

# OUTGOING TELEGRAM Department of State

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ACTION: Amembassy SANTIAGO

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Ref: Santiago's 2544 <sup>7-12-67</sup>

Subject: 1967 Economic and Financial Program

1. Education Sector Loan paper states that details 1967 economic and financial program to be spelled out in confidential memorandum of understanding between Molina and Mission. Please advise when we may expect receive this memorandum which we will have to have before submitting sector loan proposal to Executive Branch approval process. As discussed with Ambassador and Weintraub, memo should be truly a joint product, i.e. Molina should understand that we will regard memorandum as commitment by GOC to live up to policies and targets stated therein as condition for disbursements on sector loans. Our insistence on this point does not imply any lack of trust of Chilean officials. Rather we believe such a document, providing objective criteria on which to judge performance, can help avoid political irritants of differing interpretations which might arise if GOC-US understanding took looser form.

2. We are still troubled by GOC reluctance to address letter to CIAP.

This not related to issue of format of commitment to USG, and GOC presenta-

Drafted by

ARA/ECP:RJBloomfield;mm

Telegraphic transmission and  
classification approved by:

~~XXXXXXXX~~ Mr. David Bronkheim

Clearance

2/9/67

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