

# AIRGRAM

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1. Carlos Lacerda Campaigns in Northeast

Carlos LACERDA toured three Northeastern states---Alagoas, Paraíba, and Ceará---on what can only be considered a campaign trip. He made speeches, talked to the press, and picked up honorary citizenships.

In Maceió he told the press that "I do not need cannons to elect me, but only the free vote of the people; therefore, I demand liberty for the people." He criticized SUDENE for prospering while the Northeast did not, and for being as irresponsible as other government agencies; its president, he said, had abandoned 200 billion cruzeiros in the bank to be wasted away by inflation. His government in Guanabara was based on money from the working people and not from Americans---only 40 cruzeiros in each 1,000 came from the Americans. Finally, Lacerda said state governors could properly accept extension of their mandates; he would not, though, himself since he would have to quit in May 1966 anyway to start his official electoral campaign. Asked about student elections by Alagoan students (who pointed out that there aren't any in Alagoas), Lacerda said he favored them in Rio because he never fears free elections.

In João Pessoa, on September 17, Lacerda was greeted by a cheering crowd of 5,000 waving "Lacerda for President" banners. In a press conference later, he said that "Every revolution begins with arms, but it is only confirmed by the free decision of the people, because a movement of renovation without the benefit of popular support is not a revolution but a counter-revolution." He said that the worries of students and the anxiety of the masses were promising signs that the revolution was gaining force. He praised Castello Branco as a "true democrat and pragmatic idealist" who has "succeeded in re-establishing democracy and the principle of authority." Endorsing the work of the present administration, he continued: "It is necessary for us to prepare for an electoral campaign which will permit the people to choose a man of stature for the President of the Republic, who can continue the administrative program which has already been delineated."

On specific issues, Lacerda continued to attack the purchase of AMFORP as a "most grave error", and declared himself to be in agreement with Senator João AGRIPINO on this subject. "In Guanabara, we received the bonds of 'Light' seven years before the expiration of the contract. The enterprise coded us 20 million cruzeiros and we were left with the labor burden of all the employees of the company. With this money we financed the purchase of busses and diesel oil. This was a good deal for 'Light' as well as for us. The formula for buying out concessions is not Brazilian. It was an undertaking signed by ex-President João GOULART. Therefore, the

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present government has no obligation to fulfill it. Furthermore, the contract is not express, is not an international agreement or treaty, which are the only ways I know for one country to commit itself to another."

He stated his opposition to the extinction of small parties, "because small groups of opinion would not have a chance to express themselves." However, he favored having only a small number of parties, with a right of free expression within each. "In each party there must always be a conservative and intermediary wing which serves as a force and guarantee for the solution of national problems. For the rest, democracy has only been guaranteed in countries in which public opinion organizes by means of small parties."

In other Paraíba appearances he denounced those who think of the Northeast only with pity, and again attacked SUDENE. "Despite SUDENE there is still initiative in this Northeast."

The welcome received by Lacerda in Paraíba was not, however, unanimous. Mimeographed pamphlets, signed by the "General Command of the Nationalist Revolutionary Movement" were distributed through João Pessoa, calling on people not to attend Lacerda rallies, and anti-Lacerda slogans were painted on a number of walls. A number of pro-Lacerda banners were torn down. The police are investigating these activities, and reportedly have arrested eight people in connection with them.

If these manifestations presumably came from the left, the Paraíba UDN was itself not united in joy. The state UDN leader, Senator João AGRIPINO, is no lover of Lacerda, and pro-Lacerda Paraíba udenistas such as Federal Deputy Ernani SÁTIRO apparently are hoping to capitalize on Lacerda's rank-and-file popularity to improve their own position---perhaps even to compete against Agripino in the 1965 (or 1966) gubernatorial sweepstakes.

In Fortaleza, on September 17, Lacerda announced that he did not come to ask the support of Governor Virgílio TÁVORA, because he knew he already had it. Otherwise his remarks covered much the same ground as in the other states, though the Ceará press managed to quote him as favoring the extinction of small parties.

The visit to Ceará caused some problems for the PSD, which is locally united with the UDN in the "Union for Ceará". This union has been showing signs of strain for some time, and the PSD found it could not stomach the thought of voting honorary citizenship for Lacerda. The measure passed anyway but the "Union" has suffered another lesion as a result.

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Comment: In this unofficial campaign tour, Lacerda stuck pretty much to safe territory, and did not attempt to appear in Recife, where the PSD rules an uneasy coalition, nor in Natal, where the UDN is split down the middle. The Northeast, which is always pleased to get distinguished visitors from the South, gave him a pretty warm welcome, and now realizes (if it didn't before) that Lacerda would like to be President of Brazil.

## 2. Mourão Leaves

General Olímpio MOURÃO FILHO transferred command of the Fourth Army to Seventh Military Region Commander General Antônio Carlos MURICY at 10 a.m. on September 24, after serving in the post for 50 days. He left the same day to take up his new position as member of the Supreme Military Tribunal.

Before his departure, General Mourão made a final tour of his territory. In Paraíba and Rio Grande do Norte he repeated his standard speech on the Four Basic Freedoms (see our A-37 of September 22, 1964), and reaffirmed his attachment to the "Hard line". He also said he would rather have remained in command of the Fourth Army. He finally left Recife, taking with him a large quantity of luggage which, he told reporters, contained no gifts, "because I do not accept them."

Meanwhile, Fourth Army Chief of Staff General Isaac NAHON, has left for Porto Alegre, where he will serve in the same capacity in the Third Army under his old boss, General Alves BASTOS.

## 3. New Head for Third Naval District

The Navy, as well as the Army, is changing commands in Recife. Admiral Dias FERNANDES, who has commanded the Third Naval District since before the Revolution, is being replaced by Admiral Francisco Duque GUIMARÃES.

## 4. Sérgio Can Keep His Job

The General Investigations Commission, in Rio, on September 26 refused to apply Article 7 sanctions to a group of government-employees including recently liberated Sérgio de RESENDE. It pointed out, however, that this decision did not exempt Sérgio or the others from possible criminal prosecution or administrative discipline.

5. SUDENE Superintendent Returns from Washington with US\$80 Million in Pledges

SUDENE Superintendent João Gonçalves de SOUSA described his recent two week visit to Washington as "quite profitable, useful and positive....having obtained promises for financing of projects of interest to the Northeast totalling about US\$80 million" from various agencies including the Interamerican Development Bank, the World Bank, and Organization of American States. One of the projects which Gonçalves de Sousa expressed particular interest in is that for central wholesale food markets in the three largest cities of the region: Recife, Salvador, and Fortaleza.

6. Cane Suppliers to Sign New Contract with Cane Workers

Alleging that smaller growers could not afford to pay the rates set by the new contract, representatives of the sugar cane suppliers (fornecedores) refused to sign at the ceremony which was to have marked the successful conclusion of protracted negotiations on September 30. The new contract had been worked out by a commission consisting of representatives of the rural unions, the sugar mills, the sugar cane suppliers, the IV Army and the Pernambuco state government and was to set the pattern for similar contracts in Alagoas, Paraíba and Rio Grande do Norte. Commenting on the last minute fiasco, Armando BRITO, who had come to Recife to represent the Minister of Labor at the signature of the contract, said, "those who are fighting against the revolution are the bad employers - through dishonest maneuvers, infractions of the labor laws and other outrages against the workers."

Comment: What the fornecedores are really saying is they are not prepared to meet the economic consequences of the new contract under which growers of second and third rate cane are severely penalized - under the new schedule, cane cutters are to be paid between Cr\$650 and Cr\$1.750 a ton depending on whether the cane is first, second or third growth and on the type of terrain, so that potential profits can rapidly disappear if cane is of poor quality or grown on marginal lands. Economically, the new contract is quite sound in providing incentives to both the grower and the cutter, but it will further tighten the squeeze on marginal producers. The result should be higher productivity with more cane produced on less land by fewer workers.

7. Arraes Transferred to Civil Police

Miguel ARRAES and ex-Deputy Francisco JULIÃO were transferred on September 23 from Fernando de Noronha to the Civil Police in Recife. They are actually being held in the prison of the Second Guard Company due to alleged lack of accommodations in the local prison. The jail at the Second Guard Company is the headquarters of the redoubtable Lt. Col. Helio Ibiapina LIMA.

8. General Geisel Says Political Prisoners Well Treated

At the behest of President Castello BRANCO, General Ernesto GEISEL was sent to visit political prisoners in Fernando do Noronha and Pernambuco and allay fears they were being mistreated. After several days of investigations, in which he visited most of the better known political prisoners of the area, he reported they were well looked after and satisfied with the treatment they were receiving. As a by-product of the investigations, reporters were permitted closer contact with prisoners than they have heretofore enjoyed.

9. Press Honors Col. Bandeira

Col. Antônio BANDEIRA, Chief of the Second Section (G-2) of the Fourth Army, was honored at a luncheon given by local reporters and press correspondents on the eve of his transfer to the command of the 14th Infantry Regiment, which garrisons Pernambuco.

Comment: The luncheon was attended by top military brass as well as by the principal Recife reporters and press association stringers. Press and military solidarity to the head hatchet-man in the Northeast was accordingly demonstrated; perhaps to offset some of the undercover grumbling in certain circles against the "hard line" taken by the IVth Army against "subversion and corruption". Logical successor to Bandeira is Col. Ibiapina, IPM Chief in Pernambuco and likewise no soft liner.

10. Recife Public Opinion Poll

Fragmentary press reports of a recent MARPLAN survey of Recife public opinion give the following results:

Cassation of Miguel Arraes-----65% approve  
 Ditto of Celso Furtado-----33% approve  
 Confidence in Castello Branco government-----50% say yes  
 (56% of poor people)  
 Attitude toward revolution-----78% favorable (especially  
 poor and middle classes, and people over 50)  
 SUDENE Resolution Northeast Problems-----40% think it is  
 (especially men and rich people)  
 More cassations-----30% want them. Such as:  
     José Ermirio de Moraes----21%  
     Ademar de Barros----13%  
     Carlos Lacerda----6%

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End of gasoline, wheat, and paper subsidies-----29%  
 approve, 57% undecided  
 Paulo Guerra Regime-----40% think it is good (especially  
 peer and middle classes and people over 30)  
 If Presidential elections were held today:

Carlos Lacerda----37%  
 Castello Branco----35%  
 Ademar de Barros----3%  
 Magalhães Pinto----4%

If Gubenatorial elections were held today:

Cid Sampaio----28%  
 João Cleofas----8%  
 Augusto Lucena----7%  
 General Cordeiro de Farias----1%

#### 11. Banco do Nordeste Publishes Yearly Report

The yearly report of the Bank of the Northeast of Brazil (BNB) for 1963 (but largely based on 1962 statistics because of the extreme slowness of statistical institutions) serves as a reminder of the problems of the Northeastern economy, although it provides some evidence of progress.

The industrial sector of the economy grew from 11.7% of the gross income of the region in 1960 to 13% in 1962, with the agricultural sector declining marginally in importance from 45.2% in 1960 to 45% in 1962. As a percentage of the average per capita income of Brazil, the per capita income of the average Northeasterner, which was 48.4% of the national average in 1947 and had increased to 50.6% in 1960, declined somewhat to 50% of the national average in 1962, indicating that the trend toward equalization with other areas was by no means firmly established.

Power production increased by 14% in 1962 with CHESF accounting for 86% of regional production. Participation in national production, however, decreased from 5.7% in 1961 to 4.3% in 1962 and average consumption remained at the abysmally low level of 56KW/h compared to a national average of 277KW/h per inhabitant.

Cement production totalled 600 thousand tons, in the region's four plants (2 in Pernambuco, 1 in Bahia and 1 in Paraíba). Production by the region exceeded consumption by 2%, leaving a small margin for export to the Northern states.

Capital increases and sale of new stock issues from January to June of 1963 totalled Cr\$9.6 billion or 3.5% of the national total. Stock in new firms accounted for only Cr\$1.8 billion while increases in capitalization of existing firms accounted for the balance of Cr\$7.8 billion.

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Exports of the region---completely dominated by agricultural production---in order of importance, cacao, sugar, sisal, cotton, tobacco, castor oil, carnauba wax, petroleum, oiticica oil, coffee, and babaçu totalled US\$194,250 in 1962 and imports US\$73,587 in the same year, leaving a favorable balance of trade of US\$120,753. Imports by the region were only 4.9% of the total for the nation and comprised - in order of importance - wheat, codfish, gasoline, and barbed wire.

## 12. Callado Suborned?

Antônio CALLADO, whose "Tempos de Arraes" is an apologia for the Arraes administration, was the guest of Arraes at the Hotel Grande to the tune of 148 contos while in Pernambuco securing data for his pro-Arraes newspaper series and subsequent book. The Working Group appointed by Governor GUERRA to examine irregularities in the public services of the State under the Arraes administration released on September 24 the above information. This same report indicated the newspaper "Ultima Hora" had received 100 million cruzeiros in subsidies of various kinds.

The working group alleged that Callado had received other benefits but the hotel bill was the only one unequivocally authenticated. "Tempos de Arraes" apparently were indeed good times for Callado.

## 13. UNESCO Chief Visits Recife

In connection with the replacement of Gertrudes LUTZ by Jean Maro GENEVIEVE as head of the UNICEF in Brazil, Pierre HENQUET, Permanent Representative of UNESCO in Brazil, paid a protocol visit to Recife. Mrs. Lutz is being transferred to Turkey after three years in Brazil.

Listing the accomplishments of UNICEF in Brazil since 1950, Genevieve included the distribution of 55,000 tons of powdered milk and the furnishing of basic equipment for 440 health and maternity stations. The program for the next three years calls for the equipping of 615 additional health centers. Genevieve noted also that UNICEF had spent more than one million dollars in connection with local water supply programs and had budgeted \$2,714,000 for similar programs during the next three years.

Henquet described the two main UNESCO targets as the fulfillment of the World Literacy Campaign and the application of science and technology to economic and social development. The principal immediate target of UNESCO in Brazil was assistance in the establishment of the Technical Faculty at Brasilia for the training of post-graduate engineers.

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14. Frei Victory Heartens Pernambuco PDC

Professor Newton SUCUPIRA noted that the Brazilian Christian Democratic Party had been suffering from internal ideological schisms ranging from ultra conservatism to extreme Marxism and would benefit by the Frei victory in Chile. This victory, he considered, showed the willingness of Christian Democrats to agglomerate around an ideological line of radical reform in social structure without implying a Marxist-type revolution. The Chilean example, he said, would enable the PDC to modify its line and meet the demands of political realism acceptable to all its members and consistent with the comparatives of its social Christian philosophy based on the philosophy of "Mater et Magistra" and "Pacem in Terris."

Recife PDC head, Sebastião Barreto CAMPELO, who is also City Secretary of Public Works and a labor expert, also lauded the Frei victory, and the city sections of the party celebrated with meetings and fireworks.

15. SUPRA Superintendent Favors Free Enterprise

During a visit to Rio Grande do Norte on September 14, SUPRA Superintendent José Gomes da SILVA told the Natal Tribuna da Norte that the purpose of SUPRA was to guarantee the stability of the rural worker and the principles of private property. He said the government was formulating a plan for agrarian reform and a complete reform of social security as applied to peasants. He declared himself in favor of rural trade unions: "Rural unionization is an authentic movement which must be maintained and supported, only taking care to keep it outside of political interests." The Superintendent visited various colonization projects near Natal, and remarked that pressure on land, especially in Pernambuco, was an incontestable fact.

16. President Senghor Passes Through Recife

President Leopold SENGHOR of Senegal made a flying stop (8 minutes) in Recife on September 19 on his way to Rio de Janeiro. Because the Argentine Airlines plane in which he was flying was two hours late, the planned early morning airport reception was cancelled. Nevertheless, he had just time to be greeted by Brazilian practitioners of xangô (African-based animism) and to ask after sociologist Gilberto FREYRE.

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17. USS Enterprise Passes Recife

The nuclear task force headed by the USS Enterprise passed by Recife on September 27, en route from Rio to the United States. Twenty-four local dignitaries, military and civilian were flown out to the atomic flat-top for a demonstration of gunnery, and planes from the carrier performed over Recife rooftops.

18. Deficiencies of Northeastern Diet

According to a study of living conditions made in Currais Novos, a town of approximately 10,000 inhabitants in Rio Grande do Norte, the only two foods available to all are powdered milk (thanks to Caritas) and manioc flour. Beans are consumed by 91%, fruit by 50%, and greens by only 40%. Significantly, the study did not seek to inquire about meat consumption which would have been found to be abysmally low.

19. Northeast Faces Serious Food Shortage

SUDENE and the various states of the Northeast have requested Food for Peace assistance in the face of the greatly reduced local harvests -- principally of beans -- resulting from this year's heavy rains and floods. Rains continued unseasonably as the reporting period ended, seriously impeding the cutting and transporting of sugar cane, which is now well behind schedule.

In Ceará official estimates were for a manioc crop of 125 million kilos, well in excess of the state's yearly requirements of 87 million kilos. But the feijão and arroz combination would be in short supply with an expected bean crop of 52 million kilos (133 million kilos in 1961-62) compared to an anticipated consumption of 120 million kilos and a rice crop of 43 million kilos (77 million kilos in 1961-62) compared to an anticipated consumption of 86 million kilos.

20. Lampião Rides Again

Antonio Joaquim de Medeiros, known as "Chapeu de Couro" (nicknamed after the traditional leather hat of the sertanejo), previously of Ligas Camponesas fame, laid his claim as the successor of Lampião recently by raiding a number of engenhos in the manner of the old-time cangaceiros. At the Engenho Serrinha, one of his cohorts bit off a finger of a peasant whom he accused of having betrayed him. Interrupting a party at the Engenho Rubi, Chapeu de Couro and his gang menaced all present with death unless they held an immediate ransom.

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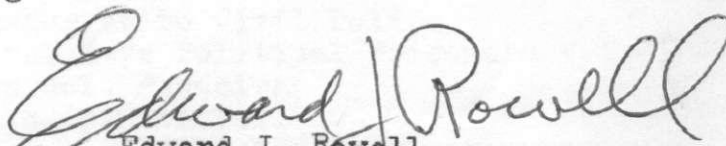
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Comment: According to the press, old Leather Hat is only continuing his Ligas activities in more traditional style - i.e., extortions which earlier could be made in the name of social justice as a leader of camponeses are now carried out for more traditional motives. Lampião commenced his career as a cangaceiro in 1917 and was not put away until 1938 -- it will be interesting to see how long his would-be successor survives.

21. Lady Godiva Gets Cold Feet; Garanhuns Isn't Coventry

French stripper "Jacqueline", visiting the Pernambuco hill resort of Garanhuns, announced her intention of riding around the streets on a white horse like Lady Godiva, clad in a monoquini and her long tresses. At the last minute she got cold feet (or something) and desisted; the good townsfolk of Garanhuns refused to hide behind their shutters, but instead clustered around the entrance of the hotel where Jacqueline was staying, blocking traffic for several hours.

Meanwhile, in Vitoria de Santo Antão, local religious groups protested successfully against an exhibition of the monoquini by a travelling burlesque company from Recife. As a result of their protests, only the usual strip-tease numbers were shown. Some excitement was caused when a fire-eater with the company hiccupped in the middle of his act, setting fire to the curtain, frightening the audience, and burning himself.



Edward J. Rowell  
Minister Consul General

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