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THE WHITE HOUSE
WASHINGTON

October 12, 1990

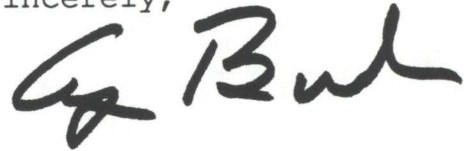
Dear Mr. Secretary General:

I am responding to your letter of August 3 proposing the creation of an OAS Fund for facilitating swaps of government debt into local currency funds that would be lent to micro-entrepreneurs throughout Latin America and the Caribbean.

Thank you for bringing this proposal to my attention. You have put forward an interesting approach to a problem which affects many economies in this hemisphere. Your proposal also raises questions that will require further analysis. You may be sure that the United States will give it very careful consideration.

I have asked Ambassador Einaudi to keep the U.S. agencies involved in the Enterprise for the Americas initiative informed of deliberations as the OAS member countries consider this new proposal.

Sincerely,



His Excellency
Joao Clemente Baena Soares
Secretary General of the
Organization of American States
Washington, D.C.

901012

NATIONAL SECURITY COUNCIL

ID 9006388

REFERRAL

DATE: 12 OCT 90

MEMORANDUM FOR: WH STRIPPING DESK

DOCUMENT DESCRIPTION:

TO: BAENA SOARES, JOAO

SOURCE: PRESIDENT

DATE: 12 OCT 90

SUBJ: RESPONSE FM PRES RE 3 AUG LTR ON OAS FUNDING FOR LATIN AMER &
CARIBBEAN

REQUIRED ACTION: FOR DISPATCH

DUE DATE: 12 OCT 90

COMMENT:

FOR


GEORGE VAN ERON

DIRECTOR NSC SECRETARIAT