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DEPARTMENT OF STATE

# AIRGRAM

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HANDLING INDICATOR

TO : DEPARTMENT OF STATE

1964 SEP 11 AM 10 39

DEPARTMENT OF STATE  
BUREAU OF  
INTER-AMERICAN AFFAIRS  
SEP 11 1964

INFO: AmEmbassy, Rio de Janeiro and Brasilia  
AmConGen, Recife

ANALYSIS & DISTRIBUTION  
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FROM : American Consulate, SALVADOR DATE: September 8, 1964

SUBJECT: Chief of Civil Household Visits Salvador

REF :

Minister Luis VIANA Filho, Chief of the Civil Household of the President of the Republic, was in Salvador during the 7 September holiday weekend, taking advantage of the President's trip to Paraná. Viana visited members of his family and participated in the birthday celebrations of Federal Deputy Antonio Carlos Magalhães.

Expropriation of Electrical Enterprises

Interviewed by the press on September 4, Viana stated that he believed the proposal for the purchase of the American Foreign Power Company assets in Brazil would be approved by the Congress and would be supported by the true nationalists, even though there would no doubt be much discussion of the case. In explaining the Government's point of view, he said that the firms involved are not able to supply the demands for electric power because, being unable to purchase new equipment, they lack resources at present, and this is prejudicial to some ten states. He viewed the purchase as being in the national interest.

According to Viana, criticisms of the proposed purchase are directed more at the manner in which payment is to be made than against the purchase itself. The purchase should be complete, he said, and not partial or in installments, because otherwise the errors which were committed by ex-Deputy Leonel Brizzola in Rio Grande do Sul would be repeated. In that incident, Brazil spent 22 billion cruzeiros in acquiring only 7.7% of the concessionary enterprises.

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Institutional Act

Viana is reported as having denied that the Government is considering revitalizing the Institutional Act in relation to the cassation of political rights. He cited the case of PTB leader Doutel de ANDRADE, whose conduct was criticised by the Government, but whose political rights continue intact.

"Thus," said Viana, "I understand that under the Institutional Act the Government does not have the means to review cases of cassation of political rights."

One paper reports him as saying that this subject can only be considered by the Legislative power in accordance with law.

The "Hard Line"

According to Viana, the country should consolidate its objectives and not transform a re-established democracy into a dictatorship. He said that, in effect, the Government was following a "hard line" based on justice and constructive work.

"Anything beyond this," he said, "is an abstraction which does not find support among those who really want to work."

During a television program on the 5th, he said that he does not believe that President Castello Branco feels he has abandoned the "hard line." Much depends upon the interpretation of the term, according to him.

"President Castello Branco has his thoughts perfectly identified with the newest military currents to which we owe the restoration of legal order. He considers that the order, this "hard line," should be characterized above all by the expulsion or the removal from administrative positions in the Government or in the political life of the state of all elements which are shown to be compromised by subversive actions and acts or crimes of corruption." This is an aspect of the "hard line", according to Viana.

He went on to say that unity was the principal theme of the Castello Branco Government, and that, seen from within, the Government is united.

Ambassador Magalhães

Viana had some very kind words to say about Ambassador Juracy Magalhães' activities, and reported that the Government was extremely gratified by his work and his efforts to strengthen friendship between the United States and Brazil, and to show that the United States should consider Brazil as its greatest Atlantic ally.

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COMMENT:

The attention given to the "hard line" and to the cohesiveness of the Castello Branco administration reveals that these subjects are particularly sensitive at this time.

*Harold M. Midkiff*  
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