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SUBJECT: ANOTHER LOOK AT COLLOR

REF(S): A) STATE 144289 B) BRASILIA 05203
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UNITED STATES DEPARTMENT OF STATE
REVIEW AUTHORITY: NORMAN M BOUTON
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1. CONFIDENTIAL - ENTIRE TEXT.

BACKGROUND

2. SUMMARY. THE POPULARITY OF THE EX-GOVERNOR OF ALAGOAS, FERNANDO COLLOR DE MELLO, CONTINUES TO GROW ACCORDING TO OPINION POLLS; THE LATEST GALLUP POLL HAS HIM AT ALMOST 38 PERCENT. HIS NEWLY FORMED NATIONAL RECONSTRUCTION PARTY (PRN) NOW HAS A CONGRESSIONAL DELEGATION REPORTED AS TOTALING ELEVEN DEPUTIES AND SENATORS. OTHERS ARE EXPECTED TO JOIN THE PRN SOON WHILE A LARGER NUMBER OF POLITICIANS ARE JOINING HIS SO-CALLED "POPULAR MOVEMENT FOR NATIONAL RECONSTRUCTION" (MPRN) WHICH PERMITS A FRAMEWORK FOR SUPPORTING COLLOR WITHOUT CHANGING PARTY AFFILIATION. COLLOR NOW CLAIMS THAT IF THE ELECTIONS WERE HELD TODAY, HE WOULD WIN A MAJORITY IN THE FIRST ROUND; SOME OBSERVERS CONCUR, BUT POINTEDLY NOTE THAT THE ELECTIONS ARE NOT BEING HELD TODAY. WHAT COLLOR STANDS FOR AND WHAT ARE HIS SUBSTANTIVE ABILITIES REMAIN ENIGMAS EVEN THOUGH THE PUBLIC IS CURRENTLY BEING PROVIDED A HEAVY DOSE OF EXPOSURE (AND INCREASINGLY IT IS MORE SERIOUS AND QUESTIONING) TO HIM. HE IS BEING DRAWN INTO MORE EXPLICIT STATEMENTS REGARDING HIS PLATFORM AND COMMITMENTS. HOWEVER, COLLOR'S
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MULTI-FACETED APPEAL HAS PRE-EMPTED AND UNDERCUT CAMPAIGN THEMES THAT OTHER CANDIDATES HOPED TO EXPLOIT. QUADROS' (LATEST) WITHDRAWAL SEEMS TO POINT THE WAY TO NEW GROWTH OPPORTUNITIES TO THE CENTER AND RIGHT OF THE SPECTRUM. BASED ON OUR CURRENT OPINIONS AND A REVIEW OF COLLOR'S STATEMENTS AND RECENT AND PAST MATERIAL PUBLISHED ABOUT HIM, WE OFFER SOME OBSERVATIONS WHICH MAY HELP ADDRESS QUESTIONS POSED IN REF A. END SUMMARY.

3. MISSION REPORTS HAVE NOTED THE STEADY RISE IN POPULARITY OF COLLOR DE MELLO AS A PRESIDENTIAL CONTENDER. DURING THE LAST MONTH HE HAS CONSISTENTLY TOPPED ALL NATIONWIDE POLLS, INCLUDING THE MAY 22 IBOPE POLL WHICH HAS HIM AT

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32 PERCENT. A SUBSEQUENT GLLUP POLL RELEASED THIS WEEK HAS HIM AT 38 PERCENT (SEE PARA 10). DESPITE THIS SURGE IN PROMINENCE, COLLOR IS NO NEWCOMER TO HIGH POPULARITY RATINGS: WE NOTE A JULY, 1987 IBOPE POLL WHICH RATED COLLOR AS THE BEST OF THE GOVERNORS, WITH A RATING OF 43.3 PERCENT FAVORABLE COMPARED TO SAO PAULO'S ORESTES QUERCIA, WHO WAS SECOND WITH 27.2 PERCENT. AT THAT TIME COLLOR WAS RIDING A CREST OF NATIONWIDE PUBLICITY FOR HIS CONFRONTATION WITH THE SUGARCANE GROWER/REFINERS AND HIS WAR ON CRIME IN ALAGOAS. HIS ATTACK ON THE "MARAJAS" (HIGHLY-PAID CIVIL SERVANTS) WAS STILL IN AN EARLY STAGE, AND HE HAD NOT YET EARNED FURTHER PUBLICITY FOR A HIS CONFRONTATION WITH THE COURTS AND HIS OWN LEGISLATURE OVER REFUSAL TO PAY SALARY INCREASES TO THE "MARAJAS"; B) HIS CHALLENGE TO THE FEDERAL GOVERNMENT TO "INTERVENE" THE STATE GOVERNMENT BECAUSE OF ITS INABLILITY TO PAY THOSE WAGES; C) HIS MUCH BALLYHOOD BREAK WITH

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SUBJECT: ANOTHER LOOK AT COLLOR

SARNEY (AND THE PMDB) OVER THE FIVE-YEAR VERSUS
FOUR-YEAR PRESIDENTIAL MANDATE ISSUE; AND D) HIS
THEATRICAL ATTEMPT TO STORM NATIONAL INTELLIGENCE
SERVICE (SNI) CHIEF GENERAL IVAN'S OFFICE TO
DEMAND TO SEE AN ALLEGED SNI "DOSSIER" AGAINST HIM.

4. SOMETIME DURING THE COURSE OF 1987, COLLOR
APPARENTLY DECIDED THAT HIS POPULARITY COULD
CATAPULT HIM INTO AT LEAST THIS YEAR'S VICE
PRESIDENTIAL NOMINATION OR SUFFICE TO POSITION HIM
FOR THE SUBSEQUENT SENATORIAL AND/OR PRESIDENTIAL
RACES. HOWEVER, IT WAS PROBABLY NOT UNTIL THE
"MARAJA" CAMPAIGN EVOKED SUCH A POSITIVE REACTION
NATIONWIDE AND THE OTHER ABOVE CITED INCIDENTS
WORKED IN HIS FAVOR DURING 1988 DID A GRAB AT THE
BRASS RING THIS YEAR SEEM A SERIOUS POSSIBILITY.
THAT THIS 39 YEAR OLD GOVERNOR OF BRAZIL'S SECOND

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POOREST STATE, WITH LESS THAN TWO PERCENT OF THE NATIONAL ELECTORATE, COULD EMERGE AS THE CURRENT LEADER FOR THE NOVEMBER ELECTIONS IS PHENOMENAL. SHOULD COLLOR SURVIVE INTO THE MIDDLE PERIOD OF THE CAMPAIGN, HIS CREDENTIALS AND SUBSTANTIVE KNOWLEDGE WILL BE SEVERELY CHALLENGED. WE GUESS THAT THE PRINCIPAL PARTIES WILL SOON BEGIN A MAJOR EFFORT TO EXPLODE HIS CAMPAIGN, BUT IF THAT IS UNSUCCESSFUL, THE FINAL CAMPAIGN STRETCH DRIVE, WITH NIGHTLY RADIO/TELECASTS AND POSSIBLE DEBATES WILL PROVIDE THE OPPOSITION CANDIDATES THE OPPORTUNITY TO HIGHLIGHT HIS DEFICIENCIES. WITH ALMOST SIX MONTHS REMAINING TO THE NOVEMBER 15 ELECTION DAY, MUCH CAN STILL HAPPEN.

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CAMPAIGN THEMES AND PROMISES

5. COLLOR HAS BEEN ESSENTIALLY SILENT ON SPECIFIC CAMPAIGN COMMITMENTS. HIS MAJOR CAMPAIGN EMPHASES, SOME OF THEM NOTED IN REF B BUT NOW BEING MORE CLEARLY STATED AS PRIORITIES, HAVE SUBLIMINAL AS WELL AS EMOTIONAL AND POPULIST IMPACT:

--"HUNTER OF 'MARAJAS'": COLLOR BROADENED, IN A MAY 14 "FOLHA" INTERVIEW, HIS DEFINITION OF A "MARAJA" BEYOND THAT OF A HIGHLY PAID CIVIL SERVANT TO "ALL THOSE WHO CONSPIRE AGAINST THE INTERESTS OF OUR COUNTRY, AND I AM HUNTING THEM." COLLOR OPTED, IN THE INTERVIEW, FOR THE "HUNTER OF MARAJAS" DEFINITION OF HIMSELF RATHER THAN THE OTHER OPTIONS OFFERED HIM: "HANGMAN OF CORRUPTION," "CRUSADER FOR MORALITY" OR "SAVIOR OF THE MOTHERLAND."

--OPPOSITION TO, AND INDEPENDENCE FROM, VESTED INTERESTS AND AN END TO THE "OLD POLITICS." AS NOTED EARLIER, COLLOR GOT A QUICK START TOWARD NATIONAL FAME BY OPPOSING THE SUGARCANE GROWERS/REFINERS IN ALAGOAS, TRYING TO FORCE THEM TO CEDE PART OF THEIR LANDS TO THE STATE BANK IN PAYMENT FOR OUTSTANDING DEBTS. COLLOR SAID HE WOULD HAVE USED THE LAND TO IMPLEMENT AN AGRARIAN REFORM POLICY. (BUT SEE PARA 7 BELOW.) SIMILARLY HE DECLARED WAR ON CRIME, AND CLAIMS THAT THE

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ALAGOAS CRIME RATE DROPPED 29 PERCENT IN 1987 OVER
1986 AND A FURTHER 29 PERCENT IN 1988 OVER 1987.
HE TIGHTENED UP GUN LICENSE RENEWAL REQUIREMENTS
AND "FORCED" THE POLICE INTO COMPLETING
INVESTIGATIONS OF MANY UNSOLVED CRIMES. HE
PROMISES TO DO THE SAME KINDS OF THINGS
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NATIONWIDE. (SOME OBSERVERS SAY THAT THE CRIME

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SUBJECT: ANOTHER LOOK AT COLLOR

SUPPRESSION EFFORTS OF ALAGOAS HAVE RIDDEN
ROUGHSHOD OVER DUE PROCESS.

--FOR THE PAST MONTH, COLLOR HAS CHAMPIONED A
REFRAIN THAT HIS CAMPAIGN HAS THE SUPPORT OF "NO
GOVERNOR, NO SENATOR, NO BUSINESSMAN, NO BANKER,
NO MILITARY." THIS "ANTI-ESTABLISHMENT" IMAGE IS
A MAJOR CAUSE OF HIS POPULARITY, BUT HIS ABILITY
TO MAINTAIN THIS POPULISM REMAINS UNCLEAR IN
THAT: 1) COLLOR CONTINUES TO SCOOP POLITICIANS
INTO HIS NET. HIS PARLIAMENTARY REPRESENTATION IS
GROWING WITH DIRECT CONVERTS TO THE PRN AS WELL AS
OTHERS REMAINING IN THEIR PARTIES, BUT WHO SAY
THEY BACK COLLOR. SEN. ITAMAR FRANCO, COLLOR'S
VEEP RUNNING MATE, IS EXPECTED TO BRING A NEW CROP
OF PMDB DEPUTIES INTO COLLOR'S CAMP. MOREOVER,
PARAIBA GOVERNOR TARCISIO BURITY ESPIRITO SANTO'S
SENATOR CAMATA AND FEDERAL DEPUTY CAMATA (HUSBAND
AND WIFE), FORMER PDS PRESIDENTIAL ASPIRANT
ESPIRIDIAO AMIN, AND OTHERS ARE ALL REPORTEDLY
THINKING OF JOINING COLLOR'S BANDWAGON. HIS NEWLY
FORMED MPRN, MODELLED AFTER SIMILAR ORGANIZATIONS
PUT TOGETHER FOR BRIZOLA AND QUADROS, IS
ATTRACTING MANY POLITICIANS UNCOMFORTABLE WITH
ABANDONING THEIR PARTY AFFILIATIONS OR WHO DO NOT
FIT IN WITH COLLOR'S IMAGE OF WHAT THE PRN SHOULD
BE AS A PARTY. 2) COLLOR HAS THE SUPPORT OF A
NUMBER OF WEALTHY BUSINESSMEN: AMONG THEM: OLD
SCHOOL FRIEND ALVARO LINS CAVALCANTI FILHO, OWNER
OF CAP SOFTWARE CONSULTING AND SYSTEMS, IS THE
DONOR OF THE COMPUTER/ INFORMATICS NETWORK COLLOR
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UTILIZES; ANOTHER FRIEND IS BRASILIA REAL
ESTATE/CONSTRUCTION MAGNATE PAULO OCTAVIO WHO
REPORTEDLY IS PROVIDING CAPITAL FOR THE CAMPAIGN;
AND BRASILIA BUSINESSMAN LUIS ESTEVAO DE OLIVEIRA
HAS PROVIDED COLLOR FREE CAMPAIGN HEADQUARTERS
OCCUPYING THREE FLOORS OF A MAJOR OFFICE BUILDING

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IN BRASILIA. 3) WE HAVE ALSO HEARD THAT THE WEALTHY MONTEIRO DE CARVALHO FAMILY OF COLLOR'S FIRST WIFE IS ACTIVELY RAISING FUNDS FOR THE COLLOR CAMPAIGN. NEITHER DID COLLOR DISAVOW THE RECENT COMMENT OF OZIRES SILVA, THE FORMER HEAD OF EMBRAER AND PETROBRAS, AND ONE OF THE FOUNDERS OF THE DEMOCRATIC CONVERGENCE MOVEMENT (MCD), THAT COLLOR FITS THE "PROFILE" OF THE CANDIDATE THE MCD IS LOOKING TO SUPPORT. THE PRESIDENT OF SAO PAULO'S FIESP INDUSTRIALISTS ASSOCIATION ALSO HAS NOTED THAT HIS MEMBERS ARE "COLLORINDO" DUE PRIMARILY TO THE AMBIGUITY OF JANOS QUADROS.

4) COLLOR HAS ALLEGEDLY SAID THAT HE KNOWS NO MILITARY OTHER THAN THE COLONEL WHO HEADS HIS MILITARY HOUSEHOLD. YET THE JOURNAL "LETRAS EN MARCHA," A PUBLICATION OF RETIRED CONSERVATIVE MILITARY OFFICERS, REPORTEDLY IS BACKING COLLOR. SO WAS RETIRED GENERAL NEWTON CRUZ, HEAD OF THE SNI CENTRAL OFFICE DURING THE FIGUEIREDO ADMINISTRATION, UNTIL COLLOR BRUSQUELY REJECTED HIS SUPPORT. THE EDITOR OF "LETRAS" IS QUOTED IN THE MAY 23 "JORNAL DO BRAZIL" AS STATING COLLOR HAS THE SUPPORT OF 80 PERCENT OF RETIRED AND ACTIVE DUTY MILITARY.

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--REJECTION OF BEING PUT IN AN IDEOLOGICAL NICHE. COLLOR CONTINUES TO DENY IDENTIFICATION WITH THE LEFT, RIGHT OR CENTER. FOR THEIR OWN REASONS, HE
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SAYS, BOTH THE LEFT AND THE RIGHT OPPOSE HIM. HE

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INSISTS THAT HE IS A "PROGRESSIVE WITH DEEP SOCIAL CONCERN." HE STRESSES HE IS A "REFORMER," UNDERLINING THAT HIS PHILOSOPHY IS THAT OF "CHRISTIAN REFORMISM." IN THAT CONTEXT, HE IDENTIFIES THE PT'S LULA AS HIS PROBABLE MOST SERIOUS OPPONENT, BECAUSE LULA IS THE ONLY OTHER "REFORMIST" CANDIDATE WHO REPRESENTS A BREAK WITH THE "OLD POLITICS."

--INDIGNATION. IN A NUMBER OF RECENT INTERVIEWS, COLLOR HAS INDICATED THAT WHAT MOTIVATES THE PEOPLE IS A SENSE OF DEEP INDIGNATION AGAINST ALL THE ABUSES THEY HAVE SUFFERED, AND THAT SENTIMENT IS WHAT LEADS PEOPLE TO SUPPORT HIM. SIMILARLY, HE TOLD "FOLHA" HIS PURPOSE IS TO "RESTORE DIGNITY AND RESCUE HONOR, CHARACTER AND HUMILITY." THIS CHARACTERISTIC OVERLAPS, BUT IS SOMEWHAT DIFFERENT FROM THAT OF THE PRECEDING TIC. WE ADD IT TO INDICATE ONE OF THE WAYS COLLOR IS USING TO TAP

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INTO THE PENT-UP EMOTIONS OF THE BRAZILIAN PUBLIC. IF HE SUCCEEDS, THOSE SENTIMENTS ARE TRANSLATABLE INTO MILLIONS OF VOTES.

6. OVER THE PAST MONTH OR SO, COLLOR HAS BEEN DRAWN OUT INTO SOMEWHAT MORE SPECIFIC POLICY STATEMENTS OR HAS SPARKED MEDIA REPORTS WHICH, AS FAR AS WE KNOW, HE HAS NOT DENIED. THE MOST SIGNIFICANT ARE:

A. GROWTH AND INFLATION

--HE WILL DO AWAY WITH INFLATION WITHIN 14-18 CONFIDENTIAL

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MONTHS. ("DO AWAY WITH" MEANS ACCEPTING THREE PERCENT INFLATION PER MONTH, ACCORDING TO A RECENT INTERVIEW.)

--INCREASE THE GROWTH RATE TO 6-7 PERCENT PER ANNUM; BRING 1.7-2.0 MILLION NEW EMPLOYEES INTO THE JOB MARKET ANNUALLY.

--ECONOMIC GROWTH WILL BE ACCOMPANIED BY PROGRAMS WHICH WILL LEAD TO A MORE EQUITABLE DISTRIBUTION OF INCOME.

B. FOREIGN DEBT

--THE ABOVE WILL BE ACCOMPLISHED BECAUSE THE FOREIGN DEBT WILL BE REPAYED ONLY WHEN GROWTH RENEWS, I.E. ECONOMIC GROWTH AND SOLVENCY MUST BE RESTORED FIRST, PRIOR TO DEBT SERVICING.

--THE GOB WILL NO LONGER GUARANTEE BRAZIL'S DEBT; RATHER IT WILL BE UP TO THE INDIVIDUAL STATES, PARASTATAL CORPORATIONS AND PRIVATE ENTERPRISES TO RE-EXAMINE AND TO RE-NEGOTIATE THEIR DEBT OBLIGATIONS AND REPAYMENT SCHEMES. THEIR GOVERNMENTS/BOARDS OF DIRECTORS WILL THUS ACT IN THEIR OWN BEST INTERESTS IN SEEKING ACCOMMODATIONS WITH THEIR LENDERS. EACH OF THE ABOVE WILL SEEK NEW MONEY BASED ON ITS OWN CREDIT-WORTHINESS.

--ALL DEBTS OWED BY THE GOB TO CONTRACTORS WILL BE DISCOUNTED THE 15 PERCENT THAT COLLOR BELIEVES THAT THEY HAVE OVERCHARGED THE GOB; IF CREDITORS PROTEST, AN AUDIT WILL BE MADE.

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C. TRADE

--ACCORDING TO MAY 17 "VEJA", COLLOR ADVOCATES AN
END TO MARKET RESERVE BECAUSE IT IS "INCOMPATIBLE
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WITH CAPITALISM, (AND) I FAVOR COMPETITION."

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(COMMENT: WE HAVE SEEN SIMILAR COMMENTS REPORTED IN THE PRESS REGARDING HIS POSITION ON THE INFORMATICS RESERVE, BUT DO NOT RECALL SEEING SUCH A BLANKET COMMENT FAVORING A FREE ECONOMY QUOTED ELSEWHERE.)

--HE WELCOMES FOREIGN MULTINATIONALS, OR AT LEAST JAPANESE AUTOMOTIVE FIRMS, INTO THE MARKET.

D. STRUCTURE AND FUNCTION OF GOVERNMENT

--SNI. COLLOR PROMISES TO ABOLISH IT ON HIS FIRST DAY IN OFFICE. AFTER HIS FEBRUARY, 1988 FRUSTRATED ATTEMPT TO FORCE A PUBLIC CONFRONTATION WITH SNI CHIEF GENERAL IVAN OVER THE AGENCY'S SUPPOSED "DOSSIER" ALLEGING COLLOR'S USE OF DRUGS, SEXUAL ESCAPADES, AND GANGSTERISM, COLLOR WAS QUIET ABOUT SNI BUT RECENTLY RETURNED TO THE ATTACK. HE LABELED GENERAL IVAN AS A "LITTLE GENERAL" ("GENERALECO") OF A "DISCREDITED SERVICE." COLLOR SAID HE NEEDED "A SERIOUS INTELLIGENCE SERVICE, NOT ONE SPECIALIZING IN GOSSIP."

--"PERKS." COLLOR HAS STOLEN A MARCH ON HIS COMPETITORS BY PROMISING TO DO AWAY WITH SOME OF THE "PERKS" ENJOYED BY SENIOR GOVERNMENT OFFICIALS. THIS PROMISE CAPITALIZES ON THE WIDESPREAD PUBLICITY THE PRESS HAS GIVEN IN THE PAST YEAR TO THE PRIVILEGES GRANTED TO SENIOR MUNICIPAL, STATE AND FEDERAL OFFICIALS. COLLOR SAYS HE WILL MAKE ALL GOVERNMENT MINISTERS PAY FOR CONFIDENTIAL

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THEIR HOUSING (RATHER THAN ENJOY FREE HOUSING) OUT OF THEIR SALARIES AND DO AWAY WITH CHAUFFEUR-DRIVEN GOVERNMENT CARS FOR THEM.

(NOTE: COLLOR HAS MADE NO MENTION OF SEEKING LEGISLATION WHICH WOULD STRIP THE LEGISLATIVE OR JUDICIAL BRANCHES OF SUCH "PERKS.")

--"SYSTEM OF GOVERNMENT." COLLOR'S VIEWS HAVE

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EVOLVED. DURING THE CONSTITUENT ASSEMBLY, HE SUPPORTED PRESIDENTIALISM. HIS ARGUMENT WAS THAT THE BRAZILIAN PUBLIC WAS LOOKING FORWARD TO ELECTING A PRESIDENT TO LEAD THE NATION OUT OF ITS DIFFICULTIES; THAT AFTER 20 YEARS OF MILITARY RULE, THE PUBLIC WANTED A POPULARLY-ELECTED PRESIDENT. HE STILL ADVOCATES THAT POSITION, BUT NOW ADDS THAT THE BEST FORM OF GOVERNMENT IS PARLIAMENTARISM. HE, AS PRESIDENT, WILL ADVOCATE ADOPTION OF A PARLIAMENTARY SYSTEM IN THE SCHEDULED 1993 REFERENDUM.

--SPECIAL PROSECUTOR. THE FIRST FLESHING-OUT OF HIS "HUNTER OF MARAJAS" THEME WAS ANNOUNCED RECENTLY. COLLOR PROMISED TO APPOINT A SPECIAL PROSECUTOR TO INVESTIGATE ALLEGATIONS OF IRREGULARITIES AND OF "WHITE COLLAR" CRIME.

--THE ENVIRONMENT. THIS WILL BE A FREQUENTLY USED THEME; COLLOR KICKED OFF THE FIRST OF HIS PUBLIC RALLIES LAST WEEK IN MANAUS BECAUSE HE WANTED TO HIGHLIGHT THE IMPORTANCE OF ECOLOGICAL ISSUES FOR THE NEW GENERATION OF BRAZILIANS. IN SPECIFIC TERMS THUS FAR, HOWEVER, HE HAS ONLY COME OUT AGAINST "DEBT FOR NATURE" SWAPS AS INFRINGEMENTS ON NATIONAL SOVEREIGNTY.

D. PRIVATIZATION. "STRATEGIC SECTORS" WILL
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REMAIN UNDER STATE OWNERSHIP, BUT NEW INVESTMENTS

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 TO SECSTATE WASHDC PRIORITY 4546
 INFO DEPTTREAS WASHDC
 USDOC WASHDC
 USSOUTHCOM QUARRY HEIGHTS
 USAFSO HOWARD AFB PN//001
 USCINCLANT NORFOLK VA
 AMCONSUL RIO DE JANEIRO

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AMCONSUL SAO PAULO
AMCONSUL RECIFE POUCH
AMCONSUL PORTO ALEGRE POUCH

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DEPT FOR ARA/BR

DEPT PASS DOL/ILAB

DEPT ALSO PASS FEDERAL RESERVE FOR SPIGELMAN

FEDERAL RESERVE BOARD PASS TO FEDERAL RESERVE BANK OF NEW YORK

TREASURY PASS JUBA

USDOC FOR 4330/IEP/WH/OSA AND 4332/IEP/WH/OSA/SCD

ALSO FOR POLADS

E.O.12356: OADR

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SUBJECT: ANOTHER LOOK AT COLLOR

IN THE AREAS OF INFRASTRUCTURE, ENERGY AND
TRANSPORT COULD BE OPERATED UNDER MIXED CAPITAL
ENTERPRISES.

COLLOR'S TRACK RECORD

7. COLLOR'S OPPONENTS ARE NOW BEGINNING TO
EXAMINE HIS PERFORMANCES AS APPOINTED MAYOR OF
MACEIO, AS FEDERAL DEPUTY AND AS GOVERNOR.
BECAUSE HIS RECORD APPEARS UNEVEN AND SKIMPY, THE
OPPOSITION BELIEVES THAT A CRITICAL EXAMINATION OF
WHAT COLLOR HAS PRODUCED, RATHER THAN WHAT HE HAS
PROMISED, WILL UNCOVER MAJOR OPPORTUNITIES TO
DEFLATE HIS POPULARITY. NEWSPAPERS REPORT THAT A
NUMBER OF DOSSIERS ARE ABOUT TO BE RELEASED,
INCLUDING ONES BEING PREPARED AT THE DIRECTION OF
BRIZOLA, LULA, PCB CANDIDATE ROBERTO FREIRE AND
VARIOUS OPPONENTS WITHIN ALAGOAS. AMONG SOME OF
THE CHARGES/ISSUES HERETOFORE MENTIONED ARE:

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--AS MAYOR: 1) ON HIS LAST DAY IN OFFICE, HE APPOINTED SOME FIVE OR SIX THOUSAND INDIVIDUALS TO THE PUBLIC PAYROLL. COLLOR SAYS IT WAS A MISTAKE; THAT SOMEONE APPENDED A LONG LIST OF NAMES TO THE SIXTEEN INDIVIDUALS HE HAD ACTUALLY NAMED.
2) ABSENCE OF PUBLIC WORKS PROJECTS
3) THE FACT THAT HE ACCEPTED AN APPOINTMENT BY THE MILITARY GOVERNMENT, RATHER THAN BEING AN ACTIVIST OPPOSING MILITARY RULE. COLLOR ARGUES HE WAS MORE EFFECTIVE IN HELPING BRAZIL BY OPERATING FROM THE CONFIDENTIAL

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MAYOR'S OFFICE THAN HE WOULD HAVE BEEN IN THE STREETS PROTESTING OR IN EXILE.

--AS FEDERAL DEPUTY: 1) DURING HIS PERIOD AS DEPUTY, COLLOR WAS A MEMBER OF THE ELECTORAL COLLEGE THAT HAD TO DECIDE BETWEEN THE MILITARY GOVERNMENT-BACKED PRESIDENTIAL CANDIDACY OF PAULO MALUF AND THE OPPOSITION CANDIDACY OF TANCREDO NEVES. COLLOR, THEN A MEMBER OF THE PDS, STAYED WITH AND VOTED FOR MALUF "AS A MATTER OF PRINCIPLE AND PARTY COMMITMENT," HE ARGUES, RATHER THAN JOINING WITH THE DISSIDENTS WHO FORMED THE PFL AND VOTED FOR THE TANCREDO NEVES-JOSE SARNEY SLATE. (NOTE: MALUF PROPAGANDISTS ARE NOW TRYING TO UTILIZE THAT COLLOR ACTION BY PROCLAIMING "COLLOR WAS RIGHT: VOTE MALUF.") 2) WHO WAS COLLOR? MAY 21 NEWSPAPERS FEATURED STORIES THAT FEDERAL DEPUTY COLLOR (1983-87) IN FOUR YEARS PRESENTED ONLY 15 PROPOSALS, NOT ONE OF WHICH WAS APPROVED. PT DEPUTY JOSE GENOINO AND PDT DEPUTY JOSE FERNANDES ARE QUOTED AS SAYING "NONE OF US KNEW WHO HE WAS."

--AS GOVERNOR: 1) DESPITE HIS ATTEMPT TO FORCE THE SUGARCANE GROWERS/REFINERS TO TRADE SOME OF THEIR PROPERTIES IN PAYMENT OF OVERDUE TAXES, AND HAVING BEEN FORCED BY THE COURTS TO ABANDON THE SCHEME, COLLOR ULTIMATELY SIGNED TWO AGREEMENTS WHICH REDUCED THE DEBTS AND EVEN PROVIDED FOR THE RETURN OF SOME OF THE TAXES THE GROWERS HAD PAID. NOW-GOVERNOR MOACIR ANDRADE IS ATTEMPTING TO CANCEL THE DECREES, THE LAST ONE SIGNED JUST BEFORE COLLOR LEFT THE GOVERNORSHIP, BECAUSE ANDRADE SAYS THE DECREES WILL LEAVE THE STATE

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WITHOUT REVENUES. 2) ABSENCE OF PUBLIC WORKS.
HAVING NEVER BEEN THE SARNEY OR PMDB LEADERSHIP
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CHOICE FOR THE GOVERNORSHIP, COLLOR RECEIVED SCANT

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C O N F I D E N T I A L SECTION 07 OF 11 BRASILIA 06532

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DEPT ALSO PASS FEDERAL RESERVE FOR SPIGELMAN

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SUBJECT: ANOTHER LOOK AT COLLOR

FEDERAL RESOURCES. HE IS ABLE TO POINT TO ONLY AN EFFLUENT PIPELINE TO THE SEA, A PUBLIC HOUSING PROJECT AND A FEW KILOMETERS OF NEW PAVED ROAD AS HIS PRINCIPAL CONSTRUCTION ACCOMPLISHMENTS. YET COLLOR TURNS THIS PAUCITY INTO A MARK OF HONOR, ATTESTING HIS WAR AGAINST THE "CORRUPT" SARNEY GOVERNMENT. HE ALSO SAYS, THAT DURING HIS CAMPAIGN, HE DID NOT PROMISE PUBLIC WORKS, HE PROMISED TO WORK TO ACHIEVE SOCIAL JUSTICE.

3) CRACKDOWN ON CRIME. AS MENTIONED EARLIER, COLLOR CLAIMS HE CAN DO SOMETHING ABOUT LAWLESSNESS. IN HIS FIRST DAYS AS GOVERNOR, HE ORDERED THE ARREST OF THE BROTHER AND UNCLE OF HIS CURRENT WIFE FOR THE NIGHTCLUB MURDER OF A PROMINENT LOCAL FIGURE. HIS WIFE'S BROTHER WAS RELEASED AS A MINOR AND THE UNCLE IS FREE ON BOND PENDING FINAL JUDICIAL DETERMINATION. LATER, ONE OF HIS WIFE'S COUSINS MURDERED A CITY COUNCILMAN, WAS ARRESTED, BUT ESCAPED FROM PRISON. COLLOR'S ADVOCATES AND OPPONENTS ARGUE OVER WHETHER THESE ACTIONS PROVE COLLOR'S COMMITMENT TO ERADICATE CRIME AND FAVORITISM OR WHETHER, SINCE NO ONE IS CURRENTLY BEHIND BARS, NOTHING CHANGES IN THE NORTHEAST, EVEN UNDER COLLOR. 4) CORRUPTION. COLLOR'S CRITICS STATE THAT "MARAJA" INCOME GREW, NOT DECREASED, UNDER COLLOR BECAUSE HIS DECREE INCREASING REPRESENTATIONAL ALLOWANCES RAISED THEIR OVERALL INCOME SOME 40 PERCENT. COLLOR ARGUES THAT THE STATE'S EXPENDITURES WOULD HAVE BEEN HIGHER HAD HE NOT TAKEN SOME EMPLOYEES OFF THE PAYROLL AND CAPPED ALLOWANCES, AND THAT HIS CONFIDENTIAL

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EFFORTS WOULD HAVE BEEN MORE SUCCESSFUL HAD HE NOT BEEN FRUSTRATED BY THE STATE ASSEMBLY AND THE COURTS. CHARGES OF MINOR PECULATIONS ARE ALSO SURFACING: AN UNAUTHORIZED, NON-COMPETITIVELY BID PURCHASE OF SOME 100 VEHICLES AND A "SECRET FUND" FROM THE STATE BUDGET USED FOR PERSONAL CAMPAIGN EXPENDITURES. 5) IMAGE MAKING. WHILE GOVERNOR, COLLOR LAUNCHED A BRIEF CAMPAIGN TO CHANGE THE NAME OF THE GOVERNOR'S MANSION FROM THE TRADITIONAL "PALACE OF THE MARTYRS" TO "PALACE OF

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HOPES". THE CAMPAIGN QUICKLY ABANDONED. HE ALSO WAIVED THE PAST DUE TRAFFIC FINES OF TAXI DRIVERS IN MACEIO IN SEPTEMBER 1988 TO AID THE UNSUCCESSFUL CAMPAIGN OF HIS PREFERRED MAYORAL CANDIDATE.

8. COMMENT. IT REMAINS UNCLEAR WHETHER THE CHARGES OF INEPTITUDE OR MISGOVERNANCE WILL HAVE MUCH IMPACT ON COLLOR'S IMAGE. UNTIL NOW HIS RECORD HAS BEEN LARGELY UNEXAMINED; THE SAME WAS TRUE DURING JANIO QUADROS' METEORIC RISE FROM CITY COUNCILMAN TO PRESIDENT DURING THE 1950-1960 DECADE. COLLOR, LIKE QUADROS-PAST, SEEMS AT THE MOMENT TO EPITOMIZE WHAT BRAZILIANS WANT. WHETHER THE INVESTIGATIONS INTO HIS RECORD, BOTH POLITICAL AND PRIVATE, WILL PENETRATE HIS "TEFLON SHIELD," I.E., THAT THE PUBLIC WANTS HIM TO BE THE RIGHT MAN--WILL BE DETERMINED OVER THE NEXT FEW MONTHS.

COLLOR'S BACKGROUND

9. THE FOLLOWING BIOGRAPHICAL NOTES AND OBSERVATIONS MAY OFFER ANALYSTS/POLICY-MAKERS SOME ADDITIONAL INSIGHTS INTO COLLOR. THEY ARE PRESENTED NOT AS A CHRONOLOGY OR AS A COMPLETE BIO

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SUBJECT: ANOTHER LOOK AT COLLOR

--BORN AUGUST 12, 1949, HE IS THE FOURTH OF FIVE SIBLINGS. ACCORDING TO PRESS ACCOUNTS, FERNANDO WAS THE ONLY ONE WITH A GREAT INTEREST IN POLITICS, EVEN THOUGH IT WAS A DAILY TOPIC OF DISCUSSION WITHIN THE FAMILY. (HIS FATHER WAS GOVERNOR, LATER SENATOR, OF ALAGOAS AND COLLOR'S FIRST YEARS WERE SPENT IN ALAGOAS' GUBERNATORAL MANSION.) FERNANDO REPORTEDLY WAS THE ONLY CHILD TO REGULARLY ACCOMPANY HIS FATHER TO POLITICAL RALLIES AND EVENTS. COLLOR HAD THE PORTRAITS OF ALAGOAS' TWO FORMER PRESIDENTS HAULED DOWN FROM THE PALACE WALLS SO THAT HE COULD POSE BEHIND THEM FOR A PHOTOGRAPH, PRESUMABLY TO REMIND BRAZILIANS THAT ALAGOAS HAS PROVIDED PRESIDENTS IN THE PAST. (NOTE: THAT THE TWO CAME TO OFFICE ON THE BACKS OF THE MILITARY SEEMS TO BE SOMETHING NEITHER THE PRESS NOR A NON-HISTORY CONSCIOUS PUBLIC CARES TO FOCUS ON.)

--COLLOR'S FATHER, WHILE SENATOR, MURDERED ANOTHER SENATOR IN 1963, SHOOTING THE WRONG MAN ON THE FLOOR OF THE SENATE. COLLOR'S FATHER'S POLITICAL OPPONENT (SENATOR SILVESTE PERIDES GOES MONTEIRO)

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HAD THREATENED TO KILL HIM DURING HIS INAUGURAL SPEECH. WHEN SILVESTE APPROACHED COLLOR SENIOR, THE LATTER DREW AND FIRED, ACCIDENTALLY KILLING ACRE ACTING SENATOR JOSE KAIRALA FILHO, WHO WAS POSING FOR HIS SENATE FAREWELL PHOTOGRAPH WITH HIS FAMILY. COLLOR'S FATHER AND SILVESTE PERIDES WERE BOTH FOUND NOT GUILTY, BUT COLLOR'S OPPONENTS PORTRAY THIS INCIDENT AS A REFLECTION ON FERNANDO

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COLLOR'S CHARACTER AND HERITAGE. SOMETIMES A LINKAGE IS SOUGHT WITH COLLOR'S OWN SPORTS BACKGROUND AS A FORMER BLACKBELT IN KARATE (DEPENDING ON THE REPORT, HE WAS EITHER NATIONAL CHAMPION OR FIRST RUNNER-UP). COLLOR STATES HE NO LONGER PRACTICES THE SPORT, TO WHICH HE HAD DEVOTED FOUR-FIVE HOURS DAILY IN TRAINING UNTIL HE WAS 25 YEARS OLD, BECAUSE OF HIS NEW DEVOTION TO POLITICAL ACTIVITY. HOWEVER, HE HAS POINTED TO THAT PREVIOUS COMMITMENT TO PHYSICAL/MENTAL TRAINING TO REFUTE THE REPEATED ALLEGATIONS THAT HE USES/USED MARIJUANA/COCAINE. COLLOR'S PHYSIQUE IS ALSO A SUBJECT OF COMMENTARY: HE IS TALLER AND TRIMMER THAN THE AVERAGE BRAZILIAN AND ONE RECENT INTERVIEWER WAS FASCINATED BY THE SIZE OF COLLOR'S KARATE-FORMED RIGHT HAND.

--COLLOR HAS BEEN TWICE MARRIED. HIS FIRST WIFE, LILIBETH MONTEIRO DE CARVALHO, IS THE DAUGHTER OF A PROMINENT RIO DE JANEIRO FAMILY. THEY MARRIED WHEN HE WAS 26, IT LASTED EIGHT YEARS, AND PRODUCED TWO CHILDREN, ARNON AFFONSO, NOW 12, AND JOAQUIM PEDRO, NOW 10. THE CHILDREN LIVE WITH THEIR MOTHER. COLLOR AND HIS EX-WIFE REPORTEDLY REMAIN FRIENDS.

--COLLOR'S CURRENT WIFE IS THE 24 YEAR OLD ROSANE MALTZ COLLOR DE MELLO. SHE IS STUDYING FOR A UNIVERSITY DEGREE. THEY MARRIED SHORTLY BEFORE HIS GUBERNATORIAL CAMPAIGN, WHEN SHE WAS 21 YEARS OLD. ROSANE HAS NOT DEVELOPED A REPUTATION AS A POLITICAL ACTIVIST AND HAS SELDOM ACCOMPANIED THE GOVERNOR ON HIS OUT-OF-STATE POLITICAL FORAYS. (COMMENT: WE GUESS COLLOR'S CAMPAIGN MANAGERS HAVE NOT YET DECIDED WHETHER THE STRIKINGLY PRETTY ROSANE WOULD HELP OR HURT HIS MULTIFACETED

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CAMPAIGN; AS APPEALING TO SOME SECTORS OF HIS

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ELECTORATE AS SHE IS, SHE ALSO COULD DAMAGE HIM IN OTHER, MORE TRADITIONAL SECTORS. FOR THE MOMENT, AT LEAST, SHE REMAINS ON THE SIDE LINES.)

--COLLOR CONTINUES TO ACCENTUATE HIS "NOWNESS." HE IS "TUNED-IN" TO MUSIC, LISTING HIS TRADITIONAL FAVORITES AS "THE BEATLES," "THE WHO," "THE ROLLING STONES," THE "LEAD ZEPPELIN;" BUT HIS CURRENT FAVORITES AS "ULTRAJE A RIGOR;" "LEGIAO URBANO," CAZUZA, AND ED MOTTA (THE CURRENT FAVORITES ARE A MIX OF ROCK GROUPS AND POP-BALLADEERS, SPECIALIZING IN POLITICAL, ECONOMIC AND SOCIAL PROTEST THEMES AND PRIMARILY APPEALING TO THE TEENAGE-TO-30'S AGE GROUPS).

--COLLOR'S FAMILY DOMINATES TELEVISION, RADIO AND PRINT MEDIA OUTLETS IN ALAGOAS. COLLOR'S BROTHER, LEOPOLDO, WAS "GLOBO'S" REGIONAL DIRECTOR IN SAO PAULO. THE "TIE-IN" FOR COLLOR'S OPPONENTS IS THAT COLLOR IS NOT TRULY ANTI-ESTABLISHMENT, BUT THAT HE IS SIMPLY THE NEW FACE WHICH THE OLD ESTABLISHMENT IS USING TO UNDERMINE "PROGRESSIVES" SUCH AS LULA, BRIZOLA AND COVAS.

--COLLOR'S PATERNAL GRANDFATHER WAS GERMAN, NAMED BOEKEL, WHICH WOULD HAVE BEEN COLLOR'S TRUE SURNAME HAD NOT HIS GRANDMOTHER REMARRIED A COLLOR AND THE COLLOR NAME BEEN GIVEN TO AND ACCEPTED BY HIS FATHER.

--IN AN INTERVIEW WITH "ISTO E" MAGAZINE, COLLOR
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STATED HIS IDEAL FINANCE MINISTER WOULD HAVE BEEN DILSON FUNARO. IN A SUBSEQUENT INTERVIEW, AFTER FUNARO'S DEATH, HE SUGGESTED THAT MARIO HENRIQUE SIMONSEN WOULD BE AMONG THE FEW CURRENT LEADERS (ALSO INCLUDING LABOR MINISTER DOROTHEA WERNECK) HE WOULD LIKE TO HAVE ON HIS GOVERNMENTAL TEAM. WHAT POINTS OF CONGRUENCE COLLOR SEES BETWEEN THE DIVERGENT ECONOMIC PRESCRIPTIONS OF FUNARO AND SIMONSEN REMAIN SOMETHING OF A MYSTERY.

COLLOR'S PROSPECTS

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10. COLLOR IS NOW CONSIDERED TO BE
A SERIOUS CONTENDER. MOST OF THOSE WE HAVE TALKED
TO RECENTLY STILL BELIEVE HIS SURPRISINGLY STRONG
SHOWING AT THIS EARLY STAGE WILL WEAKEN BY
SEPTEMBER-OCTOBER, BUT THEY NO LONGER CONSIDER HIM
JUST A TEMPORARY PHENOMENON. RATHER, BY WAY OF
SELF-ASSURANCE, THEY POINT TO THE 1982 RIO
GUBERNATORIAL RACE IN WHICH FEDERAL DEPUTY SANDRA
CAVALCANTI WAS THE EARLY FAVORITE (WITH A 52 PCT
RATING) YET FINISHED IN FOURTH PLACE, WELL BEHIND
WINNER BRIZOLA AND SECOND PLACE FINISHER MOREIRA
FRANCO. HOWEVER, COLLOR IS STILL SURGING. THE
IBOPE POLL PUBLISHED MAY 22 GIVES HIM 32 PCT, UP
FROM THE 20 PCT THE SAME POLL REGISTERED ON APRIL
26. BRIZOLA, IN SECOND PLACE, HAD 15 PCT (DOWN
FOUR PCT POINTS FROM APRIL) AND LULA WAS IN THIRD
WITH 11 PCT (DOWN THREE PCT POINTS FROM APRIL).
PERHAPS MORE IMPRESSIVE, THAT POLL GAVE COLLOR A
24 PCT RATING (COMPARED TO BRIZOLA'S 10 AND LULA'S
6) IN SPONTANEOUS SELECTION, PROBABLY REFLECTING
COLLOR'S RECENT MEDIA BLITZ. UNDECIDEDS WERE AT
39 PCT. COLLOR GAINED IN THE POLLS FOLLOWING EACH
OF HIS TELEVISION/RADIO PRESENTATIONS ON THE FREE
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HOUR GIVEN TO THE PRN AND PRT; THE IBOPE POLL WAS

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TAKEN PRIOR TO HIS MAY 18 APPEARANCE ON THE PSC (SOCIAL CHRISTIAN) HOUR OR HIS COVER STORY IN "VEJA" MAGAZINE. A GALLUP POLL, PUBLISHED THIS WEEK IN WHICH THE SURVEY WAS TAKEN AFTER THE PSC HOUR AND "VEJA" FEATURE, HAD COLLOR AT 37.7 PCT, BRIZOLA AT 13 PCT, LULA AT 8.1 PCT, ULYSSES AT 5.4 PCT AND NO OTHER CANDIDATE HIGHER THAN 2.8 PCT. AS COLLOR IS SCHEDULED TO APPEAR ON SOME TV INTERVIEWS SOON, WE CONCLUDE HE HAS NOT YET REACHED HIGH TIDE, BUT WE CANNOT FORECAST WHEN OR IF HE WILL PEAK.

11. THE OVERALL POLITICAL PICTURE IS NOT YET COMPLETE. ONLY THE PMDB FORMALLY HAS ITS SLATE IN PLACE, BUT IT HAS YET TO LAUNCH ITS NATIONAL CAMPAIGN WHICH WILL SEE ULYSSES AND PIRES VISITING BRAZIL'S 100 LARGEST CITIES. COLLOR'S DESIGNATION OF MINAS SENATOR ITAMAR FRANCO AS HIS VICE PRESIDENTIAL RUNNING MATE WILL SIGNIFICANTLY ENHANCE HIS SLATE IN THAT STATE, EVEN IF FELLOW MINEIRO AURELIANO CHAVES IS THE PFL CANDIDATE. NO OTHER IMPORTANT MINEIRO FIGURES TO BE ON A MAJOR PARTY TICKET NOW THAT THE MAY 15 DEADLINE FOR PARTY AFFILIATION HAS PASSED (I.E., NEWTON CARDOSO, VICE GOVERNOR JUNIA MARISE AND

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EX-GOVERNOR HELIO GARCIA ALL REMAIN IN THE PMDB;
PSDB MAYOR OF BELO HORIZONTE, PIMENTA DA VEIJA,
HAS REFUSED TO BECOME COVAS' RUNNING MATE.)

12. COLLOR'S RISE IN THE POLLS HAS ALTERED THE
POLITICAL PICTURE IN A NUMBER OF WAYS. HE
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CURRENTLY "OCCUPIES THE SPACE" THAT A NUMBER OF
CANDIDATES WOULD LIKE TO HAVE:

--HIS ANTI-GOVERNMENT POSTURE HAS HAD THE MOST
APPEAL TO THAT LARGE SEGMENT OF THE POPULACE WHICH
ACTIVELY DISLIKES THE CURRENT GOVERNMENT.

--HIS NEW-FACE, ANTI-OLD POLITICS IMAGE HAS
UNDERMINED MUCH OF LULA'S AND AFIF DOMINGUES'
EFFORT TO ESTABLISH THEIR "NEWNESS" AND "FRESHNESS."

--HIS CLAIMS TO BE SOME KIND OF PROGRESSIVE
MODERATE HAS ATTRACTED PART OF THE ELECTORATE
BEING HUNTED BY ULYSSES, COVAS, AND WHO EVER
EMERGES AS THE PFL CANDIDATE.

--HIS EFFORT TO PROJECT AN "ANTI-MARAJA, ROOT OUT
CORRUPTION" IMAGE HAS BEEN MORE SUCCESSFUL THAN
THAT OF THE OTHER CANDIDATES, MOST NOTABLY,
QUADROS, LULA AND ULYSSES.

--COLLOR IS ALSO SEEN AS A KIND OF MAVERICK WHO
HAS THE PEOPLE'S INTERESTS AT HEART; THAT VEIN OF
POPULISM APPEALS TO THE PUBLIC SEGMENT THAT
BRIZOLA HAS COVETED.

--FINALLY, THE PMDB "MODERADOS" ARE TRYING TO
DECIDE WHETHER THEY WILL RELUCTANTLY SUPPORT
ULYSSES, WAIT TO SEE IF QUADROS BECOMES A
CANDIDATE OR GO WITH COLLOR. THEY DISTRUST COLLOR
BECAUSE THEY ARE NOT SURE WHAT HE STANDS FOR, BUT
THEY ARE IMPRESSED BY HIS STANDINGS IN THE POLLS.
FOR INSTANCE, IRIS REZENDE'S DEPUTY AND CONFIDANT
RECENTLY RESIGNED FROM THE MINISTRY AND SIGNED ON
WITH COLLOR, EXPRESSING THE HOPE THAT IRIS WOULD
DO THE SAME AT A LATER DATE.

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ACTION ARA-00

INFO	LOG-00	ADS-00	AID-00	INR-07	SS-00	CIAE-00	EB-00
	DODE-00	H-01	NSCE-00	NSAE-00	HA-09	L-03	AMAD-01
	LAB-04	PM-10	PA-01	OMB-01	STR-18	INRE-00	FRB-03
	USIE-00	SP-02	SNP-01	PRS-01	P-02	T-01	/065 W

-----323255 022257Z /72 38

P 022114Z JUN 89
 FM AMEMBASSY BRASILIA
 TO SECSTATE WASHDC PRIORITY 4551
 INFO DEPTTREAS WASHDC
 USDOC WASHDC
 USSOUTHCOM QUARRY HEIGHTS
 USAFSO HOWARD AFB PN//001
 USCINCLANT NORFOLK VA
 AMCONSUL RIO DE JANEIRO
 AMCONSUL SAO PAULO
 AMCONSUL RECIFE POUCH
 AMCONSUL PORTO ALEGRE POUCH

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DEPT FOR ARA/BR

DEPT PASS DOL/ILAB

DEPT ALSO PASS FEDERAL RESERVE FOR SPIGELMAN

FEDERAL RESERVE BOARD PASS TO FEDERAL RESERVE BANK OF NEW YORK

TREASURY PASS JUBA

USDOC FOR 4330/IEP/WH/OSA AND 4332/IEP/WH/OSA/SCD

ALSO FOR POLADS

E.O.12356: OADR

TAGS: PGOV, PINR, BR

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SUBJECT: ANOTHER LOOK AT COLLOR

13. BUT WHAT ALSO HAS BENEFITTED COLLOR'S GROWTH

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IN THE POLLS, AND WHAT MAY BE A PERHAPS IRRESISTABLE ATTRACTION ON THE DIRECTION HIS CAMPAIGN EVOLVES, IS THE LACK OF MEANINGFUL OPPOSITION ON THE CENTER AND RIGHT PART OF THE SPECTRUM. QUADROS' DELAYING GAME CONTRIBUTED TO FORCING MOST POSSIBLE CONTENDERS ON THE CENTER RIGHT OUT OF THE RACE (INTER ALIA, ANTONIO ERMIRIO, SILVIO SANTOS, IRIS REZENDE AND, TO A CERTAIN DEGREE, QUERCIA). ULTIMATELY, AS COLLOR'S POPULARITY ROSE, QUADROS HIMSELF BOWED OUT, PERHAPS, BUT NOT CERTAINLY, FOR THE LAST TIME. OTHERS ON THE CENTER RIGHT, LIKE MALUF AND CHAVES, ARE OLD FACES WITH MANY STRIKES AGAINST THEM. CAIADO'S NARROW BASE OF APPEAL SHOWS NO SIGN OF EXPANDING. SUPPORT FOR AFIF DOMINGUEZ, IF HIS TELEVISION APPEARANCES ARE SUCCESSFUL, COULD BEGIN TO GROW, BUT MOST OBSERVERS (INCLUDING SOME LEADING SUPPORTERS WITHIN THE PL) BELIEVE THAT AFIF IS MAINLY INTERESTED IN THE SAO PAULO GOVERNORSHIP. ALTHOUGH COLLOR HAS SHOWN STRENGTH ACROSS THE SPECTRUM, HIS GREATEST POTENTIAL FOR GAINING NEW ADHERENTS LIES TOWARD THE CENTER-RIGHT.

14. AS NOTED EARLIER, BRIZOLA HAS ALREADY DEPICTED COLLOR AS THE CANDIDATE OF THE RIGHT AND OF THE VESTED INTERESTS. FOR THE MOMENT COLLOR SEEMS TO BE GAINING THEIR SUPPORT WITHOUT TRIMMING HIS SAILS ON ANY OF THE ISSUES HE HAS USED TO DATE. WE DO NOTE THAT MOST RECENTLY, FOR HIS JUNE EUROPEAN AGENDA, HE WANTS TO TALK WITH SPANISH
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LEADERS FELIPE GONZALEZ AND ADOLFO SUAREZ ABOUT THE EXPERIENCES OF THE MONCLOVA PACT SMOOTHING THE TRANSITION PROCESS THERE, WITH THATCHER ABOUT PRIVATIZATION AND WITH ITALIAN LEADERS ON THEIR EXPERIENCES WITH STATE CORPORATIONS. HOW FAR COLLOR MOVES TOWARDS THE RIGHT WITHOUT LOSING HIS ANTI-ESTABLISHMENT, NEW-POLITICS IMAGE, WHICH HAS CONSTITUTED A LARGE ELEMENT OF HIS POPULARITY, WILL BE ONE OF THE KEY ELEMENTS TO WATCH.

15. IT CANNOT BE STATED TOO OFTEN THAT SIX MONTHS IS A LONG TIME IN A PRESIDENTIAL RACE. EXTERNAL EVENTS, DOMESTIC DEVELOPMENTS, AS YET UNREVEALED SCANDALS, THE UNCERTAINTY OF A JANIO QUADROS

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CANDIDACY AND THUS THE LACK OF A DECISION AS YET BY PLANALTO ON WHOM TO SUPPORT AT A LATER STAGE, ALL CAN SIGNIFICANTLY ALTER THE PICTURE. BUT FOR THE MOMENT, COLLOR HAS DRAMATICALLY CAPTURED THE HIGH GROUND; UNLESS HE COMMITTS A TERRIBLE MISTAKE, THE OTHERS WILL HAVE TO KNOCK HIM FROM HIS PERCH.

16. REF E ARRIVED AFTER THE ABOVE WAS PREPARED. BOTH REFS D AND E PROVIDE USEFUL INSIGHTS ON HOW COLLOR IS VIEWED ON HIS HOME TURF.
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