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DEPARTMENT OF STATE
BUREAU OF
INTER-AMERICAN AFFAIRS
JAN 3 - 1970

BR

FROM : Amembassy Rio de Janeiro

DATE: December 18, 1970

SUBJECT : Foreign Relations Section of GOB Development Plan (Metas
• Bases para a Ação de Governo)

REF : Rio 7214

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The Foreign Relations section of Brazil's development program for the period of the Médici Government (1970-73) concerns primarily the Foreign Ministry's projected role in stimulating Brazil's exports and economic development. In this function the Foreign Ministry is charged with reforming the rules of foreign trade and foreign investment so that developing countries such as Brazil obtain a more just division of the benefits of these transactions.

To better coordinate the Foreign Ministry's operations and in carrying out its assigned role, the Ministry will introduce profound changes in its administrative structure and in its methods of operation. A data processing center is to be created at a cost of Cr\$ 900,000 over the three year period of the plan. This center will be operated by the Foreign Ministry, CACEX, and the Confederation of Industry and Commerce. In the current year the Foreign Ministry is to spend about Cr\$ 300,000 to set up the center.

The administrative changes projected within the Foreign Ministry involve:

- (1) setting up a system of coordination at all levels;
- (2) the redistribution of job responsibilities; and
- (3) the introduction of modern mechanized procedures, to include an improved communications system capable of maintaining the exchange of information between the Foreign Ministry and the Brazilian diplomatic and consular network overseas.

Examples of how the improved communications system and the data processing center will be used include: (1) more efficient

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furnishing of foreign commercial information for joint use by the Foreign Ministry, CACEX, and the Confederations of Industry and Commerce; and (2) collecting technological and scientific information abroad which would assist in the accelerated economic development of Brazil.

Comment: The Foreign Ministry appears increasingly to be shifting emphasis in the responsibilities of its diplomatic and consular missions abroad from the more traditional representational role to that of an active commercial agent, the latest evidence of which is shown in the development plan. A recent result of the rationalization of the Ministry's operations has been the closing down or consolidation of various Brazilian Foreign Service posts where there was not sufficient economic justification to keep them open. With fewer GOB posts abroad, the Foreign Ministry is taking the logical step of streamlining and increasing the effectiveness of its communications and data processing facilities, parallel to its move to Brasilia. In view of the increasing diversity of Brazil's exports in a rapidly growing economy, this shift in the Foreign Ministry's functions is likely to be a useful one for Brazil's development. However, it will tend to make the Foreign Ministry more subservient to the Ministries of Finance and Industry and Commerce, and as a result will likely diminish some of the elitism and prestige which the diplomatic service traditionally has enjoyed.

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