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American Consulate, SALVADOR July 11, 1964

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2. State Cets Hearly Cra Billion for Education

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4. Antonio Carlos Magalhaes for Extension of Mandate

5. Jutahy Magalhaes Leader of Block

Medical Board to Rule on Deputies' Illnesses

PASS TO: 7. Psychological

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Bolom. Belo Curitiba, and Porto

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# AmConden, São Paulo; 1. Army States Ex-Mayor's Removel is Irreversible

On the evening of July h, a Major in charge of public relations for the Sixth Military Region went on television Morizonte, to explain the case sgainst Virgildasio SENA, Salvador's deposed mayor. He presented documentary "proof" of Senata links with the Communists, including a telegram Sena allegedly Alegre; received from Communist leader Luiz Carlos PRESTES during his POLAD campaign for mayor, instructing Sens to seek approval of the CINCSO Catholic and Protestant churches. (Sena did get the approval of the local Bishop during his campaign.) The officer killed CINCLANT any hope that Sens 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 ait at and can only be judged by history". and that an extension of

On July 6, City Councilman Luis SAMPAIO, who has stood by Sene right along, spoke before the Council exposing some of the arguments and proofs offered by the Major. Even though his statements were well founded and effectively challenged Communica innvisably." Magalines seld that the President has justi

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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 het and transparently faked.

### 2. State Gets Nearly Cral 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

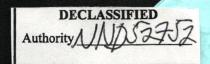
Two state deputies, Juarez SOUZA (PSD) and Adao SOUZA (PTB) have separately raised the possibility of having the western part of Bahia secede and become the State of Sao Francisco. Each has introduced a bill to this effect, in the Legislative Assembly.

Comment: The possibility of such dismemberment is an old story.

Sentiment also exists for a separate state to be composed of municipalities in the cesoa producing region of Southeastern Bahia, down to the Espirito Santo border. The prospective name of that state is Santa Cruz. The dismemberment maneuvers are not being viewed seriously at present.

### 4. Antonio Carlos Magalhaes for Extension of Mandate

On arriving at Salvador on July 9. Federal Deputy Antonio Carlos MAGALHARS, 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 Porces, 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." Magalhaes 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..."



## 5. Jutahy Magalhaes Leader of Block

The eldest son of Ambassador Juracy Magalhaes, State Deputy Jutahy MAGALHAES (UDM), has been formally indicated as the leader of the Block of Parliamentary Unity composed of the UDM, PDC, PL, and some members of the MTR and PST. In accepting his designation, Deputy Magalhaes spoke in favor of the Revolution and said that the Block would be intransigent in its decision to support Governor Lemanto 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 Magalhaes 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 Magalhaes. Juarez proposed a metion that he be declared persons non grata there. The motion is not likely to carry.

## 7. Psychological

JUABA 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 MOTICIAS 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 h\$, why change the 10% limit, the paper asks.

Harold M. Midkiff
American Consul

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