

TELEGRAM

INCOMING

BRASILIA

Foreign Service of the
United States of America

SUBJECT

ACTION
PPOL-2
INFO
FILES
RF

UNCLASSIFIED

Classification

Control: -1007

Recd: 1JUN67

R 311905Z MAY 67
FM AMCONGEN RECIFE
TO RUEHC/SECSTATE WASHDC 1097
INFO RUESUA/AMEMBASSY RIO 1212
RUESUZ/AMEMBASSY BRASILIA 57
ZEN/SAO PAULO UNN
ZEN/AMCON SALVADOR UNN
ZEN/AMCON BELEM UNN
STATE GRNC
BT
UNCLAS RECIFE 1445

1. SUDENE SUPERINTENDENT EULER BENTES MONTEIRO COMMENTED ON RECENT CRITICISM USAID IN PRESS CONFERENCE MONDAY. SAID BENTES: QUOTE OUR RELATIONS WITH USAID ARE BEST POSSIBLE, AS THEY WOULD BE WITH ANY FOREIGN AID ORGANIZATION, SINCE OUR (SUDENE) INTERESTS ARE ALWAYS KEPT IN FIRST PLACE. IF WERE ANY OTHER WAY, SUDENE WOULD NOT COMMIT BRAZILIAN MONEY TO PROJECTS UNQUOTE.

2. BENTES SAID SUDENE QUOTE NOT INTERESTED IN WHO AT FAULT FOR SIGNING PAST AGREEMENTS OR CIRITCISMS USAID, EITHER BY BRAZILIANS OR AMERICAN CONGRESSMEN, WHICH DO NOT HELP ANYTHING UNQUOTE.

3. IN CONVERSATION WITH NEWSPAPER COLUMNIST HE DENIED TRUTH OF RUMOR THAT 30 PERCENT OF 34/18 TO BE EARMARKED FOR AGRICULTURAL PROJECTS. HE NOTED HOWEVER, THAT QUOTE DISTORTIONS BETWEEN INDUSTRY AND AGRICULTURE WILL BE ELIMINATED... BY PROPOSAL TO BE SUBMITTED TO (SUDENE) DELIBERATIVE COUNCIL UNQUOTE. IN PRESS INTERVIEW HE COMMENTED THAT QUOTE OUR PRESENT GOAL IS TO USE FOREIGN RESOURCES IN PROGRAMS OF AGRICULTURE AND HUMAN RESOURCBA--PROGRAMS THAT PRESENT RISKS. BUT COUNTRIES THAT GIVE US ASSISTANCE WILL ALSO HAVE TO ACCEPT RISKS UNQUOTE.

4. ELABORATING ALONG LINES AMB TUTHILL'S RECENT STATEMENTS, BENTES CONTRASTED FORMER POSITION SUDENE IN WHICH IT QUOTE TOOK ADVANTAGE OF OPPORTUNITIES PRESENTED BY INTERNATIONAL FINANCING ORGANS UNQUOTE AND PRESENT POLICY IN WHICH QUOTE IT IS SUDENE WHIHH

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PROPOSES TO FOREIGN AGENCIES OF DEVELOPMENT ITS
PRIORITY PROGRAMS, ACCEPTING AID WITHIN ITS GUIDE-
LINES. IF WE TAKE LOANS WITH REALISM, THEN WE
WILL NOT HAVE REASON TO COMPLAIN LATER. FOREIGN AID
CONSTITUTES EXCELLENT MEANS OF PROMOTING GOOD RELATIONS
BETWEEN TWO COUNTRIES AND IF ANYONE OFFERS AID WE WILL
HAVE TO EXAMINE WELL THE OFFER. WHEN WE TAKE INITIATIVE
OF PRESENTING OUR PROGRAMS, WE HAVE ALREADY WELL OUTLINED
OUR OBJECTIVES AND THE AGREEMENTS WILL HAVE TO RESPECT
THESE OBJECTIVES COMPLETELY UNQUOTE. HILLIKER
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