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FROM - Rio de Janeiro

SUBJECT - Declaration of Northeast Governors -

REFERENCE -

The following summarizes the 5,500 word Declaration of Northeast Governors, issued on the occasion of their meeting on July 29 with Pres. Goulart in Recife. The document was drafted by Aluisio Alves, Governor of Rio Grande do Norte. It was signed by all the Governors except Governor Miguel Arrais, of Pernambuco. Governor Lomanto, of Bahia, signed it but noted he had reservations on the point having to do with the Declaration's recommendation on the rural property tax. Governor Seixas Doria, of Sergipe, despite signing it, endorsed the reservations expressed by Gov. Arrais on the concept of nationalism and the importance of foreign assistance and investment.

The Declaration's treatment of the Alliance for Progress is translated in full.

- We state that the NE social system is subversive and we say this, not to make political capital - and we are not advocating violence or revolution. We consider it subversive because it is in itself a permanent invitation to violence and revolution;
- The Government of Rio Grande do Norte is identified with the effort of reforming and undertaking changes within democratic procedures, classifying as subversive both the resistance to change as well as the blind and aggressive revolutionary impulse;
- We reject the false image projected in other parts of Brazil, of the real NE, which we are building here. We reject the images of a stagnated and resigned NE, of a pre-revolutionary or almost revolutionary NE, ready to become a new Cuban experience, troubled by guerrillas of Communist formation; such images do great harm to the NE;

OTHER AGENCY

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- We have no commitments with the feudal system, nor with the Capitalist system, in the NE. We want to abolish the former and want to avoid repeating the mistakes of the Capitalist system, present or past, as they happened in other countries or Brazilian regions of greater progress. This does not mean that we call for socialist solutions for the NE. Socializing solutions are admissible and even desirable on those aspects in which the Brazilian constitutional system of property does not favor individual initiatives in due time. The NE offers, by its highly diversified type of problems, a field for all kinds of enterprising experiences. The three types of enterprise, private, state and mixed, can and should compete here. Besides, specially in the agricultural interior, cooperativism, as a form of collective and democratic ownership, has a great role to play. This will be a form of competitive coexistence of different ways of organizing production and distribution;
- Our nationalism is therefore, pragmatic and has no narrow ideological focus. It is based on the Capitalist effort, the public effort and the mixed effort. Its two objectives are: to deliver control of the economy to Brazilians representing private and public enterprise, and to create in the NE a significant portion of a great internal market which is to work primarily for itself and only secondarily for foreign markets. Such nationalism is not anti-anything. It is not anti-Capitalist, nor anti-socialist. It seeks the support of the whole nation, especially of the medium and small entrepreneurs who distrust or reject a nationalism which, in its extremes, is too strongly anti-capitalist and too willing to embrace socialism;
- The NE holds States which want to continue living under a Federative system. It does not wish that economic unification be followed by a political unification which tended to be anti-Federation, by finally eliminating what is left of effective political autonomy to the NE States. The Federal Government will have the right to demand discipline from the States when they ask for financial assistance only from the moment when the Federal Government itself becomes self-disciplined, and does not, because of its own lack of financial discipline, harm the fiscal position of the States;
- Our considerations can be summarized as follows: We do not want to be transformed into one single collectivity. States without personality, without characteristics and without individuality, melted into one sole expression called NE, the same way as we Brazilians do not like to be confused into a larger unit, i.e., Latin America;
- In the political debate of this moment, the problem of reforming the agrarian structure stands out. Our position is positively favorable to amending constitutional article 141, paragraph 16. We believe that the option between the agrarian reform representing the division of land and a simple agrarian reform extending the labor legislation to the interior, is false. The recently approved statutory regulations of the rural worker (Estatuto do Trabalhador Rural), is far from meeting the social problems of the rural populations. Expropriation is needed in the areas of large landholdings (latifundios) and larger Union membership is needed in the areas in which Capitalism has created livestock and agricultural industries;

- It would be regrettable if the legislative effort towards reforms omitted the correction of a recent congressional mistake that which transferred the rural property tax from State to municipal authority. The short experience of the new constitutional provision has demonstrated that local governments tend to lose interest in this tax since they do not have an efficient tax collection mechanism. The fiscal tools are, as well demonstrated by the experience of agrarian revision undertaken in São Paulo, by former Governor Carvalho Pinto, an efficient and useful way of democratically and peacefully changing the anti-economic agrarian status;
- to preach representative democracy without practicing it is almost using democracy itself as a means of totalitarian subversion, since the citizen once educated turns against what is preached, because it is not practiced;
- The Government technique which rules the process of elaborating laws and moving them through the legislative process, is highly inefficient and on this subject I have a long congressional experience. It is urgent to update such legislative technique, in order to restore the public prestige of Congress, a prestige which is of interest to the stability of the regime and therefore of interest to a democratic executive power;
- Electoral reform is urgent and its need is recognized almost unanimously. In our present electoral system lies perhaps the weakest point of our institutions. The elections, despite being free in relation to our political environment, do not present genuine results and are in fact becoming the origin of institutional crisis;
- We will not attain the objectives of change by affiliating ourselves to another world, or engaging in the international class struggle between the have and the have not, within an ideological position. Our reluctance to accept our luck does not exclude the reality of a rational diplomatic position. Therefore, we have to stay with two fundamental rules: first, it is not enough to coexist in peace and in favor of peace; we must cooperate, which means much more than coexist. International cooperation is a condition for accelerated development, through the fulfillment of objectives which are difficult to reach, with minimum sacrifice and proper allocation of the limited national resources. Second, instead of excluding ourselves from the Western world, we should stay in it, working in cooperation with the progressive forces it contains. Therefore, besides cooperating in general with all countries of the world we should pursue, diligently and intelligently, participation in the life of the Western world;

ALLIANCE FOR PROGRESS: (full transcript) -

A few observations are necessary at this point about the Alliance for Progress program. Its execution presents problems of cooperation and participation. Unfortunately, the original aims of the Charter of Punta del Este are not being followed and respected. Originally a program of a multi-lateral nature, i.e., of multi-lateral cooperation, the Alliance has gradually changed to a routine, when it took the form of bi-lateral cooperation. When such a regrettable evolution took place, the area of participation was also reduced to become a dialogue, of the traditional type, between the rich nation and the have not nation.

The return to bi-lateralism even if in disguised form can no longer be exempted from examination and the debate of all the parties interested, if we want some day to reinitiate our efforts towards multi-lateralism. Another deviation from the generosity which inspired the program is the coming into sight of a premise not included in the Charter. It is a hidden premise but which carries weight in the consideration of the assistance programs of the Alliance: the premise of financial stability as a condition for larger investments under the Alliance. The programs of a multi-lateral nature, are not subject to the financial rules of the bi-lateral programs; they escape the orthodoxy of the International Monetary Fund. The release of the larger funds should not, in any way, depend on agreement by the IMF.

On the other hand, we recognize that the Alliance for Progress has not yet been able to adjust its working technique to the reality of the NE. Starting from a standardization of methods, valid for any country of America, Africa or Asia, it does not take into account the social and economic factors which differentiates them. The simple division between developed and underdeveloped countries, ignores the various stages of efforts to overcome this backwardness and it encompasses the mistake of advocating solutions which do not adapt here. When it avoids this error, it falls into an opposite exaggeration, trying to apply to our projects, highly specialized patterns which evidently we do not have. Actually, if we had them, we would already have achieved levels of development which possibly would have made it unnecessary to resort to this program of international cooperation. In addition, it is wise to point out that the little done by the Alliance in the NE is quite considerable in a region of such limited resources. And we believe that more could have been done if we had obtained better conditions for effective cooperation and understanding between USAID/Brazil and SUDENE, which represents the Federal government. So-called political wisdom would perhaps recommend that we hide, as it has been done, the existence of this conflict, but we are not here to perform a verbal drama which consists in hiding the truth which we all feel and watch, and which brings harm to the greatest interests of this region. We would not mention this delicate problem if it were just a case of occasional differences of opinion on working procedures or technical solutions. The reality is quite different. And it can be overcome only with loyalty: if Brazil considers the Alliance for Progress program to be undesirable, if it sees in this program an instrument of imperialist interests, if it believes that the program only intends to create or increase dependencies under the illusion of mutual help (an assistencial sedative for the great and deep wounds of our economic structure), then the Federal government, responsible for the course of our foreign policy, should take upon itself, together with the National Congress, the responsibility of rejecting the program and it will have, I am sure, on the part of all State governments, the greatest respect for its decision. Should the Federal government's interpretation be different, then let us eliminate the political reasons which are alleged or hidden (but which exist) to impede, delay or diminish the dimensions of this economic development program. And then let us concentrate our effort in correcting its mistakes, in changing its urgencies, in making it in fact an instrument of economic and social development, restoring the spirit which the program is losing and demanding conditions of efficiency by adaptation to the Brazilian and NE realities.

We would like to reiterate our position so far as Federal control of foreign aid to States is concerned. In the first place, we support the constitutional provision which gives the final word to the Federal Senate in its capacity as a body of the Federative units and therefore, of the Union itself, and this provision should for these reasons be urgently enforced. Secondly, we recognize as essential the participation of the Federal government through its proper agency - the Foreign Office - in the process of information, examination and discussion of the proposed assistance, with a view to the national interest, from a political, economic and financial standpoint. The participation of the Executive Power in this process is essential and fundamental to the development of a final judgement by the Senate. The Senate not the Executive Power has the final word of decision. The Senate is the judge and the Executive Power is the promoter representing the interest of the Federal government provided that this action is free from any discriminating or Party interests.

Looking upon the problem this way, we do not see reasons for conflict between the State interest and the Federal interest. We would only like to call the attention to the specific case of the NE where SUDENE (by law and diplomatic documents) has the responsibility of representing the Federal government.

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(Summary resumed) --

- Education to us is a fundamental preinvestment if we want to achieve balanced and democratic development;
- The assistance of the Alliance for Progress in the field of education is for us as important as an investment of physical capital. Therefore, we welcome it and receive it in our State, convinced that the revolution by education will be the beginning of other peaceful and democratic revolutions;
- We intend to continue the struggle as long as we have no essential reasons for distrusting our efforts for peaceful change, planning our activities and reforming our structures, without resorting to violence, without stimulating hate, without feeding subversion, without taking the greatest risk which is to let an internal conflict become international by means of importing foreign formulas and models, which might destroy our personality and sovereignty;
- A nation does not become organized, does not prosper, does not build itself up if it does not establish a fair and proper harmony between rights and duties, between work and wellbeing, between liberty and authority.

GORDON

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