



Department of State

TELEGRAM

UNCLASSIFIED 563

PAGE 01 BRASIL 03179 052056Z

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ACTION ARA 16

INFO AID 28, E 15, L 03, P 04, USIA 12, INR 07, CIAE 00, NSA 02, COM 08,

AGR 20, RSR 01, RSC 01, /117 W

108203

R 051927Z NOV 68
FM AMEMBASSY BRASILIA
TO SECSTATE WASHDC 939
INFO AMCONSUL RECIFE
AMEMBASSY RIO DE JANEIRO
AMCONSUL SAO PAULO

UNCLAS BRASILIA 3179

DEPARTMENT PASS COMMERCE

SUBJ: AMENDED LAND SALES BILL APPROVED BY SENATE

REF: BRASILIA 3109

1. GREATLY AMENDED VERSION ADMINISTRATION SPONSORED BILL PLACING RESTRICTIONS ON SALES OF RURAL LAND TO FOREIGNERS APPROVED BY SENATE NOV 4. DRAFT LEGISLATION PREPARED BY ADMINISTRATION MET HEAVY CRITICISM FROM BOTH ARENA AND MDB SENATORS ON GROUNDS THAT SEVERE RESTRICTIONS ON PURCHASING RURAL LANDS WOULD IMPEDE NATIONAL DEVELOPMENT AND SOME PROVISIONS OF ORIGINAL BILL UNCONSTITUTIONAL. ABOUT TWENTY AMENDMENTS APPROVED INCLUDING SOME CONCERNING DEFINITION OF LEGAL RESIDENTS, EXTENT OF LAND FOREIGNERS MAY OWN, AND INSPECTION PROCEDURES TO INSURE COMPLIANCE WITH LAW. MANY AMENDMENTS PRESENTED BY RESPECTED ARENA SENATOR MEM DE SA WHO SERVED AS MIN JUSTICE UNDER PRESIDENT CASTELLO BRANCO.

2. AMENDED LEGISLATION WILL BE RETURNED TO CHAMBER OF DEPUTIES WHICH APPROVED ORIGINAL BILL SEPT 17 (REFTEL). CHAMBER MUST VOTE ON AMENDMENTS BY NOV 17. THERE MAY BE DIFFICULTY OBTAINING QUORUM BECAUSE MANY DEPUTIES ABSENT BRASILIA FMJ MUNICIPAL ELECTION CAMPAIGNS. IF CHAMBER FAILS VOTE THIS PERIOD APPEARS THAT ORIGINAL VERSION WILL AUTOMATICALLY BECOME LAW.

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Authority NND969000

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