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A-77 OFFICIAL USE ONLY

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DEPARTMENT OF STATE
BUREAU OF
INTER-AMERICAN AFFAIRS
APR 22 1963

FROM : American Consulate, Salvador DATE: April 11, 1963

SUBJECT: Weekly Summary

REF :

POLITICAL:

Lomanto assumes office. Although the ceremonies installing Governor Antonio Lomanto Junior in office were somewhat subdued in recognition of the tragedy which befell Governor Juracy Magalhães on April 4 when his son, Juracy Junior, committed suicide, an atmosphere of optimistic excitement seemed to characterize the official functions on inauguration day, April 7. Lomanto's acceptance speech before the Legislative Assembly, following his oath of office, did not hide the problems which lay ahead. His election, he said, represented a change from the system in which the people merely rubber-stamped predetermined candidates. Therefore it demands a new sense of responsibility toward the people. The Governor stated this may be the "last chance" for public men to be the "channel for the just aspirations of the people". He indicated he was able to select his helpers with little political interference and he pledged a government bent on bringing about social justice and development. Resources for the effort will be sought through administrative reforms, a better shake from federal sources and from Petrobras, and the joint effort of all Bahians.

The ceremonies were witnessed by many official guests among whom were several ambassadors. Ambassador and Mrs. Gordon and the top USAID representatives in Brazil headed our delegation.

COMMENT: The Governor's speech was well tempered and dynamic. The themes most applauded were those pertaining

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Contents and Classification Approved by:

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A-77
E. Salvador

to social justice and to getting more for the State from Petrobras. Lomanto did not refer to the Alliance for Progress. Privately he stated that open reference to the Alliance for Progress would not be politically discreet at this time since it might raise unnecessary opposition.

Ambassador Gordon Visits Aracaju: On April 8 Ambassador and Mrs. Gordon visited Aracaju as guests of the Legislative Assembly, which had invited the Ambassador to address it on the Alliance for Progress. Governor and Mrs. João de Seixas Doria offered the Ambassador and his party a very nice lunch at the Governor's Palace during which the Governor made a brief speech in which he stated that the biggest allies of communism were hunger and the reactionaries. (Governor Doria had come to Salvador to attend the Lomanto inaugural; he accepted the Ambassador's invitation to travel in the Embassy's aircraft from Salvador to Aracaju. During the trip, the Ambassador, Minister Kubish and Mr. Dieffenderfer discussed Alliance for Progress projects with Governor Doria).

The Ambassador's speech before the Legislative Assembly was well, although not warmly, received. One of its principal points was that conditions which had caused delays in Alliance for Progress projects in Brazil have now been pretty well overcome, and if the Brazilians (SUDENE) were willing, things would move along rapidly in Northeast Brazil.

Questions by State Deputies which followed the speech revealed interest in: the relationship between the Dantas mission and statements about communist infiltration in Brazil; the relations between the Alliance for Progress and Pernambuco Governor Arraes; what Sergipe stands to gain from the Alliance for Progress. These topics were also present in the press conference which preceded the Assembly meeting. Ambassador Gordon answered all questions thoroughly and frankly, giving full satisfaction to the questioners.

Ambassador Gordon visited the headquarters of the Binational Center in Aracaju, and there met with the Board of Directors, students, and teachers. Governor Doria as well as other local dignitaries also visited the Center.

All aspects of the visit were well covered by the press and radio.

COMMENT: Although the atmosphere in the Legislative Assembly was cool, this first visit of the Ambassador to Aracaju is regarded as having been very successful. Efforts of students to demonstrate against the Ambassador were effectively suppressed by local officials, who met with students before the Ambassador's arrival and persuaded them not to demonstrate. There was a scarcely perceptible commotion outside of the Legislative Assembly at one

stage, but nowhere was there any evidence of placards or banners opposing the visit. The President of the Assembly showed signs of concern over the orderliness of proceedings and of relief when all went well. There had been statements against the Ambassador in recent sessions of the Assembly from the revelation of communist infiltration in Brazil attributed to the Ambassador.

ECONOMIC:

Cocoa Crop: Latest estimate of the 1963 "temporão" crop to come from a conference of the Commercial Association this week was a small 600,000 sacks, as much as 200,000 sacks less than earlier estimates. "Variable" weather, including some shortage of rainfall in February and March were given as the cause of the present pessimistic predictions.

State Lottery v. "Jogo do Bicho": Numbers houses were closed early this week after Lomanto's inauguration, following several years of admitted toleration by outgoing Governor Juracy Magalhães. To avert unemployment by runners, "bankers", and sellers, as well as to get some revenue for the state, Lomanto is expected to present to the Legislature plans for a state lottery. It is as yet unknown whether this lottery will be run directly by the state or by concessionaires, but several of the old "jogo" operators are said to be forming a syndicate to exploit the lottery in the event that the latter course is chosen.

Sugar and Politics: The sometime leftist opportunistic industrialist, Minister of Agriculture José Ermirio de Moraes, visited Bahia last weekend, ostensibly to participate in the ceremonies installing the new Governor. He reportedly dined and conferred with Governor Lomanto. Additionally, while here, he met with officials of the S.A. Magalhães Industria e Comercio, owners of the large and poorly-run plantations between Salvador and Feira de Santana which produce a very large percentage of Bahia's sugar. He is reported to have offered to buy the firm's cane fields and mills for around two billion cruzeiros, claiming that he could transform Bahia into the principal sugar producing state of the nation.

East-West Affairs: The Czech Commercial Attaché, Jaromim Kulhamek, visited Bahia last week, apparently to confer with the Czech commercial representative in Bahia, the firm Pamambra S.A. Prior to departing for Recife, Kulhamek told the press that he hoped to increase trade between Czechoslovakia and Bahia.

COMMUNICATIONS MEDIA:

Television and Politics: A second television station for Bahia may be approaching reality with the announcement by the backers, represented by local photographic supplies dealer Leão Rozemberg,

B-77

Salvador

that a presidential decree has been published in the Diário Oficial granting the license. The new television station will occupy Channel 7, will reportedly specialize in news and public affairs programs, and will be considerably more powerful than the existing station, with a prospective audience of two thirds of the approximately seven million people of the state of Bahia. Rozemberg indicated he is leaving shortly for the United States to purchase equipment, and that the station will be on the air in October.

COMMENT: In typical iceberg fashion, there is more than meets the eye or appears in the local press regarding this new station. The principal backers are reportedly Minister of Industry and Commerce Antonio BALBINO (PSD) and PSD Federal Deputy and founder of the recently established Ala Moça of that party, Tarcilo VIEIRA DE MELLO. The alliance of these two leaders of traditionally opposing blocs in the PSD lends credence to the report that one of the station's principal purposes is to serve as the voice of the opposition to Governor Antonio Lomanto Junior in Bahia. Looking ahead, it is also thought that the station will be used to boost Vieira de Mello as the candidate of the opposition to succeed Lomanto when his gubernatorial mandate expires. Rozemberg's interest is purely financial.

The backers are reportedly having some difficulty in rounding up the financial wherewithal to put the station on the air. Its first program must be shown within a year, according to the terms of the license. Whether it will, in fact, begin broadcasting on schedule probably depends largely on how much pressure Governor Lomanto wants to and can bring against it, and how strongly Balbino can press for it.

PSYCHOLOGICAL:

The inauguration of the new state and city governments was the prime note of the week. People looked forward to what they hoped would be a new era with cautious optimism.

The Papal encyclical received standard endorsements from the press.

Ambassador Gordon's visit to Bahia as guest of Governor Lomanto was well covered in local media.

The "Estado da Bahia" ran a series of editorials on the general theme of responsibility in the federal Executive branch, touching on Goulart's need to be firm on the Cuban situation and in the politico-military crisis. In general, the President was urged to adopt a firmly democratic position.

A-77
Salvador

The visit to Salvador of Isabelle Blume, former Belgian Senator and a leader of the World Peace Movement was ignored save by the Communist "Folha da Bahia." The same paper came out flat in support of Seixas Doria during his visit to attend the Lomanto inauguration.

Sergipe: The Ambassador's trip to Aracaju to address the State Assembly received the fullest possible coverage by radio and more favorable coverage than was expected from the only daily newspaper, leftist-oriented. As expected, it was attacked savagely by the Communist weekly.

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704