

AIRGRAM

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ARMY	CIA	NAVY
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OSD	USIA	NSA
15	8	3

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A-79 NO. CONFIDENTIAL AIR PRIORITY HANDLING INDICATOR
 KR PDL BRAZ

TO : Department of State, Washington, DC

INFO : AmEmbassy, Rio de Janeiro

FROM : AmConsulate, Curitiba DATE: April 10, 1963

SUBJECT : Paraná Secretary of Agriculture Pimentel on Paraná Agricultural Productivity

REF :

BR/AN ANALYSIS & DISTRIBUTION BRANCH

Secretary of Public Safety Italo Conti gave a party on March 30 to a small group of close political allies to which he also invited Vice-Consul Stewart Burton, USAID Public Safety Advisor Thomas Pillifant and the Reporting Officer.

Secretary Paulo Pimentel spoke frankly about his budget problems. However, Secretary of Treasury Algacyr Guimaraes made light of them. Secretary Pimentel claimed that after he paid his personnel and the yearly allotment to the Institute of Biology, he was left with practically no funds to effect any required programs such as making seeds available to farmers or establishing needed warehouses or silos.

He then spoke admiringly of the great capacity Parana has for agricultural production of many crops such as basic foodstuffs, mint, cotton, sugar cane, etc. He stated that the Governor, once he is able to diversify agricultural production and increase productivity, could play a major role in the national economic and political spheres. He stated that Parana could easily become the breadbasket of Brazil and could thereby be a force to prevent speculation on food and to effectively counteract communist influence and penetration by bringing food to the needy at realistic prices. He illustrated this with the effect that Parana potatoes sent to Pernambuco had on the local market.

These prices

GROUP 3
 Decontrolled at 12 year intervals
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FORM 4-62 DS-323

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 In Out

Drafted by: AWFeldman:grt

Contents and Classification Approved by: AWFeldman

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From Curitiba

These prices were reduced from 120 cruzeiros per kilo to about 70 cruzeiros. He stated that Governor Arraes' friends had attempted to make a deal whereby 20 cruzeiros would be added on to the price per kilo which would in turn go to them. Secretary Pimentel refused and insisted that the potatoes be sold at the agreed-upon price which just about covered Parana's costs and transportation to Pernambuco. He then indulged in what could be a revealing flight of fancy when he commented that a Parana governor could, if Parana became the breadbasket of Brazil, bring Brazil to its knees if he was not in sympathy with the direction the Federal Government was taking simply by withholding foodstuffs to the rest of the country.

COMMENT

He evidently overlooked the fact that not only would this be a highly unpopular move but would inevitably bring about federal intervention in the state. This can be attributed to the Secretary's youth (he is thirty-four) and inexperience in the political sector. He is enthusiastic in his work and has the financial resources to give him a sense of independence.

Arthur W. Feldman
Arthur W. Feldman
American Consul

Copies to:

AmEmbassy, Brasilia
Mr. Henderson, Consul General, Rio
Brazil Desk Officer, Dept.

[Handwritten initials]

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