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Date: March 22, 1967
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BRASILIA 504

SUBJ: Congressional Leader's Views on Difficulties of Economic
Integration

REF: Rio de Janeiro 9119

1. Federal Deputy Raimundo Padilha, then Majority Leader in Chamber, addressed Chamber March 7 on subject recent OAS meetings Buenos Aires which he attended as observer for Chamber. Full text available only end last week. In view reftel and Padilha's assertion he invited by Fonmin Juracy Magalhaes "participate in all debates and in most secret understandings", believe worthwhile report views he voiced on economic integration. Padilha reportedly will be chairman Chamber Foreign Affairs Committee in new legislature, post he held in past.

Pol 7 LN Summary

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2. While praising progress made at Buenos Aires, Padilha stressed "differences within continent, the geo-political, economic, racial, ethnic and cultural peculiarities." Said task was to find within those peculiarities "common module for bringing about unity." Discussion "in concrete terms" of economic integration in LA was key point.

3. "Economic development which occurring in LA will be pre-condition for economic integration. I heard opposite view at conference. It seemed 'integration' was not means but end for some delegates. End would be to integrate--integrate the continent and all will be happy--when in fact integration is a result of raising national income. When goal is raise per capita income, then it necessary to intensify conditions for progress, a precondition needed to arrive at total integration.

4. "This is problem to be solved in course full generation. How can we obtain economic integration in LA without considerable preliminary effort? One need only compare the respective conditions of European integration with conditions for LA integration. Treaty

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of Rome only sanctified what already existed: Western Europe already constituted a cultural unity and member states had same economic, technological, scientific, and institutional (from political point of view) pattern. Rapid intercommunication already existed. Unity was realized by simply lifting the barriers. The rest was simple matter of rounding the edges.

5. "Can European Common Market serve as model for us? Problems are different; economies are of different types. This nation (Brazil) is leader of continent. We have brought into being an economic type which has pulled away from other continental patterns by considerable distance. It would be inconceivable, therefore, speaking of economic integration, that Brazil should have to wait for progress of others in order continue its advance.

6. "This difference in rhythm of growth, in economic systems of progress, constitutes first difficulty. One could also speak of trade, conditions of trade, monetary problems and problems of monetary stability in each country; problems concerning communications; and ecological problems. This, in sum, would present so many differentiated

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units as to form permanent challenge to intelligence of statesmen.

7. "We were not disheartened, however. Research done in Rio, Washington and Panama and consolidated in Buenos Aires permits me say that on April 12 President of hemisphere republics will be in position to discuss concrete problems in clear-cut terms."

8. Comment: Remarks on integration were not cast in terms critical of Brasdel position. Nevertheless, stress on difficulties reflects divergence from Braz official line at time of meetings and sheds some light on current GOB thinking on issue.

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