

E-5

# AIRGRAM

FN 9 US

FOR RM USE ONLY

RM-R	REP	AF
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ARA	EUR	FE
10	6	
NEA	CU	INR
10		5
E	EA	IO
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L	FBO	AID
		OCT 1
AGR	COM	FRB
	10	3
INT	LAB	TAR
		2
TR	XMB	AIR
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ARMY	CIA	NAVY
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OSD	USIA	NSA
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CA-7183

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HANDLING INDICATOR

TO : ALL AMERICAN DIPLOMATIC AND CONSULAR POSTS

**DECLASSIFIED**  
Authority NND 52910

## ACTION

APR 10 2 07 PM '68

FROM : Department of State

DATE:

AMERICAN CONSULATE GENERAL

SUBJECT: Foreign Direct Investment Program

APR 18 1968

REF :

REC'D BRAZIL

1. Department and Commerce concerned regarding reports from overseas posts in which officers have assured host government post prepared support applications by U.S. direct investors for special authorizations or exemptions under Foreign Direct Investment Program where such support might be misconstrued as implied commitment. While endorsement of application by post inappropriate, officers may indicate their appreciation of importance of direct investment in host country and offer to transmit details of and need for investment to Washington bearing in mind that U.S. direct investor has sole responsibility to present application to Commerce.

2. Secretary of State under Executive Order 11387 of January 1, 1968 advises Secretary of Commerce with respect to matters relating to foreign policy under the FDIP. In practice Department has established close relationship with Office of Foreign Direct Investments to advise Commerce where there are considerations of foreign or assistance policy which should be taken into account in approving or denying the applications. In the final instance, however, final decision rests with Commerce which must analyze and base decision on all aspects of the case including legal and procedural grounds.

3. Posts in response subsequent inquiries from private firms or host governments should limit comments, noting that post prepared to transmit through the Department any additional pertinent information or expressions of support by host government for particular applications made by U.S. direct investor to Office Foreign Direct Investments. Under no circumstances should the impression be given that post or Department of State will give unqualified support for any specific application or that a favorable decision may be forthcoming.

POST ROUTING

To:	Actn	Info
PO		✓
DPO		✓
POL		
POL/R		
ECON	1	✓
CONS		
ADMIN		
USAID		✓
USIS		
PC		
FILE		✓

Action taken:

Initials:

①

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In  Out

FORM 4-62 DS-323

Drafted by: E/OMA/IP:JAKlemstine:leb 4/9/68

Contents and Classification Approved by: E/IMA - John F. L. Ghardi

Clearances: AF - Mr. Kling  
NEA - Mr. Hagemann

ARA - Mr. Silberstein  
EA - Mr. Barnett

Commerce - Mr. Cadle  
EUR - Mr. Rogers

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4. Department understands concern by various posts over future of American investment and foreign policy implications in their country when curtailment of plans can have adverse effect on economy of host government. Posts should feel free to inform Department of their position on any specific investment or overall policy which can be used in formulating Department's position in carrying out our advisory function under the FDIP.

5. Posts cautioned that information about company plans should not be disseminated any unauthorized person. Information about a firm's interest in a country can be extremely detrimental to competitive position and such information should be treated with same care given classified security information.

**RUSK**

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