

A-83

OFFICIAL USE ONLY

DEPARTMENT OF STATE

INFO: Amembassey, Rio and Brasilia
Amcongen, Recife

American Consulate, Salvador

April 19, 1963

Weekly Summary

POLITICAL:

The Lomanto Government is undergoing its "shake-down" exercises. The air of optimism with which it was launched still seems to prevail. The strong man of the cabinet at this point is, without a doubt, the Secretary of Finance, Honorato Viana, whose reputation for honesty, integrity and administrative capacity bodes well for bringing some health to the very sick status of state finances.

Of great importance is the extent of Lomanto's support in the State Legislative Assembly. He is reported to have the declared backing of 13 deputies from the UDN, 16 deputies from the Aliança Trabalhista (PTB, PR, PL), and two deputies from the PRP for a total of 31. The rest of the Assembly is divided between the opposition and the independents whose party representation is as follows: PSD, ten; PST, five; PSP, four; PDC, six; PTN, two; MTR and PSB, two; for a total of 29. As the president of the Assembly (UDN) does not have a vote, the pro-Lomanto group is reduced to 30. Within the Aliança Trabalhista there is some trouble. The PTB-PR union is not yet consummated and friction is reported developing. The PSD, regarded as the primary opposition party, has not shown open hostility to Lomanto. Rather it has taken the position that it will exert "watchful vigilance".

The test of party reaction and of Lomanto's strength in the assembly will come when some of the reform measures he is pushing are put to a vote.

OFFICIAL USE ONLY

Decentralized following April 19, 1965

HMWickiff:RCMcCloskey:la

Governor Lomanto Hopes for Speedy Development of Projects.

He has asked the Consulate to do what it can to help him get moving rapidly with developmental programs. USAID has had three experts in finance in Salvador during the past week looking over the principal organizations involved in the "Projects for Immediate Implementation" of his "Four Year Plan" and the Regional Director of AID in Recife has given the Governor his assurance that we are moving as rapidly as we can. Food-for-Peace Director Leonard Wolf called on the Governor today and proposed an expanded school lunch program which can be implemented quickly because it need not go through SUDENE. Lomanto agreed with the proposal and the details of a request to initiate it are to be worked out with the Secretary of Education. Such a project could have good impact results. Eventually it could be extended to almost all municipalities in the state. It foresees the cooperation of the Peace Corps and could be the forerunner of a proposed Community Development Program which is still very much under consideration.

All in all, the Consulate believes things are moving as quickly as conditions permit and has said so to the Governor. He fears an "explosion" if he cannot deliver within a relatively short period. His first impact moves have been to set up foodstuff outlets, mostly in the area of Salvador, where foods can be bought at reasonable prices. These appear to have been well received although some complaints are being voiced by regular business houses.

ECONOMIC

The economic section of the weekly summary is being discontinued in accordance with instructions from the Department received in Operations Memorandum to Rio dated April 11, 1963, entitled: ECONOMIC REPORTING: Non-compliance by Consular Posts with CA-1439 of August 8, 1962.

PSYCHOLOGICAL

Scant interest was paid to international affairs, most attention being paid to the acts of the new Lomanto government. The forcible removal of the stalls around the Mercado Modelo and along Avenida Franca was unanimously hailed as a bold forward step, as was the clean-up campaign instituted by the municipality. There were no adverse comments.

Commentators began asking that new state officers declare their holdings and independent income, and lamented that manipulating seats in the Assembly to allow payment to alternate State Deputies, a pernicious practice normally abused at the end of office, should have started so early.

OFFICIAL USE ONLY

3

The general public seemed indifferent whether there would be a numbers racket (abolished by Lomanto) or a state lottery (proposed by Lomanto); all they wanted was something right now on which they could wager.

Harold M. Midkiff
American Consul

OFFICIAL USE ONLY