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Table of Contents

ARMY 3 CIA 20 NAVY 5

- A. Nilo Coelho Takes Office as Pernambuco's New Governor
- B. New Deputy Named Assembly Majority Leader in Pernambuco
- C. Pernambuco Assembly "Mesa"
- D. Paraiba Deputies Take Office
- E. Student Marches
- F. Alagoas Assembly Elects Officers
- G. O Cruzeiro Forte
- H. Birth Control
- I. International News

OSD 33 USIA 10 NSA 3

A. Nilo Coelho Takes Office as Pernambuco's New Governor

"I feel upon my shoulders, the weight of the anguish and aspirations of almost 5 million 'Pernambucanos'."

1. With that rather sobering thought, Pernambuco's government changed hands but not parties on January as ARENA Federal Deputy Nilo Coelho took over as chief executive from Governor Paulo Guerra. Both men belong to the ex-PSD faction of ARENA.
2. The long and impressive inauguration ceremony was attended by the cream of Pernambuco's political and economic power

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structure. Virtually every important public figure in the state was present. Conspicuously absent, however, were the common people of Pernambuco who (despite free bus rides, a state-wide holiday and much advance publicity) turned out in disappointingly small numbers. It was, said one Recife newspaper, the smallest inaugural crowd in 20 years.

3. Coelho's inaugural address (see Recife's A-61) was a sober and well balanced analysis of the complex tasks he faces. The problems are many, the solutions both difficult and necessarily long range. Evident in this analysis is the oft-expressed concern that the fruits of economic development have failed to filter down to the common man. Statistics prove, said the Governor, that the state is growing economically. But "the majority of 'Pernambucanos' are not participating in the wealth that this produces".

4. In Coelho's view, the role of industrial development has been over-emphasized as an economic cure. Agricultural growth has not been invigorated by achievements in the industrial sector. The gap between city and farm has widened.

5. The new governor's answer to these problems is an "interiorization" of the developmental effort. Without ignoring industrial growth, Coelho intends to make a special effort to increase agricultural efficiency and productivity. Much emphasis will be placed upon developing the interior regions of the state, a personal interest of the Coelho family which dominates the sertao city of Petrolina on the Pernambuco-Bahia border.

6. Other points of interest in Coelho's program include encouragement of private businesses, extensive civil service reform and the increased use of SUDENE as a public forum for bold, new ideas reflecting the interests of all Northeastern states. Foreign aid will also play an important role. Said the governor, "Outside aid is desired by Pernambuco in the form of financing and technical assistance and it will be sought from the governments of friendly countries and from the appropriate international organizations. . .".

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3

7. Comment. At first glance, Nilo's new approach to Pernambuco's development appears to fit in nicely with the USAID's change in emphasis toward agriculture and human resources. Given the vagueness of his initial remarks, however, evaluation of his program must be postponed pending specific proposals.

B. New Deputy Named Assembly Majority Leader in Pernambuco

8. Surprising just about everyone, Marco Antonio Maciel (ARENA, ex-PSD) was named Assembly majority leader last week by Governor Nilo Coelho. Maciel, who is about 27 years old, was elected to his first term as deputy in November 1966 and has not yet even taken office.

9. Maciel takes over as government leader from Olimpio Ferraz who, until the Coelho announcement, was widely considered as the logical choice to continue in the job. Ferraz has been substituting for Osvaldo Coelho (the Governor's brother) who was elected to the Federal Chamber in November. Osvaldo is now serving as his brother's Secretary of Finance.

10. Comment. Maciel owes his appointment to former Governor Paulo Guerra (ARENA, ex-PSD) with whom his family is politically aligned. His youth and inexperience have caused much unfavorable comment in the Assembly and it is an open question as to how much "leading" Maciel will be able to do.

C. Pernambuco Assembly "Mesa"

11. The annual scramble for positions on the executive committee ("mesa") of the Pernambuco State Assembly got underway this month with the announced candidacies (for Assembly president) of Paulo Rangel Moreira and Airon Rios. Both men belong to the ex-UDN faction of ARENA; Rangel is the incumbent, having won an upset victory in March of 1966.

12. By mid-February, there was little doubt that Rangel, a popular and intelligent deputy, would be re-elected and the withdrawal of Rios' candidacy was said to be imminent. Pressure is now building for a bi-partisan "chapa unica" or single slate of candidates which would give 3 of the 8 positions to the MDB. Included on the ticket would be Luis de Andrade Lima who, rumor has it, will be replaced as minority leader by Geraldo Pinho Alves.

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4

13. Comment. In sharp contrast to the 1966 "mesa" elections, this year's contest promises to be little more than a display of partisan harmony and personal popularity. To accommodate additional factions, the number of "mesa" seats has been increased from 6 to 8, adding a 3rd vice president and a 5th secretary. Each officer gets the use of both an office and an official car, powerful incentives so far as many deputies are concerned.

D. Paraiba Deputies Take Office

14. The Paraiba State Assembly has now seated its new members and elected its 1967 executive committee. The event which took place on February 2 was characterized by an almost unprecedented spirit of bi-partisan cooperation. Both ARENA and MDB leaders went out of their way to profess mutual respect and admiration. ARENA, with 25 out of 40 state deputies, easily won all six "mesa" seats against the MDB symbolic opposition. Said opposition candidate Orlando Cavalcanti, the MDB had no reason for running a slate other "than to do that which the people of Paraiba expect of opposition deputies". Responded ARENA winner, Clovis Bezerra, the MDB participation was a "beautiful example of civic pride and patriotism".

15. Comment. As is the case with the Alagoas Assembly, the new Paraiba "mesa" has many new faces, only one member is a hold-over from last year. For the names of the new Assembly officers, see Recife's A-62.

E. Student Marches

16. An old Recife tradition was continued this month as the freshman classes at the city's 3 universities staged protest marches in the downtown area. The atmosphere was reminiscent of Carnival with the students dressed in old clothes and taking occasional nips of cachaça. The signs they carried, however, struck a more serious note. American "robbery" of Brazilian minerals, the GOB's educational policy, GERAN, IBRA, and the IFMs all came under attack. While the police reportedly censored many signs in advance, obliging students distributed handbills explaining what the police found offensive. Aside from a few arrests (the students were released without charges), the 1967 "trotés" were calm and well organized with no serious police-student clashes reported.

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5

17. Comment. The "trotos" were noteworthy this year mainly because of a distinct anti-American flavor that has been lacking in previous student demonstrations here. Said one of the many leaflets, "We condemn in the name of Humanity, these militarized capitalists who are preparing a War of Total Destruction. . .Down with American Imperialism!"

F. Alagoas Assembly Elects Officers

18. In elections held on February 3, ARENA retained its control of the executive committee of the Alagoas State Assembly, winning 4 of the 5 seats. All 5 candidates ran without opposition, the lone MDB deputy on the "mesa" having been chosen and backed by the ARENA leadership. The MDB neither opposed nor endorsed the winning slate, allowing its members to vote according to personal preference. Four opposition deputies cast blank ballots.

19. Comment. Peace and harmony appear to be the keywords this year throughout the Northeast. Alagoas, Paraiba and Pernambuco political leaders appear to be making an all-out effort to avoid open battles. Additionally, new deputies and previous unknowns are rising to the top with unusual speed. In Alagoas, not one new member of the 1967 "mesa" was re-elected. Similar situations exist in other states as well.

G. O Cruzeiro Forte

20. Announcement of the New Cruzeiro provided the local press with a field day, particularly in the normally slow time immediately following Carnival. Almost without exception, press reaction to the New Cruzeiro has been unfavorable. The initial stories pointed out the hardships imposed and freely speculated on a 20 to 40 per cent price increase as a direct result. They were tempered later with a gentle reminder from the Central Bank that the new cruzeiro was connected with national security and the new Press Law would be applied if needed.

21. Editorial opinion was abundant, but in every instance it was critical of the manner in which the law was promulgated and its resulting psychological impact.

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6

H. Birth Control

22. Discussion of the subject is becoming more frequent in the local press. The latest instances were: a report of the participation of Rubens Costa in a meeting in the U.S., Lincoln Gordon's recent comments on the population problems in Latin America and Brazil, and a lengthy column in the Jornal Do Comercio citing the need, but decrying the "inhuman technocrat" approach.

I. International News

23. China and Vietnam held the spotlight once again in the foreign news. The "Tet" ceasefire with the Papal appeal and the Kosygin visit to London were given headline treatment. With resumption of bombing in the North, peace headlines have given way to reports of action in the field.

24. In a rare editorial, The Jornal do Comercio decried the war in Vietnam, but laid the blame for the continuation on the Sino-Soviet split which it claims has made peace more difficult to negotiate. The editorial maintains that the strained Chinese-Russian relations have shattered the myth of communist solidarity and a great danger to world peace exists.

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