

TELEGRAM

Foreign Service of the
United States of America

INCOMING

AMEMBASSY BRASILIA POL-14

ACTION

POL

CHRON

RF-2

P R 061815Z OCT 70

FM AMEMBASSY SANTIAGO

TO RUEHC/SECSTATE WASHDC 3954

INFO RUEBG/AMEMBASSY BOGOTA 609

RUESUD/AMEMBASSY BRAZILIA 146

RUESBA/AMEMBASSY BUENOS AIRES 1221

RUESRS/AMEMBASSY CARACAS 425

RUESLM/AMEMBASSY LIMA 1313

RUESUA/AMEMBASSY RIO DE JANEIRO 698

RULPAL/USCINCSO

BT

UNCLAS SANTIAGO 4103

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Classification

Control: SANTIAGO 4103

Recd: OCT 6, 1970

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SUBJ: AFTERMATH OF PDC NATIONAL JUNTA

REF: SANTIAGO 4079

1. PREPARATIONS ARE GOING FORWARD FOR MEETING OF JOINT PDC-POPULAR UNITY COMMITTEE FOR CONSTITUTIONAL GUARANTIES STATUTE UPON WHICH PDC SUPPORT FOR ALLENDE IS CONDITIONED.
2. PDC NATIONAL AND DEPUTIES BERBARDO LEIGHTON AND LUIS MAIRA TO REPRESENT PDC ON COMMITTEE. EACH IS PROMINENT ADOCCATE OF ACCOMMODATION WITH ALLENDE. THEY WILL WORK UNDER DIRECTION OF PARTY PRESIDENT PRADO. POPULAR UNITY NATIONAL COMMAND MET TWICE YESTERDAY BUT HAS NOT ANNOUNCED ITS REPRESENTATIVES.
3. MEANWHILE POPULAR UNITY SPOKESMEN MADE KNOWN TO PRESS THAT UP CONSIDERED PDC'S RESOLUTUION A "POSITIVE" MOVE. COMMUNIST PARTY IDEOLOGUE SENATOR TEITELBOIM SAID JUNTA'S PROPOSALS "CORRESPONDED TO OPEN SPIRIT AND DIALOGUE ALWAYS FAVORED BY UP." SENATOR MIRANDA OF RADICAL PARTY INTERPRETED DRAFTING COMMITTEE'S JURISDICTION AS RESTRICTED "UNQUESTIONABLY" TO POINTS OF COINCIDENCE IN THE RESPECTIVE PDC AND UP PRESENTATIONS AND RESPONSES, AND ANTICIPATED THAT SESSIONS WOULD CONSIDER, IN ADDITION TO GUARANTEES REQUESTED BY PDC, THOSE SOCIAL AND ECONOMIC POSITIONS COMMON TO BOTH. MIRANDA ADDED THAT PDC JUNTA RESOLUTION "EXPLICITLY" RECOGNIZED ALLENDE'S VICTORY. NO ONE DISAGREES WITH THAT JUDGMENT.
4. MARXIST PRESS PUSHING LINE THAT JUNTA RESULT SIGNIFIES TOMIC VICOTYR OVER FREI. LUIS HERNANDEZ PARKER, IN HIS REGULAR COMMENTARY ON NATIONAL TV, TOOK CONTRARY POSITION. SAID FREI

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HAD DEMONSTRATED ABSOLUTE NEUTRALITY DURING HIS PARTY'S DELIBERATIONS, NOTING BY WAY OF EVIDENCE THAT FREI'S MINISTERS DIVIDED ON VOTE. HE LISTED MINAGRICULTURE TRIVELLI WITH THOSE CABINET MEMBERS (VALDES, LAGOS AND PACHECO) WHO VOICED PRO-ALLENDE ARGUMENTS AT JUNTA.

5. BID-SPONSORED DEVELOPMENT SEMINAR OPENED OCT 4 AGAINST THIS DOMESTIC BACKDROP, WITH SUCH BIG NAMES AS FELIPE HERRERA (BID'S CHILEAN PRESIDENT), CARLOS LLERAS RESTREPO AND RAUL PREBISCH ON BOARD. HERRERA, LENDING CREDENCE TO RUMORS HE SEEKING CABINET POST IN ALLENDE GOVT, DINED WITH ALLENDE LAST NIGHT AT HOME, NO LESS, OF MIRISTA SOCIALIST SENATOR CARLOS ALTAMIRANO. WHILE HERRERA'S ADDRESS TO SEMINAR STEERED CLEAR OF INTERNAL MATTERS, PRRSS CONFERENCE AFTERWARDS DID NOT. HERRERA DESCRIBED HIS AGENCY AS "CREDIT COOPERATIVE" WHICH PAYS NO ATTENTION POLITICAL COLORATION OF GOVTS WITH WHICH IT DEALS. ALSO REMARKED THAT WHATEVER MAY BE "POLITICAL ORIENTATIONS OF THE MOMENT", KEY FACTOR IN A COUNTRY'S PROGRESS IS SENSE OF NATIONAL UNITY". HERRERA HAD WORDS OF REASSURANCE RE CHILEAN ECONOMIC CRISIS, NOTING THAT TALK OF CAPITAL FLIGHT GENERALLY EXAGGERATED AND MOMENTARY ECONOMIC DISQUIET ACCOMPANIES POLITICAL CHANGE EVERYWHERE. NORMALITY RETURNS, HE OBSERVED, WHEN POLITICAL SITUATIONS CONSOLIDATE THEMSELVES, AS WILL HAPPEN IN CHILE.

6. LLERAS RESTREPO'S INTERVENTION DURING SEMINAR NOTABLE FOR WARNING THAT FOREIGN INVESTMENT, ALTHOUGH USEFUL MOTOR OF DEVELOPMENT, CAN BE PREJUDICIAL IF IT BECOMES PERMANENT PHENOMENON GENERATING MENTALITY AND STRUCTURE OF DEPENDENCE. PREBISCH ADDRESS INTERESTING FOR POINTED SALUTE TO FREI AND LLERAS FOR HAVING AVOIDED "DOGMATIC EXTREMES" IN DEVELOPMENT PROCESS. IN HIS COMMENTS, PRESIDENT FREI ASSERTED THAT LATIN AMERICAN GOING THROUGH A PROFOUND REVOLUTIONARY PROCESS, PSYCHOLOGICAL IN NATURE, AND POSITIVE.

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