

ORIGINAL ACTION

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DEPARTMENT OF STATE

AIRGRAM

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HANDLING INDICATOR

TO : DEPARTMENT OF STATE

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

FROM : American Consulate, SALVADOR

DATE: September 24, 1965

SUBJECT: Bi-Weekly Summary

REF :

1. Lomanto Inclined to PDC
2. The INDA Regional Conference
3. Ambassador Magalhães
4. German Ambassador Visits Salvador
5. Chief of Cabinet, Ministry of Labor
6. Students
7. USS GEORGETOWN
8. The Meat Crisis
9. State Salaries

1. Lomanto Inclined to PDC

Governor Antonio Lomanto Junior has indicated to the Con-
sulate that he is attracted to the PDC. He said that there are
good men in that party, such as Ney Braga and Carvalho Pinto,
among others, and that it had a good Christian-democratic ori-
entation which would attract much of the laboring classes. Re-
ferring to the PTC, he said no one knows what that is going to
be at the present time.

Comment: The Governor has received invitations to join all of
the major parties, including the PSD. He has not quite made up
his mind as to the one he will accept but the offer from the PDC
seems most attractive to him at the present time. He would no
doubt be the undisputed leader of the party in Bahia and would
have an important role in the national organization. In the
PTC, he would have to contend with the leadership of Federal
Deputies Manoel Novais and Teodulo de Albuquerque in the Bahian
organization. If Lomanto does move to the PDC, it will be all

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the more difficult for the PTC to establish itself in Bahia. At present there is little expectation for the survival of the PTB in the state.

2. The INDA Regional Conference

The series of meetings of the Instituto Nacional do Desenvolvimento Agrário which took place in Salvador from September 12 to 17 concluded with a session during which the national president of the Institute, Dr. Eudes de Souza Leão Pinto, made an excellent speech which attempted to explain the philosophy and directions of INDA in executing the Agrarian Reform Statute (Estatuto da Terra). He indicated that INDA is the executive organ of the law and the Instituto Brasileiro de Reforma Agrária (INBRA) its policy organ. INDA, he said, was devoting itself to three programs of action: colonization, cooperatives and extension, and rural development. Emphasis is now being given to colonization activities and this subject dominated the series of conferences held in Bahia.

Dr. Souza Leão Pinto attempted to instill confidence and inspire action on the part of his audience. He explained that agrarian reform, under the Castelo Branco administration, would take place without creating animosities nor antagonism between classes and without prejudicing legally established rights of property holders. He pointed out that in 1964, 50% of Brazil's cultivatable land was owned by 1% of the population and indicated that ways had to be found to bring comfort, assistance, and to give pride to the rural worker, as has been done in the United States.

Governor Lomanto Junior offered state properties and the state's cooperation in colonization endeavors of INDA, pointing out that the state had already settled some 1,300 families on its properties.

Comment: While some attention was drawn to the activities of INDA during the week of conferences, and while Dr. Pinto's leadership of the program is an inspiring one, implementation of agrarian reforms in this state will no doubt be a slow process, requiring persistent effort on the part of INDA and other officials connected with the program.

3. Ambassador Magalhães

Ambassador Juracy Magalhães visited Salvador for three days, September 12-14, and was welcomed by throngs of friends, admirers and well-wishers. During his public appearances and press conferences he continued to indicate that he was through with politics and with seeking elected offices, but he also stated that he would serve Castelo Branco in any position assigned to him, and he did not close the door entirely on the presidency if acclaimed into it.

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Comment: While the Ambassador's visit was mostly one of a personal nature, it served to indicate that his popularity in the state has grown since he was Governor. It is now commonly reported that he will be returning from the United States around October 19 to assume the position of Minister of Justice. The Ambassador did not publicly confirm this during his brief visit to Salvador.

4. German Ambassador Visits Salvador

Ambassador Gebhard Seelos spent some three days in the Salvador area, from September 17 to 20, on a courtesy visit. He indicated that he would be retiring soon from the German Foreign Service and said this was his farewell visit to the area.

5. Chief of Cabinet, Ministry of Labor

Moacir Veloso, Chief of Cabinet of the Ministry of Labor, was in Salvador for a brief visit on September 10. At a press conference he indicated that the Northeast would have to undergo a modification in its social-economic system in order to solve unemployment problems, and said that Minister Susskind was working together with the management and labor confederations on a law dealing with the unemployment problem. He discussed social security measures foreseen in a new law which is to unify all social security institutes and extend benefits to rural and domestic workers.

Comment: Exposure of the Government's efforts in benefit of the less fortunate members of society has been weak. There is little evidence of communication between the Government and the people. The presence of Moacir Veloso and the President of INDA are salutary indications of the interest of the Government in social reform, but for the most part spokesmen appear to be working through elite groups and are doing little about communicating with the laboring classes. There is some indication that this is a planned strategy -- that it is necessary to prepare the attitudes of those in dominating positions before inciting pressures from below (as Goulart did).

6. Students

University elections for central directorates which were originally called for August and then postponed until 15 September, failed to come off. As a result, the two Universities in Salvador do not have an officially recognized university-wide representation, and remain with a weak student organization based primarily on diretorios academicos. Some students elected recently to these have resigned. A move to elect a non-legal UNE-student representation has also failed to take place so far. University of Bahia students have proposed to the Rector a plan of their own for financing student expenditures, as an alternative to the University's proposal which led to some disturbances earlier in the year. This is an encouraging development and indicates an attempt to grapple with the problem in a serious and responsible manner.

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The word "gorila" was written on the walls of the Colegio Estadual of Bahia approximately ten days ago, but there have been no other indications of student indiscipline and political activity recently.

7. USS GEORGETOWN

The USS GEORGETOWN was in port on a Rest and Recreation visit from September 15 to 20. Favorable publicity concerning the visit was obtained in the delivery of some "Handclasp" materials. Except for the injury to one of the sailors in an automobile accident, the visit was very successful from both the public relations and the rest and recreation standpoints.

8. The Meat Crisis

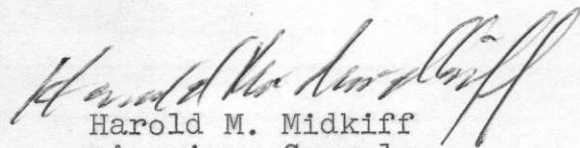
The principal slaughterhouses supplying Salvador have closed down over a price controversy with SUNAB authorities. The slaughterhouses state they cannot operate paying going prices for live animals and selling meat at controlled prices. SUNAB officials are seeking power to expropriate cattle herds. In the meantime the city is virtually without beef.

Comment: Despite efforts of SUNAB to hold prices down, cost of living continues to rise, although at a much slower pace than a year or two ago. It is unlikely that the current meat crisis can be resolved by the exertion of authority. No doubt a price compromise will eventually be needed to assure the supply of beef.

9. State Salaries

For some two months state employees have gone without pay. Salaries for August are to be paid over the coming weeks, starting with those in the lower brackets. The crisis results in part from efforts to find a formula for raising state salaries in August as promised by the Governor some months ago. Proposed salary increases would result in a monthly pay roll of 7.2 billion cruzeiros while monthly revenue is approximately 5 billion. Hence it was necessary for the Legislative Assembly to authorize special credits to effect payment. The Government leader in the Assembly attempted to condition salary increases to increases in revenue, but his effort was frustrated when the UDN leadership bolted the line in voting for a credit of 12.9 billion cruzeiros.

Comment: This is the first reversal which the administration has had in the Assembly in a long time. It is attributed in good part to vacillation in policy and tactics rather than a breach between the UDN and the administration.


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