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Department of State

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3-year Plan

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AmEmbassy RIO DE JANEIRO

January 4, 1963

Dispute in Government Over Execution Three Year Plan

The substance of the Three Year Plan drawn up by Celso Furtado is being reported and commented on separately by the Embassy. Meanwhile, the Embassy observes that, only days after its release, the press reports a certain amount of controversy within the government over the method to be adopted for putting the plan into practice. The alternates reportedly being disputed are meaningful for the question of what kind of government Goulart intends or hopes to run after the January 6 plebiscite.

Some of Goulart's further-left advisors, it is reported, have been urging him to put the Three Year Plan into operation immediately after the plebiscite, without waiting to obtain specific enabling legislation for its several provisions either from the present Congress or the newly-elected one which will meet some time after January 31. The administrative device which would be employed under this scheme would be the issuing of "decree laws" effectivating the measures proposed in the Plan. This style of executing the Plan would, of course, imply the appointment of a de facto "presidential" Cabinet soon after the plebiscite, a possibility which has been much discussed, the impression persisting that it would be in accord with the wishes of Goulart himself. Such a Cabinet would not have been passed on by the Congress.

The alternate method for putting the Plan into operation would require, according to newspaper speculation and reports, regarding the Plan as provisional and inviting discussion of its particulars with a view to their possible modification and, hopefully, improvement. There are two signs that may indicate that Goulart has opted for the latter method: (1) The following statement as contained in his New Year's Eve speech, advertised as intended principally to present the Plan to the nation: "The government plan will be widely distributed in order that all may contribute...with /suggestions and

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suggestions and criticisms so that it will be possible to perfect the steps and measures that will make it a tool adequate to the solution of the problems which concern the nation"; and (2) The news that Jango now plans to appoint his new Cabinet toward the end of January instead of by January 10 as earlier given out.

It would be a disquieting development indeed if Goulart were to undertake to execute the Plan via presidential decree. Encouraging signs to the contrary, there is no guarantee that he will not, in fact, elect to do so. But it is too early as yet, in the country's fluid situation, to predict just what line he is likely to take in the implementation of the Plan.

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