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Agrarian Reform: A Political Issue

Embtel 2046, April 19, 1962

I Introduction and Summary: Agrarian Reform the Issue of the Day

Agrarian reform has become the big issue in Brazilian politics. Politicians of every stripe and persuasion have made it a touchstone, a yardstick by which the sincerity and democratic convictions of every politician are supposedly to be measured.

The controversy is not ostensibly over agrarian reform itself. Practically everybody publicly agrees reform is needed. The argument is over how. At one extreme are those who believe the Federal government is already in a position to carry out reform without further legislation or constitutional tools. At the other are those who plump for radical reform of the Constitution to remove the requirement for payment in cash for expropriated properties and subsequent legislation to guarantee as well the right of each citizen to a piece either of rural or urban property.

Public controversy over agrarian reform has become bitter. The left has made a strong effort to whip up public opinion in

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support of its solution. In the process it has made wild charges and extreme threats. The right and center have reacted forcefully. Thus, the prestige of individual politicians, parties and the government has become heavily committed. The military is uneasy over the unrest and agitation. However, positions seem almost never to become hopelessly hardened in Brazilian politics and at present prospects seem improved, though not bright, that a moderate if ineffective agrarian reform program may be approved by this Congress.

11. Positions of the Parties

The government parties in the Congress, the PSD and PTB, comprising together over 50 percent of the Chamber of Deputies, seemed in agreement at the beginning of April on the proposition that constitutional amendment was required before an effective agrarian reform bill could be passed. This was the position of the administration also, as was made evident by the terms of its draft bill which became known in March but was never sent down to Congress.

The offending provision in the Constitution is Article 141, paragraph 16, which calls for prior and fair indemnification in cash for expropriated properties. Textually the pertinent sentence in Article 141, paragraph 16, reads: "The right to property is guaranteed, except in the case of expropriation out of necessity or public usefulness or social interest, with prior and fair indemnification in cash."

Obviously, the government lacks the resources to carry out an agrarian reform program on such a basis. Thus, the PTB's proposed constitutional amendment, which reflects the administration's position, would provide for indemnification in government bonds, "...assuring the property-owner fair indemnification in public bonds redeemable in installments, subject to adjustment of their monetary value within a limit not to exceed ten percent a year..."

The PTB amendment would also establish a compulsory renting system as "an initial phase" toward expropriation of given rural properties. On the initiative of Leonel Brizola the draft amendment's last paragraph guaranteed "all families...a rural or an urban property..."

A PSD draft amendment attributed to majority leader Oliveira Brito reflected the party's acceptance of the thesis that payment for expropriation might be made in public bonds but incorporated the assumption that monetary correction would be in proportion to devaluation

of the cruzeiro. The draft, while mentioning "renting" of lands, omitted the qualifying "compulsory" and made no reference to renting as "an initial phase" toward expropriation. With an eye on Brizola's "urban reform" addition to the PTB draft amendment, the PSD draft limited expropriation to bens indispensaveis, which is taken to mean real property, that is, land.

The UDN took longer to formulate an official position. When it did at its national convention in Curitiba April 28-30, agreement came hard, and some party members are still unresigned. At the convention, Carlos Lacerda and his backers succeeded in getting the party to come out against constitutional amendment for agrarian reform. The party's declaration, while recommending that the Congress approve an agrarian reform program, and "recognizing...the need for safeguarding the freedom of the vote of those holding...a divergent point of view," said that the state delegation, "representing a substantial majority," had agreed that "at the present juncture, consideration of any constitutional amendment is neither necessary nor desirable."

In subsequent developments involving agrarian reform, reports of internal dissension in the UDN and possible resignation of leadership posts reached the press. At this writing, however, whatever internal rebellion which may have been brewing seems to have been contained.

III. Pressures Build as Chamber Considers Constitutional Amendment

The current prominence of the agrarian reform issue derives from the fact that a Special Committee on Agrarian Reform has been meeting since May 3 to consider and produce an opinion on the PTB draft amendment. The committee had been given 10 days in which to produce its report. Recent and concurrent developments have already influenced the committee's operations and will undoubtedly affect its ultimate report.

The most important of these developments was the surprising result of the UDN national convention. Generally considered less conservative than the PSD, the UDN had in fact in a declaration issued last year come out for amendment of the constitution toward facilitation of agrarian reform. In addition, the UDN's bossa nova was known to favor such an amendment. The anti-amendment stand taken by the party seemed, therefore, to gain added impact because of its unexpectedness.

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Conservative elements in the PSD, heretofore resigned to their party's position, were encouraged by the UDN declaration. Pressures built up within the party ranks for reconsideration of its attitude on agrarian reform. Armando Falcao (Ceara) called for a national convention. Tancredo Neves suggested a plebiscite (Marshall Henrique Lott has also suggested one). PSD President Amaral Peixoto (Rio de Janeiro) who as Minister for Administrative Reform is a member of the government, resisted. Peixoto apparently yielded sufficiently, however, to make it possible for PSD Chamber Leader, Martin Rodrigues (Ceara) to send a circular telegram to the party's regional directorates requesting their opinions on the "desirability of amending the Constitution" with reference to agrarian reform. Though the telegram was represented as intended merely to inform the local organs regarding the party's position and not to sound out lower-level feelings, the latter explanation seems the accurate one. The PSD is, in fact, reconsidering its position. The large Minas Gerais PSD contingent in the Chamber after a meeting May 10, issued a declaration against agrarian reform via constitutional amendment.

President Goulart tried meanwhile to bring the PSD back in line. He met with Amaral Peixoto, and rumors of imminent cabinet changes, with expanded representation for the PSD, surfaced again immediately.

The current, however, did not flow all in one direction. While the PSD hesitated, a strong boost for the pro-amendment forces came from the Church. On May 1, two days before the Chamber Special Committee's scheduled first meeting, the central committee of the National Congress of Brazilian Bishops (CNBB) issued a manifesto commenting on reforms. On agrarian reform the document stated: "We do not believe that an assault on the right of property is constituted by indemnification in whole or in part in cash, or in public bonds, giving these bonds guarantee of adjustment of earnings and redemption value by means of which they would constitute adequate compensation for expropriated properties."

Though in a subsequent press interview D. Jaime Camara, Archbishop of Rio, claimed that the bishops' manifesto did not imply support of amendment for agrarian reform, no other interpretation of the above excerpt makes sense. In calling for "adjustment" of earnings and values of public bonds, of course, the bishops were backing the PSD version of the possible amendment. The manifesto was duly praised by

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pro-amendment forces in and out of the Congress and cited as vindication of their position.

At about the same time, the promised campaign to mobilize popular sentiment behind the move for constitutional amendment was getting underway. On May 2, PTB floor leader Bocaiuva Cunha told Diario de Noticias that the PTB would be mobilized to "traverse the country and raise up the people in defense of basic reforms." The following day, nine groups of Nationalist Parliamentary Front (FPN) deputies were announced to have been assigned to as many regions to talk up reform beginning May 4. Some of the better-known participants were: Elói Dutra, Plinio Sampaio (PDC), Florisceno Peixao, Celso Passos (UDN), Neiva Moreira, Ivete Vargas, Chagas Rodrigues, Temperani Pereira, Garcia Filho, Marco Antonio, Paiva Muniz, Max da Costa Santos, Bocaiuva Cunha, Sergio Magalhaes, Leonel Brizola, Paulo de Tarso (PDC), Bento Gonçalves, Jose Aparecido, Aurelio Viana, Adao Pereira Nunes. The far left obviously predominated in the composition of the group. Such other far-left dominated organizations as the General Workers Command (CGT) and the National Students Union were also to take part in the campaign under the aegis of still another organization in the recent bewildering proliferation of left-wing agitation groups, this one called the Popular Forces General Command.

So far only Brizola has made much of a splash, judging by the press, but his was a big one. In a speech at Natal May 5 (Correio da Manhã reported) Brizola "preached open revolution." He urged the armed forces to take up arms in support of basic reform and promised to seek to persuade President Goulart to declare Ambassador Gordon persona non grata. Brizola also accused General Antonio Muricy, Commander of the Natal army garrison, of being a "gorilla" (reactionary military leader) and golpista.

By May 7 Brizola had returned to Brasilia and on two successive days, the 7th and 8th, was the cause of two ruckuses in the Chamber that stopped short of becoming violent physical rows only by a hair. Each time the arguments began with accusations made against him which elicited violent responses by his defenders. On May 8 Ranieri Mazzilli cut off the microphones, officially closed the session and descended onto the floor in order to separate the disputants before they came to blows.

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IV. Prospects for Reform

The prospects for agrarian reform via constitutional amendment are now almost nil. The bishops' manifesto seems to have done little to stay the disintegration of PSD support for amendment that the UDN stand brought about. Admission of the hopelessness of Congressional passage of an amendment was implicit in the wrangling over the assignment of Special Committee jobs to the parties. Gustavo Capanema accepted the presidency for the PSD and Pedro Aleixo the vice presidency for the UDN. The PTB refused the key job of rapporteur, however, for the committee's 11 members will predictedly refuse to endorse the PTB draft it was specifically formed to consider.

It was reported at first that the committee might deliberate on other drafts as well. Capanema was widely said to have prepared his own version of an amendment. Plinio de Arruda Sampaio, PDC, who accepted the job of rapporteur, was said to have ready for presentation to the committee a draft prepared by advisors to Carvalho Pinto, ex-governor of Sao Paulo. In the committee meeting that took place May 10, however, in which Sampaio supported the PTB amendment, with reservations, majority feeling seemed to be opposed to the consideration of additional drafts. Moreover, sentiment against amendment at all has so grown as to make it appear impossible for any agrarian reform constitutional amendment to pass.

In consequence, an alternative proposal for achieving agrarian reform has been the subject of revised interest and attention. It is the so-called "land statute" bill drafted by Senator Milton Campos (UDN, Minas Gerais) which dates from Janio Quadros' time and which has already been passed by the Senate. The Campos bill is due to be reported out of committee at any time.

The Senate bill also provides for resort to public bonds as payment for expropriated lands, if the property-owner agrees, viz.:

Art. II. In the expropriation effected in accord with this law, the indemnification due, the proprietor agreeing, may be paid in mortgage deeds, mixed economy stocks, rural notes, or public bonds negotiable in the open market.

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The Campos bill also would provide for renting of lands, though not on a compulsory basis, and make SUPRA the supreme administrative body for carrying out reform.

The UDN is said to be plumping for the Campos bill and certainly the draft is arousing increased interest, for an agreement seems to have been reached delaying the issuance of the Justice, Economy and Finance Committee's opinion on it until after the Special Committee disposes of the draft constitutional amendment it is studying. It is too early to estimate the chances for passage of the Campos bill. Its potential effectiveness as an agrarian reform program, if passed, seems very questionable.

V. Conclusion: Political Implications of Reform Controversy

The left has made agrarian reform via constitutional amendment a rallying cry. It stands to gain either way. In the very unlikely event amendment passes it will claim credit--and probably obtain partial control of or much influence on a powerful economic weapon. (Nor will the left fail to be benefited if, as may be, that weapon is capable of much harm but no good, for "the worse things get, the better.")

Others have political stakes in agrarian reform also, whether they want them or not. Goulart has committed himself to reform--via amendment. He is under pressure from the left to increase his commitment. But the President needs the PSD to get any sort of program, and his principal bait, ministerial posts, does not appear enticing enough to win enough passedistas back to support of amendment now that the UDN decision has wooed them away. He has his work cut out for him if he hopes, and he probably does, to perform his usual magic of reconciling the PTB and the PSD to some sort of compromise.

The UDN has taken its stand, but there is no certainty that anybody in the party other than Carlos Lacerda will live with it for better or worse. The bossa nova remains restive and may rebel again at any time. If the party takes a beating in public opinion on the issue of agrarian reform, Carlos Lacerda's presidential stock, now high, may plummet, with conservative udenistas following the bossa nova instead of him. In that event, Magalhaes Pinto, who has favored amendment, will gain.

The situation presently bodes ill for tranquility. Brizola continues to inflame spirits. On that account alone the military will

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continue to finger its revolver and ponder an imposed solution restoring order. By attacking the military Brizola enforces that disposition.

Possibly the best to be hoped for in the circumstances is a compromise program such as the Milton Campos bill which will satisfy appearances and pacify tempers without, however, providing an effective solution. This may also be the strongest likelihood. It would be the typically Brazilian solution.

Certainly the problem of the landless agricultural worker in Brazil is a grave one, especially in the Northeast. Unscrupulous politicians have exacerbated it to the point of explosability. It is questionable whether any of the bills proposed so far would solve the problem, much less the related, equally grave ones of insufficient overall production and low unit productivity in the agricultural sector. Under the circumstances, as the Embassy recommended in the reference telegram, the United States would do best not to advance any opinions or preferences regarding land reform itself, while maintaining its willingness to help with planning, technical and economic assistance toward improvement of agricultural productivity.

For the Ambassador:

John Keppel
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Enclosures:

1. PTB draft constitutional amendment (2 copies)
2. Milton Campos bill (2 copies)
3. Leonel Brizola bill (2 copies)

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