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OKUN, PRINCIPAL OFFICERS  
RECIFE:  
HOLLANDER, MOUNT, MULLEN  
BARFIELD, FALZONG  
WPK + FC

MEMORANDUM

Date: October 5, 1967

Subject: A U.S. Regional Team for Northeast Brazil

1. Centralization of certain AID activities pertaining to the NE would not obviate the need for continuing to give close attention to developmental programs on a regional basis. But it would reduce the number of functions performed in the Northeast, whether by officers resident there or by visitors from Rio/Brasilia. This elimination of duplicative functions should both strengthen the range of talents available overall and decrease the total number needed.

2. The possibility of thus centralizing certain resources arose when U.S. assistance to Brazil expanded to country-wide dimensions after 1964. The need for doing so arises from the state of U.S.-Brazilian relations in 1967 and out of arguments based on economical command and control. These same arguments commend a closer integration of State and AID functions. The dual tracks between Rio and Recife, not to mention differing jurisdictions in the NE, are simply unnecessary complications.

REGIONAL FUNCTIONS

3. To break out of the mold of the past we must identify functions of State and AID which need to be performed (at least part-time) within the NE. Some of these are duplicative, closely related or even likely to conflict with each other. Without reverting to questions of respective agency roles, we can isolate the functions requiring de-centralization as these:

a. Observation and analysis of political, economic and social trends and events. (This is the absolutely irreducible function in any area where things are happening, or are expected, to affect important U.S. interests.)

b. Program liaison with Brazilian development agencies at regional and lower levels. (This function is the exchange of non-technical information and commitments concerning U.S. participation in Brazilian development activities.)

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c. Essential services to U.S. Government employees and the general public. (These include statutory consular functions and provision of facilities for visiting, as well as resident, staff.)

d. Supervision and policy recommendations. (This executive function will need to be exercised both in Brasilia and in Recife -- the exact division of time spent in each place to depend upon the nature of the dominant problems being encountered.)

#### FUNCTIONS CENTRALIZED

4. Excluded from the foregoing and intended for centralization are the principal remaining AID functions of:

a. Technical back-up of specialists working in the NE. (Presumably many of these will eventually be under Brazilian contracts, reducing the need for direct U.S. "supervision." The important point is that a U.S. Regional Team would not include specialized staff for this purpose.)

b. Project processing, monitoring and audit. (This is intended to cover the internal and technical "paperwork," much of it required by statute. It should be centralized for reasons of economy of effort and better integration of the NE activities into the total Brazil program, even though regional team members may take part in its preparation and handling.)

#### ORGANIZATIONAL CONCEPT

5. This plan proposes to put U.S. activities in the NE on the same footing as those in the rest of Brazil, while still providing for the minimum necessary regional focus and coherence. It might eventually serve as a conceptual model, if not in all cases a staffing pattern, for integrating U.S. activities in other regions of Brazil. (Activities of USIS, Peace Corps and DOD require similar, though less challenging, concepts but would not lend themselves to an integration of staffs.) Staff for the integrated State-AID operation should not exceed 20 U.S. and 20 local employees.

6. Central to the concept of an integrated regional team is the role of the man-in-charge representing the Ambassador at the regional level. He must clearly be identified by the Brazilians in his region as the "man to see" to get U.S.

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action (or restraint), but to succeed in this he must enjoy full confidence of, and be completely current with, the views of the Ambassador and the Country Team. This will require the presence of the regional director and certain of his team in the Embassy at least weekly.

STAFFS AND DISTRICTS

7. The mobility and diversity of activities of the regional director will also demand that he be well supported with staff. His principal deputy and alter-ego in the region should be the man responsible for "observation and analysis" functions (3a, above), since this is the job most broadly focussed on the region itself. The principal traveler to the Embassy, other than the regional director himself, should be the man concerned with "program liaison" (3b). He should represent the director in Brasilia and one or the other should be almost always there. The agencies of origin of any of these is immaterial.

8. Service functions can be combined and streamlined to economize on present separate operations of the several agencies represented in Recife. They must be adequately supported and staffed, of course, to properly carry out the concept outlined here, especially if the regional director is to be freed from preoccupations. Consular services can be simplified somewhat by transferring to Belem consular jurisdiction the states of Piauí and Ceará, residents of which can as easily travel there (en route to and from the U.S.) as to Recife. The minor economies or increased freedom for other work that might be achieved by reducing Salvador to a special purpose post would not justify the annoyance and inconvenience caused to Americans and Brazilians who would have to go elsewhere for services, or the increased workload at the receiving post. On the contrary, the Principal Officer in Salvador should be considered to be performing in his district on behalf of the regional director the functions described in paragraphs 3a and b, while his Vice Consul performs the service functions of 3c. A one-man special purpose post should be considered for establishment in Fortaleza on the "residence only" plan to maintain the U.S. presence in the three states of Ceará, Piauí and Maranhão.

EXECUTION

9. Consideration should be given to making these changes about mid-1968, or as soon as possible after the Ambassador moves to

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Brasilia as his principal post. Announcement of the details should be deferred until a month or two before the actual changes, but planning of staffing and organizational details should begin upon approval of the Ambassador's report incorporating such a reorganization.

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