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Telegram From the Embassy in Chile to the Department of State

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1. Ambassador met with FonMin Huerta for approximately one hour immediately prior to departing post. Following highlights based upon his oral debrief at airport:

2. The meeting was a good one throughout and the FonMin reacted positively.

3. Diplomatic relations: FonMin found quite satisfactory U.S. tentative decision to act on Monday, Sept 24. He understood our desire that this be a low-key event.

4. Emergency medical supplies: As reported Santiago 4503, FonMin was deeply appreciative of our offer, agreed with low-key handling and asked that airlift arrive soonest.

5. Short-term wheat: FonMin was appreciative of US willingness to establish CCC credit for initial shipment. He said he would have to consult on quantities and contact us thereafter.

6. Stabilization and economic issues: Huerta indicated that new govt gives economic stabilization very high priority. He indicated that govt will have to develop plans in this area and for the moment is guided by two basic precepts:

A. New govt thoroughly appreciates important contribution which private investment can make to economic well-being and national development and intends to rely heavily upon it.

B. New govt recognizes that it cannot return to 19th century economic liberalism and must be concerned with income distribution and assure that less advantaged sectors of society share in economic benefits.

7. Expropriation issues: Before Ambassador could raise this subject, FonMin inquired whether Ambassador had instructions on it. Huerta gave every indication of having in mind the possibility of opening discussions on this matter in US at time of his UNGA attendance.

8. Special team: FonMin was receptive to this idea but said he would like to consult a few people and get back to us. Accordingly, believe decision on timing should await further comment from Huerta.