

AIRGRAM

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TO : DEPARTMENT OF STATE

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BELEM-1 SALVADOR-1

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FROM : Amconsul PORTO ALEGRE

DATE:

MAR 11 1963

SUBJECT: PORTO ALEGRE WEEKLY SUMMARY No 47

 DEPARTMENT OF STATE
 BUREAU OF
 INTER-AMERICAN AFFAIRS
 MAR 18 1963

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1. Tri-State Governors Conference

In their meeting here last week (see Weekly Summary No 46), Governors Ildo Meneghetti, of Rio Grande do Sul, Ney Braga, of Parana and Celso Ramos of Santa Catarina, unexpectedly had trouble with the selection of a new president for the Banco Regional de Desenvolvimento Economico (BRDE). To Governor Meneghetti's considerable surprise and mortification, Governor Braga vetoed Meneghetti's choice of

Exempted from automatic decontrol

 By *Charles American Vice Consul*
 (Signature & Title of Exempting Official)

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WDMcLain/TJDuffield:zms

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Adail Morais. Braga's stated reason for the veto was that Morais had served as director of the State Bank of Paraná during the scandal-ridden administration of former Governor Moisés Lupion. (It is significant that Governor Braga, who has ambitions as the running mate of Governor Magalhães Pinto, of Minas Gerais, in the 1965 presidential elections, is aware that Morais is a Kubitshek man.) The Diário de Notícias criticized Meneghetti for failing to clear his nomination with the other two governors in advance. Meneghetti's second choice, Professor Ary Burger, highly regarded Director of the Institute of Economic Studies at the University of Rio Grande do Sul, was quickly approved by the other two governors.

In other deliberations at the conference, the three Governors announced their rather luke-warm support of the Federal Government's current anti-inflationary campaign, by promising to back all "practical" measures but warning that they could not permit the central government to forget legitimate State claims for federal aid. The Governors also set a meeting of finance experts in Curitiba at the end of next month to discuss the impact of the Three-year Plan upon the States, and agreed to act in concert in their dealings with the Federal Government.

2. Southern States to Send Mission to the U.S.

An additional decision taken by the Governors of Rio Grande do Sul, Paraná and Santa Catarina, at their recent conference (see above), was announced following the meeting by Plínio Cabral, head of Governor Meneghetti's Civil Household. Cabral said that the three state executives had agreed to send a mission to the United States to ask for aid for the BRDE. A similar but separate mission will be sent to Europe.

3. Pelotas Demands Expropriation of Light and Power Company

By a resolution adopted in early March, with the unanimous vote of all aldermen, the City Council of Pelotas requested the immediate expropriation of the American-owned Light and Power Company. The immediate cause of this action was a recent increase in the cost of electricity to Cr\$18.20 the kilowatt-hour, "more than twice the cost to the company". The resolution, addressed to the competent ministries and agencies of the federal government, read in part as follows:

"[We request/ the immediate expropriation, at the original cost, of this undertaking, which slows down and hinders the progress of Pelotas, depriving the population of a service in keeping with its needs, and which carries out of the country the fabulous gains which it accumulates through the suffering and exploitation of the people of Pelotas."

4. German Ambassador Visits Porto Alegre

German Federal Republic Ambassador Gebhard Seelos arrived in Porto Alegre on March 11 for an official 12 day visit to this consular

district (which, in the case of Germany, covers a sizable portion of Santa Catarina as well). He was received at the airport by several dignitaries, including RGS Secretary of Interior and Justice Fernando Gay da Fonseca and III Army Commander Jair Dantas Ribeiro. In his press interview, the Ambassador stated that Germany expected to make a credit of DM 200 million available to Brasil for various development projects, principally in the Northeast, as well as a gift of DM 8 million, in the form of technical assistance. He said that Brasil's Three-Year Plan was excellent, and that all that remained was to carry it out. He praised the gaúcho people for their vitality and vigor (pujança), and concluding his remarks, he expressed the opinion that the appearance of Brazilian "escolas de samba" would create a "stupendous success" at a German Fasching celebration.

An important part of the Ambassador's visit to the Pôrto Alegre district will be devoted to trips to the several German-population settlements in the area. Consul Wolfram Hucke informed the reporting officer that the Embassy felt serious concern over these "colonies", several of which had deteriorated to the point of creating a "rural proletariat". A German plumber working in the reporting officer's house added that Brasil was no place for a German to come today; that he personally, if he were not married and settled down here, would be off to Australia.

5. Padre Alípio Preaches Revolution: Blasts U.S.

Leftist Última Hora reported with considerable satisfaction that the doors of the URGS Law School were "broken down" by persons eager to hear the inflammatory words of Padre Alípio de Freitas, a northeast Brazil ultranationalist leader, who spoke here on the night of Sunday, March 10. Among some of the padre's statements: "... The empty cooking-pots of the workers' homes are today the drums of the revolution... The word communist, in the mouths of the reactionaries, has gained such prestige that it almost makes one want to join the Party..." Added Última Hora: Every time the good priest mentioned the American corporations, placing upon them the blame for Brazil's backwardness and misery, deafening applause broke out in the audience, which also gave him a stormy ovation when he referred to Fidel Castro and to the Cuban Revolution.

6. Brizola, Caruso and Jair Enjoy "Sea of Corn" Festival

Deputy Leonel Brizola (PTB-Guanabara), Ex-Deputy João Caruso, head of SUPRA, and III Army CG Jair Dantas Ribeiro, reported as traveling together, spent a pleasant Sunday in Banhado do Colégio, município of Camaquã, on the occasion of the "Sea of Corn Festival" organized under the auspices of the Association of Landless Agriculturists. The Banhado area, consisting of 2,000 hectares of land, was parceled out approximately one year ago, under the Brizola administration, to a group of 196 Sem Terra families. The harvest has been good. Each family will receive approximately Cr\$1,200,000 as its share of the Cr\$200 million value of

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the crop. State Deputy Adolfo Puggina (PDC) later commented somewhat unkindly that in view of the money the Brizola government had spent on Banhado do Colégio, anyone at all who had participated in the project would be expected to come out at least Cr\$1 million to the good. The public was invited to the Festa by means of an a pedido inserted in the papers by João Caruso, which looked strangely like an official announcement of the Federal Government.

7. Deputy Brizola's Other Activities

a. In his traditional Friday night radio speech, Federal Deputy Leonel Brizola (1) viewed with alarm recent activities of Minister of Treasury Francisco San Thiago Dantas, whom he says is now associating with the most "reactionary elements" in Brazil, including American Ambassador Lincoln Gordon and Guanabara Governor Carlos Lacerda; (2) said that Governor Meneghetti's ineptitude in nominating Adail Moraes to be president of the BRDE (see above) had completely destroyed the possibility of further cooperation between Rio Grande do Sul, Paraná and Santa Catarina; and (3) castigated Governor Meneghetti's recently formed committee to investigate the plight of the Sem Terra (see Weekly Summary N^o 46) as an excuse to do nothing at present for landless farmers.

b. In a television speech here Sunday night, Brizola warned that he will abandon Congress if the Federal Deputies continue "to do nothing for the common people".

c. During his active weekend here, Brizola made arrangements to have himself elected as president to the State PTB to replace João Caruso, whose new position as head of Superintendência de Planejamento de Reforma Agrária (SUPRA) has forced his resignation.

8. New Appointment in Sight for General Jair?

An afternoon paper (Fôlha da Tarde, of the Caldas Júnior chain) speculates that General Jair Dantas Ribeiro, CG III Army, may be appointed Chief of Staff of the Brazilian Army, replacing the present incumbent, General Machado Lopes, scheduled to become military observer with the Brazilian mission to the U.N. The paper believed that General Décio Palmeiro Escobar would replace Jair as III Army commander.

9. Alliance for Progress Butt of Cartoonist's Wit

An amusing cartoon in the Fôlha da Tarde shows a perplexed Uncle Sam shaking his fist at a barren tree, but with an infinite number of branches, labeled "Aliança para o Progresso". Quoth Uncle Sam: "Mas êste troço não dá fruta nunca! -- É só galho!" Loose translation: "This (worthless) stump never gives any fruit! It's all branches (or a cause of trouble, dissent, etc.)!" The cartoonist, Francisco Stockinger, who uses the pen-name "Xico", is not believed to be especially anti-American, but he is known as an individualist who calls the shots the way he sees them.

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10. "Crime Wave" in Porto Alegre

Although the local press disagree on a number of topics, all papers agree that lawlessness in Porto Alegre has now reached its highest level in recent years. Burglaries, pocket-picking, various types of fraud and sex offenses have become extremely common, while knife fights in shady establishments cause loss of blood and life. Much is being done by the government to place competent men in top police posts; the rank-and-file of the various forces, with the exception of the elite Pedro e Paulo battalion of the Brigada Militar, often fail to measure up to acceptable standards.

11. Political Notes

a. UDN supporters of the presidential aspirations of Guanabara Governor Carlos Lacerda received a setback last week when Lacerda declined an invitation to appear at their state convention here. Lacerda's absence boosted the stock of the UDN wing favoring Minas Gerais' Magalhães Pinto.

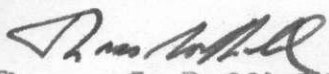
b. As the State Legislative Assembly prepares to hold its first business session, beginning March 15, the PTB underlined its recent announcement of "systematic" opposition to the Meneghetti administration by announcing that their deputies will not attend the opening cocktail party on the grounds that since "the people are hungry, it's no time for the deputies to be celebrating".

c. Zilah Totta, Governor Meneghetti's Secretary of Education, has announced her intention to submit a large budget request to put desks and other furnishings into the schools that ex-Governor Brizola built, but apparently neglected to furnish.

12. Economic Notes

a. To add to its chronic difficulties, IRGA (Instituto Riograndense de Arroz) was seriously embarrassed last week by disclosures proving that some of its lesser officials had been smuggling coffee into Uruguay in the guise of rice shipped through IRGA's facilities.

b. Porto Alegre's Mayor, Loureiro da Silva, has announced that he has high hopes of concluding negotiations by mid-April for a Cr\$1 billion IDB loan for Porto Alegre's water-works.


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