

TELEGRAM

Foreign Service of the
SUBJECT
United States of America

INCOMING AMEMBASSY RIO DE JANEIRO

UNCLASSIFIED
Classification

POL 18-# ~~BRAS-2~~

Control: 649

Recd: FEB 17, 1967
11:00

ACTION:
POL-2

R 161706Z FEB 67
FM AMCONSUL RECIFE
TO SECSTATE WASHDC 756
INFO AMEMBASSY RIO 844
STATE GRNC
BT
UNCLAS RECIFE 981

INFO:
AMB
DCM

MINECON
ECON
USIS
POL
POL/R
BRAS-2
RDG
FILE

FEBRUARY 16

1. RECIFE PRESS AND GOVERNNING CIRCLES AGITATED OVER REPORTED SIGNATURE AND PUBLICATION PRESIDENTIAL DECREEE 157 PURPORTING PERMIT DIVERSION 20 PER CENT OF CURRENT AND FUTURE ARTICLE 34/18 DEPOSITS (CORPORATION TAX CREDIT) TO SHARE CAPITAL ANYWHERE IN COUNTRY INSTEAD OF ONLY FOR APPROVED INVESTMENTS IN NORTHEAST. NEWS BROKE FIFTEENTH WITH CASTELLO BRANCO PROMISE TO RUBENS COSTA TO CLARIFY MATTER WHEN OVERNIGHTS IN RECIFE SATURDAY.

EMBOFFICE
Bresilia

2. SUDENE DELIBERATIVE COUNCIL MET AT LENGHT WEDNESDAY WITHOUT FORMAL DISCUSSIONS OF DECREEE BUT WITH EXTENSIVE UNFAVORABLE COMMENT. FORMER GOVERNOR AND NEW FEDERAL DEPUTY CID SAMPAIO BLAMED DECREE ON GROUPS WITHIN GOVERNMENT WHICH HAD OFTEN TRIED "DESTROY SUDENE BY WITHDRAWING RESOURCES FROM IT". ALTERATION STATUS OF SUGAR AND ALCOHOL INSTITUTE SIMILAR EXAMPLE OF DECREE NOW REPORTEDLY SUSPENDED BY PRESIDENTE PENDING CONSULTATION WITH GERAN DIRECTOR MARIO LACERDA.

3. CONCERN OF NORDESTINOS NOW FREQUENTLY HEARD IS OVER APPOINTEES OF NEW ADMINISTRATION , ESPECIALLY APPARENT LACK OF CABINET MINISTERS (OTHER THAN COSTA CAVALCANTI) FROM NORTHEAST AND HOPE FOR CONTINUITY IN SUDENE BY CONTINUATION RUBENS VOSTA AS SUPERINTENDENT. HILLIKER

P.O.	
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ACTION TAKEN

RECEIVED
FEB 21 2 23 PM '67
AMERICAN EMBASSY
BRASILIA, BRAZIL