

# AIRGRAM

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TO : DEPARTMENT OF STATE

INFO: AmEmbassy, Rio de Janeiro and Brasilia  
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FROM : American Consulate, SALVADOR

DATE: April 23, 1965

SUBJECT : Bi-weekly Summary

REF :

1. Bahia UDN Divided over Election of National Party President
2. Bahia Sets up Price Stabilization Agency
3. Antônio Carlos Magalhães on TV
4. Unemployment Rises
5. Municipal Elections
6. Vargas Anniversary Practically Unnoticed
7. Psychological

### 1. Bahia UDN Divided over Election of National Party President

In the national UDN convention scheduled for April 29, the Bahian delegation is expected to cast a divided vote for national bahian president. The local directorate voted to back Bahia's nomination of a favorite son, Federal Deputy Aliomar Baleeiro, but State Deputy Wilson LINS de Albuquerque has stated that he will vote for Ernani Sátiro who is known to be Lacerda's candidate. The decision of the local party to nominate Baleeiro stems, no doubt, from its desire to maintain a degree of independence of action, in loyalty to Ambassador Juracy Magalhães. While there is no apparent intent on the part of the local organization to defect from the decision to nominate Lacerda for the Presidency, there is a desire to leave the door open to Juracy if he can be persuaded to run and if support for Lacerda should wane. Lins and a few other local UDN members are strong for Lacerda and have not been swayed by prevailing local sentiment.

### 2. Bahia Sets Up Price Stabilization Agency

Following the visit of SUNAB Superintendent Guilherme

DEPARTMENT OF STATE  
BUREAU OF  
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Borghoff two weeks ago, the State of Bahia created a committee to stimulate production and stabilize prices. The committee is chaired by the Secretary of Agriculture, Industry and Commerce and is composed of representatives of the various organizations representing industry, commerce and agriculture in this state. During Borghoff's visit the state signed a protocol with SUNAB which provides that assistance in food supplies and in the development of production be furnished to the State by Companhia Brasileira de Alimentos -- COBAL, Companhia Brasileira de Armazenamento -- CIBRAZEM, the Comissão de Financiamento da Produção -- CFP, and SUNAB itself. Execution of this protocol will depend on separate agreements between the State and these organs.

Comment: Borghoff left a very good impression of the seriousness with which the Federal Government is facing problems of production and distribution.

3. Antônio Carlos Magalhães on TV

On April 17 Federal Deputy Antônio Carlos Magalhães (UDN) had a long interview in the studios of the local TV station. He made a dramatic appeal to the women of Bahia to organize buyers' groups which will bring pressure on local merchants to hold the line on prices. He remarked that prices here were absurdly high and pointed out that in Rio they have already begun to fall.

Among other things, Magalhães criticized the slowness of the judicial process in the state and said that he was working for the nomination of Luiz Viana for Governor of Bahia but that if for some reason Viana's candidacy should not hold, he was ready to run for the office himself.

He answered several questions which were telephoned into the studio during the interview and stated that he hoped he could continue such discussions with the public in the future.

Comment: So far there has been no news of the organization of a women's price stabilization league here. Before going back to Brasília Magalhães said that on his return here he will help organize a women's price resistance movement. Whether or not such a movement does get started and prices do indeed hold the line or decline, as they are expected to do, Magalhães may well claim some credit for the results.

4. Unemployment Rises

Bahian industries are still dismissing workers according to a local newspaper account. The number of workers let off during March and the first part of April is over 800. Most of these were dismissed because of the new minimum wage rate but others, especially in the textile industry, were let off because of improvement in plant equipment.

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Comment: Unemployment is a subject of growing concern here but has not reached serious proportions.

5. Municipal Elections

The verdict of the Regional Electoral Court as to whether municipal elections are to be held in Salvador and Feira de Santana has not yet been rendered. (See last bi-weekly summary). The decision was to be handed down on April 22 but one of the judges requested additional time to study the case.

6. Vargas Anniversary Practically Unnoticed

April 19, the anniversary of Getulio Vargas' birth, passed practically unnoticed. Neither the PTB nor local labor unions had ceremonies commemorating the occasion.

Comment: The atmosphere resulting from the revolution is not yet conducive to effusive demonstrations of any sort, much less those which might be misinterpreted or misdirected.

7. Psychological

The press in Bahia in its news pages has been publishing stories about the government's efforts to sell the idea that inflation has been checked, but the columnists have been taking the other tack and complaining that no real evidence can be produced of lower costs. They admit that maybe in Rio prices have dropped, but that "here in Bahia that kind of talk is a fairy story" (according to the editor of the Diarios Associados in his daily column). "Beans, which in Rio dropped to 180 cruzeiros, here in Bahia went up to 480, an increase of 300 cruzieros per kilo...how can this be, when the Revolution was undertaken precisely to eliminate this kind of exploitation?" A TARDE said that the talk of lower prices was a type of "euphoria afflicting some high Federal officials" who "insisted on talking despite obvious facts to the contrary."

President Johnson's Johns Hopkins speech was viewed by A TARDE as a salutary expression of the US determination to seek peace.

Arraes' release was regarded as proper, since his continued detention would make him a martyr.

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