

AIRGRAM

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HANDLING INDICATOR

TO : Department of State 1963 MAY 20 PM 3 35

RM/AN
ANALYSIS & DISTRIBUTION
BRANCHDEPARTMENT OF STATE
BUREAU OF
INTER-AMERICAN AFFAIRS
MAY 21 1963

FROM : Amembassy BRASILIA Office

DATE: May 9, 1963

SUBJECT : POLITICAL ACTIVITIES IN GOIAS

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1. Governor Borges Unexpectedly Goes to Israel

Governor Mauro Borges suddenly and unexpectedly left the state for a visit to Israel of about 45 days. The governor's departure was first announced on the morning of Sunday, April 21 and he left for Rio the same evening. One indication of the lack of warning of his departure was that his formal request for permission to leave the state, required of any departing governor, was not presented to the legislature until the morning of April 22. The request for leave was approved, but several problems arose when it came time to choose an interim governor.

It is believed that Governor Borges received an invitation to visit Israel from an Israeli Embassy official who visited Goiania some time ago. At that time the invitation was not

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Contents and Classification Approved by: POL:JReppel

Clearances:

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Brazil;
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USIS;
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POL I (5);
POL II;
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formally acknowledged and there had been no subsequent indication that Borges intended to make this trip. O Popular leads the local press in reporting rumors of the motives for the sudden trip with the suggestion that it will mean monetary and technical assistance for the agricultural program of the state. Folha de Goiaz looks upon the trip as a turning point in Borges' political career; either he returns with the goods or he will seem to have run away from the difficult problems facing the state. Diario do Oeste tends to think that there is some similarity between Borges' sudden departure and the Quadros resignation. All the papers readily admit, however, that they do not know the reasons for the trip nor its possible results. Everyone is hoping for the best and fearing the worst.

The governor's english language tutor, who is from a politically well connected family, reported that Mauro will visit Russia after leaving Israel. This source indicates that the governor is going to the U.S.S.R. to secure aid for the development of nickel mines and refineries in the state.

Various news commentators speculate that Borges went to Israel to learn about the operation of the Kibutzim and to secure Israeli assistance in starting similar cooperatives in Goias.

An interesting sidelight to Borges' departure was the uncertainty about who would temporarily fill the governor's chair. The Vice-Governor, Antonio Rezende Monteiro Filho (PTB), is also a Goias federal deputy. Should he have chosen to fill the Governatorial vacancy, state law would have required his resignation from the Camara. Also, Rezende Monteiro is not of the same party as Governor Borges, and while there is an overt alliance between the two parties, it is no secret that little real mutual confidence exists. Predictably, Rezende Monteiro Filho solved the problem by securing a medical certificate from the Congressional medical advisor which stated that for his bem estar he needed a 90 day period of complete rest. Conveniently, Mauro Borges is expected to be gone 60 days.

With the excuse presented them by the vice governor, the state legislature wasted no time in naming the next person eligible to the interim governorship: President of the State House of Representatives Deputado Almir Tarisco (PSD). The reporting officer met the interim governor some two months ago and was impressed with the humility and lack of pretension of this deputy, who seemed a perfect example of a good, local county political boss. About 40 years of age, of medium height and ruddy complexion, Tarisco is friendly and almost typically backwoods. He left school at the age of 13.

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Comment : At best, the state faces 60 days of standstill leadership likely to be woefully inadequate to the fiscal and political problems at hand. If Borges returns from abroad with a full pocketbook it will be a real triumph. If he returns empty handed, his political power will be considerably diminished. In any case, a significant number of his supporters may already be disenchanted because of the near-secret manner in which the Governor departed.

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2. Another State Cooperation Formed - DISPETROLGO

Continuing in the pattern established with the earlier formation of other state enterprises, such as METGO (metals), DETEGO (telephones) and CASEGO (agricultural cooperatives), Governor Borges held a mass rally in Goiana announcing the introduction of legislation which would create a state petroleum distribution organization, DISPETROLGO.

The formation of this particular enterprise may have more importance than others already operating, since it has national implications for oil products distribution companies. Also, the new company is the first step in complying with the oft-voiced desires of ultra-nationalists, whereby PETROBRAS would be the distributor of all petroleum products in Brazil. Underlining the leftist-nationalist interest in the formation of the new entity was the presence of many members of the Frente Parlamentar Nacionalista at the rally.

On April 21, representatives of oil companies with distribution outlets in Goias commented on the formation of DISPETROLGO. The consensus was that the company would provide competition for the commercial firms but that it would not put them out of business. This agrees with Borges' statement that the state enterprise is designed to provide service in locations commercial firms are not meeting their responsibilities. The full text of the legislation establishing DISPETROLOGO will be forwarded via separate airgram.

Comment : Borges has long been an advocate of taking control of the retail side of the petroleum industry. His point of view, and that of the leftist nationalist group, has been that the money in the oil industry is to be made in retailing. At present, the line goes, PETROBRAS does all the hard work with narrow profits---the money is still being made by the companies with the retail outlets.

Thus far, not one of the state enterprises formed by Borges has shown concrete results---only budget deficits. Entering into a new

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field which requires a heavy capital outlay will further strain meager state resources, and this does not auger well for the immediate success of DISPETROLGO.

*a carpenter's
fool*

3. PSD Attempts Changing Goiania Mayor's Job to Appointive Office.

In an apparent attempt to take advantage of the difficulties of the present Mayor of Goiania, PSD State Deputy Jose Barbosa Reis has introduced a constitutional amendment in the state legislature which would provide for the appointment of the mayor by the governor, instead of his election by popular vote. Traditionally held by the UDN opposition, the post of mayor has been a thorn in the side of the PSD. Since the present mayor is having real financial difficulties (partly as a result of a reduction in federal support to the state) which are reflected in popular unrest, there seemed to be some hope that a significant following could be built up to back the proposed amendment.

UDN state deputies led an immediate counter-attack on the proposed amendment, and 16 of the 17 city councilmen opposed the change. The UDN used the example of Brasilia (where the mayor is appointed by the president, and has been changed on the average of once each year) as an example of the chaos one might expect if the mayor's job were made appointive.

Comment: The trial balloon sent up by Deputado Jose Barbosa Reis has met strong opposition. The issue of representative government for the 200,000 residents of Goiania was raised by the opposition and from present appearances this issue alone will keep the amendment from passing the state legislature.

4. Talk of Iron Curtain Aid to Goias.

There are recurrent rumors of loans and technical assistance to be given to the State of Goias by Iron Curtain countries. A reliable source reports the possibility of a large loan from Russia to develop the nickel industry with

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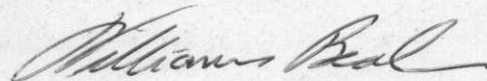
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repayment to be in nickel. DC Brasilia reports that an East German representative, Guenter Selchow, has been offering assistance on behalf of his government for the development of the mining industry. The Czechoslovakian Diplomat resident in Brasilia often visits Goiania and is reported in Diario do Oeste to be offering loans for university development.

Comment: The financial problems of the state, added to what is described as impatience with the Alliance for Progress, is said to be the cause for the flurry of talk about Iron Curtain aid. When you are as desperate as Borges is for the wherewithall to complete the Plano MB (a five year plan for development) you will ask for aid from any source.

For the Ambassador:



Williams Beal
First Secretary of Embassy

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