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AMERICAN EMBASSY
MEXICO, D. F.

White House approved, 7/10/62

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# Memorandum of Conversation

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~~CONFIDENTIAL~~

DATE: Friday, July 20, 1:00 p.m.

SUBJECT: Flow of Private Capital

PARTICIPANTS:
President Kennedy
President Lopez Mateos
Minister Tello
Ambassador Mann
Ambassador Carrillo Flores

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President Kennedy opened the conversation by expressing his gratification and thanks for the warm reception he had received and inquired about the youth organization which he had seen on the route from the airport. President Lopez Mateos said this was an organization under the direction of the Ministry of Education and had three purposes: Physical education, civic education and cultural education.

President Lopez Mateos suggested that Ambassador Moscoso and Mr. Linder of the Export-Import Bank meet with the Minister of Finance and with the Minister of National Patrimony. President Kennedy agreed.

President Kennedy lamented the fact that private capital today seemed to be frightened and frightened. He spoke of the need for private investment in order to have an adequate economic growth rate and the importance of confidence on the part of private capital. The President remarked that Canadian difficulties today stemmed in part from a Canadian desire to reduce the rate of United States private investments in Canada; but this had had the effect of slowing down economic growth and creating a balance of payments problem. President Kennedy also spoke of his hope that United States private investments would flow in greater volume to developing countries rather than to the highly industrialized European Common Market.

~~CONFIDENTIAL~~

President Lopez Mateos

TCMann/mmc
July 3, 1962

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President Lopez Mateos appeared to be in agreement and made some reference to the fact that a newspaper article in a small town paper was adequate to cause flight of capital from Mexico.

In the course of the discussion, President Lopez Mateos invited President Kennedy to speak freely concerning any topic that was on his mind and mentioned that he particularly wished to discuss later the question of salt water as well as broader questions of the Alliance for Progress and hemisphere relations.



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