

April 25, 1967

- 4 -

No. 788/67

- b. Baker also suggested that we explore the possibility of IDB financing for any other projects we wish to develop;
- c. Baker is very anxious that we help the Graphic Arts Union to move quickly on their union hall project for submission for USAID financing;
- d. Baker also wants AIFLD to assist the Metal Workers of Guanabara to prepare their project submittal for their proposed vocational school for USAID financing;
- e. In relation to the issue of making an impact among strategic unions you fortunately mentioned our efforts with regard to DIEESE from which the outstanding project material arrived this morning. We explained to Baker that the fastest way to help them would be through ICT publication funds, which seemed to appeal to Baker. I believe I was successful in clarifying for the benefit of the Labor Attaché and his assistant why DIEESE wants to undertake this market basket (cost of living) survey at this point, despite the fact that USAID is helping the Ministry of Labor to revamp its entire statistical set-up which will enable them on a continuing basis to ascertain the variations in the cost of living.

Assuming that the financial arrangements have already been made, this sort of work requires extensive tooling up since the coordination of new staff, equipment and work plans takes a lot of time. I will now put the project together for further discussion on methods of financing.

- f. Baker's response to my request for books for the union libraries of the Chemical Workers in Guanabara and the Journalists of Pará was favorable with regard to Pará, and he told us that the Guanabara union had already received 190 books.
- h. Baker also agreed that the two architect/engineers' slots should stay in our budget.

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April 25, 1967

- 5 -

No. 788/67

- h. Baker asked us whether we had received any invitations from any of our unions for May Day festivities. Since the Embassy apparently has not been approached, we hope that we would be able to make a May Day disbursement of the AFL-CIO loan to the Weavers Workers Union in Cascatina, Petrópolis. The Chemical Workers of Florianópolis hope to inaugurate their new quarters on May 1 and have invited you to attend.
- i. In line with our conversation I called Baker yesterday afternoon and requested a meeting with the USAID technician on industrial training to review the plans of the Fundação Escolar for an industrial training program - I. P. No. 69, which the Fundação submitted for our comments. A copy of this program is attached and an expert review from Washington - if it does not take too long - would certainly be welcome. In this project we can make recommendations only but the Fundação is eager for our cooperation and was grateful for the comments on the electrical wiring which Caiubi prepared earlier this year.

Comments:

#33.
The items brought up by the Labor Attaché during our recent meetings seem to reveal what I regard as our basic dilemma: regardless of the type or size of project involved, our past activity and the word spread by our friends, has engendered such a flow of project proposals (not all of which have been mentioned in these reports) that the sheer weight of handling those that have been disbursed and those that are coming in is almost more than we can handle.

We could still - with adequate staff and sources of financing - serve the Brazilian unions very effectively. Social Projects and Education could really reinforce each other and as we go along we could hit the sensitive spots to which we are becoming increasingly attuned.

For these possibilities to materialize (regardless of the specific form) it is essential for us to know how we should proceed. In their present form the Baker proposals could only damage AIFLD; if we develop projects without being able to consult

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ATTACHMENT

33

April 25, 1967

- 6 -

No. 788/67

USAID technicians for commonly agreed-upon criteria, our best efforts could be turned against us, since we are unable to second - guess USAID.

If we do not act upon at least some of Baker's suggestions and what appears to be real concerns, but stick to Smail and Impact Projects, we not only limit our effectiveness but are also likely to incur the charge of inaction or lack of cooperation with the Labor Office.

I hope you will support my request for a review of this contradictory situation in Washington as well as guidelines on how to proceed.

C. Last Friday was a holiday.

ET/ec