORIZONTE AND
 RIO AS PROFESSOR OF MICROBIOLOGY, VIROLOGY AND BACTERIOLOGY,
 AND HAS PUBLISHED SOME 50 MONOGRAPHS ON THESE SUBJECTS. HE CONDUCTED
 AN INVESTIGATION OF SUBVERSION AT THE OSVALDO CRUZ INSTITUTE
 AFTER TAKING CHARGE, AND IS CONSIDERED WELL ATTUNED TO
 REVOLUTIONARY OBJECTIVES (HE HAS HAD THE NATIONAL WAR COLLEGE
 COURSE). PRESUMABLY THIS WAS A FACTOR IN HIS SELECTION,
 TOGETHER WITH HIS TECHNICAL QUALIFICATIONS. USAID HEALTH OFFICERS
 ARE PLEASED AT HIS APPOINTMENT, BELIEVING HE REPRESENTS A GREAT
 IMPROVEMENT OVER HIS PREDECESSOR, PARTICULARLY IN TERMS OF
 U.S.-BRAZILIAN RELATIONS IN THE HEALTH SECTOR AND OF A NEW
 EMPHASIS ON PREVENTIVE MEDICINE.
- 16. MINISTER OF COMMUNICATIONS COLONEL HIGINO CORSETTI, CHOSEN FOR HIS TECHNICAL QUALIFICATIONS, IS AN ARMY COMMUNICATIONS EXPERT WHO WAS THE PRINCIPAL ORGANIZER OF THE ARMY GENERAL DIRECTORY OF COMMUNICATIONS. HE RECEIVED COMMUNICATIONS TRAINING IN THE U.S. IN 1960. WAS ASSISTANT TO THEN GENERAL CASTELLO BRANCO ON THE ARMY GENERAL STAFF AND LATER WAS ON THE STAFF OF MINISTER OF WAR COSTA E SILVA.
- 17. NAVY MINISTER ADMIRAL ADALBERTO DE BARROS NUNES WAS A LOGICAL AND SAFE CHOICE, SINCE HE IS THE SENIOR ACTIVE ADMIRAL AFTER RADEMAKER. POPULAR BOTH IN NAVY AND IN ARMY (HAS A BROTHER WHO IS AN ARMY OFFICER). (SEE ALSO COMMENT IN RIO'S 8635.)

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ARMY MINISTER GENERAL ORLANDO GEISEL'S APPOINTMENT
APPARENTLY REPRESENTS IN PART EFFORT TO HEAL THE BREACH WHICH
HAS EXISTED SINCE 1967 BETWEEN ARMY ELEMENTS LINKED TO CASTELLO
BRANCO ("CASTELLISTAS") AND OTHERS ASSOCIATED WITH COSTA E
SILVA ("COSTISTAS"). ALSO, HIS APPOINTMENT WAS SAFE WAY TO FILL
ARMY MINISTRY SINCE GEISEL IS THE SENIOR GENERAL ON ACTIVE DUTY
AND OTHER POTENTIAL CANDIDATES CANNOT TAKE OFFENSE. ARMA EXPECTS
HIM TO BECOME A DISRUPTIVE FIGURE WITHIN ARMY AT EARLY DATE
SINCE HE A STRICT DISCIPLINARIAN WHOSE ACTIONS ARE LIKELY
CREATE MARTYRS AND ENEMIES. (SEE ALSO RIO'S 8635.) GENERAL
GEISEL HAS STRONG DOUBTS ABOUT BRAZIL'S NEED FOR FOREIGN
ADVICE AND HELP UNDER PRESENT CIRCUMSTANCES, AND MAY CAUSE SOME
PROBLEMS FOR U.S. IN OUR RELATIONSHIPS WITH THE MILITARY HERE.

19. AIR FORCE MINISTER MARCIO SOUSA E MELLO IS A HOLDOVER. AS A MEMBER OF THE TRIUMVIRATE WHICH HAS BEEN EXERCISING EXECUTIVE POWER IN THE NAME OF PRESIDENT COSTA E SILVA SINCE THE LATTER'S INCAPACITATION, HE VIOLATED THE UNDERTAKING WHICH HE AND THE TWO OTHER MILITARY MINISTERS ACCEPTED IN AGREEING TO STAY ON IN HIS MINISTERIAL ROLE IN THE NEW GOVERNMENT.

20. CHIEF OF CIVIL HOUSEHOLD PROFESSOR JOAO LEITAO DE ABREU. (SEE RIO'S 8562.)

21. CHIEF OF MILITARY HOUSEHOLD JOAO BATISTA FIGUEIREDO IS A HIGHLY RESPECTED PROFESSIONAL AND A "CASTELLISTA," WHOSE APPOINTMENT, LIKE THAT OF GENERAL GEISEL AS WAR MINISTER, SHOULD TEND TO HEAL THE CASTELLISTA-COSTISTA RIFT. (SEE ALSO RIO'S 8562.)

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