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DEPARTMENT OF STATE

AIRGRAM

Inco-mining BRAZ
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AIR POUCH
HANDLING INDICATOR

TO : DEPARTMENT OF STATE
(For U.S. Bureau of Mines)

1964 APR 12 AM 11 03

RM/AN
ANALYSIS & DISTRIBUTION
BRANCH
APR 10 1964

FROM : AmEmbassy, RIO DE JANEIRO

DATE: April 9, 1964

SUBJECT : Interim Report on Brazilian Developments
Affecting the Mineral Industry

REF : CERP Section D-15

Events of the past few days have moved so rapidly that it is not always clear what actually has happened or assess what may develop. The following items are pertinent to the mineral industry and are considered to be reasonably accurate as of the moment:

1) Marechal Ademar Queiros has been appointed President of Petrobrás, but no date has been set for his taking office. General Olimpio Mourão Filho reportedly had been designated to the post and had accepted as of April 2 but later advice indicated his refusal of the job. The Marshal, who will replace Osvino Alves, has indicated publicly that he has carte blanche to initiate a program of investigation of all phases of the State petroleum monopoly and clean out all extremist elements.

Named as new directors of Petrobrás were Colonel Adolfo Roca Diegues and engineers Leopoldo Americo de Melo and Geonísio Carvalho Barroso. They will replace General Arnaldo Augusto da Mata, and engineers Luciano Gurgel do Amaral and Francisco Paulo Medeiros.

Dr. Albino Regalo de Souza, Director of the Technical Division of the National Petroleum Council has been designated Acting President replacing Dr. Carlos Meireles.

2) The newly appointed Minister of War General Artur Costa e Silva has been designated as Acting Minister of

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FORM 4-62 DS-323

In Out

Drafted by: ECON:ALRansome:dh

Contents and Classification Approved by:
Robert B. Elwood *RBE*

Clearances:

Mines and Energy, the post previously filled by Oliveira Brito.

3) Admiral Lúcio Meira is still President of Companhia Siderúrgica Nacional, and Dr. Eliezer Batista da Silva still remains as President of Cia. Vale do Rio Doce, the State-owned steel and iron-mining companies, respectively.

4) No changes in the National Department of Mineral Production (DNPM) and none indicated; Dr. Irnack Carvalho do Amaral remains Director General.

5) No immediate change in the National Coal Plan administration.

6) Dr. Marcelo Damy de Souza Santos continues as head of the National Nuclear Energy Commission.

7) Cia. de Mineração Novalimense's (Hanna) case in the Supreme Court is still pending. The company continues to mine and ship ore at approximately 400,000 tons per year rate. Its capacity is greater, but the problem remains one of shipment over the Central Railroad.

8) DEMA operating mine, mill and ferro-columbium plant; are on a minimal basis, pending clarification of position with Minas Gerais State Government.

9) ICOMI (Bethlehem) and MERIDIONAL (U.S. Steel) reportedly continuing normal operations.

All mining firms that have been contacted believe that the situation now, although still not settled, points to overall improvement for the mineral industry with a chance to forge ahead.

For the Ambassador:

Alfred L. Ransome
Alfred L. Ransome
Minerals Attaché

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