

Pol 2

90-A 011003

Department of State

INFO : Amembassy RIO DE JANEIRO
Amembassy Office BRASILIA
Amconsul SALVADOR
Amconsul BELEM

POLITICAL

June 9, 1967

BI-WEEKLY SUMMARY (May 27 - June 9)

Table of Contents

POLITICAL

- A. Coelho's Image Slips in Cabinet Resignation
- B. Students and Anti-American Demonstrations
- C. Agricultural Workers Petition Costa e Silva
- D. Students Invite Ministers to Debate MEC/USAID Agreement

ECONOMIC

- E. Development Loan for Paraíba
- F. Sudene Reportedly to be N.E. Ministry of Interior Coordinator

PSYCHOLOGICAL

- G. War Coverage

CONSULATE OF THE UNITED STATES OF AMERICA

JUN 14 1967

BELEM, PARA, BRAZIL

	ACR	INT	EXT
PRO.		✓	<i>W</i>
W.C.		✓	<i>W</i>
A.C.			
USIS			
NO			
FILED			
taxin			

UNCLASSIFIED

POLITICAL

2

A. Coelho's Image Slips in Cabinet Resignation

1. Pernambuco Secretary of Education, Barreto Guimães, resigned June 1. Governor Coelho replaced him with Roberto Nagalhaes as a result, at least ostensibly, of the Governor's change of mind concerning Barreto's prior approved decision to hold exams to replace uncertified teachers in the interior.

2. Local press and other sources promptly labeled this another example of Coelho ineptitude in losing one of the top members of his cabinet. Diário de Pernambuco compared him editorially with Agamemnon: "In two years Agamemnon accomplished an entire mandate. In four months, Nilo is close to destroying the rest of the hopes of four years... Agamemnon looked for solutions. Nilo avoids them. Although dead, Agamemnon still lives through his work and stature. Alive and kicking, Nilo is on the edge of oblivion... Agamemnon commanded, Nilo equivocates."

B. Students and Anti-American Demonstrations

3. On May 27 students burned a U.S. flag after a parade in the center of Campina Grande to protest the MEC/USAID agreement. The press reported (unverified) six thousand participants. Official Americans in Campina Grande confirmed that a "campaign" with anti-American slogans and speeches was being led by an articulate, leftist leaning student priest. Official Americans also observed an exchange of insults between Brazilians and youths described as Mormon missionaries which was broken up by the police. Agripino, Governor of Paraíba, invoking the new security law, instituted an investigation to determine who was responsible for the flag burning. In the capital on June 2, "National Day of Protest," Agripino confronted a student demonstration and spoke at length on the limits of permissible behavior and favorable of the MEC/USAID agreement and U.S. assistance.

4. In general, June 2 was anti-climactic throughout the consular district. Activities there reportedly grew out of frustrations having nothing to do with the U.S. and, in the opinion of an American resident, no one conducting himself discreetly should have problems.

C. Agricultural Workers Petition Costa e Silva

5. The Jornal do Commercio of June 9 front-paged complaints of the Pernambuco Federation of Agricultural Workers and twenty rural unions to the President for "lack of support" action to resolve the irregularities in the general situation of the sugar zone.

6. The petition demanded two-hectare plots for workers, as provided in decree 57.020 of October 1965 and "a Labor Office to resolve the irregularities and frauds relating to labor." It reported the rural worker in "a situation of extreme misery, leaving him without means to react in any way except through invading the cities to sack them in search of food" and predicted this in several municipalities "since, with the Revolution, the rural worker lost in fact both salary and land."

7. Comment: Conditions are substantially as described.

D. Students Invite Ministers to Debate MEC/USAID Agreement

8. Following up on a cable sent May 28, George Sanguinetti, President of the Diretorio Central de Fundacao do Ensino Superior de Pernambuco (the incipient State University), on June 8 again invited the Ministers of Education and Public Health to visit Recife in the near future to debate the merits of the MEC/USAID agreement and the use of interuterine contraceptive devices. This time he was supported by several presidents of academic directorates.

9. Comment: This is a friendly attempt to bring reason and fact to bear on these questions. Although Sanguinetti does not have a large following, he may profit from the plans of certain ministers to visit the Northeast June 20-25 with several Ambassadors under sponsorship of the Minister of Interior.

ECONOMIC

E. Development Loan for Paraiba

10. Governor Joao Agripino of Paraiba announced on May 27 that a NCr\$4.5 million loan from the Central Bank will go to finance a comprehensive state development plan. The three-year plan earmarks about NCr\$530 thousand each for assistance to Paraiba's struggling cotton industry and for construction of small local public health units, and NCr\$760 thousand for improvement of

the Joao Pessoa water supply. The largest slice (NCr\$2 million) is for two industrial districts in Joao Pessoa and Campina Grande.

11. In a belt-tightening move, Agripino created a furor on June 4 by announcing that state employees with two government jobs would lose both salaries. The outcry was greatest among the state-employed journalists. Agripino reminded them of a GOB parecer that forbids registered journalists in public service from having two jobs.

12. On June 8 Agripino said he would spend the rest of June in the South, trying to ensure receipt of funds for highways, the Joao Pessoa water supply and hospital equipment.

F. SUDENE Reportedly to be N.E. Ministry of Interior Coordinator

13. SUDENE Superintendent Euler Bentes Monteiro returned from Rio May 30 with news that SUDENE is to soon have broad coordinative powers over all agencies of the Ministry of Interior operating in the Northeast. A portaria signed by Interior Minister Albuquerque Lima is expected to confirm the change within the week. The decision was reportedly taken after a lengthy Rio meeting among all the affected organizations.

14. Bentes would give only two specifics about the move. He said that SUDENE technicians will soon enter into cooperation with DNER (Departamento Nacional de Estradas e Rodagem) engineers to push to completion before 1968 highway BR-101 from Natal to Rio. He was noncommittal about any plans for other agencies, but said that their administrative structures would be kept intact and that SUDENE would for the present only exercise a coordinating function.

15. The regional director of DNOCS, Joaquim Guedes Gondim, said that he didn't know anything about the action but admitted it is favored by President Costa e Silva.

PSYCHOLOGICAL

G. War Coverage

16. U.S. neutrality in the Israeli-Arab War was given prominent attention by the Recife press this week. President Johnsa's photo was captioned "The Neutral Man," and a front-page story

explaining that the U.S. doesn't mean indifference by neutrality. Also carried was Secretary Rusk's denial that Israel was receiving U.S. military aid.

17. Jornal de Commercio, Recife's leading daily with an approximate circulation of 30,000, ran three consecutive editorials on the war. One of these, entitled "A World in Danger," declared: "It is strange that in a civilization so advanced, with so many means of communication and so knowledgeable, people still... resort to war to settle their differences." Another editorial reached the obvious conclusion that the Third World War would leave no winners, adding: "Moscow and Washington will not permit a world conflagration involving them."

18. Individual interest in the war was high and may have helped to deflect criticism of the U.S. such as characterized the month of May. It was generally assumed that the U.S. favored Israel, if only because of Soviet support for the Arabs.

HILLIKER