

TELEGRAM

INCOMING AMEMBASSY BRASILIA

Foreign Service of the
United States of America

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JUNE 17, 1969

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P R 172000Z JUN 69
FM AMEMBASSY RIO DE JANEIRO
TO RUEHFO/USINFO WASHDC PRIORITY UNN
INFO RUESUZ/AMEMBASSY BRASILIA 4182
RUESUP/AMCONSUL SAO PAULO 3348
RULPAL/USCINCSO (POLAD) UNN
RUEHDT/USUN NEW YORK 371
STATE GRNC
BT
UNCLAS RIO DE JANEIRO 4767

DAILY NEWS SUMMARY

1. PASS USUN FOR ROCKEFELLER NYC OFFICE:
DEPAT ARA/LA FOR CHAPIN.

2. MAJOR STORY ALL MEDIA JUNE 17 IS GOVERNOR
ROCKEFELLER'S ARRIVAL IN BRASILIA YESTERDAY. ALL
PAPERS FRONTPAGE PHOTOS OF PRESIDENT NIXON'S ENVOY WITH
PRESIDENT COSTA E SILVA, DEVOTING FULL INSIDE PAGES TO
STORY. PAPERS STRESS ORDER AND CORDIALLY WHICH MARKED
RECEPTION OF THE GOVERNOR AND MEMNERS OF HIS PARTY.

3. COMMENTING ON ROCKEFELLER'S VIEW ON THE ALLIANCE
FOR PROGRESS, LIBERAL CORREIO DA MANHA SAYS
"DURING THE EXECUTION OF THAT PROGRAM LATAM WENT
INTO DEBT INSTEAD OF DEVELOPING ITSELF. THIS INDICATES
THAT SOMETHING IS WRONG IN THE ALLIANCE'S MECHANISM
ANF THAT SUCH FAILURE DOES NOT SPRING FROM LACK OF
MANAGEMENT, AS GOVERNOR ROCKEFELLER RECENTLY PUT IN
AS INTERVIEW WITH THE US PRESS... AS LONG AS THE TERMS
OF OUR FOREIGN TRADE ARE NOT CHANGED, ALLOWING BETTER AND
FAIRER PRICES FOR OVER RAW MATERIALS, ANY AID PROJECT WILL
TURN OUT TO THE DETRIMENT OF LATAM ITSELF, HOWEVER PARADOXICAL
IT MAY SEEM". EDITORIAL ADDS THAT THE ALLIANCE HAS ALSO FAILED
TO PROVIDE THE CONTINENT WITH "A DECADE OF DEMOCRATIC PROGRESS
AND THEREFORE OF POLITICAL STABILITY"-- BECAUSE IT IS
PRECISELY DURING THE ALLIANCE'S YEARS THAT CONSTITUTIONALLY
ELECTED GOVERNMENTS HAVE BEEN REPLACED BY DICTATORSHIPS".
EDITORIAL ENDS SAYINF "FIRST THING TO DO IS WORK OUR A
DEVELOPMENT PLAN SHOWING ECONOMIC GROWTH IS NOT FEASIBLE

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OUTSIDE A DEMOCRATIC SYSTEM... THIS IS THE TRUTH WHICH THE ROCKEFELLER MISSION MUST UNDERSTAND".

4. ADDRESSING THE ROCKEFELLER MISSION, TRIBUNA DA IMPRENSA'S HELIO FERNANDES SAYS IN FRONTPAGE EDITORIAL "WE WANT BUT ONE THING: FAIR PRICES FOR OUR EXPORTS AND FREE AND COMPETITIVE MARKET FOR OUR IMPORTS".

5. CONSERVATIVE O GLOBO NOTES ROCKEFELLER'S STATEMENT UPON ARRIVING IN BRASILIA YESTERDAY THAT "NO ONE OF US IN THIS HEMISPHERE CAN SURVIVE ALONE". AND SAYS US ISOLATIONISM AND LATAM NATIONALISM ARE AT PRESENT "THE TWO GREAT ENEMIES TO BE DEFEATED". EDITORIAL HOPES THE ROCKEFELLER MISSION "WILL HELP TO DESTROY THESE TWO ENEMIES WHICH SEEM TO HAVE MADE A DIABOLICAL PACT".

6. LIBERAL ULTIMA HORA'S JOAO PINHEIRO NETO PRESENTS SOME DATA FEATURING BRAZIL'S ECONOMIC PLIGHT TO ANSWER, AS HE SAYS, ROCKEFELLER'S ANNOUNCED INTENTION TO KNOW "THE NAKED TRUTH". PINHEIRO SAYS "THE AVERAGE PRICE OF BRAZIL'S TOTAL EXPORTS DURING THE FIRST THREE MONTHS OF THIS YEAR HAS DROPPED FROM \$80.9 TO \$76.3 A TON IN RELATION TO EQUAL PERIOD OF 1968... ACCORDING TO RECENT STATISTICS, 51 PERCENT OF THE NORTHEASTERN POPULATION AGED ABOVE SIX YEARS ARE ILLITERATE, AND ONLY EIGHT PERCENT OF THE LITERATE CITIZENS HAVE FINISHED PRIMARY SCHOOL". HE ADDS THAT "U.S. INVESTMENTS IN LATAM YIELD AN AVERAGE PROFIT OF 11.8 PERCENT A YEAR AS AGAINST 6.7 PERCENT ON U.S. INVESTMENTS IN THE EUROPEAN COMMON MARKET".

6. DIARIOS ASSOCIADOS' JORNAL DO COMMERCIO EDITORIAL SAYS "DUE TO HIS LATAM TIES, FOR PEOPLES LIVING SOUTH OF RIO GRANDE MR. ROCKEFELLER IS THE LAST HOPE THAT U.S. LATAM POLICY WILL BE CHANGED... HE IS NO ALADDIN, BUT HE CAN WELL BE THE GOOD WILL GENIUS WHO HAD BEEN CHAINED BY A NARROW POLICY EXCLUSIVELY DEVOTED TO THE IMMEDIATE INTERESTS OF THE US ECONOMY".

7. DIARIO DE NOTICIAS' COLUMN "PERISCOPIO" SAYS ROCKEFELLER MUST BE SINCERE WHEN HE SPEAKS OF

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PRESIDENT NIXON'S "DETERMINATION TO CHANGE US LATAM
POLICY... EXACTLY BECAUSE "SOVIET STRATEGY IN OUR
CONTINENT WAS ALSO REFORMULATED". COLUMN CITES AS
EXAMPLE RUSSIAN PROPOSAL TO SELL MIG PLANES TO PERUVIAN
GOVERNMENT ON A 15-YEAR AT THREE PERCENT INTEREST.
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