

# TELEGRAM

Foreign Service of the  
United States of America

OUTGOING AMEMBASSY - RIO DE JANEIRO

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 ECON " - RECIFE 596  
 USIS " - SALVADOR 163  
 EXEC " - BELO HORIZONTE 131  
 USAID " - SAO PAULO 443  
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 CF " - PORTO ALEGRE 395

RIO DE JANEIRO ~~10565~~ 10565

SUBJECT: GOB PROPOSED REVISION MEC-USAID

1. FURTHER PRELIMINARY ANALYSIS OF GOB PROPOSED REVISION MEC-USAID AGREEMENT FOR HIGHER EDUCATION PLANNING PROJECT INDICATES FOLLOWING CHANGES:

A. SEPARATION OF AGREEMENT INTO TWO PARTS: (1) "ESTATUTOS" INCLUDING GENERAL OVERALL OBJECTIVES OF PROJECT, AND (2) DETAILED "REGULAMENTO" INCLUDING SPECIFIC WORK PLAN AND GOALS AND IMPLEMENTATION MATTERS. ONLY FORMER WOULD BE WIDELY PUBLISHED.

B. APPARENT DOWN-PLAYING OF ROLE OF FEDERAL EDUCATION COUNCIL FROM THAT OF CO-SIGNER AND MAIN APPROVER

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CONSULATE OF THE UNITED STATES  
OF AMERICA

MAY 16 1967

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PORTO ALEGRE, BRAZIL

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OF RECOMMENDATIONS TO ONE OF PARTIAL DIRECT PARTICI-  
PATION OF PART-TIME REPRESENTATIVES OF COUNCIL IN  
WORK OF TEAMS. DIRECTOR OF HIGHER EDUCATION ASSUMES MORE  
IMPORTANT POLICY-MAKING ROLE IN NEW DRAFT.

COMMENT: WE SOMEWHAT CONCERNED THIS CHANGE, IN  
VIEW HIGH LEVEL AND RELATIVE PERMANENCE OF FEDERAL  
EDUCATION COUNCIL AS OPPOSED TO VARYING QUALITY AND  
FREQUENT CHANGES OF MINISTER AND DIRECTOR OF HIGHER  
EDUCATION OVER LAST SEVERAL YEARS.

C. POSSIBLE SHIFT IN PLANNING RESPONSIBILITY FROM  
TEAM ITSELF TO DIRECTORATE, WITH SOME SECTIONS OF DRAFT  
APPEARING RELEGATE TEAMS TO MERE "DATA GATHERING"  
FUNCTION.

COMMENT: EXPENT TO WHICH CHANGE IS REALLY INTENDED  
NOT CLEAR FROM FOGGY LANGUAGE OF DRAFT. ALSO WE DO NOT  
KNOW WHAT "REGULAMENTO" WILL SAY RE TEAM RESPONSIBILITY.  
WE ARE CONCERNED THAT HIGH LEVEL U.S. TEAM CONTINUE TO  
HAVE SUBSTANTIVE ADVISORY ROLE IN ACTUAL EDUCATION  
PLANNING.

NEGOTIATION OF SPECIFIC TEXT OF REVISED AGREEMENT WITH  
DIRECTOR OF HIGHER EDUCATION WILL BEGIN TOMORROW.

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2. MINISTER OF HIGHER EDUCATION TARSO DUTRA WAS MY GUEST AT RESIDENCE LUNCHEON MONDAY, MAY 1. MINISTER WAS ACCOMPANIED BY RAMI GORGA, HIS PERSONAL SECRETARY; DEL CASTILLO, DIRECTOR OF HIGHER EDUCATION; AND CELSO KELLY, DIRECTOR OF NATIONAL DEPARTMENT OF EDUCATION.

3. I REPEATED TO THE MINISTER PUBLIC STATEMENT I HAD MADE IN SAO PAULO THAT WE WOULD BE PREPARED TO CONTINUE TO PROVIDE ASSISTANCE TO THE GOVERNMENT OF BRAZIL IN THE CRUCIAL AREA OF EDUCATION, PROVIDED FIRST, THAT THE GOVERNMENT OF BRAZIL WANTED OUR HELP AND SECOND, THAT THE BRAZILIAN PEOPLE WANTED OUR HELP. I IMPRESSED ON THE MINISTER OUR CONCERN WITH INADEQUATE SUPPORT AND INCOMPLETE PUBLIC INFORMATION IN GOB PUBLIC POSTURE WITH RESPECT TO PROJECTS TO DATE. BOTH THE MINISTER AND DIRECTOR OF HIGHER EDUCATION REPEATEDLY INDICATED THAT THEY WISHED FOR INCREASED AND IMPROVED COLLABORATION WITH USAID AND INDICATED NO INTENTION OF BACKING AWAY FROM THE USAID PROJECTS. THE MINISTER AGREED WITH ME THAT PREVIOUS PUBLICITY HAD NOT BEEN WELL HANDLED AND INDICATED HIS INTENTION OF HOLDING A PRESS CONFERENCE

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TO EXPLAIN THE REVISED AGREEMENTS WHEN SIGNED. THE IMPORTANT THING, HE SAID, WAS TO IMMEDIATELY APPOINT NEW MEMBERS TO THE BRAZILIAN TEAM AND TO SIGN A REVISED AGREEMENT.

4. THE MINISTER STATED THAT SMALL GROUPS OF WELL-ORGANIZED STUDENTS HAD CAUSED MANY OF THE PROBLEMS SURROUNDING THE AGREEMENT. THESE GROUPS ARE NOT INTERESTED IN THE MERITS BUT ONLY IN CREATING SCANDAL, AND THE MINISTER FELT IT WAS NECESSARY TO MAKE A GESTURE TO DE-FUSE THESE ELEMENTS. HE ALSO BLAMED HIS BAD PRESS ON THE PRESS ITSELF, STATING THAT HE HAD TALKED FOR FIVE HOURS TO THE CONGRESSIONAL COMMITTEES BUT THAT THIS HAD NOT BEEN REPORTED IN THE PRESS. RATHER BECAUSE HE HAD NOT READ THE AGREEMENTS DEEPLY ENOUGH TO ANSWER THEIR QUESTIONS, THIS LATTER POINT WAS PICKED UP BY THE PRESS AND MADE THE MAIN POINT OF COVERAGE.

5. BOTH MINISTER AND DEL CASTILLO SEEMED VERY ANXIOUS TO MOVE FORWARD WITH PROJECT AND AGREED THAT PREVIOUS FAILURE OF EXPLANATIONS AND PUBLICITY WOULD BE CORRECTED. THEY ALSO CONFIRMED THAT AGREEMENTS WITH OTHER COUNTRIES WOULD BE REVISED (AND SUBSEQUENTLY MADE A STATEMENT TO

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THE PRESS TO THIS EFFECT). THE MINISTER INDICATED THAT AGREEMENT SHOULD BE CLEARED THROUGH FEDERAL EDUCATION COUNCIL, WHICH KELLY POINTED OUT HAS ASSURED PERMANENT ROLE UNDER LAW OF DIRECTIVES AND BASES. AT MY URGING THE MINISTER EXPLAINED HIS INTENTION TO CORRECT PREVIOUS SITUATION WITH RESPECT TO INFORMATION AND PUBLICITY ABOUT THE AGREEMENTS INDICATING THAT AT THE PROPER TIME (PRESUMABLY WHEN NEW AGREEMENT DRAWN UP) HE PLANNED TO HOLD A PRESS CONFERENCE AND GO ON RADIO/TV TO EXPLAIN IMPORTANCE OF PROGRAM TO BRAZIL. ALSO KELLY THOUGHT THIS ASPECT OF PROBLEM HAD BECOME AS IMPORTANT AS THE AGREEMENT ITSELF SINCE FAILURE TO WIN PUBLIC SUPPORT WOULD MAKE IT IMPOSSIBLE TO CARRY OUT THE AGREEMENTS.

COMMENT: ALTHOUGH MUCH OF THE CURRENT UPROAR WITH RESPECT TO THE AGREEMENTS CAN BE TRACED TO INITIAL VACILLATION BY THE MINISTER AND TO SOME OPPORTUNISTIC STATEMENTS BY THE DIRECTOR OF HIGHER EDUCATION IN HIS MEETING WITH THE STUDENTS, THE MINISTER AND THE DIRECTOR OF HIGHER EDUCATION APPEARED SINCERELY INTERESTED IN THE SUCCESSFUL COMPLETION, OR EVEN EXPANSION OF THE

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PROJECTS. THE MINISTER IS CLEARLY AWARE OF THE  
SERIOUSNESS WITH WHICH WE VIEW THE EVENTS OF THE LAST  
TWO WEEKS AND OF OUR DETERMINATION TO ~~CONSIDER~~ RECONSIDER  
OUR ASSISTANCE IN THIS AREA IF THE MINISTER IS NOT PRE-  
PARED TO COLLABORATE HONESTLY WITH US AND PUBLICLY TO  
DEFEND THE PROJECTS.



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