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# CURRENT INTELLIGENCE WEEKLY SUMMARY



CENTRAL INTELLIGENCE AGENCY  
OFFICE OF CURRENT INTELLIGENCE

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CURRENT INTELLIGENCE WEEKLY SUMMARY

DROUGHT IN THE BRAZILIAN NORTHEAST

The Brazilian Government has declared a state of emergency in the country's northeastern states as a result of food shortages caused by drought. Since the beginning of May thousands of peasant families have invaded towns, threatening to sack food stores. In many instances violence has been forestalled only by the distribution of small emergency stocks.

This drought area, about one third the size of the continental United States, is one of chronic poverty, with a per capita annual income of about \$100. The droughts have been recognized as a national problem for over 60 years; that of 1915-18 caused 30,000 deaths. The Brazilian constitution allocates 3 percent of all federal tax revenues for antidrought measures. Past steps have been largely temporary and piecemeal, but the government recently established SUDENE, a federal agency for comprehensive economic development of the northeast. In December 1961 the organization received congressional approval of the first year of its long-range plan.

Even before the onset of the present drought, prices for food were rising rapidly throughout the northeastern states. The cost of living rose 70 percent in the area during 1961, in comparison with an approximate 40-percent rise in southern Brazil. Some staples doubled in cost during the year. Over the past four months, as drought has been spreading in the northeast, two prime staples--manioc flour and beans--have increased in price by 500 and 250 percent respectively. Wages have remained almost static, however, with money extremely tight and investment low.

The federal government on 13 May agreed to purchase large quantities of food for distribution, and the US released in two northeastern cities 8,000 tons of corn stored under the Food for Peace program. SUDENE

on 15 May adopted an emergency program of public works and, with the cooperation of the air force, organized the distribution of food. Officials in Pernambuco, where demonstrations have been most widespread, have charged that many persons are hoarding and illegally transporting stocks of basic foods and have threatened to seize all such stocks.

The Peasant Leagues, led by pro-Communist Francisco Juliao, are centered in the northeast and provide an organ-



izational framework for Communist exploitation of the shortages. There are 80 to 100 of these groups throughout the area, with a total membership of 60,000-80,000. They profess to defend the rights of the rural workers and are already politically aroused over the assassination of a key league leader in Paraiba State in early April. As a result of plans for demonstrations in Paraiba, army troops have been deployed throughout much of the northeast.