

August 26, 1972

MEMORANDUM FOR

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FROM

JOHN EHRLICHMAN

Robert L. Vesco, as you know, is a highly controversial figure.

The SEC is an independent regulatory agency.

Under no circumstances should the Executive branch give any assurances to the government of Costa Rica with regard to what the SEC will or will not do.

I would suggest that rather than for this letter to be answered President to President that the State Department or your office discreetly inform the Costa Rican Ambassador that the SEC is an independent regulatory agency and that whether or not it intends to take action against Vesco should be the subject of inquiry directly from the Ambassador to Chairman Casey rather than through the State Department or the Executive branch.

I don't know what this does to the State Department and its sense of propriety, maybe it can't be done that way. But it seems to me we ought to carve out and clearly state for Costa Rica the independent nature of the SEC and the lack of any connection between Vesco and the Executive branch.

I'll leave it to your good discretion as to how this ought to be handled but I think the distinctions really ought to be sharply drawn.