

ACTION

DEPARTMENT OF STATE

AIRGRAM

18 BRAZ
AID(US) BRAZ
FOR RM USE ONLY

RM/R REP AF

ARA EUR FE

NEA CU INR

E P IO

L FBO AID

A-863

NO.

~~SECRET~~

COPY NO. 93

SERIES 38

HANDLING INDICATOR

TO : Department of State

~~This document contains~~~~4 pages. Copy 1 of 2~~

RM/AN-HAL 27 1

AGR COM FRB

FROM : AmEmbassy RIO DE JANEIRO

DATE: January 20, 1964

INT LAB TAR

SUBJECT: Assessment of Arraes Regime and U. S. Attitude Toward It.

TR XMB AIR

REF : Deptel 831, December 17, 1963.

ARMY CIA NAVY

OSD USIA NSA

Enclosed is a memorandum drafted jointly by the Consul General at Recife, the Director of USAID/NE, [redacted] and the Regional Director for USIS at Recife, and their staffs.

3.3
(b)(1)

It has been reviewed and slightly amended by elements of the Country Team and represents the concerted views of the mission.

Lincoln Gordon
United States Ambassador

Enclosure:

Joint Memorandum

BUNDY-SMITH
ALEXANDER
BEEK
BEECE
CHASE
DINSMAN
GURGAN
FORESTAL
JESSE
JOHNSON
KLEIN
NOVY
SAVAGE

FORM DS-323

SANITIZED

E.O. 12958, Sec. 3.6

NLJ 09-11

By isl, NARA, Date 1-31-10

GROUP #3

Downgraded at 12-yr intervals
Not automatically declassified

~~SECRET~~

FOR DEPT. USE ONLY

☒ In ☐ Out

Drafted by:

POL:CCC Carson/rstp

Contents and Classification Approved by:

DCM - Minister Meinhart

Clearances:

(all in draft): ECON - Mr. Elwood POL/M - Mr. Davis
POL - Mr. Keppel POL/R - Mr. Gresham
USAID - Mr. Howe USIS - Mr. Ware
FINATT - Mr. Korp LABATT - Mr. Baker

~~SECRET~~

A-863 1/20/64
Enclosure
Page 1 of 3
Rio de Janeiro

Assessment of Arraes Regime
and United States Attitude Towards It

In the year that it has been in power, the leftist-nationalist government of Pernambuco, headed by Miguel Arraes, has shown itself to be influenced to a considerable degree by the Brazilian Communist Party (PCB) and possessed of an anti-American bias. There is no evidence at present to indicate that the Arraes regime has altered its basic character or direction.

The Arraes regime has failed to advance any kind of integrated developmental program or to foster the economic development of the State.

Governor Arraes has expressed a desire to encourage small business but has done nothing with respect to the basic problems of confidence and credit. His main ventures in economic development have been the announced intention to establish State drug and fertilizer plants.

In organizational terms, Arraes has worked assiduously at developing apparatus for propaganda and probably mass mobilization through his popular culture movement, adult literacy campaign, trade union programs and food distribution centers.

Arraes has given wide freedom of action to Communist and extreme radical elements in the labor movement--particularly in rural areas, where desirable gains have resulted in better labor conditions but at the threat of undermining a burgeoning independent rural labor movement and of reducing producers' confidence in legal collective bargaining processes.

He accepted Communist support in his electoral campaign and entrusted Cabinet and other key positions to PCB members.

In an effort to enhance his own prestige, he has attempted to identify himself with certain local "impact" programs, even including those with which USAID is closely connected. At the same time, however, he has consistently denied the bona fides of the Alliance for Progress.

~~SECRET~~

~~SECRET~~

A-863 1/20/64
Enclosure
Page 2 of 3
Rio de Janeiro

His overt political philosophy can be judged from the following constantly and publicly reiterated themes: (1) Brazil's economic and social problems are due: (a) to the failure of policies which are dictated by minority, special interest groups and exploiters; and (b) to international circles which, under the guise of combatting communism, seek to deepen their exploitation of the Brazilian economy in order to prevent the possibility of economic emancipation and to yoke Brazil to an imperialist policy of economic and military pressure; (2) that these problems can be eliminated only by a government of "popular forces" in the FMP (Popular Mobilization Front) style; (3) that such a government is capable of carrying out a nationalistic and progressive program without impairing democratic liberties.

Arraes gives evidence of being much more comfortable with iron curtain representatives than with those of the western world.

To date, he has taken no overt action that would indicate an intention to "Cubanize" or "socialize" Pernambuco; his attitudes and expressions of policy, however, give a fairly clear indication that if he had the opportunity to exercise power in Brazil his conduct would inevitably lead to a "Cubanization" course of development which would be destructive to Brazil and in conflict with United States interests.

In any event, one state ruled by such a government can serve as a rallying-point for like-minded elements around the country. Several states or a region ruled by similar governments could not help but influence greatly the direction of the entire nation. Possibly either Rio Grande do Norte, Paraiba, or Ceara, or all three of these could go the way Pernambuco did in 1962. The present governors of these states are not, of course, aligned with Arraes. In all three of these, however, it should be pointed out, there are personalities or elements who have sufficient political expression to be considered electorally important and who might be expected to team up with Miguel Arraes in exchange for his support.

We recommend therefore:

1) The avoidance, to the fullest extent possible (ref. points 2) and 3) fol.), of any action which would strengthen Arraes' prestige as an economic or social leader or doer.

~~SECRET~~

~~SECRET~~

A-863 1/20/64
Enclosure
Page 3 of 3
Rio de Janeiro

2) The avoidance for the present of direct public confrontation which would give the appearance of attempting to discipline Arraes.

3) When in the interest of conforming with point 2) we are unable to conform fully with point 1), or when in the course of carrying our Northeast regional programs we strengthen the state infrastructure, the Alliance for Progress participation should be clearly and publicly identified. Also we should bring to public attention, preferably through unattributed sources, that Governor Arraes is in fact accepting the Alliance for Progress terms of reference.

4) Through the use of contract arrangements with labor, cooperating universities and other such organizations in the United States as part of AID regional programs or through shifting of funds to covert channels if necessary, or by other means such as national programs of assistance or individual loans to private enterprise, we should try to promote social and economic developmental programs which will strengthen and unify moderate elements in Pernambuco, including those within his administration where desirable.

~~SECRET~~