

From the desk of

WILLIAM F. GELABERT

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cc: DCM:REJohnson
POL:MFrechette
LABATT:JShea
PROG:FCampbell

WILLIAM F. GELABERT

July 16, 1976

The Ambassador

Mr. Shea telephoned to report that Mr. Ramos plans to raise the question of furniture with you during his July 20th visit. Apparently after having requested that we donate USAID/Brazil furniture and equipment to ICT and IADESIL in his May 11 letter (copy attached), Mr. Ramos has found that he will not have any furnishings in Caracas. He has now asked USAID to transfer the furniture to Caracas. Even if the grant-in-aid documents transferring title to the furniture are not signed by IADESIL, the USAID would have no authority to give the AID furniture to AIFLD/B for transfer to AIFLD/Caracas.

A second problem has risen out of Americo's June 1976 report on use of the AID-funded Small Projects Fund. Ramos reports payment of the CR\$12,000 exit fee for a number of participants traveling under AIFLD auspices. I advised Shea today that it is our opinion that AID funds cannot be used for such payment of taxes or fees. Such charges, if not waived, must be paid by the individual or his sponsoring agency. I indicated to Shea that we would be willing to refer the question to Washington for final decision. Shea preferred to discuss the problem with Ramos prior to referral to Washington.

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