

*Pol 2 BRAZIL*  
*Pol 2 EL SAL*  
BR

# AIRGRAM

FOR RM USE ONLY

M/R	REP	AF
1	1	
ARA	EUR	FE
NEA	CU	INR
		5
E	P	IO
4		
L	FBO	AID
		9
AGR	COM	FRB
10	10	3
INT	LAB	TAR
7		
TR	XMB	AIR
3		5
ARMY	CIA	NAVY
3	10	4
OSD	USIA	NSA
31	10	3
		NSC 6

A-37

UNCLASSIFIED

HANDLING INDICATOR

TO : DEPARTMENT OF STATE JAN 10 AM 8 24

DEPARTMENT OF STATE  
BUREAU OF  
INTER-AMERICAN AFFAIRS

INFO: AmEmbassy, Rio de Janeiro and Brasilia  
AmConGen, Recife

ANALYSIS & DISTRIBUTION  
BRANCH

JAN 17 1966

FROM : AmConsulate, SALVADOR

DATE: January 7, 1966

SUBJECT: Bi-weekly Summary

REF :

1. ARENA, Regional Directorate in Bahia
2. ARENA in Sergipe
3. Land Reform
4. 1966

1. ARENA, Regional Directorate in Bahia

The 15 members of the Bahia State Directorate for ARENA have been selected with the possible exception of the three members who are to be designated by Federal Deputy Manoel Novais. (Novais, Minister Juracy Magalhães, Minister Luiz Viana and Governor Lomanto were empowered to designate three members each. Every one of them has selected a member of his family as one of his three representatives, except Novais who is expected to nominate himself as his family man.) It has been determined that Federal Deputy Antonio Carlos Magalhães, who is a staunch Juracy man, will be the president of the Directorate.

Comment: Deputy Magalhães can be expected to exert vigorous leadership in the Directorate but he will have to contend with the strong influence of the four principal personalities mentioned above and with the rather embittered political antagonism which exists between Viana and Novais. This antagonism may well pose a problem if the majority of the Directorate decides to nominate Viana as ARENA's candidate for State Governor, as seems likely.

L The designation of a "family" representative is disappointing

UNCLASSIFIED

FOR DEPT. USE ONLY

In  Out

FORM 4-62 DS-323

1966 JAN 16 PM 1 44

COPYFLO-FBR

Drafted by: HMMidkiff:la

Jan 7 '66

Contents and Classification Approved by:

Clearances:

DECLASSIFIED

Authority NND 959000

UNCLASSIFIED

although Jutahy Magalhães, son of Juracy, has the stature for such an appointment. There is some doubt as to the contribution which Luis Viana Neto, son of the Minister, and Walter Lomanto, brother of the Governor, will make to the organization.

The privilege of appointing three members each by Juracy, Viana, Lomanto and Novais stems from the leadership of these men in the ex-UDN, ex-PL, ex-PTB and PDC, and ex-PR respectively, as well as their importance in the local political scene.

2. ARENA in Sergipe

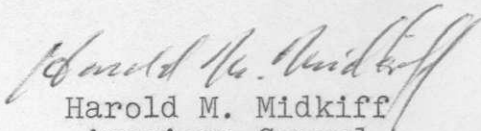
According to latest reports, ARENA will have uncontested dominance in Sergipe since only one Federal Deputy, José Carlos Teixeira (whose newspaper, SERGIPE JORNAL, was recently bought out by the strongly pro-administration DIARIOS ASSOCIADOS) and very few State Deputies are willing to be oppositionists. The state has been struggling with its finances so intensely recently that there has hardly been time to devote to politics. As the year ended it decided to raise taxes in order to try to meet its obligations and cover a modest salary adjustment for its employees.

3. Land Reform

The Semana da Terra, the week during which landowners are to register their lands at municipal centers, began January 7 for the states of the northeast. In Bahia, teams of data collectors have been trained and sent out to cover all 337 municipalities using 39 regional stations. Some of these have as many as 12 sub-stations where landowners may register. The collection of data on land ownership and land utilization is the first major step in implementing land reform legislation and should do much to improve the collection of taxes from land owners and induce them to put their unused land into production.

4. 1966

The outlook for 1966 is generally regarded as bright. Despite nagging price increases, there is optimism in the air.

  
Harold M. Midkiff  
American Consul

UNCLASSIFIED

DECLASSIFIED

Authority NND 959000