

50  
THE WHITE HOUSE  
WASHINGTON

Mr Komer -

Agree  
RWR

Bob - I don't think the  
President has time  
to read this sort  
of thing.

WB.

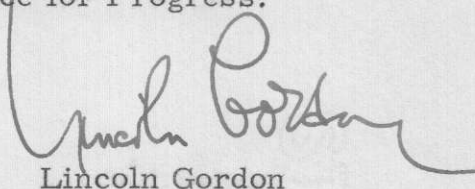


ASSISTANT SECRETARY OF STATE  
WASHINGTON

March 7, 1966

MEMORANDUM FOR THE PRESIDENT

I thought you might be interested in my farewell talk in Brazil. Pages 4 to 10 set forth some of my current ideas about the status and prospects of the Alliance for Progress.



Lincoln Gordon

AMBASSADOR LINCOLN GORDON'S  
FAREWELL TALK TO AMERICAN SOCIETY  
AND  
AMERICAN CHAMBER OF COMMERCE IN RIO

THURSDAY, February 17, 1966

Almost four and one-half years ago, on October 31, 1961, I gave my first public talk as United States Ambassador to Brazil as a guest of the American Society and the American Chamber of Commerce. Now I am once again your guest here, this time to say a few words of farewell. Many farewells imply a sharp break in the continuity of one's life and associations. This one, happily, does not.

My new duties in Washington are twofold: (a) to guide the relationships of our governments with those of our Latin American sister nations, and (b) to serve as United States Coordinator for the Alliance for Progress. Since Brazil represents 35% of the population, area, and economy of Latin America, it will naturally continue to occupy a great deal of my attention. And since the Alliance for Progress has been the central focus of my work here, as foreshadowed in that talk in October, 1961, there, too, there will be continuity.

But perhaps more important, these four years have made Mrs. Gordon and me "meio-brasileiros". We both leave a large part of our hearts here as we carry home with us the many lessons we have learned from living among the spirited, tolerant, friendly, good-humored, and intensely human people who make up this great nation.

Nor were we at all anxious to leave. Until a Presidential telephone call on January 17, exactly one month ago, we fully expected to stay here for at least another year. We were happy in this prospect because we were still learning new lessons every day and week. We had only begun to experience the full variety and vitality of Brazil, and there was still much to be done in the never-ending task of exploring new paths for cooperation between our governments and peoples. To these tasks, I hope to contribute from my new vantage point, with the help of my as yet unnamed successor in this Embassy.

Any man's life is divided into more or less sharply defined periods. My own working life has had many such divisions, in great variety. As Dean Acheson notes in his delightful recent book of memoirs Morning and Noon, the principal factor governing the succession of these periods is luck - chance - happenstance. So far, I have indeed been lucky, and I do not regret any of these experiences. But two stand out as especially challenging and therefore especially rewarding: participation in the success of the Marshall Plan and the creative period of the North Atlantic Treaty Organization, from 1947 to 1952, and these last four years in charge of the American Embassy in Rio.

This has not been exactly the most tranquil period in Brazil's political and economic life or in Brazilian-American relations. Sometimes, in looking at the row of photographs of my predecessors in the corridor outside my office, I have thought with envy of the era in which Ambassador Morgan served for no less than 21 years. I dare say that Brazil has changed at least as much since 1961 as in the whole span of Morgan's tenure. If I ever find time to write some memoirs, their central theme will deal with these processes of change.

This is not to underrate the importance of certain dramatic events, which can make profound shifts in the course of history. Surely the Cuban missile base crisis of October 1962 and the Brazilian revolution of March 1964 were both such events. But we should also not underestimate the elements of continuity or the forces of political, economic, and social evolution which shape the way of life of a nation and its role in the constantly more interdependent society of nations on this globe.

I am a strong disbeliever in the idea of historical determinism. Neither the gospel according to Hegel and Marx, nor Spengler, nor Toynbee, nor others among the ancient or modern fatalists provide adequate tools for really understanding the past or for predicting the future. Of course there are historical and social and political and economic forces and factors. At any given time, these set institutional

and psychological and material limits to the achievement of individual or collective aspirations and to the translation of policy objectives into realities. But the task of policymakers and of political leadership is to influence and guide those forces, to expand the limits, and to assert man's capacity to reshape human institutions into patterns which conform more closely to his own evolving aspirations. In the field of economic and social progress in this hemisphere, this has been the philosophical premise of the Alliance for Progress.

When I spoke to you four and one-half years ago, the Alliance was a new and daring innovation in the relations among the American republics, still in that phase of parental hopes and expectations which accompany the birth of a new infant. Would it survive at all? Would it grow into vigorous and meaningful life or become just another international alphabetical non-entity? Would it really enlist "the full energies of the peoples and governments of the American republics in a great cooperative effort" -- in the brave words agreed to at Punta del Este? I well remember the many doubts and disillusionments expressed in 1962, and the all-too-ready conclusion of some observers that, if not already moribund, the Alliance had certainly died with the

tragic assassination of President Kennedy in November of 1963.

Now, however, as we approach the half-way mark of the original ten-year period envisaged at Punta del Este, I believe we can say with confidence that the Alliance for Progress is indeed a vigorous creature, that its goals do in fact reflect the aspirations of the overwhelming majority of our peoples and that its methods were well conceived and are constantly improving in the daily process of practical application. That is why the Conference in Rio de Janeiro last November determined to incorporate into the OAS Charter itself the principles of the Alliance for Progress as the basis for long-term economic and social cooperation in this Hemisphere.

But this is not merely a matter of words and juridical principles. It is a matter of visible results already achieved and in progress, of new institutions created and functioning, and of new attitudes.

The discussions last November reflected a whole new climate of thought about the nature of economic and social development, how to accelerate it, and how to reinforce national efforts through international support, mutual aid, and regional economic integration. Instead of dialectical debate in terms of mystical categories, there was a sober appreciation of the need to mobilize resources, to guide their

fruitful application in priority areas of public and private investment, to build and modernize institutions, to train personnel, to create incentives, and to enlist active participation and support from all sectors of society.

Not only in Brazil, but all over the continent, there has been a sloughing off of intellectual myths which stood in the way of progress in freedom. The extreme case is the Fidelista myth, so fulsomely expounded by Che Guevara at Punta del Este five years ago. Where is he now, I wonder, what happened to that earthly paradise he promised to create?

But there are many other less extreme cases. There was the inflationist myth that rapid development and structural reform in Latin America made galloping inflation inevitable. Today there is an overwhelming consensus that inflation not only creates glaring social injustice but also undermines any possibility of sustained and healthy development.

There was the populist myth that certain goods and services could be subsidized on a grand scale at no cost to any one. Today it is commonly accepted that subsidies are costly to the community, distort the balance of needed development, and divert fiscal resources which are indispensable to high priority public investment.

There was the socialist myth that the public and private sectors must be at war with one another. Today it is increasingly understood that their roles are more complementary than competitive, and that the institution-building and incentive-creating functions of government are more efficient contributors to development than the placing of operational responsibility for productive enterprises in bureaucratic hands.

And there was the technocratic myth, that an elaborate mathematical model, beautiful in its internal logic and well printed on thick white paper, could justify the title of "National Development Plan", even though its numbers had no foundation in reality and there was no administrative machinery to convert its conclusions into real investment, production, and consumption. Today the planners have learned to work with the operators, to get their hands dirty at the project sites, to build their essential foundations of statistical and institutional facts, and to take greater satisfaction in modest operational results than in mathematical elegance for its own sake.

Judged by general economic measures, moreover, this continent is moving forward at a substantial pace, even though it can and should be even more rapid. Over-all growth in the last two years has exceeded

the minimum targets laid down at Punta del Este, and there is every prospect that 1966 will see a still higher rate. But this is no reason for complacency or relaxation. There are too many areas of vital concern in which progress is far too slow. At Punta del Este, and before that at the Bogota Conference of 1960, special emphasis was placed on education, health, housing, and improved rural living conditions. In all these fields, the Alliance has made only a modest beginning. We must not deceive ourselves by the hope that somehow or other general economic growth will trickle down into adequate social investment and agricultural modernization. These areas require deliberate thought and resolute action.

I attribute the lag in these fields not so much to political resistances, although these exist, especially in the case of agriculture. But the fact is that it is much easier to build roads and dams and industrial plants than it is to build an adequate educational system, a public health service, or a modernized rural economy. They are all essential, but the first among these equals is education. If the Latin American societies wish to fulfill the expressed desires of their peoples to become full members of modern industrialized democracies, with genuine

equality of opportunity, then their schools and universities must produce men and women with the skills necessary to achieve that goal. This means a long-term dedication on the part of each country to educational planning, the mobilization of resources for education, the training of teachers and researchers, the preparation of educational materials, and above all a basic reform of teaching methods and specialties to meet the needs of tomorrow.

Educational expansion and reform is of course primarily a national responsibility. To the extent that international cooperation can assist -- and I believe that it can assist on a very substantial scale -- President Johnson has made it crystal clear in his new proposals to our Congress that the United States is ready and willing to provide such assistance. To do so effectively, we have to improve our own resources of qualified manpower, and an important element of the President's new program looks to that objective.

Educational improvement is not merely a governmental responsibility. Private business can make a vast contribution to it, through in-house and in-factory training programs, through the systematic upgrading of manpower at all levels, through the support of intermediate and advanced training courses for manual and clerical and managerial employees, and

through the broadening of opportunities for all individuals to make full use of their talents. The foreign business community has a clear responsibility to set an example in this matter, because of its access to the technology, management methods, and educational systems of the more highly industrialized nations. Many of the American enterprises represented here today have already begun to do so, and I urge you all to redouble your efforts.

Another front of supreme importance for the success of the Alliance for Progress is more rapid advance in the economic integration of Latin America and in the development of the vast open regions in the center of South America through multinational investment projects. This is the largest area on earth which is readily habitable by man and yet still largely uninhabited. With the application of modern technology, with cooperation among the nations directly involved, and with strong international financial and technical support, there is every reason to foresee a transformation of this area into one of the great world centers of productive economic activity.

\* \* \* \* \*

I concluded my talk here in 1961 by answering the question why the United States is interested in the Alliance for Progress. I said that the answer "lies in the conviction that a prosperous, free, and self-

reliant Latin America is essential to the kind of world in which we of the northern part of the Hemisphere can also pursue our own aspirations for a life in freedom and dignity." I can tell you today that there has been no weakening of that conviction, which President Johnson holds just as deeply as President Kennedy did and which is shared by the overwhelming majority of our Congress and our public at large.

At home, we are strenuously engaged in the manifold tasks of creating what President Johnson has called a "great society". True equality of opportunity, regardless of race or family wealth, the rebuilding of cities, the cleansing of rivers, the humanizing of urban life, and the constantly closer integration of industry with agriculture and of city with countryside: all these are demonstrations that we too are still a nation very much in the course of development. We do not seek to impose our patterns on other nations, or to compel cooperation on reluctant partners. We are proud of our own nationalism and expect other people to be proud of theirs. But we have learned that constructive nationalism is not to be confused with xenophobia or isolationism.

We foresee a world of growing interdependence, in which the special values of each nationality will enrich the lives of other peoples.

Within that world, we foresee a special intimacy and cordiality of relationships in this Hemisphere, because we know the dedication of all its peoples to the humane values of respect for the individual, the democratic way of life, and progress in freedom.. Mrs. Gordon and I have learned in these years how deeply devoted Brazil and the Brazilian people are to those values. That is why we can depart -- with regret but also with renewed confidence in the future of this country, of this continent, and of our continued collaboration in the great common enterprises which lie before us all.

. . . . .

2/17/66