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TO : DEPARTMENT OF STATE

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FROM : American Consulate SALVADOR

DATE: February 12, 1965

SUBJECT: Bi-Weekly Summary

REF : IT IS RECOMMENDED THAT THIS DOCUMENT NOT BE DISTRIBUTED OUTSIDE
US GOVERNMENT OFFICES

1. Carlos Lacerda Leaves as Storm Breaks
2. PSD Makes Overtures to Virgildásio Sena
3. University of Bahia Revises Structures and Norms Governing Student Activities and Assistance
4. BNH Project Stirs Controversy
5. Hungarian Diplomats on Commercial Visit
6. Scandal in Sergipe
7. Psychological

1. Carlos Lacerda Leaves as Storm Breaks

Carlos Lacerda saved his strongest words for Luís Viana Filho until he had left Salvador, but at the UDN headquarters meeting on February 2 he indicated the path his thoughts (or plans) were taking by referring to Viana as one of those unannounced candidates (for governor of Bahia) who do not fool anyone since, in Viana's case, he spends half the day writing and the remainder attending to the requests of Bahianos. On that occasion Lacerda followed with a conciliatory reference to his personal friendship for the Chief of the Civil Household. When Lacerda's Rio statement on Viana Filho and Bahia politics became known there was a general rush to back Viana and criticize Lacerda. Governor Lomanto Junior sent a telegram to the Chief of the Civil Household "pledging" his support.

COMMENT:

Lacerda's outburst was probably motivated, in part if not entirely, by the continuing coolness of the Bahia UDN which still reserves its warm-

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FORM 4-62 DS-323

☒ In ☐ Out

Drafted by:

REService:RGMcCloskey:ym 2/12/65

Contents and Classification Approved by:

Clearances:

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est support for Juracy Magalhães and is not likely to give full backing to Lacerda until such time as Juracy is definitely out of the race, if then. Lacerda may have been further put out by the absence of almost all leading Bahia udenistas at the UDN headquarters meeting on February 2. They were instead at a luncheon being given by Federal Deputy, and close friend of Luís Viana Filho, Antonio Carlos Magalhães.

2. PSD Makes Overtures to Virgildásio Sena

The Bahia PSD has invited Salvador's ex-mayor Virgildásio Sena to join its ranks. Sena was forced out of the mayorship after the Revolution and subsequently lost a court battle for reinstatement, but did not lose his political rights. He was elected mayor as a member of the PTB.

COMMENT:

The PSD hopes that with Sena, who is popular among lower class and student elements in Salvador, it will be able to win the gubernatorial election in 1966. Orlando Moscozo, two time vice-governor, hopes, for his part, that he will be the candidate and professes to see little danger that Sena may usurp his presently leading position. Sena will be offered instead, a federal deputyship with the hint that this might lead to the gubernatorial nomination at some later date. There is no word on whether Sena will accept the PSD's offer.

3. University of Bahia Revises Structures and Norms Governing Student Activities and Assistance

Rector Miguel Calmon has announced that the federal University of Bahia will restructure its efforts in the student activities and assistance fields. Instead of a single Department of Student Assistance the university will now have a Council on University Student Activities, a Department of Student Activities and a Fund for Assistance to University Students. There will be a student representative on the Council.

Of most interest in the new regulation are the parts dealing with financial assistance for students. Apparently for the first time the University will give assistance on the basis of merit alone (bolsas) as well as need (financiamentos). The assistance to needy students will be in the form of loans repayable in double the time period over which the loan was made, beginning when the student leaves the university; but in no case later than 15 years after departure. They will be subject to monetary correction. Assistance may cover room and/or board and additional expenses, but students will be required to live and eat in university facilities if space is available.

COMMENT:

The university's student assistance programs were badly in need of updating, financially and administratively. If the rector is successful in

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getting proportionally more funds assigned to student assistance the new program should help to counter student dissatisfaction with the recent increase in rates at university facilities and the, still only rumored, initiation of a tuition fee. The idea to have merit scholarships is in keeping with the rector's determination to encourage greater student dedication to non-political activities. The new regulation was drawn up by Prof. José Artur Rios of the Catholic University in Rio de Janeiro.

4. BNH Project Stirs Controversy

The Companhia de Habitação da Bahia (COHAB) awarded a contract for construction of Salvador's first 200 houses to be built with Banco Nacional de Habitação financing. They are the first of perhaps 10,000 that will be needed in order to clear squatters out of the alagados area of the city, a stilt complex built out over an inlet of the Bay of All Saints. The construction contract calls for completion within 100 days. Each house will cost approximately Cr\$1.5 million, not including the cost of urbanization (land clearing, roads, sewers, etc.).

Professor José Artur Rios of the Catholic University in Rio de Janeiro, visiting Salvador at the request of the rector of the University of Bahia, denounced the plan to remove squatters from the alagados, and the national housing plan in general, as "inhuman, capitalistic and demagogic." He criticized both for dealing with effects rather than causes: simply moving people about does not get to the socio-economic roots of the problem. He suggested, instead, that the land should be filled in and title eventually given to the squatters. The director of COHAB replied that the professor's ideas were unreasonable from economic and length-of-time-needed viewpoints.

COMMENT:

According to newspapers, Rios was at one time an advisor to Guanabara governor Carlos Lacerda but fell out with him over the favela removal plans. As in Guanabara the plan will go forward. As yet the alagado dwellers have not protested their planned removal, but some measure of popular opposition to being pulled out of the mud is likely to develop once the new houses are ready.

5. Hungarian Diplomats on Commercial Visit

The following Hungarian diplomats were in Salvador during the first week of February: Minister Gusztav Droppo, Commercial Counselor Laszlo Ban, Cultural Attache Lajos Schiff and Tibor Szokoly (position unknown). The group was the guest of the State at the Hotel da Bahia and while in Salvador met with Governor Lomanto Júnior and Salvador's Mayor Nelson Oliveira. So far as is known their conversations and contacts dealt solely with possibilities for increasing cultural and commercial interchange between Bahia and Hungary.

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6. Scandal in Sergipe

The involvement of 1st Police Delegate Ismael Moura with an illegal rake-off from bingo in Aracaju prompted his removal by Sergipe Governor Celso de Carvalho. This in turn led to the renunciation of the Secretary of Public Security, Col. Anat6lio Ettinger de Meneses and his replacement, on a temporary basis, by the Secretary of Finance, Col. Djenal Tavares de Queiroz.

7. Psychological

In a week marked by major water shortages throughout the city which coincided with a heat wave, Bahians were in little mood to pay attention to anything except themselves.

Press comment jumped from topic to topic, with no unanimity on either topic or belief. The Diarios Associados were as confused as everyone else about the Viet Nam situation and summed their opinion with the headline "Answer to Provocation" without being sure who was provoking whom.

Indonesia's braggadoccio attempts to enter the "Atomic Club" were deplored by the Jornal da Bahia (which had hailed Brazil's attempts to do the same) which also said that the "great powers" were not "disposed to make any concessions" which might lead to atomic peace. The Diarios Associados viewed the situation with despair and alarm, and said the only hopeful note was the indication that the White House "might request an emergency meeting of the UN Security Council".

It has taken almost ten months for Governor Lomanto to bounce back from the shock of the revolution, during which time he said and did little. In the past few weeks, he has been darting about inaugurating this and that project, closing livestock fairs and opening seminars. The usually long-suffering Bahians are asking why he doesn't stay home and solve local problems.



Robert E. Service
American Vice Consul

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