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FROM : AmConsul, Porto Alegre

SUBJECT : The Triches Administration in RGS:
Situation Report

REF :

SUMMARY

The Government of Euclides Triches has been in office for only seventy-five days. Yet it is already possible to draw certain conclusions from its performance. This is basically a government of technocrats who theoretically are clearly superior to their predecessors in the Peracchi administration. The Triches administration is a government of actions and ideas which intends to leave an indelible imprint on the history of this state. So far it has performed with intelligence and tact. However, only time will tell whether or not the energetic young professionals with whom Triches has surrounded himself will actually outperform their predecessors.

II Reaction to the New Administration

The new government has been well received by gauchos in general. Gov. Triches is a man very much in the image of President Medici; a professional soldier (retired), honest to a fault, intelligent, hard-working, extremely patriotic, sports-loving, and the son of immigrants. In an age of generalized preoccupation with economic growth and political stability, he appears to most gauchos to be the ideal leader. Though formerly a federal deputy of the ARENA, Triches has been studiously apolitical in both performance and speech since the legislative elections. His cabinet contains only two clearly political types (Octavio Germano - Secretary of the Interior and Justice and Victor Faccioni - Chief of the Civil Household) and prides itself on its professionalism. The preparatory work carried out by these secretaries is impressive. In their public speeches and in their depositions before the Legislative Assembly they have been uniformly well-organized, responsive,

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articulate, and honest. The public in general seems to believe in this administration just as the administration obviously believes in itself. The "team" concept is constantly emphasized and one gets the impression that this is a well oiled machine which was designed to meet demanding specifications and which should perform well.

III - Cabinet Standouts

Though it is still much too early to make definitive judgements about the members of Triches' cabinet, certain of the secretaries appear destined for better things. The coordinator of the cabinet and Secretary of Planning, Guilherme Villela, is one of the most impressive of the newcomers. Having worked with Federal Minister Pratini de Moraes in Brasilia on projects of national scope and importance, Villela is particularly well qualified for his task. He has the responsibility within the cabinet of being the chief technical advisor to the Governor as well as the administrative liaison with Brasilia on financial matters. His performance thus far has been notable. The second most impressive member of the Triches cabinet is Secretary of Agriculture Edgar Irio Simm. Simm's position is always an "abacaxi" in RGS and he will be very fortunate if he escapes the fate of his predecessors. However, Simm is an agricultural economist (M.A. - University of Wisconsin) and brings more professional competence to the post than any of the prior occupants. Moreover, being a completely apolitical person, he is not likely to become involved in the peripheral issues which normally plague the incumbent of this office. The present Secretary of Public Works, Jorge Englert, has also gotten off to an auspicious start. A highly respected and affable civil engineer, Englert promises to provide excellent direction to one of the key posts in Triches' administration.

There are others in the cabinet whose performance to date merits attention. However, those cited above are the ones who are generally conceded to have made the most positive impact thus far on the public in general. The only other member of the cabinet whose potential as well as past demands that he be added to this list is the Secretary of Education, Col. Mauro Rodrigues, who gives every indication of being capable of making his secretariat a model for other Brazilian states.

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Col. Rodrigues has undertaken a vast re-organization of the education ministry in RGS with a view toward making it more responsive to the ever increasing demands of a modern industrialized state. To do this he has had to get rid of a number of heretofore "untouchables" who, because of a lack of imagination or ability, or both, had caused the MEC to become one of the least effective secretariats. Though his methods have not endeared him to many of the bureaucrats in the MEC, he has had the complete support of the governor and continues to enjoy his highest regard.

IV - Economic Picture

The economic situation in RGS is generally described as good and improving. The performance of the agricultural sector has been exceptionally good with beef exports scheduled to reach one hundred tons this year. Manufacturing continues to grow slowly but steadily and within eighteen months both Aços Finos Piratini and Borregard, S.A. should begin production. Some established firms such as Springer Admiral and Zivi Hercules have undertaken unprecedented expansion and now simply cannot keep up with demand. In the shoe industry, however, there is considerable apprehension about the proposed U.S. import controls. The State Government has undertaken a vigorous effort to attract new industry to RGS. To this end Triches has promulgated the concept of the "Estado Impresa" which, inter alia, envisions the state taking an active financing role in the new industries established here. The BRDE (Banco Regional de Desenvolvimento do Extremo Sul) is playing a leading role in this program. The real economic growth rate for RGS for 1970 was 5.8, according to Dr. Hippolito Campos, State Secretary of Finance. ✓

V - Political Situation

The political atmosphere in RGS at this time is comparatively tranquil. This is primarily due to two factors. The first is the lack of any local political contests - the next elections will be in 1972. The second is the absolute ineffectiveness of the opposition party at

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this juncture in Brazilian history. The ARENA, which has a 27-23 advantage in the Legislative Assembly, offers only advice and opinions to the Governor who receives directions from Brasilia. The MDB is making a serious effort to be an effective opposition party and is completely aligned with the Horta-Carneiro wing of the national party. However, the debates in the Legislative Assembly are hardly followed by anyone except the local political reporters and, at times, Veja. The MDB politicians nonetheless have formed a "shadow cabinet" and keep close watch on the actions of the government. However, the MDB continues to be largely a "shadow" opposition.

VI - Security

Terrorist activities in RGS have practically come to a halt since February of this year. It appears that the local security forces have been successful in their efforts at "dismanteling" the various terrorist cells that formerly were so active here. In a recent conversation between the Reporting Officer and Col. Athos Teixeira, the Secretary of Security, Col. Athos stated that he felt quite confident that "for the time being at least" the remaining terrorists are unable to carry out subversive activities. This he attributed to the recent arrests of the leaders of the VPR and their associates.

Students, labor, and other potentially activist groups continue to shun political agitation of any sort. Of course, this is due to absolute government control over the activities of these groups and not to lack of interest of their part. It appears unlikely in the foreseeable future that this situation will change in any significant respect.

CONCLUSION

Rio Grande do Sul continues to be an estado modelo of the new Brazil. The primary emphasis of the Triches' administration is in the area of economic expansion. To this end the state continues

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to invest a good deal of money (roughly 200 million dollars) in infrastructure projects. These major works, which include roads, hydro-electric plants, ports, and telecommunications, should begin to payoff in late 1972 and early 1973. However, new investment in the state continues to suffer from the unfavorable competitive conditions emanating from the incentives available for investment in the northeast and the overall attractions of São Paulo as an investment center. Nevertheless, the traditional obstacles to rapid industrial expansion such as shortages of electric power and unsatisfactory highway conditions and communications, no longer exist. Given the caliber of men presently directing the state's economic destiny and the positive fruits soon to be harvested from these infrastructure projects of considerable magnitude, the economic outlook for the state is basically good. ✓


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