

21 Sept 70

MEMORANDUM FOR: Deputy Director for Plans

SUBJECT : Inter-American Development Bank Loan  
to the State Technical University,  
Santiago, Chile

1. The attached message which you brought to our attention notes that the Inter-American Development Bank (IDB) has approved a loan to the State Technical University (UTE), Santiago, Chile, in the amount of \$4 million from Canadian funds on deposit in the bank. The U.S. director of the bank agreed to the providing of the Canadian funds to the UTE provided that no U.S. dollar funds were included in the loan.

2. Station Santiago messages of 18 and 19 September contain information that during the period 15-17 September 1970 the Chilean Communist Party (PCCh) media operations chief and Congressional Deputy Jorge INZUNZA continued his successful maneuvers to bring Chilean mass communications media under control of the Socialist-Communist "Popular Unity" (UP) movement.

3. The PCCh has instructed the PCCh-controlled State Technical University (UTE) radio station to drop all pretenses of being a cultural and educational station and to concentrate on the propagation of UP and PCCh news and political commentaries. Ironically, the UTE radio station is financed by the Government of Chile and, as noted above, the UTE is the beneficiary of loans from the IDB. Armed PCCh guards are patrolling the UTE campus where the radio station and publishing facilities have become strident propaganda mechanisms insisting on the election of ALLENDE on 24 October.

Approved for Release  
July 2000

4. You may wish to bring the information contained in paragraphs one and three above, to the attention of Dr. Kissinger to determine if the United States Government can intercede to prevent IDB funds being loaned to a Communist university.

*Signed -*

William V. Broe  
Chief  
Western Hemisphere Division