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2. INFO: Embassy, Rio de Janeiro and Brasilia;  
AmConGen, Recife

BRASID turned over a check for Cr\$92,270,000.00 to Governor... on July 3 as the second transfer of funds for the educational... American Consulate, SALVADOR... July 11, 1964... Weekly Summary... IT IS RECOMMENDED THAT THIS DOCUMENT NOT BE DISTRIBUTED OUTSIDE OF US GOVERNMENT OFFICES

- 1. Army States Ex-Mayor's Removal is Irreversible
- 2. State Gets Nearly Cr\$ Billion for Education
- 3. São Francisco State
- 4. Antonio Carlos Magalhães for Extension of Mandate
- 5. Jutahy Magalhães Leader of Block
- 6. Medical Board to Rule on Deputies' Illnesses
- 7. Psychological

DEPT PLEASE  
PASS TO:

AmConGen, two state deputies, Juarez SOUSA (PDB) and Adão SOUSA (PDB) and São Paulo;

AmConsuls, Belem, Belo Horizonte, Curitiba, and Porto Alegre; POLAD; CINCSC; and POLAD; CINCLANT;  
1. Army States Ex-Mayor's Removal is Irreversible  
On the evening of July 4, a Major in charge of public relations for the Sixth Military Region went on television to explain the case against Virgildasio SENA, Salvador's deposed mayor. He presented documentary "proof" of Sena's links with the Communists, including a telegram Sena allegedly received from Communist leader Luiz Carlos PRESTES during his campaign for mayor, instructing Sena to seek approval of the Catholic and Protestant churches. (Sena did get the approval of the local Bishop during his campaign.) The officer killed any hope that Sena may have had of getting reinstated through court action by saying that he had been removed from office "by an act of the Revolutionary Command, which is irreversible and can only be judged by history".

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the presentation of the public relations officer, it is doubtful that any relief will be given to Sena since the action which removed him apparently cannot be challenged. The exchange of arguments leaves Sena with a favorable balance of sympathy. The Frestes telegram is old hat and transparently faked.

## 2. State Gets Nearly Cr\$1 Billion for Education

USAID turned over a check for Cr\$994,270,000,00 to Governor Lomanto on July 8 as the second transfer of funds for the educational program foreseen in the State/SUDENE/USAID educational agreement. The agreement calls for USAID contributions of more than Cr\$3 billion over a three-year period. With the current funds, work is to begin on some 80 new schools. In addition, 188 classrooms are to be rehabilitated and other projects undertaken.

Governor Lomanto tried to get the funds deposited in the State Development Bank (BANFEB), but USAID insisted on having the funds placed in the Bank of the Northeast as provided in the agreement. An effort is being made to amend the agreement to allow the transfer. The sizable deposit would bring several by-product benefits to the State bank which the Governor wants to strengthen.

## 3. São Francisco State

Two state deputies, Juarez SOUZA (PSD) and Adão SOUZA (PTB) have separately raised the possibility of having the western part of Bahia secede and become the State of São Francisco. Each has introduced a bill to this effect, in the Legislative Assembly.

Comment: The possibility of such dismemberment is an old story. Sentiment also exists for a separate state to be composed of municipalities in the cocoa producing region of Southeastern Bahia, down to the Espírito Santo border. The prospective name of that state is Santa Cruz. The dismemberment maneuvers are not being viewed seriously at present.

## 4. Antonio Carlos Magalhães for Extension of Mandate

On arriving at Salvador on July 9, Federal Deputy Antonio Carlos MAGALHÃES, Regional Leader of the UDN, stated that an extension of the mandate of President Castelo Branco "is an imperative of the popular will...we cannot permit the great work of reconstruction of the fatherland to be disturbed, and with the Armed Forces, we must be ready to prevent the return of those who brought distress to the nation with a government of corruption which would have led us to Communism inevitably." Magalhães said that the President has justifiable scruples over extending his mandate but "the country's integrity and security and the future of Brazil and her children stand above these scruples..."

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Salvador, 7/11/64**5. Jutahy Magalhães Leader of Bloek**

The eldest son of Ambassador Juracy Magalhães, State Deputy Jutahy MAGALHÃES (UDN), has been formally indicated as the leader of the Bloek of Parliamentary Unity composed of the UDN, PDC, PL, and some members of the MTR and PST. In accepting his designation, Deputy Magalhães spoke in favor of the Revolution and said that the Bloek would be intransigent in its decision to support Governor Lomanto Junior.

**Comment:** This declaration in favor of the Governor is no doubt very consoling to Lomanto, who has been hard-put for political support since forming his apolitical cabinet.

**6. Medical Board to Rule on Deputies' Illnesses**

Owing to abuses of withdrawal from service in the Legislative Chamber in favor of alternates "for reasons of health", Chamber President Orlando SPINOLA (UDN) has ruled that medical certification must be issued by a board of doctors now. The presence of cantankerous PSD fourth alternate Juarez SOUZA in the Chamber apparently precipitated the action. Federal Deputy Antonio Carlos Magalhães cracked during a TV appearance July 10 that healthy Deputies were leaving the Chamber and "sick" ones were taking their places. Chafing under a previous attack on the Chamber by Magalhães, Juarez proposed a motion that he be declared persona non grata there. The motion is not likely to carry.

**7. Psychological**

JUANA CASTRO's defection was continuing front page news. An editorial in A TARDE summed up the sad plight of the island, and said that Castro's attempts to placate the United States had rightly been viewed "with certain reserve" by that country.

The passage of the Civil Rights bill continued to be commented on in favorable terms. The DIARIO DE NOTÍCIAS called it "not a new law" but a reaffirmation of "a sacred agreement in the Constitution" that all men are equal in the eyes of the law. The Consulate received formal notice of the motion of the Salvador Municipal Council congratulating President Johnson on the law.

The tentative agreement to reschedule Brazil's foreign debts was received with pleasure. The JORNAL DA BAHIA, perhaps, summed up general opinion by accepting the Hague plan, but saying that the "ideal solution would have been to consolidate all our foreign debts into one 'funding loan' guaranteed by the United States."

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The JORNAL DA BAHIA saw the selection of Goldwater as a menace, "not only internally to the political and social stability of the United States, but externally, to international peace." This presented a practically unanimous viewpoint.

An informal poll by the JORNAL DA BAHIA among vacationing students unearthed only one who favored the closing of UNE. The rest wanted it purged but left operating.

The JORNAL DA BAHIA also came out against a revision in the profit remittance law and attacked Roberto CAMPOS' defense of a modification, saying his arguments were contradictory. If profit remittances have averaged 3% and 4%, why change the 10% limit, the paper asks.

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1. Army States Department's records is in...
2. State Dept. Henry...
3. San Francisco...
4. Harold M. Mickiff American Consul
5. Medical Board to...
6. Medical Board to...
7. Chronological

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On the evening of July 4, a Major in charge of public relations for the Sixth Military Region was interviewed to explain the case against Virgilio...

On July 6, City Councilman Luis...