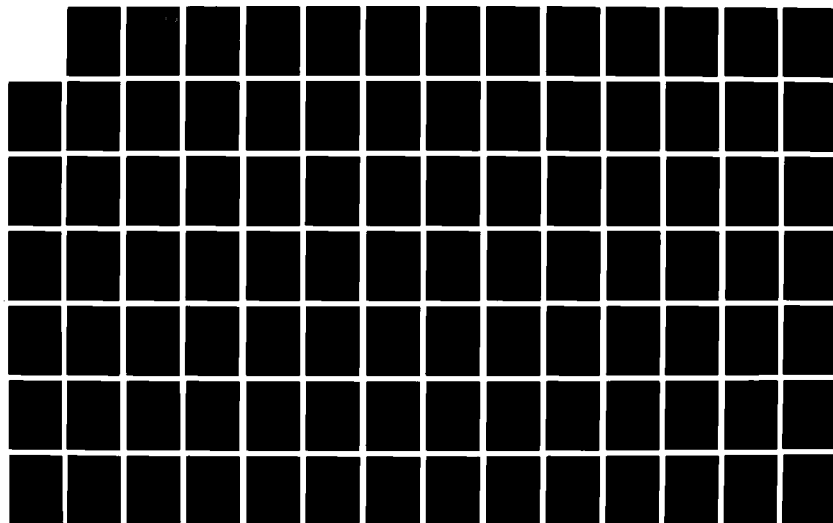


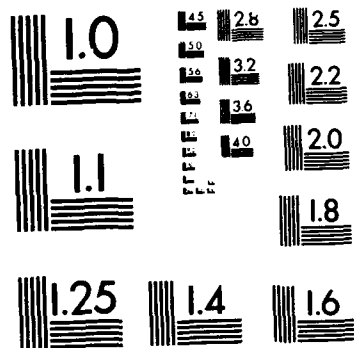
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A thesis presented to the Faculty of the U.S. Army  
Command and General Staff College in partial  
fulfillment of the requirements for the  
degree

MASTER OF MILITARY ART AND SCIENCE

by

MICHAEL S. TUCKER, MAJ, USA  
B.S., University of Maryland, College Park, Maryland, 1985.

Fort Leavenworth, Kansas  
1992

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MASTER OF MILITARY ART AND SCIENCE

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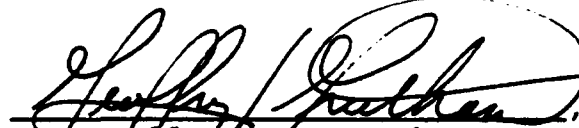
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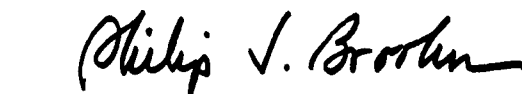
  
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The opinions and conclusions expressed herein are those of the author and do not necessarily represent the views of the U.S. Army Command and General Staff College, any other U.S. governmental agency or the Chilean Armed Forces. (References to this study should include the foregoing statement.)

## ABSTRACT

THE DEATH OF SOCIALISM IN CHILE, by MAJ Michael S. Tucker, USA, 126 pages.

This study investigates the constitutional legitimacy of the Chilean presidency under Salvador Allende from November 1970 to September 1973. The analysis focuses on the significant factors that influenced decisions, policies, and programs which contributed to the September 11, 1973 coup.

The research indicates that Allende, pushed by the Left extremists of his own party, and his own desire to establish a socialist dictatorship, lost control of the coalition he represented and subsequently the support of the entire government and society. Violations to the constitution led to a fatal loss of the moral authority to serve as Chile's president.

Challenged by Congress over numerous illegal acts his regime had committed, Allende refused to change his methods and continued to tolerate abuse of the constitution. His weak leadership led to violations of the constitution that the Congress and the military did not tolerate. The country's economic peril took away the time needed for Allende to take the country where it did not want to go in the first place. With Chile on the verge of civil war, the military intervened established a military government.

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I would like to thank my committee for the time they invested in providing me the necessary guidance for this project. They supplied the right combination of academic counsel and personal reassurance to keep me on track. In particular, LTC Frank Smallwood, who as chairman, challenged me with difficult issues and unanswered questions. Jeff Greetham, who provided constructive feedback, and COL John Mountcastle who has continued to be a personal mentor both professionally and academically.

MAJ Claudio of the Foreign Area Studies Office who volunteered his help in research assistance, translated documents, and provided active interpretation during my interview with LTC Gallardo of the Chilean Army. Additionally, LTC Gallardo offered an insight I would have never received from other sources. I appreciate the honesty and professional courtesy he extended to my efforts.

Most importantly I want to thank my wife Petra, and my son Jason. They often had to take a back seat to the research deadlines. Their silent support provided me the time necessary in a very stress-free environment to meet all my deadlines and committee suspenses. I will be forever indebt to their encouragement and dedication.



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## CHAPTER I

### OVERVIEW

#### INTRODUCTION

On September 4, 1970, Dr. Salvador Allende Gossens, a Marxist physician, representing a six-party coalition, was elected to the presidency of Chile for a six year term. His death on September 11, 1973 ended what has often been termed an "experiment in Marxist socialism."

Chile was the oldest and firmest democracy in Latin America, complete with a multi-party system and a full range of civic and political rights. Until Allende's election, no such country had ever freely opted for socialism. Allende's election had become a beacon of hope to the left wing of all Western European Socialist parties. The population of Chile is largely of European origin and its political history largely reflected the political climate of France or Italy. Chile's Communist party was third in size and importance in the Western World, after those of Italy and France. As a group of Italian sympathizers told Allende shortly after his election:

If you can show in Chile that a second road to socialism is possible, that it is possible to create a symbiosis of Christian values and socialist institutions, then the next country to advance along that road will be Italy.<sup>1</sup>

Francois Mitterand, in a positive note, after Allende's

victory, claimed, "In Chile, there is an original political experience which is unquestionably leading the country to socialism ... the Chilean regime represents the experience closest to what could happen in France."<sup>2</sup>

Allende was a dedicated man who had four times been a Socialist candidate for president and had served in several previous governments. He was a doctor by profession, a Marxist by conviction, and an admirer of Cuba's Fidel Castro. Allende knew, however, that socialism would not come overnight: "We will win the presidency in order to win the government in order to take the power in order to make socialism in Chile, however, we must make haste slowly".<sup>3</sup>

Most Chileans, accustomed to accepting the results of elections, were willing to see what Allende could do. The fact that he was elected with only 36 percent of the total vote was not in itself unusual. (Jorge Alessandri had won with only 31 percent in 1958.) And if the Christian Democratic vote were added to the vote for Allende, it was clear that a majority of Chileans were in favor of drastic change.<sup>4</sup>

Extremists of the right, however, seemed ready to do anything to prevent the socialist from taking office. The chief of Chile's armed forces was assassinated in an attempt to stir up the army against Allende; it was the first political murder in nearly a hundred years of Chilean history.<sup>5</sup> Allende subsequently surrounded himself with personal guards, something else Chileans were not used to

seeing.

The president-elect stated repeatedly that he was determined to work within the constitution to prepare the ground for a socialist state. But within his own Socialist Party there were strong factions who believed that only violence would accomplish anything and that Chilean workers must prepare for civil war. By November 1970, when Allende took office, the middle class was alarmed and the upper class was leaving, or at least transferring its wealth to banks abroad. The lower class, on the other hand, were expecting tremendous changes overnight.

At first the new regime was popular. Prices and rents were fixed at low levels and wages were raised. There was hope that as the government took over more and more of the country's industry and agriculture, workers would have more power to control their own lives. In the first congressional elections, early in 1971, Allende's Popular Unity coalition (*Unidad Popular*- UP) won more support, including many of the Christian Democrat's vote.

The government moved quickly to socialize the greater part of Chile's industry, both foreign-owned and domestic. It soon became clear, however, that power would not accrue to the workers but to the state agencies and the political parties that controlled them. The result was not the democratic socialism that most Chileans had expected, but something more like the Soviet Union in its early days. Hundreds of Cuban advisors came to work for the new

government. In his first visit since 1959, Fidel Castro himself made a twenty-five day call to Chile, a visit that was resented by the moderates who had supported Allende.

United States influence from the Nixon administration was brought to bear against the socialist government due to the nationalization of large U.S. corporations and the fear of another "Cuba" surfacing in its own backyard. Loans were stopped and aid programs were reduced. Concurrently, the conservative factions in Chile was aided by money from the Central Intelligence Agency and private corporations with interests in Chile.

With prices officially fixed, costs rising and the constant threat of government takeover, production of all goods slowed to a trickle. By February 1972 necessary items became very scarce; a black market thrived; there were long lines in front of stores, and prices rose despite efforts to control them. The summer of 1972 saw strikes of small businessmen, truckers, taxi drivers, and housewives protesting scarcities and runaway inflation. Many of these strikes were organized and encouraged by the opposition parties.

Meanwhile, impatient rural peasants were invading farms and workers were taking over factories. When the President pleaded with them not to act on their own, they too went on strike or into the streets. These protests and strikes were encouraged by the extremists of the Left.

Chile was torn apart as a new climate of class hatred

was felt in the Congress, in the schools, in the factories, on the streets, and even in Chilean homes.

There was chaos as control slipped away from the government and into the hands of the parties that made up the Popular Coalition. Factories, mines, publishing houses, radio stations, unions, even ministries of the government became virtually the property of Left-wing parties.

Congress and the Supreme Court tried to impeach Allende's cabinet ministers and finally the President himself. The Comptroller General declared illegal the government's seizures of private businesses that were not violating any law. The worst blow of all was the withdrawal of support by the main body of the Christian Democratic Party.

Allende tried desperately to save his regime and his vision of a socialist Chile. He tried to override Congress and the Supreme Court and ignore the Comptroller General. There were even rumors that his government was arming its supporters with weapons provided by Cuba for a civil war, and there would be no more elections.<sup>6</sup>

In November 1972, Allende asked military officers to join his cabinet, hoping to win their support. Because of their constitutional commitment, they accepted these appointments, but resigned only four months later.

On September 11, 1973, the government of Salvador Allende was overthrown by the Chilean armed forces and Allende committed suicide. This marked the third

interruption of constitutional government in Chile's 140 years of independence.

#### PURPOSE OF STUDY

The purpose of this study is to examine the legitimacy of the Allende regime. My examination will bring together all the influences that came to bear on his government and attempt to isolate them objectively in regard to their contribution to the coup. To this end, the thesis will, through its chapters, answer the following questions:

What historical significance did Chile's constitutional past play during the Allende years?

What economic and political developments led to the coup?

What were the external influences?

Was Allende arming the left, unions, and radicals to create a counter-coup?

What provoked the army sworn to uphold the constitution to intervene in an elected government?

The result is intended to provide the reader an objective look at what should prove to be the salient factors which caused military intervention.

#### SIGNIFICANCE OF THIS STUDY

On one hand, this study will serve as a comprehensive, stand-alone account of Allende's regime, the military coup, and the significant factors involved. On the other, it will be the first analysis of the coup by a U.S. officer written for the Command and General Staff College Master of Military



Science Program. It will also serve to support the program of instruction offered by the Combat Studies Institute and Department of Joint and Combined Operations.

#### THESIS PROBLEM STATEMENT

Did the Allende regime attempt too much too quickly? Once radical reform was set in motion, did the process get out of control? And, if it was out of control, did it lead to violations of the constitution that justified military intervention?

#### METHODOLOGY

The operative research plan for this study is the historical method. Events are arranged and discussed in roughly chronological order to analyze and synthesize their impact upon the Allende regime.

I will rely primarily on the works cited in the bibliography as well as interviews with the Chilean Army liaison officer here at the Command and Staff College and professors from the Latin America Studies Department at the University of Kansas at Lawrence.

#### FOLLOWING CHAPTERS

Subsequent chapters will develop the thesis as follows:

Chapter II - This chapter will take a close look at the literature and materials used as a basis for my research. It will examine the ways in which the subject has been treated by various authors and identify any relationships that exist between them.

Chapter III - This chapter contains a historical account of Chile's past. The intent is to provide the reader with a perspective of how democracy evolved in Chile and the significance of the constitutions which guaranteed a democratic government. This chapter sets the stage to allow the reader to appreciate historical influences that affected the politics, economics, and society of Chile from 1970 to 1973.

Chapter IV - Factors surrounding Allende's election are looked at to include a brief examination of the previous regime of Eduardo Frei, (1964-1970). The candidates, the parties they represented, and the reasons for Allende's election are examined.

The program of the Popular Unity coalition and that of Salvador Allende is also analyzed. The role of the opposition parties and other internal influences are discussed as well as the influences from Cuba and the United States. The chapter concludes with the period just prior to the coup .

Chapter V - The final chapter accounts for factors that effected the military and motivated their politization. The coup proper is addressed briefly but not in analytical detail. The conclusion summarizes my study based on an objective and balanced evaluation of Allende's regime and the execution of his office, and offers the reader an objective answer to the question of constitutional legitimacy exercised by Allende.

## CHAPTER I ENDNOTES

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<sup>1</sup>Mark Falcoff, Modern Chile. (London: Transaction Press, 1989), p. 2.

<sup>2</sup>Jorge Palacios, CHILE: An Attempt at "Historic Compromise". (Chicago: Banner Press, 1979), p. 79.

<sup>3</sup>David J. Bowen, The Land and People of Chile. (Philadelphia: J.B. Lippincott Company, 1976), p. 152.

<sup>4</sup>The Christian Democrats were predominatly middle class with a long history of political involvement in reform movement. As the largest political party they also held the balance of power in Congress. Allende's agreement to sign the "Statute of Democratic Guarantees" is what actually won their conditional support. Falcoff, p. 18.

<sup>5</sup>General Schneider was mortally wounded on a third attempt to kidnap him on October 22. It was the first assassination of a major Chilean leader since that of Portales in 1837. Andrea T. Merrill, Chile. (Washington, D. C. : American University Press, 1982), p. 35.

<sup>6</sup>Robert J. Alexander, The Tragedy of Chile. (London: Greenwood Press, 1978), p. 314.

## CHAPTER II

### REVIEW OF LITERATURE

Of the over 220 works related to Chile available in the Combined Arms Research Library, I have found 84 that address the research subject. However, no single volume discusses the entire scope of this thesis in sufficient detail.

Very little of the literature that is available is without a distinctive bias. The bias displayed relates directly to the nationality or political inclination of the author as well as the date of the work's publication. The closer to the date of the coup, the more subjective and biased is their treatment of the subject. I have, therefore, used periodicals occasionally for eyewitness accounts but not as reliable scholarly sources.

In my research I have sought "ground truth" in all my sources. My exposure to much of the bias of many authors on the subject has fine-tuned my insight to hold such treatments with little regard. The reader will find that I have remained close to my principal sources as they are not only eyewitness accounts but reliable as well.

Of all my sources, I consider *The Last Two Years of Allende* by Nathaniel Davis to be the best. Davis, who was the U.S. Ambassador to Chile from October 1971 to November 1973, offers an excellent unbiased account of those critical years in the history of Chile. Based on first-hand knowledge, Davis offers an objective and penetrating

description of the personality clashes, plots, economic dislocation and political turmoil between 1971 and 1973 that culminates in the military coup. His work recounts Chile's relations with Cuba, the Soviet Union, and the White house. He covers in adequate detail the CIA efforts to remove Allende and the internal efforts of Allende's own government to do the same. I consider his treatment of the subject a must for anyone pursuing this subject. Another excellent source is offered by Mark Falcoff in his book *Modern Chile 1970-1989, A Critical History*. In what is likely to be viewed as the most authoritative statement to date on U.S.-Chile relationships during this stormy period, Falcoff debunks the myth of U.S. involvement causing the overthrow of Allende. In a well documented account, he places the responsibility on Allende's failure to obtain or seek a decisive electoral mandate, on a governing coalition whose economic policy polarized supporters and enemies, and for turning to the military for stability that its policy failures could not achieve.

Written in 1971, French author Regis Debray offers a unique view of Allende in *THE CHILEAN REVOLUTION: Conversations with Allende*. By going to Chile in January 1971, Debray captures a view of the "Chilean revolution" from the inside. He examines the measures the Popular Unity chose to transfer political and economic power to the people, the promises of a reconstructed social order, and compares these efforts to those of failed reformism and

revolutions elsewhere. His extensive interview with Allende provides first-hand accounts of where Allende was actually headed, and acts as a reference point in comparison with the ensuing fate of his regime.

No other author has written more on Chile than Dr. Paul Sigmund. His decade of study is supported by his living and teaching in Chile, thus providing a scholarly first-hand account of Allende's government. Sigmund offers an exhaustive and objective account of what happened coupled with a balanced analysis of why the coup occurred. His most recent work, *The Overthrow of Allende and the Politics of Chile, 1964-1976*, analyzes the roles of the various Chilean political parties and interest groups, of the CIA, and of U.S. corporations. The Chilean military and its U.S. ties are scrutinized in special detail. Dr. Sigmund has compiled and analyzed the data for every single election since 1964 to determine how different groups voted, how their votes reflected popular discontent, and how the parties and politicians interpreted this discontent and tried to deal with it. No aspect of Chilean government, society, politics, or international relations that might shed light on the coup are overlooked. His book provides a very coherent and balanced framework for debate over the fate of Chile.

An excellent source covering the appropriations of U.S. industry in Chile can be found in Eric N. Baklanoff's *Expropriation of U.S. Investments in Cuba, Mexico and Chile*.

The virtue of this book lies in Dr. Baklanoff's ability to grasp the close relation between political desires and economic necessities. He sees the connection between underdevelopment and the rise of nationalism in Chile as catalysts for their actions. In turn, the author portrays ideological rationalizations such as Marxism in balanced terms that indicate the syndrome of a disease expressed in political, as well as, economic terms. He is careful however, not to cause the reader to believe that Marxism will eventually take over the southern hemisphere. Another such account for U.S. and Chile relations is in William F. Sater's *Chile and the United States*. Sater's work affords a historical perspective of the stormy relations between the U.S. and Chile and links it to how policy decisions produced the overall political, economic, and cultural developments that unfolded during the Allende regime.

Even though Gabriel Smirnow was a member of Allende's Socialist Party, his book, *The Revolution Disarmed: Chile 1970-1973*, traces the changing roles of the executive, the legislature, and the judiciary; the political parties of the left and right and the military. He is surprisingly honest in his critical examination of the left and relentless in the evaluation of his own party and the shortcomings and mistakes which virtually sealed the fate of the regime. In a collection of articles from the independent socialist magazine *Monthly Review*, Paul M. Sweezy and Harry Magdoff provide a history of the Allende regime focused on the

difficult task of a peaceful transition to socialism. Their title, *Revolution and Counter-Revolution in Chile* submits that central to the failure of the Popular Unity was "American imperialism." They claim that "...nowhere in Latin America has the United States been more successful than in Chile in integrating the local armed forces into what may be called the imperial military establishment." While their collection of articles is poorly documented, it nonetheless provides a first-hand look through the eyes of journalists writing from Chile.

In very lively Gallic style, French author Susanne Labin has supplied the subject with a book on how Communist strategy for the subversion of a democratic state nearly succeeded. In a well documented but biased record, she explains in her book, *Chile: The Crime of Resistance*, how Allende came to power on a minority vote; how promises to uphold the Constitution were repeatedly violated; how the country was being driven to a Marxist-Leninist state; how the people suffered from hunger and economic chaos; how the masses lost their civil liberties; and how General Pinochet stepped in with the armed forces just prior to a planned Communist counter-coup.

In contrast to Labin's work is that of Chilean journalist Robinson Rojas Sandford. His first-hand account, *The Murder of Allende*, provides an explosive yet biased narrative of how Allende was murdered by the "sinister roles" of the armed forces, police, and political parties.



He portrays the latter as a "gang of premeditated murderers" and Allende as an "honorable but very foolish" man. Sandford's work is well-documented and reveals the efforts of an excellent reporter.

In Florencia Varas' book, *COUP! Allende's Last Day*, the story is told from the points of view of both participants and victims: Laura Allende, sister of the president; Vice Admiral Carvajal, a member of the military junta behind the coup; and Carlos Briones, Minister of the Interior, to name a few. Varas, a Chilean correspondent for the Sunday Times of London, was in Chile during the coup and conducted interviews with most of the principal participants. Her account is well balanced and affords the most widely accepted version of Allende's death.

One of the best objective reports on agrarian reform is found in Dr. Brian Loveman's *Struggle in the Countryside*. Loveman concentrates on the political processes and social forces "that transformed the traditional system of property" in rural Chile from 1919 until 1973. His work carefully examines the new definition and distribution of rural property, coupled with the expansion and participation of rural activism in Chilean politics. He holds that class and party alliances were devised and maintained to exploit the rural work force in the service of political stability. Another quality effort which provides an objective look at the politization of the military is Liisa North's *The Military in Chilean Politics*. This article, found in *Studies*

*in Comparative International Development*, is one of the few accounts on the subject that is well-balanced and thoroughly documented. In her thirty-five page article she addresses all the factors that came to bear on the military's decision and the forces both internal and external that account for their action.

While many monographs and other such research documents have been made available I have found them to be dated in their treatment and in each case too generic or "broad brushed." The only exception to this is found in two documents which are excellent sources for research:

*Failures in Covert Operations - U.S. Involvement in Chile* by Mark Attanasio in a monograph on national security affairs for Brown University and *Chilean Armed Forces: Actors and not Spectators in National Policy*, a thesis for a Masters of Military Art and Science for the U.S. Army Command and General Staff College, by Major Eduardo Aldunate Herman of the Chilean Army. While the later document is somewhat one-sided in its treatment, due obviously to first-hand involvement, both offer extremely well-documented accounts of their respective subjects in finite detail.

Due to the restraints associated with an inability to converse in Spanish, my sources were limited to works in English. I was able to secure two interviews which had an enormous impact on my study. The first of which was with Dr. Charles Stansifer, senior professor of Latin American Studies at Kansas University - Lawrence. Dr. Stansifer

lived in Chile during the years preceding Allende's tenure in the late sixties. He had attended several Communist political rallies and offered an excellent account of the pre-Allende years under Eduardo Frei. The second interview was with Lieutenant-Colonel Juan Mario Gallardo of the Chilean Army. On 11 September 1973, Second-Lieutenant Gallardo was in Santiago during the coup. His account of the Allende years was very helpful in filling the voids left by journalists in their treatment of the subject. Extremely well-versed on the subject, I found LTC Gallardo very relaxed and open-minded to my numerous questions. The interview was assisted by a translator from the Foreign Area Studies Office.

### CHAPTER III

#### HISTORICAL PERSPECTIVE

##### THE CONSTITUTIONS OF CHILE

In order to accurately address the thesis question, I feel it is important to take a quick look at the historical developments that shaped the democracy over which Allende presided.

Between 1833 and 1973 Chile had only two constitutions, and throughout most of its history it has been a constitutional democracy in law. It is the strength of this tradition which provides an essential starting point for any analysis of recent developments in Chile. Because of this tradition, the Chilean political left could not hope to secure strong popular support except by pursuing a democratic and nonviolent path toward socialism in 1970. It was also these constitutional roots that allowed a Marxist to be elected president and prevented military intervention in 1970.<sup>1</sup>

The origins of Chile's constitutional tradition can be traced back to the early years of national independence. In contrast to the overwhelming majority of Latin American republics, the disintegration of Spanish colonial authority did not lead to a period of prolonged political chaos in Chile. The civil war of 1829-1830 resolved conflicts over national political organization in favor of a powerful executive and a centralized national government, and from

1830 until 1891 an uninterrupted series of constitutionally elected presidents ruled the country.

Many factors contributed to this exceptional record of political stability, including the geography of the country, which encouraged settlement in the relatively compact central valley region and facilitated communication among major urban centers. The political leadership provided by early presidents, the comparatively homogeneous nature of Chile's population, the unifying effects of a successful war that Chile fought against Peru and Bolivia in the 1830s, and the economic prosperity associated with the rapid expansion of mining and agricultural exports in the mid-nineteenth century also favored the development of a stable system of government.<sup>2</sup>

The relative ease of national integration and the early consolidation of national political structures in Chile contributed, in turn, to an acceptance of the legitimacy of political opposition and the development of a competitive party system. Soon the struggle between those who favored a strong central government and those who favored the congressional, or parliamentary, system in which rural areas would become more important. Yet unlike other countries, Chile eventually managed to solve this problem, primarily through the strong leadership of Diego Portales, a virtual dictator in Chile in the period from 1830 to 1833. Favored by the Conservatives, Portales assumed control of virtually all branches of government. Political disturbances and

banditry, which had become major problems in rural areas, were ruthlessly suppressed. Freedom of the press was eliminated, and army officers not in sympathy with the party in power were dismissed. He also reorganized the army so that it was under civilian control.<sup>3</sup>

The Constitution of 1833, of which Portales was the chief architect, represented a compromise between those who wanted a strong executive and those who argued in favor of a strong Congress. The salient points of its provisions:

The president, who was given considerable powers, was to be chosen by indirect elections for a term of five years and could be re-elected for another term of five years. His cabinet members were given the privilege of sitting in Congress, but they could not vote. When Congress was not in session, the president, with the consent of his council of state, could declare a state of siege; but when Congress was in session, only it could authorize him to do so. The Congress was a bicameral body, elected by popular vote; when it was not in session a commission composed of members of both houses acted in its place as a continuing committee. The suffrage was limited to male citizens 25 years of age and over who could read and write and owned a specific amount of property. Roman Catholicism was made the state religion and much of the government's strength came from the backing of the church and most of the aristocracy. Under this Constitution the government of Chile was completely centralized and the provinces were reduced to departments headed by governors appointed by and responsible to the government in Santiago.<sup>4</sup>

The Constitution of 1833 coupled with the leadership of conscientious political leaders, provided Chile a period of political stability unrivaled by its Latin American neighbors. This document, except for certain amendments,

remained basically in force until 1925. By the 1870s a tradition of peaceful competition among rival political forces had become well established.

Chile's victory in the War of the Pacific in 1879 brought sudden and uncontrolled changes to Chile's economy. The Chilean Army fought against the combined forces of Bolivia and Peru. Soundly defeating these countries, the government gained enormous mineral wealth. The southern third of Peru was seized, along with the richest copper deposits (although copper did not become a major source of revenue until after World War I ), and Bolivia's access to the ocean was cut off (which to this day burdens Bolivian-Chilean relations).<sup>5</sup> It was not long before foreign interests gained title to these rich deposits of copper and nitrates in northern Chile. This foreign intervention will be discussed in detail in chapter IV.

Tremendous wealth from the sale of nitrates and other minerals poured into the government's treasury and into the pockets of a few men who were allied to big foreign corporations. A new upper class was created. Tenants left the estates where they were born and found new jobs in the nitrate industries of the North. With the growth of railroads, of newspapers, and the telegraph, people and their ideas were more mobile. The right to vote was extended to all males over the age of twenty-five who could read and right, even if they owned no property. Political organizations and labor unions began to spring up. These

changes however, effected relatively few people. Unions were strong only in the mining industry and voting was largely controlled by employers and landowners.

Since the time of Portales, the landowning families had been satisfied with a strong president, for he had always been one of their class. In 1886 a Liberal, Jose' Manuel Balmaceda was elected and caused a great deal of concern for the Conservatives. He spent public money for water systems, public health services, and primary schools. He modified the system of taxes to make it less unfair to the lower class and, like his Liberal supporters, he opposed the intrusion of the Church in political matters.

The picture of Chile during this period was one where Balmaceda, the chief executive and supporter of a strong presidency and the Chilean army was on one side, and the rural leaders of Chile and those who wanted to continue the trend toward increasing power on the part of the congress on the other. These people were also supported by the Chilean Navy and foreign investors as well.

The increased tensions of these two bodies led to a civil war which gripped Chile for eight months. This period of parliamentarianism which followed saw some of the worst corruption in Chile's history.

A partnership developed between Congress, foreign business interests, and the large land holders in Chile which controlled the country for the next thirty years. Even elections were bought:



The parties did not send the most capable men to Congress but the richest--those able to pay for an election... An election for deputy might cost from 20,000 to 100,000 pesos, and an election for senator from 100,000 to a million. The amount depended on the location of the candidacy, and was in proportion to the resources of the adversary.<sup>6</sup>

Throughout these years worker militancy and the dual process of high inflation and economic depression put pressures on the Congress. During the period 1895 and 1912 more than thirty thousand workers, most of them skilled, emigrated to Chile from northern Italy and Spain, contributing to the syndicalist and anarchist orientation and ideology of the labor movement. Unions were established, labor newspapers sprang up, and strikes multiplied. The Government responded with force. For example, in 1905 the workers of Santiago protested the taxing of beef imported from Argentina and staged a march throughout the city, destroying property. The protest, which involved a mob of three thousand, quickly became a blood bath when some 400 persons were shot by government troops.<sup>7</sup>

Later, in 1906, 150 miners were killed in the same manner in Antofagasta while protesting company policies and high unemployment. In 1907, the Iquique miners marched in protest against the practices of a company store and against the lack of protective screening in nitrate-dissolving ovens; two hundred were killed and three hundred wounded.

In contrast, the ruling class was living in luxury and leisure. The same year workers were being shot in the streets, Chileans were expending 6.8 million pesos to import champagne, jewels, silk , and perfumes and only 3.8 million pesos to import industrial and agricultural machinery.<sup>8</sup>

The German discovery of synthetic nitrates during World War I caused the primary market, which supported the economy to collapse. Unemployment rose to the tens of thousands. National depression set in and strikes multiplied. The Social Worker's Party ( which would later become the Communist Party in 1922) was established and a Communist newspaper was created. Congress, long allied with rural and foreign business groups, found itself unable to respond to this change in national forces. Although legislation concerning minimum wage and maximum hours, protective health insurance, and workmen's compensation was introduced to Congress, these bills lingered in congressional committees for five years, each year being tabled and postponed for floor votes.

As a representative of the Liberal Alliance (consisting primarily of middle and lower classes), Arturo Alessandri was elected as president in 1920. He called for an end to the parliamentary republic, for taxes on land and corporations, and for laws to increase wages and shorter working hours. He also demanded complete separation of church and state. The conservative Congress blocked most of his reforms as they had other such legislation.

Eventually, in an action that broke the political system, one morning in September 1924, the Congress voted to raise its own salaries while deferring a bill for a military pay increase. Troops marched quietly into the halls of Congress, rattled their sabers and staring with stern disapproval at the legislators. Under their gaze, more social legislation was passed in a week than in the preceding five years.<sup>9</sup>

Alessandri, however, refused to be dominated by the military. He resigned and left Chile, but a group of military officers and leaders of several political factions urged him to return. During his absence Chile was ruled by a junta lead by General Carlos Ibanez del Campo. Welcomed back in March 1925, Alessandri kept Ibanez as his defense minister and, without recalling Congress, began to legislate by decree. He quickly appointed a constituent assembly to draft a new constitution which was approved by plebiscite and went into effect in October of the same year.<sup>10</sup>

This document is of great importance to Chilean history. Part of the controversy over both the Allende regime of 1970 to 1973 and the military government that seized power in 1973 stems from conflicting interpretations of its articles.

The 1925 constitution defined and protected the traditional civil liberties of the people. It significantly reduced the power of Congress, particularly in regard to cabinet appointments and budget approval. The President

appointed cabinet members, judges, diplomats intendants of the provinces, governors of the departments, and various other civilian and military officials. The duties of the cabinet members included drafting and presenting bills, countersigning presidential decrees and other official documents. They also served as agents of communication between the administration and the Congress. It also included provisions dealing with the social function of property, which supported the land reforms that would occur forty years later:

Property was said to be inviolable, but a provision was made for the limitation of individual property rights in accordance with social need. This qualification program provided a judicial basis for the limited agrarian reform program that was instituted by the government of the 1960s.<sup>11</sup>

The strong executive power that the new constitution created marked an end to the parliamentary system that had prevailed for thirty-four years. The constitution took from Congress the power to depose ministers through a vote of censure, and forbade anyone from holding office as both legislator and minister. Also, the the President was elected for a six-year term and was not eligible to succeed himself (although he could run again if there was an intervening presidency).<sup>12</sup>

The President could call Congress into a special session to consider proposals offered by him and could

declare urgency of dispatch for a bill, which was to take no more than thirty days to be acted upon. A 1943 amendment to the constitution gave the President exclusive authority to initiate legislation altering the political or administrative divisions of the country, creating new services or salaried positions, and increasing the salaries of government employees.

An electoral court was established, and a system of proportional representation for political parties replaced the cumulative vote system. This representation within the multiparty system made it extremely difficult for a single party to hold more than one-third of the seats in both houses, and the resulting coalition rule generally necessitated compromises that severely hindered the executive's programs. Such was the case with the coalition of Allende's regime which will be discussed in Chapter III. Suffrage was extended to all literate males over twenty one and an amendment in 1949 gave women the right to vote and extended the privilege to illiterates and lowered the age to eighteen. A new system for selection of judges was instituted in an effort to protect the independence of the courts. At the center of the judicial system was the thirteen member Supreme Court, which was given the authority to declare a law unconstitutional, but could not invalidate it. Judges at all levels were appointed by the President and could be removed only by a judgment of malfeasance by the Supreme Court.

Church and state were separated and freedom of worship was guaranteed. The constitution also guaranteed equality before the law, freedom of expression, and association. Social concepts embodied in the constitution included an assurance of protection to labor and industry and further charged the government with the responsibility of health, education, and welfare. A guarantee to each citizen of "a minimum of well-being adequate for the satisfaction of his personal needs and those of his family" proved to be a task too difficult to achieve and led to various reform measures introduced by the government in the mid-1960s.

Alessandri was the first president in Chile's history to perceive and act upon middle-class and urban labor demands for social justice. The traditional agrarian, commercial elite continued to dominate Congress, but the election of an outspoken reformer was a milestone in Chilean politics. After the elections, politicians began to promise social and economic justice to the poor.

#### **POLITICAL PARTIES**

The Chilean political parties were not mentioned in the constitution of 1925, but they obviously formed a very important part of the institutional system. While there was a bewildering variety of splits and alliances among the parties, they were divided into six (and after the mid-1960s five) parties with three main orientations.

On the right, the oldest parties (dating back to the early days of the Republic), the Liberals and the

Conservatives, joined forces after 1966 to form the National Party. It represented conservative interests in general and had a large component of representation from banking, commercial, and landowning concerns. This group had suffered losses and reverses under the Frei presidency and, along with foreign economic interests, had become the primary target of the Allende government. Some members of the National Party had a weak commitment to participatory democracy and constitutionalism. Introduction of secret voting had broken the control of the landlords over the rural vote, and the extension of suffrage to illiterates and to eighteen-year-olds had further diluted the electoral clout of this largely upper and middle class group.

In the center, the Radical Party, dating to 1861, combined diverse orientations from moderate to socialist linked by a shared anticlericalism and, after 1967, became deeply divided by their attitudes toward cooperation with the Marxist left. The other centrist group, the Christian Democratic Party (PDC), was formed in 1935 and was dedicated to effecting deep changes along the lines of Christian socialism. It drew its strength from professionals, small business owners and some of the labor unions.

Basing their argument on moral as well as political and economic grounds, the PDC favored the breaking up of overlarge and unproductive rural property, higher taxes on great wealth, and large government investment in public housing. The party was not Marxist, nor was it officially

connected to the Catholic Church but it was able to attract large numbers from each group. A great many of Chileans saw Christian democracy as the only hope for peaceful change. After 1970 the Christian Democrats described their program as "communitarian socialism," and in 1969 and 1971 they too suffered internal divisions over the issue of cooperation with the Popular Unity coalition of Salvador Allende.<sup>13</sup>

On the Left were two Marxist parties, the Communists and the Socialists. Most observers placed the Communists to the right of the Socialists because they appeared to be more flexible about cooperation with the center parties and more strongly committed to electoral participation as a means to attain power.

The Communist Party was founded in 1922, but traces its lineage to the foundation of the Socialist Workers Party in 1912. It was outlawed from 1948 until 1958.<sup>14</sup> Thereafter the Communists worked in close alliance with the Socialists through the Popular Action Front (FRAP) and, after 1970, the Popular Unity coalition. The Socialist Workers Party was founded in 1931 (Allende was one of its founders) and had adopted a variety of ideologies and political positions.<sup>15</sup>

#### **ECONOMICS**

The political system gave the Chilean voter a much broader choice of alternate ideologies and approaches than is available in most other countries in the contemporary world. That choice was more meaningful because of the openness of the Chilean political system and because the



severity of Chile's economic and social crisis induced the parties to offer strongly divergent solutions to the country's problems.

The seeming permanence of an inflation which dated back nearly a century provided a continuing reminder to every Chilean consumer of his country's economic difficulties. Since the 1930s there had been wage readjustments each year to compensate, wholly or in part, for the inflation, but purchasing power rarely managed to keep up with price increases.

This in turn led the Chilean voter to look to the government for a solution to his economic problems, to raise his hopes that each new government would end the inflationary spiral, and, when it did not succeed, to turn to another political formula. At least part of the reason for the fickleness of the Chilean voter which successfully brought a moderate business regime, reformist Catholicism, and Marxism to the presidency lies in Chile's endemic inflation.

For years, Chile was second only to South Vietnam in the seriousness of its inflation, and from 1972-1974, it held the world record. To make matters worse, the inflation rate fluctuated wildly from one year to the next, making economic planning or even business forecasts and cost estimates very difficult. Thus, in 1955, when the inflation rate had reached 83 percent, a group of U.S. business consultants, the Klein-Saks Mission, persuaded the Chilean

government that restriction of credit and a freeze on wage adjustments for the cost of living was necessary. The program was successful in bringing the rate of inflation down to 17 percent in 1957, but it also resulted in widespread unemployment, strikes, demonstrations, and a sharp reduction in real wages. By 1958, it had risen back up to 33 percent but two years later the narrowly elected Jorge Alessandri reorganized the currency, adopted more realistic exchange rates, and by pushing other economic stability measures brought the rate down to almost zero.

Chilean industry had expanded in the 1930s and 1940s as a result of import substitution, but by the mid-1950s the potential for expansion to meet the limited market of seven million people (of which only about a third were actually in the market economy) had been diminished. Between the years 1953 and 1959 per capita industrial production had only increased at 0.9 percent per year, even this record was only slightly improved in the early 1960s. It is important here to note the words *per capita*, since the growth rate of the Chilean population of around two percent reduces what appears to be more respectable figures on the overall increase in industrial production.

Copper is the principal source of Chile's earnings in hard currency, accounting for about 75 percent of export earnings. The copper industry until the 1960s was principally U.S.-owned, with the Anaconda and Kennecott companies controlling the largest mines. Since 1955, taxes

these companies paid on profits were reduced as production increased. All in an attempt to encourage their output even further. The fact that such a major factor in the Chilean balance of payments was subject to production decisions made by foreigners meant that this would be a central issue of Chilean politics in the period this thesis examines.

The area in which Chile's state of underdevelopment seemed most pronounced was in agriculture. Blessed by a fertile Central Valley with nearly ideal agricultural conditions, Chilean agricultural production, in contrast, was notoriously inefficient, its landowning pattern antiquated, and wages in the countryside were way below the official minimum wage. Actual land use revealed that seven percent of Chilean landowners owned 65 percent of the land; while at the other end of the landholding spectrum, 37 percent owned one percent of the land.<sup>16</sup>

The concentration of agricultural production into large estates might have been justified if they had been able to produce the food necessary to feed the Chilean population. By the 1960s the importation of over \$100 million worth of food each year constituted a major drain on foreign exchange earnings. This situation comprised of two problems, one of efficiency and the other social justice. Between the years 1962 and 1973 three administrations attempted to resolve these problems, making agrarian reform a central issue of Chilean politics throughout the period.

In the mid-1960s Chile was by no means totally

underdeveloped. Besides copper and nitrate mining, it had a basic industrial infrastructure including communications, steel, cement, and paper industries, as well as domestic petroleum resources. With a per capita income of \$500 a year, Chile had moved further in the direction of economic development than most countries of the Third World.

Ironically, it was just this state of partial development which accounted for the frustration of educated Chileans as they looked at their economy and society.

Broadly educated and literate, politically competitive, urbanized, and living in a society in which economic data had become part of the regular substance of political debate, they were more conscious of the shortcomings of the existing system than citizens of many other countries of the Third World. Several books published during the period underline the extensive control exercised by the economic and financial elite over the middle and lower classes. Such books appealed to the educated middle class on religious and humanistic grounds for an end to exploitation of peasants and slum dwellers.<sup>17</sup>

During the 1960s, Chileans became aware of many injustices within their society, but unlike many other societies, the Chileans did not live in a society whose economy was sufficiently productive and well-organized to handle the strains involved in attempting to remedy those injustices. Despite criticism by left and right wing extremists, there was, until the 1970s, a broad spectrum of

acceptance of the Chilean system of constitutional democracy which kept those dissatisfied at bay.

#### SOCIETY

In most Latin American countries, class structure is divided essentially into two social groups; a small privileged minority with the rest of the population the victims of grinding poverty. This was not so with Chile. By 1960, 30 to 35 percent of the Chilean population belonged to the middle or upper strata, with a higher proportion in Santiago and Valparaiso, where almost half of the population lives. Many more identified with the middle class even if their incomes did not justify it. The large and steadily increasing middle group was, as previously mentioned, literate, educated, upwardly mobile, and striving to advance itself. It was also chronically dissatisfied. This concern frequently found its expression at the polls.

The urban population of Chile had expanded at a rapid rate between 1952 and 1960 at 5.9 percent per annum, so that by 1970 about 70 percent of the population lived in urban centers. This population was 90 percent literate, and the national literacy figure for Chile, including rural areas, was 84 percent.

Despite a relatively large middle class, the disparity between rich and poor in Chile was still very great. One estimate put the annual per capita income of the upper 5 percent of the population at \$2,300, while that of the lower 50 percent was estimated at \$140.

Differences between races have not been a serious factor in Chilean society. There is however a darkening of skin color as one descends the socioeconomic scale, while the "best families" of Santiago have distinctly Spanish or even northern European features. Since the mid-nineteenth century there has been a considerable German colony in Chile, especially in the south. English cultural and genetic influence is evident among the upper classes, and the full names of 1964 and 1974 presidential candidates, such as Jorge Alessandri Rodriguez, Eduardo Frei Montalva, Radomiro Tomic Romero, Salvador Allende Gossens, indicate the diversity of national backgrounds.

The older families are influential in economic and social life but distinctly less so in politics, the civil service, and the military. The family names of former presidents, literary figures, and leaders of the last century continue to recur in business, the society pages, the meetings of the National Agricultural society, and diplomatic life.

Access to education has been widespread, at least in the urban areas, which has meant a broadening of opportunity for advancement and an openness to talent in Chilean life that contrasts with the narrowness of many other Latin American countries.

Chile was one of the first Latin American countries to develop a social security system and a national health service. While both systems are inefficient, they did

provide a minimum level of security for many Chileans.

What emerges from this description is that Chile in the 1960s was neither a pluralistic open society nor a hierarchical two-classed closed society, but somewhere in between and moving towards polarization. In the early stages of Allende's regime this movement accelerated, and in a politicized, centralized, but economically fragile society like Chile's, great strains were placed on the system. It was a united and integrated society with a strong sense of nationalism which until 1973, prevented social, economic, or political differences from destroying the basic consensus that enabled the society to function. How and why this consensus broke down will be described in the succeeding chapters.

### CHAPTER III ENDNOTES

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<sup>1</sup>Paul E. Sigmund, The Overthrow of Allende and the Politics of Chile, 1964-1976. (Pittsburgh: University of Pittsburgh Press, 1977), p. 14

<sup>2</sup>Luis Galdames, A History of Chile. (Chapel Hill: University of North Carolina Press, 1941), p. 359-360.

<sup>3</sup>David J. Morris, We Must Make Haste-Slowly; The Process of Revolution in Chile. (New York: Random House, 1973), p. 16.

<sup>4</sup>Donald Dozer, Latin America: An Interpretive History. (New York: McGraw Hill, 1962), p. 269.

<sup>5</sup>Galdames, pp. 326-334.

<sup>6</sup>Ibid, p. 368.

<sup>7</sup>Morris, p. 19.

<sup>8</sup>Fredrick B. Pike, Chile and the United States, 1880-1962. (Indiana: University of Notre Dame Press, 1963), p. 100.

<sup>9</sup>Morris, p. 20.

<sup>10</sup>David J. Bowen, The Land and People of Chile. (Philadelphia: J.B. Lippincott Company, 1976), p.141.

<sup>11</sup>Andrea T. Merrill, Chile. (Washington, D.C.: American University Press, 1982), p. 22.

<sup>12</sup>Sigmund, p. 15.

<sup>13</sup>Ben G. Burnett, Political Groups in Chile. (Austin: University of Texas Press, 1970), p. 161.

<sup>14</sup>The Communists were outlawed by President Gonzalez Videla for what they termed "an eagerness to exploit power before it was firmly in their hands." Robert J. Alexander, The Tragedy of Chile. (London: Greenwood Press, 1978), p. 136.

<sup>15</sup>Burnett, p. 170.

<sup>16</sup>Merrill, . 112.



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<sup>17</sup>Books such as Ricardo Lagos's *La concentracion del poder economico en Chile* and Jorge Ahumada's *En vez de la misera*. Sigmund, p. 21.

## CHAPTER IV

### THE ALLENDE YEARS

#### THE 1970 ELECTIONS

When Salvador Allende represented the Popular Unity coalition in the 1970 presidential campaign, it was fourth time he had run for president.<sup>1</sup> In terms of the parties involved, the Popular Unity was broader than the coalition that had supported Allende's previous presidential bids.

Neither the formation of the Popular Unity nor the naming of its candidate was achieved without a great deal of maneuvering and negotiation. There was considerable opposition, particularly within the Socialist party, to forming the kind of broad alliance that the Popular Unity represented. Although the Radical party was much less powerful and important in 1970 than it had been a generation before, the Socialists did not want to be in a position where the Radicals and the Communists would be allied against them within a new coalition. The Socialists, therefore, demanded that before the Popular Unity was formally established, with the inclusion of the Radicals, a previous agreement be made that the President come from the parties which had formed the Popular Action Front (*Frente de Accion Popular* - FRAP).<sup>2</sup>

After much negotiation, the Popular Unity was formally launched. It included not only the Socialist and Communist Parties, but also four smaller parties: the Radical Party,

the Social Democrats, the schism from the Christian Democrats--MAPU, and the Action for Popular Independence--API. The Radicals did not enter the Popular Unity before suffering a serious split. The Social Democrats, were a small group of deputies from the once important Democratic Party. The MAPU, whose members broke from the Christian Democrats after failing to align them with the far left, announced their support for the coalition immediately after forming their own party. This group had distinguished leaders, but limited numbers. The API was a kind of catchall, consisting of people who had left or been thrown out of several other parties; it was led by Senator Rafael Tarud, one-time minister of Carlos Ibanez in the 1950s.

In an attempt to achieve unity on the basis of principles all parties could back, the Unidad Popular first drew up an electoral program and then decided on a candidate.

The Socialists' contribution to this list was once again Salvador Allende. He did not gain his party's support easily, since a sizable part of the Socialist leadership was opposed to naming him a fourth time. The opposition to Allende was motivated in part by disagreements with him in internal Socialist politics and in part by the feeling that a three-time loser was not a very good bet as a candidate.<sup>3</sup>

Following a vote and then a revolt by the party's central committee, Allende was finally nominated as the Popular Unity candidate. The dominance of the Socialist

Party within the coalition was already evident and would prevail over the next three years of the coalition.

The program on which Allende ran for president in 1970 was adopted by the parties of the Popular Unity on December 22, 1969. It proclaimed that "...through a process of democratization on all levels and of an organized mobilization of the masses, there will be constructed from the bottom, a new structure of power." The program then outlined this "new structure of power" in detail.

The program of the Unidad Popular called for drastic changes in the political structure of the republic, suggesting among other things that the two-house legislature be replaced by a single-chambered Assembly of People. As it proclaimed: "The Assembly of People will be a single Chamber which will express nationally the popular sovereignty. In it will be represented and be manifested the various currents of opinion." In addition, the Supreme Court would be transformed from a body of professional judges with lifetime tenure into one "...whose components will be designated by the Assembly of People without any other limitation than that which its members decide upon. This tribunal will freely determine the internal powers, individually or jointly, of the judicial system."

Concerning "the New Economy," the UP program provided for establishment of three distinct sectors: social, mixed, and private. With regard to the social, it stated:

The process of transformation of our economy begins with a policy destined to construct a dominant state sector, formed by those firms which the state currently possesses plus the firms which are to be expropriated. As a first step, there will be nationalized those basic riches which, like the copper mining industry, iron, nitrates, and others, are in the power of foreign capital and of internal monopolies. Thus, the sector of nationalized activities will consist of the following:

- 1) Large copper mining, nitrates, iodine, iron, and coal.
- 2) The financial system of the country, particularly private banking and insurance.
- 3) Foreign trade.
- 4) The large firms and monopolies in the field of distribution.
- 5) The strategic industrial monopolies.
- 6) In general, those activities which condition the economic and social development of the country, such as production and distribution of electrical energy; railroad, air and maritime transport; communications, production, refining and distribution of petroleum and its derivatives, including liquid gas; iron and steel; cement, petro-chemicals, cellulose, and paper.<sup>4</sup>

To address the private sector of the economy, the UP program said that it would include "...those sectors of industry, mining, agriculture and services in which private enterprise will continue." According to the program, this sector would benefit from government planning and would be guaranteed adequate credit and other requirements.

The UP program also called for a "deepening and extension of the agrarian reform," maintaining that "...the expropriated land will be organized preferentially in

cooperative forms of production. The peasants will have personal property titles to their houses and gardens, and in some instances, agricultural land will be assigned to peasants as individual property, but with encouragement to the organization of work and to the sale of the products on the basis of mutual cooperation." In some instances, too, state-owned agricultural enterprises would be established.

On the subject of education, the UP promised an extensive program of building additional schools, providing scholarships for students, and on the university level, a "...reorientation of the academic functions of teaching, research and extension in terms of national problems," and elimination of "...class privilege which will make possible the entry of sons of workers in the university and will also permit adults through special scholarships and work study programs to enjoy higher education."

The foreign policy side of the UP's program denounced the Organization of American States as "an instrument and agency of North American imperialism" and called for establishment of a separate regional organization of Latin American countries. It also expressed hostility towards U.S. policy in Vietnam, strong solidarity with Cuba, refusal of all foreign aid "...with political conditions or which imply ... conditions which violate our sovereignty." It also called for renunciation of various treaties with the United States, particularly "mutual aid pacts and other pacts."

As the election campaign progressed, it became obvious that the race would be a close one. Any one of the three candidates appeared to have a chance to win a plurality, but it appeared increasingly unlikely that any of them would get the absolute majority of the popular vote that the constitution required for a clear winner to emerge. It therefore appeared certain that the final decision would rest with Congress.

The results of the popular vote were indeed very close. Allende received 1,075,616 votes, or 36.3 percent of the total; Jorge Alessandri representing the National Party, came in second with 1,036,278 votes, or 34.9 percent; and Radomiro Tomic representing the Christian Democrats received 824,849 votes, or 27.8 percent. Although Allende had come in first this time, he received a smaller proportion of the total vote than he had gotten in 1964, when he polled almost 39 percent of the popular votes, as the table below indicates:

Chilean Presidential Election Results, 1964 and 1970

<u>1964</u>		<u>1970</u>	
<u>Candidate</u>	<u>% Vote</u>	<u>Candidate</u>	<u>% Vote</u>
Allende	38.6	Allende	36.2
Frei	55.7	Tomic	27.8
Duran	5.0	Alessandri	34.9
Other	0.7	Other	1.1

Source: Arturo Valenzuela, The Breakdown of Democratic Regimes: Chile (Baltimore: Johns Hopkins University Press, 1978), p. 40.

As predicted, the close results of the popular vote on September 4 threw the election issue into the Congress. There, according to the Constitution of 1925, the members of both houses meeting in joint session had to make a decision between the two candidates with the most votes -- Salvador Allende and Jorge Alessandri.

As the nominee who had received the highest popular vote, precedent dictated that Allende be elected. However, his election was by no means certain, and the decision basically lay with the Christian Democrats, who could cast the balance in favor of either candidate.

The two months between the popular election and the decision of the Congress was marked by great tension and uncertainty. There were numerous rumors that "deals" were being worked out in Congress. One of the most persistent rumors was that the Christian Democrats had agreed to support Alessandri and that he in turn had agreed to resign after a short time in office, thus requiring a new presidential election in which Eduardo Frei would be eligible, since (in accordance with the Constitution) another president would have served between his two terms.<sup>5</sup>

A great deal of pressure was placed on Congress and on the Christian Democrats. Some of Allende's more extreme supporters threatened violence and political chaos if his victory was not confirmed. On the other hand, as it was later disclosed, the CIA spent large sums of money in an



effort to "buy" votes for Alessandri.<sup>6</sup>

Another disturbing move during this period was an attempt made to convince the armed forces to intervene in the presidential selection process. General Rene' Schneider, the commander of the army, had made it clear that the presidency was none of the military's business and that the armed forces would simply support the constituted authorities, whoever they were or might be in the future.

General Schneider was assassinated on October 22, 1970 by a group of young men who blocked his car while he was being driven from his home to his office. A week later, General Roberto Viaux, the leader of the abortive military mutiny of late 1969,<sup>7</sup> was arrested for his alleged implication in Schneider's murder.<sup>8</sup>

Later investigation revealed that this action had been borne out of far rightist elements to block Allende's candidacy. In fact, testimony offered several years later before an investigation committee of the U.S. Senate indicated that the CIA had participated in a plot to kidnap General Schneider but had withdrawn prior to the execution of the plan and had no direct role in his assassination.<sup>9</sup>

The bottom line was that the Schneider assassination proved to be counterproductive. It reinforced the determination of the leaders of the armed forces not to intervene in the electoral process, but rather to leave the decision up to those whom the Constitution gave the right to make it.

The decision as to who should be elected president of Chile was not determined by threats, bribes, or and such considerations. It was determined by agreement between Salvador Allende and the Christian Democrats, with regard to the conditions which the Christian Democrats laid down as the price of their support for the UP candidate. While the Christian Democrats were predisposed to accept Allende under certain conditions, they had a number of grave reservations concerning the ultimate objectives of the UP parties, if not those of Allende personally. As a result, they sought agreements from Allende which they hoped would assure that a Unidad Popular government would not subvert the democratic constitutional system of Chile.

These demands were summed up in a document submitted to Allende three weeks after the popular vote. Their final result would be a Statute of Constitutional Guarantees. To summarize their more salient provisions: they affirmed the right to free association in political parties, which in turn were granted equal access to state-controlled communications media, and to ink, paper, and other materials vital to the diffusion of information; newspapers and other forms of mass media could be expropriated only by law approved by absolute majority of the full membership of both Houses of Congress; private education was guaranteed the right of survival, even of government financial support if necessary, and freedom from ideological supervision of any

kind; and in addition, only Congress could authorize alteration in the size of the armed forces or national police. Sigmund clearly explains the impact of these measures:

The Statute of Democratic Guarantees was an attempt to bind Allende publicly and explicitly to what he had always supported verbally, the maintenance of the norms of pluralistic constitutional democracy. It seemed to guarantee to the opposition that Chile could not become another Cuba by means of a similar process of takeover of the trade unions, universities, political parties, and the media. Of particular importance in the maintenance of these guarantees was the independence and commitment to the constitution of the armed forces, since both sides understood that if constitutional norms were respected, the military would remain out of the politics, however much they might disagree with Allende's policies. If, on the other hand, the more extreme elements among Allende's supporters ... were to bring about a situation in which Allende might be tempted to violate the guarantees, the military could appeal to the constitution in preventing or dissuading him from such a move.<sup>10</sup>

These new changes in the Constitution also provided for the establishment of a Constitutional Tribunal made up of representatives of the president, Congress and the Supreme Court, with the executive nominees having a majority. The function of the tribunal was to pass on government actions that involved issues of constitutional interpretation.

The result of this agreement and the passing of the Statute allowed Allende to be the constitutionally elected president of Chile by a joint session of Congress on October 24, 1970. This was achieved with the votes of the deputies

and senators of the Christian Democratic party as well as those of the Unidad Popular. He was inaugurated on November 3, 1970.

#### ALLENDE'S PROGRAM

In some ways Allende's candidacy in 1970 was a bit of surprise. By the late 1960s he was considered somewhat "over the hill" as a politician -- having run unsuccessfully for the presidency three times before, no longer a young man, and somewhat the worse for wear. In fact, he probably would not have run at all had not the Communists insisted upon putting him forward. Precisely because of his acceptability to non-Marxist political forces, Allende was the only politician within the Socialist Party who could reasonably expect to preside successfully over a relatively broad coalition of the left.

The Socialist leadership itself was unenthusiastic about the idea of a broad coalition in the first place, particularly one including so patently bourgeois a party as the Radicals. They wished instead an alliance of exclusively Marxist parties, openly avowing their revolutionary intentions.

Shortly after Allende assumed the presidency, control of the Socialist Party passed to its more extremist elements, who were in favor of Marxism-Leninism and the dictatorship of the proletariat. In various statements and documents issued during the Popular Unity period, the leadership of the Socialist Party made clear its ultimate

objective.

For instance, in June 1971, the Agrarian Commission of the Socialist Party issued a critique of the status of the agrarian reform program. In setting forth what it thought the objectives of this program should be, it stated:

The Government of the Popular Unity must be transformed into an instrument of support to the struggles which the workers of the countryside are carrying out, and carry forward the tactic of strangulation of, the definitive destruction of the power of the bourgeoisie, and in this way pave the way for the installation of the dictatorship of the proletariat.<sup>11</sup>

The position of the Socialist Party's leadership headed by the secretary general, Senator Carlos Altamirano, was also emphasized by a declaration of a plenum of the Socialist Party's Central Committee in March 1972. As this statement proclaimed:

To construct Socialism, the Chilean workers must exercise their political domination over the bourgeoisie, must conquer all Power and gradually take from them all capital. This is what is called "the dictatorship of the proletariat." That has not been set forth in the program of the Popular Unity, but the Socialist Party has not repudiated this Leninist-historic position.<sup>12</sup>

The Communists, generally played a moderating role. They sought to restrain the excessive revolutionary enthusiasm of some of their Socialist partners, and they tried to get agreements with the opposition which would assure that President Allende would be able to serve out his

constitutional six-year term. They were even willing to contemplate the defeat of the Popular Unity after that period, hoping that they would emerge from the experience stronger than when they had gone into it. The communists were willing to not go as far as the more radical parties so as to consolidate gains made during the Allende years. This moderation during the Allende years did not mean that the Communist Party of Chile had given up its ultimate objectives. These were to achieve full power for themselves and to establish the dictatorship of the proletariat, which as they themselves spelled it out, meant the dictatorship of themselves, on the model of the Communist Party of the Soviet Union. The pamphlet What is Communism? (*Que es el Comunismo*), which was the basic training text of the Chilean Communist Party states:

The tasks of such a State are clearly defined: it must be the political tool to eliminate capitalist social relations and establish socialist ones, that is, to destroy the social and national yoke and to preserve and strengthen the incipient socialist structures. After completing these objectives, the dictatorship of the proletariat will be transformed -- as in the Soviet Union -- into the Socialist State of the Whole People.<sup>13</sup>

The kind of society which Salvador Allende saw himself trying to build is not so clear as that sought by the Communists and by the dominant element in his own Socialist Party.

In contrast to the core ideology of the Popular Unity,

Allende professed his belief in a democratic society before and throughout his administration. For instance, during his campaign, when he was asked whether future elections would be abolished if he became president, he replied: "...It is stupid to think that way. They will continue to be held. There is nothing Chileans like more than elections. If the next ones go against us, then we will put out our candles and leave."<sup>14</sup>

Characteristic of Allende's democratic pronouncements as president was one made in a speech which he delivered in the National Stadium in Santiago soon after his inauguration. In describing how Chile was "...going to overcome its underdevelopment," he commented:

In general terms we shall tread a path dictated by our experience. It will be the path backed by the people in the elections and the one pointed out in the program of Popular Unity: a road to socialism, with democracy, with pluralism and liberty.... The theorists of Marxism have never claimed, nor has history proved, that the process of transition towards socialism requires only one party.... Chile will now, based on its traditions, endeavor to create the mechanisms that will make possible -- within the pluralism supported by the great majority of the people -- radical transformation of our political system. This is the great legacy of our history.<sup>15</sup>

President Allende gave one of his clearest definitions of his view of the Chilean Road to Socialism in his First Annual Message to Congress:

The circumstances of Russia in the year 17 and of Chile in the present are very different. However, the historical challenge is similar....Russia of the year 17 took the decisions which most affected contemporary history. There they came to think that backward Europe could face up to advanced Europe, that the first socialist revolution did not necessarily have to take place in industrial powers. There the challenge was accepted and there was built one of the forms for the construction of socialist society, that is, the dictatorship of the proletariat.... As Russia then, Chile is faced with the need of starting the new way of constructing the socialist society: our revolutionary way, the pluralist way, anticipated by the classics of Marxism, but never before carried out. Social thinkers have supposed that the first to take it would be the most developed nations, probably Italy and France, with their powerful workers parties of Marxist definition.<sup>16</sup>

He then reemphasized the special nature of the Chilean experience: "However, once more history permits a break with the past and the construction of a new model of society, not only where it was theoretically foreseen, but where there are created the concrete conditions most favorable to its achievement. Chile is today the first nation of the earth called upon to develop the second model of transition to the socialist society."<sup>17</sup>

Later in the same speech, Allende said that "... it is important to note that for us, representatives of popular forces, political liberties are a conquest of the people on the painful road to their emancipation. They are part of what is positive in the historical era we have left behind. Therefore they must remain."<sup>18</sup>



A year and a half later, in his Second Annual Message to Congress, Allende again asserted his commitment to political democracy: "In the vigor of political democracy we have one of the most important instruments for assuring regular development of the revolutionary process. To strengthen it and to amplify the bases on which it rests is one of the most important tasks of the Government."<sup>19</sup>

Having already run for the presidency four times, naturally, Allende wanted to finish out his term of office, so he did not consciously seek a confrontation that would risk the downfall of his government. His failure to hold in check those in the Popular Unity and to the left of it who were seeking such a confrontation -- believing that they could win it -- did not reflect any desire on Allende's part to establish a dictatorship of the proletariat or of any other kind, but rather his confidence in his ability to maneuver among conflicting interests and forces.

Salvador Allende may have been a believer in democracy, but he was also an opportunist. In the final outcome it was words versus deeds to which Allende had to answer. As a leading figure in the Socialist Party since its inception in 1933, he had had long experience with maneuvering in socialist politics. Although he himself not a convinced Marxist-Leninist, he had long been able to keep his balance among the various schools of Marxist-Leninists which existed from time to time within his party.

He had also associated himself with Fidel Castro at the

start of the Cuban Revolution, when nearly everyone in Latin American politics except people of the extreme right were doing the same thing. In the light of Socialist politics in Chile, he subsequently found it impolitic to change his allegiance, even when Castro went headlong in a Marxist-Leninist direction after 1960.

In a way, Allende allowed himself to be a prisoner of his allies, particularly those in his own party. He refused to break with those who distained democracy and hoped for a fateful confrontation, until it was too late. No doubt, he feared undermining the political base of his administration and was determined "... not to be a Gonzalez Videla."<sup>28</sup>

These factors, together with the economical and political problems of his regime, made it rather irrelevant what Allende's personal convictions and objectives were. His government's policies and the actions of many of the politicians associated with it led almost remorselessly towards a polarization of society and politics and a confrontation that would almost inevitably lead only to some kind of dictatorship -- of left or right.

#### **INTERNAL INFLUENCES**

Many of the difficulties prefigured above were not apparent during Allende's first year in office. From November 1970, and for approximately eleven months thereafter, the government embarked upon a major redistribution of income by allowing wages to rise 30 percent. Price controls made it possible to temporarily

curb inflation, and wage increases led the workers' share of national income to rise from 50 to 59 percent. These increases, together with a 100 percent growth in the money supply, led to a rise in demand, and then, in production.

The gross national product of Chile increased significantly during Allende's first year in office, "...producing one of Chile's best growth rates in several decades."<sup>21</sup>

Equally important, though little noted at the time, was the existence of a large fund of foreign exchange. This was an unusual situation for Chile, the consequences of rising copper prices promoted by the Vietnam war. These reserves constituted an additional buffer which allowed the regime to pursue economic policies -- particularly in the areas of public spending, the subsidizing of state enterprises, and the purchase of foodstuffs -- on a scale which normally would have been impossible.<sup>22</sup>

Essential to the Allende government's program of paving the way for a "socialist" economy and society was its effort to nationalize most of the important means of production and distribution. By the time Allende was overthrown, the whole mining industry, all of the banking system, a large segment of manufacturing, and some key elements in wholesale distribution were in the hands of the national government.

Of the numerous means of production available for Allende to nationalize, the American-owned copper companies

were the most important. Copper had become Chile's most important export, providing the state with 80 percent of its revenues and approximately 80 percent of its hard currency.

To allow foreigners to control such a strategic area of the nation's economy eventually became an issue that Frei's program of Chileanization could not resolve, (at least to the satisfaction of the Socialists.)<sup>23</sup>

Allende had vowed to nationalize the mines in 1958 and 1964, and he repeated his promise in 1970. Less than two months after his inauguration, Allende introduced legislation to nationalize the mines. In return, the companies would receive thirty-year interest-bearing bonds as compensation. In July 1971, the legislation approved Allende's measure.

That the left and center ratified this policy was predictable, but the adherence of right-wing parties, which traditionally sanctified private property, proved surprising. The Conservatives had no choice: their refusal to support the motion would have called into question their patriotism.

Allende's nationalization proposal contained two controversial provisions. One empowered the president to reduce the amount of the final compensation award by deducting any excess profits the companies might have earned after 1955, the year of the passage of the Nuevo Trato legislation. This provision, which applied exclusively to foreign corporations, came into play only if the president decided to invoke it. The mining companies could appeal the president's action to a special Copper Tribunal. This

court, however, could neither rescind nor modify the president's findings about excess profits.

Before making his calculations, Allende warned that he would consider any profit excessive if it exceeded 12 percent of the corporation's book value or if a company earned more money on its Chilean holdings than it did from its other mines. Utilizing these standards, Allende announced that Kennecott and Anaconda had amassed over \$770 million in excess profits. Because this sum exceeded the amount owed by the Chilean government, calculated by the Comptroller of the Republic at \$333 million, it became clear that the copper companies would receive no compensation for their Chilean holdings.

This decision by Allende unleashed a wave of protest. The copper companies denied that they, on an average, had earned more on their Chilean operations than on their American holdings, and they also denied that their profit margins exceeded 12 percent.<sup>24</sup>

Finally, the copper companies disputed the Chilean government's right to act so arbitrarily. Various scholars sided with the copper companies. Even an attorney for the Popular Unity acknowledged that Allende's attempt to deduct the excessive profits did not conform "...to the prevailing legal rules."

Allende's response was to argue that a 1962 United Nations resolution provided a legal rationale for his action. Essentially, however, the regime asserted that it

could act as it did because the Nuevo Trato measures, although perhaps once acceptable, had "...with perspective of time, appeared to be without consequence to national interest."<sup>25</sup>

Essentially the issue was not profits but politics. The Chilean government wanted to sever the economic sinews that bound it to the United States. To accomplish this goal Allende had to domesticate the American copper corporations as Castro had done the U.S. sugar companies in Cuba. Thus, Allende retroactively and unilaterally declared illegal the actions that Chile's legislature had earlier sanctioned.

Furious at what they perceived as the confiscation of their holdings, the American corporations appealed Allende's actions to the Copper Tribunal. Since Allende appointed all of the court's members, the U.S. companies did not expect to obtain any judicial relief. Consequently, they also requested that American courts impound the assets of the Chilean Copper Corporation(CODELCO), as well as, those of the Chilean government. Kennecott went a step further suing Chile in the courts of France, Germany, Italy, and Sweden in an attempt to seize the copper produced by its El Teniente holdings. Unsuccessful in the U.S. courts, Kennecott fared better in Europe, where a few tribunals ruled in its favor, forcing Chile to appeal the decisions. Kennecott's lawsuits cast enough doubt on the right of CODELCO to sell the copper, that buyers refrained from purchasing Chile's copper.

The controversy over nationalization and compensation was not the only difficulty the Allende regime encountered in the copper mining industry; they also had extensive problems with the managerial and technical staff in the mines. Early in the administration, the government accused the supervisory personnel of the copper mines of "sabotaging" the government's efforts to maintain and increase production. Threats were voiced that some of the accused would be tried for their alleged crimes, but such trials never took place. A significant action which severely reduced the size and efficiency of the managerial and technical force was the Allende administration's decision to change the basis for paying salaries.

Many managerial and technical employees of the Anaconda and Kennecott companies, both foreigners and Chileans, traditionally received part or all of their pay in U.S. dollars instead of Chilean currency. Some of these employees had their dollar payments deposited in U.S. banks, and the rest they exchanged for Chilean currency in the country's "grey market" for foreign exchange, where the rate was usually considerably higher than the official one.<sup>26</sup>

The Allende administration decided to end this practice. It translated the rates of pay of all managerial and technical personnel into Chilean currency at the official rate of exchange -- which throughout the Allende administration became increasingly out of line with the unofficial, or illegal, rate. Thus, a substantial real

salary decrease was imposed on the personnel involved.

While the government's argument on this situation was sound, it caused a substantial number of managerial and technical personnel to abandon their jobs. Adequate replacements for these people were not immediately available, in part, because so few qualified personnel could meet the government's criteria for political reliability. Many non-technical personnel and mere administrators were placed in engineer positions.<sup>27</sup> At lower levels, a departed supervisor or section chief was often succeeded by a worker far down the line of seniority or qualification. Having broken with the American companies, the nationalized mines could no longer rely on parent organizations for specialized technical advice. Unfortunately the timing of this decision was the bow wave of severe labor problems, strikes, and a drop in the world copper market.

The U.S. State Department also opposed Chile's nationalization decree, which, it demanded, deviated from "accepted standards of international law." Fearing that Allende would encourage other Third World nations to confiscate American-owned private property, Secretary of State William Rogers noted: "Should Chile fail to meet its international obligations, it could jepordize the flow of private funds and erode the base of support for foreign assistance."<sup>28</sup>

Washington's hostility towards Chile was fueled by economic as well as ideological differences. The American



government-backed Overseas Private Investment Corporation, OPIC, had insured the copper companies' Chilean investments and Allende's policies threatened to cost the United States dearly. The U.S. ambassador to Chile, Edward Korry, who had earlier negotiated the amiable nationalization of other American holdings in Chile, proposed that the copper companies accept less compensation for their holdings.<sup>29</sup>

In return, Chile would pay Kennecott and Anaconda for their property in bonds, backed by OPIC. This tactic allowed the companies to convert the bonds immediately into cash. In a sense, all sides would compromise: OPIC, while having to guarantee Santiago's bonds, at least would not have to pay the copper companies' full claims; the corporations, while receiving less than Frei's Chileanization agreement stipulated, nonetheless would obtain some compensation; and Chile, although having to pay something, would have reduced the size of the compensation award while preserving its international credit standing.

All Washington sought was a token payment from Chile in order to avoid a dangerous precedent. Kissinger reputedly said to Orlando Letelier, Chile's ambassador to the United States, "Pay just a dollar, but pay something."<sup>30</sup>

Under pressure from his Socialist colleagues, who wanted to avoid any compromise with either the Americans or the copper companies, Allende rejected the compromise. Politics had dictated the decision. At the outset Allende appeared willing to accept Korry's proposal. But as would

happen often during Allende's regime, the Socialists vetoed the arrangement. Allende was faced with a dilemma that he would become all too familiar with during his presidency. Thus, if he wished to maintain his coalition, he had to consent to the demands of the Socialists. This action, while placating the hardliners in Chile, encouraged the hardliners in the United States, who urged Washington to retaliate.

Whatever one might think of the legality of Allende's act of expropriation, there can be no doubt that the definitive nationalization of the copper mines rested upon a broad national consensus. Due to the importance of copper mining to the Chilean economy it could ill afford to diminish its output, especially in context of the falling world metal market. It is a perfect case of ideology winning out over common sense and reason.

As mentioned earlier, the Popular Unity's "New Economy" called for the establishment of three different sectors of the economy: the Social Property Sector (ASP), state-owned and operated factories; the Mixed Sector, in which state and private interests would participate equally in the ownership of a concern; and the Private Sector, those companies in which the state had no interest.

Once in power, the Allende regime moved quickly to create the ASP. In some cases it accomplished this goal by purchasing outstanding shares in publicly held corporations. Certain companies, however, were privately held; others,

like the local General Motors Corporation, belonged to Americans. If the owners did not demonstrate a willingness to sell their shares, the state could not purchase these corporations.

Allende, however, found a stratagem in the 1932 Decree Law 520 -- issued by the Socialist Republic of One Hundred Days, that permitted the state to take over a factory if the owners either failed to operate it or if they operated it inefficiently. Another law, leftover from the Aguirre Cerda period, allowed the state to requisition and operate a factory temporarily if a labor dispute disrupted production.<sup>31</sup>

Allende's regime used both of these measures to seize "monopolistic" industries, both foreign and domestic. Allende was, however, careful to avoid property of companies from whose governments he sought financial aid, which will be discussed further in the next section.

In an attempt to redress decades, if not centuries, of social and economic inequity, Allende accelerated Frei's agrarian program of confiscating and dividing the large estates.<sup>32</sup> In the countryside the Allende government committed itself to the final destruction of the hacienda system. What this meant to the landowners was the expropriation of all rural properties larger than 80 hectares. The agrarian legislation provided that a hacienda's resident labor force had priority in land claims. They were to farm the estate cooperatively for a transitional period after which they had a choice between

continuing cooperative production or dividing the estate into individual plots.

In Allende's first year the Agrarian Reform Corporation, (CORA) expropriated almost as many properties as had the Christian Democrats in six years (over 1,300). By mid-1973, this number exceeded 4,300 which equated to 50 percent of all agricultural and 60 percent of all irrigated land in Chile.

As quick as the pace was, it was never fast enough to satisfy the rural populace. Even though the government intended to implement the program within the framework of the law, elements of the left-Socialists, MAPU, and Movement of the Revolutionary Left (MIR) argued that the laws only served to delay the transition to socialism "...and to protect monopoly capitalists, landowners, and the agrarian bourgeoisie."<sup>33</sup> In the countryside these groups resorted to land occupations, illegal strikes, and confrontations between rural peasants and landowners, all to intensify class struggle.

One of Allende's primary problems as president was how to handle the MIR. Not only had he maintained close ties with them in the past but his nephew, Andres Pascal Allende, was a leading member of the MIR as well as the editor of its journal. He even used a small group from the MIR as a personal body guard called the *Grupo de Amigos Personales del Presidente*(GAP).

The Allende government faced the dilemma of maintaining

some resemblance of order and authority while carrying out a proclaimed revolutionary program. While maintaining a symbolic commitment to law, Allende pleaded with MIR leaders to halt their violent crusades. He dared not, however, wage all-out war with the MIR for fear of antagonizing the Socialist Party, on the other hand, he hesitated to show outright approval of their activities for fear of provoking the centrists and rightists. Under the circumstances, Allende, relying on MIR promises, chose to temporize, thus, ineffect, giving them a relatively free hand in their illegal seizures of rural properties.

Landowners responded with vigilante groups to retake the properties, while at the same time pleading with the government to enforce the law.<sup>34</sup> The resulting decrease in agricultural output could have been predicted. The landowners, knowing that much of their land would be taken by agrarian reform, could not be expected to invest new sums in capital development, or even to invest much in taking in a harvest which in all likelihood would not belong to them. Given all these factors, the 1972 harvest dropped by 3.6 percent, and in 1973 the decline was a catastrophic 16 percent -- influenced by a nationwide strike at the time of planting in October 1972. Meanwhile, food imports rose from \$168 million in 1970 to \$260 million in 1971, \$383 in 1972, and \$619 million in 1973.<sup>35</sup>

As indicated earlier, the Popular Unity's intention was to establish control over the whole of the Chilean economy.

Its goal in doing so was to make the consumer entirely dependent on the state, so as to bring Chileans under totalitarian (that is, both political and economic) control. For this it was first necessary to seize command of the country's financial structures. Initially, Allende wanted to pass a law nationalizing all the banks that remained in private hands. However he foresaw the strong objections that would be raised by the opposition and never laid his bill before parliament. He preferred either to requisition the banks; to put them under the management of an official intervener; or to ruin them or buy them up, using methods bordering on legitimate practice. For this purpose he set up the Industrial Development Corporation, CORFO, which had authority to acquire stock in banks and other businesses. Labin explains:

His method was quite a simple one: a rumor would be started that the government was about to nationalize such and such a bank; the prices of its shares would drop dramatically, and then no longer be quoted on the stock exchange. The CORFO could then move in and buy them at rock-bottom prices. It was in this not strickenly honest way that the Popular Unity won control of all credit, and thus decisive power over all production and distribution in the country.<sup>36</sup>

The Allende government never sought from Congress any budgetary allocations for stock purchases or any other purchases made in connection with its nationalization program. The nationalization of the banks was thus carried

out entirely by administrative action, without any authorization by the legislature.

The Allende government's interventions and requisitions aroused a great deal of controversy and brought it into direct conflict with two other branches of the government; the Comptroller General and the courts.

Under the Chilean Constitution, all presidential and ministerial decrees had to be submitted for registration to the Comptroller General of the Republic. If the Comptroller General found such decrees to be unconstitutional or illegal, he could refuse to register them. They would then be legally null and void unless the president issued a "decree of urgency," countersigned by all the ministers. Such decrees were intended to be used in case of national emergencies such as earthquakes, floods, or other such natural disasters.

In pursuance of his perogatives, the comptroller general, Humberto Humeres, frequently declared the Allende government's decrees of requisition and intervention to be illegal.<sup>37</sup> The most sweeping decision the Comptroller General made was in April 1973 when he rejected requisitions by the government of over forty firms that had closed down during the month-long truckers' strike of October 1972.<sup>38</sup>

In virtually all of these cases, President Allende responded by sending decrees of urgency, whereupon the comptroller general had to register the decrees that he had previously rejected. Some of the cases were taken to the

courts, and on some occasions, the Supreme Court ordered nullification of the requisituions. The president, however paid little heed to the decisions of the courts, and very few seized firms were returned to their owners during his administration.

After apparent success during its first months, the Popular Unity's management of the economy created the worst economic crisis in Chile's history. In November 1971, a huge deficite had been created and Allende asked for a moratorium on Chile's foreign loan payments. By the last months of its tenure, production was falling drastically in nearly every sector, foreign exchange reserves were all but exhausted, labor productivity was markedly down, and the country was in the grip of an inflation unmatched in the nation's history.

This crisis was not the result of deliberate administration policy but the chaotic and often illegal way in which private enterprises were being shifted to the social arena: the total discouragement of investment in, and even maintenance of, the property still held by private firms and individuals; the conflicting government objectives to redistribute income and expand the economy in which the economy was largely sacrificed to income redistribution; the decline in output caused by social conflict and mismanagement; and the increasingly agitated political situation resulting from the government's unwillingness to compromise with the still majority



opposition.

Whatever the causes of the economic crisis, its political effects proved to be catastrophic. The economic situation, particularly the shortages and uncontrolled inflation, helped create the "prerevolutionary" atmosphere of the last weeks and months of the Popular Unity government.

#### **EXTERNAL INFLUENCES**

Having considered the more salient of Allende's internal issues, this section will examine how external influences affected his regime. To this aim I will first look at the Allende regime's relations with the United States.

In light of the frequency of allegations of U.S. responsibility for the fall of the Allende government, and the confusion such allegations make for an understanding of the real causes for the demise of the Popular Unity regime, it is worthwhile to summarize the principle elements involved in U.S. - Chilean relations during that period.

The Allende regime did not want a confrontation with the United States. In essence, then, although it did not hesitate to take such measures as confiscating the interests of Anaconda and Kennecott companies in the Chilean copper industry, which were essential parts of its program, it would not engage in public quarrels with the U.S. government if such could be avoided. In contrast, the Nixon administration made no secret of its strong dislike of the

Allende government. Kissinger states in White House Years:

The Chilean election results came in just as Moscow and Cairo were rejecting our protests of Middle East cease-fire violations; Jordan feared an imminent move by Iraqi troops against the King; a Soviet naval force was steaming toward Cuba. By September 8, the day the Chilean developments were first discussed by a interagency committee, several airplanes had been hijacked in the Middle East and the Soviet flotilla was nearing the port of Cienfuegos. Six days later, on September 14, when Chile was next considered, the Jordan situation had deteriorated, and Cuban MiGs intercepted a U-2 flight seeking to photograph Cienfuegos and the mission had to be aborted. In the weeks that followed, our government pondered Chilean events not in isolation but against the backdrop of the Syrian invasion of Jordan and our effort to force the Soviet Union to dismantle its installation for servicing nuclear submarines in the Caribbean.<sup>39</sup>

The U.S. gave only very limited economic aid -- food, Peace Corps volunteers, goods in the pipeline from loans made before 1970 -- to the Allende government. It blocked consideration of loans by the World Bank and the Inter-American Development Bank, although this may be more symbolic since the Allende regime made few requests to either organization. The United States did not block International Monetary Fund (IMF) loans. None of these measures were effective in preventing foreign aid from going to the Allende regime, which got more that any of its predecessors had.<sup>40</sup>

The CIA conducted activities in Chile hostile to the Allende government. As early as September, 1970 the Nixon administration authorized a total of \$8.8 million for CIA

covert activities in Chile. The following is a list of the approved activities on which the money was spent:

- "spoiling" operations against Allende prior to the September 4 election.
- assistance to Chilean political parties.
- a contingency fund for Ambassador Korrry's use to influence the October 24 Congressional vote.
- purchase of a Chilean radio station to be used as a political opposition instrument against Allende.
- assistance to specific political candidates.
- emergency aid to keep the Santiago paper, *El Mercurio* afloat.
- support for an anti-Allende businessman's association.<sup>41</sup>

The Nixon administration attitude and policies towards the Chilean regime between 1970 and 1973 were more often than not either unnecessary or overreaction. Again from the White House Years:

By then Nixon had taken a personal role ... after a meeting, he asked Helms, Mitchell, and myself to his office in the early afternoon of September 15th. In a conversation lasting less than fifteen minutes Nixon told Helms that he wanted a major effort to see what could be done to prevent Allende's accession to power: If there were one chance in ten of getting rid of Allende we should try it; if Helms needed \$10 million he would approve it. Aid programs to Chile should be cut; its economy should be squeezed until it "screamed." Helms should bypass Korrry (which had obvious effects on the Ambassador) and report directly to the White House, which would make final decisions. The operational objective at the time was still the "Rube Goldberg" scheme, (this was the plan to support the election of Alessandri, leaving Frei constitutionally free to run again in an immediate special election). Nixon

did not in fact put forward a concrete scheme, only a passionate desire, unfocused and born of frustration, to do "something."<sup>42</sup>

The operations of the CIA were certainly wrong in that they violated the international agreements under the Organization of American States (OAS). These activities involved an expenditure of \$400,000 during the 1970 campaign on propaganda against Allende's candidacy, and of \$7 million to "destabilize" the Chilean economy, through subsidizing opposition publications and helping indirectly in a minor degree, to finance the two truck driver's strikes of 1972 and 1973. A culmination of the expenditures in Chile from 1963 - 1973 are displayed below:

Propaganda for elections and other support for Political Parties . . . . .	\$8,000,000
Producing and disseminating propaganda and supporting mass media . . . . .	\$4,300,000
Influencing Chilean Institutions: (labor, students, peasants, women) and supporting private sector organizations . . . . .	\$900,000
Promoting military coup d'etat . . . . .	\$200,000 <sup>43</sup>

The operations of the CIA also served to generate an anti-Yankee sentiment in Chile, strengthening the ideals of the extremists inside the Unidad Popular and to its left. The Nixon administration's hostility to the Allende government, and the measures it took against the Unidad Popular regime, were of no real importance in creating the problems that increasingly plagued the Allende regime.

Their only major effect was to convince those who wished to believe that U.S. policies rather than those of the Allende government generated the difficulties that led to Allende's overthrow.

While the Allende regime had relations with numerous other nations, it was the ties to Cuba which contributed most to label Allende illegitimate and support his overthrow. Allende had been an early and faithful supporter of Castro. He had made various trips to Cuba and had been the president of the Chilean national committee of the "little Comintern" which Castro had organized in 1967; the Organization of Latin American Solidarity (OLAS). The Unidad Popular had pledged to reestablish diplomatic relations with the Castro regime and to contribute as much as possible to ending the embargo on Cuba imposed by the Organization of American States. Allende moved quickly after taking office to carry out these pledges, recognizing the Cuban government on November 12, 1970, and pushing within the OAS for an end to the embargo. During the nearly three years of the Allende government, modest trade relations developed between Chile and Cuba. Visits were even exchanged between their military leaders.

A high point in relations was Castro's visit to Chile in November-December 1971. Castro arrived on November 10, 1971, accompanied by Armando Hart, organizing secretary of the Cuban Communist party; Pedro Miret, Cuban minister of mining; and Major Arnaldo Ochoa, army commander of Havana.

He was received by President Allende, accompanied by the Comptroller General of the Republic, the commanders of the three armed services and of the Carabineros, the Cardinal Archbishop of Santiago, and representatives of the Popular Unity.

Castro stayed in Chile for almost a month. He first traveled to the north, visiting the city of Antofagasta and the copper and nitrate mining centers. He then went with President Allende on an extended trip to the southern part of the country, visiting not only the cities of the Central Valley, but also Patagonia and Tierra del Fuego in the far south.

The Castro visit was remarkable for its length. The opposition newspaper *El Mercurio* reported that "the international practice is a period of two or three days for official visits of Chiefs of State or Chiefs of Government, aside from the possibility that the guests may continue their visit on a private basis for purposes of rest." Castro got little rest during his stay in Chile; he was traveling and speaking almost everyday.

Certainly, Castro's prime motivation for his visit to Chile was to demonstrate to the rest of Latin America and to the world in general that the boycott of Cuba and the isolation of the Castro regime in the Western Hemisphere had been broken. However, a few days' stay would have been sufficient to make this clear.

From Allende's point of view, Castro's visit would lend

political support to Allende himself. Such a demonstration of backing was much more important in terms of its impact on those to the Left of the Popular Unity and on the more restless members of the UP itself than on the opposition.

The importance of this aspect of Castro's visit was underscored by Intercontinental Press, a Trotskyite New York periodical, which was highly critical of what it deemed to be the timidity and "reformism" of the Allende regime:

Castro's position is extremely delicate. He is caught between his need to expand his relations with the Popular Unity government and the risk of desavowing his most fervent supporters, in this case the MIR. From reading his initial statements, it seems that the "Comandante en Jefe" has made a decision. His declarations about "superrevolutionary impatience," his appeals to the workers in the Maria Elena saltpeter mine to "moderate" their wage demands, his statements in the Chuquicamata copper mine, calling on the workers to put the "state's interest before their own" and not to block expanding production by untimely work stoppages, are quite clear. They are appeals for discipline and unity behind the Allende government, and for the demobilization of economic movements outside the framework of the Unidad Popular organizations.<sup>44</sup>

On one of two occasions, Castro had public discussions with MIR representatives, particularly at the University of Concepcion. He urged them to support the Allende regime, and not to cause it problems, and he constantly reiterated his support for the Allende government. Thus, during his visit to Antofagasta early in his trip, he commented: "We like the Chilean process. We have never had contradictions with the Chilean government. This doesn't mean that our

policy had changed. We arrive at socialism by different paths, but the final objective is the same."<sup>45</sup>

There is little evidence that Castro succeeded in modifying the policies of the MIR and other extreme Left groups. They certainly did not abandon their illegal occupations of land, buildings, and other properties, and they only modestly, if at all, modified their criticisms of the Allende administration.

Although during the first few days of his visit, large crowds would turn out to see the legendary leader of the Cuban Revolution, during the last part of his stay his presence was hardly noticed by those who were not directly involved in his activities. He was no longer a novelty. Only 20,000 people turned out for his final speech in the National Stadium in spite of intensive efforts to turn out a large crowd. The stadium had a capacity of 80,000. Rank-and-file Chileans, even some who generally supported the Allende regime, resented Castro's frequent advice to Allende and the UP.<sup>46</sup> Reports of Cuba's influence in relation to military aid will be addressed in the following chapter.



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#### CHAPTER IV ENDNOTES

<sup>1</sup>He ran for presidency for the first time in 1952 and placed fourth in a four-man race. He ran again in 1958 and 1964 where he placed a close second behind Alessandri and Frei respectively. Encyclopaedia Britannica, 1984 ed. S.v. "Allende." p.254.

<sup>2</sup>Formed March 1, 1956, it formed the long-lasting alliance of Socialists and Communists under one coalition. Alexander, p. 43.

<sup>3</sup>Many members of the Socialist party considered Allende too conservative and unwilling to accelerate reform at the pace they had envisioned. Morris, p.122.

<sup>4</sup>Sigmund, p. 90.

<sup>5</sup>Palacios, p. 202.

<sup>6</sup>New York Times, 8 July 1981, sec. 3,p. 27.

<sup>7</sup>Alexander, p. 78.

<sup>8</sup>Lester A. Sobel, Chile & Allende (New York: Facts on File, Inc, 1975), p. 34.

<sup>9</sup>Regis Debray, The Chilean Revolution. Conversations with Allende. (New York: Random House, 1971), p. 149.

<sup>10</sup>Sigmund, p. 120.

<sup>11</sup>Alexander, p. 138.

<sup>12</sup>Ibid

<sup>13</sup>Ibid, p. 134.

<sup>14</sup>Ibid, p. 142.

<sup>15</sup>Ibid.

<sup>16</sup>Debray. p. 170.

<sup>17</sup>Ibid.

<sup>18</sup>Ibid, p. 171.

<sup>19</sup>Alexander, p. 143.

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<sup>20</sup>Gabriel Gonzales Videla was President of the Republic from 1946 to 1952. As well as his own Radical Party, the Communist Party supported his election and entered his government for a year. However, under pressure from imperialism and the national bourgeoisie, he broke with and turned against the Communist Party on the grounds of supposed international conspiracy and promulgated a "Law in Defense of Democracy," starting the bloody persecution of Communist militants. The Law in Defense of Democracy was conceived as a means of suppressing and outlawing the Communist Party and is known by the working class as the "Accursed Law". Falcoff, p. 46.

<sup>21</sup>Arturo Valenzuela and J. Samuel Valenzuela, Party Oppositions Under the Chilean Authoritarian Regime. (Baltimore: Transaction Press, 1986), p. 5.

<sup>22</sup>Inheriting a balance of over \$500 million in hard currency from the previous regime, the Chairman of the Central Bank reported that the reserve had reached zero by January 3, 1973. In a little over two years the country had become insolvent. Labin, p. 239.

<sup>23</sup>Frei's program purchased 51 percent of the three largest mines with payments coming from the Chilean share of profits projected over the next 12 years at 6 percent interest. Sigmund, p. 82.

<sup>24</sup>Secretary of State William P. Rogers stated on 13 October, " ... the excess profits deductions punish the companies today for acts that were legal and approved by the government at the time." Sobel, p. 54

<sup>25</sup>Carlos Fortin, Chile Economic News, 21:43, cited in Eric N. Baklanoff, Expropriations of U.S. Investments in Cuba, Mexico, and Chile, (New York: 1975), p. 127.

<sup>26</sup>Debray, p. 111.

<sup>27</sup>At the El Teniente mine, control of the crucial smelter fell into the hands of the Communist and Socialist parties who each delegated, respectively, a lawyer and a former administrator for the State Technical University to run, neither of whom had ever worked in a mine before. Falcoff, p.190.

<sup>28</sup>Sobel, p. 55.

<sup>29</sup>William F. Sater, Chile and the United States, (Athens, Georgia, University of Georgia Press, 1990), p. 172.

<sup>30</sup>This was an attempt to prevent exercising a Congressional

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mandate to terminate economic assistance under the Foreign Assistance Act of 1961 if American property was expropriated without compensation (the Hickenlooper Amendment). Kissinger, p. 657.

31 This decree-law provided that in case an enterprise closed down (presumably as a result of the economic crisis gripping Chile in mid-1932), the government could "requisition" it, that is, take it over and run it so that the workers could continue to be employed. Seizure under these conditions was deemed to be temporary. Allende gave this legislation a new twist whereby a strike would be declared by the workers of a company destined for government takeover. Once production ceased the government had their excuse to "requisition" it under the 1932 law. Alexander, p.154.

32 Excessive dependence on imports for food caused the Frei administration to implement a agrarian reform program. The two major precepts of the program were that the actual redistribution of land would be primarily used as a threat - to force large land owners to better utilize their resources and to raise productivity. Under this program, large productive estates were excluded and landowners were handsomely compensated for those that were expropriated. Morris, p. 185.

33 Brian Loveman, Struggle in the Countryside (Bloomington: Indiana University Press, 1976), p. 280.

34 An act which later proved to demonstrate the suspicious practices of the Popular Unity, was the government's orders to the Carabineros to not interfere with the seizure of land by the MIR. Ibid, p. 283.

35 Sigmund, p. 140.

36 Suzanne Labin, Chile: The Crime of Resistance. (England: Foreign Affairs Publishing Co. LTD. 1982), p. 79.

37 For instance, as early as July 1971, he rejected the requisition of six Arab-owned textile plants by the CORFO. In November 1972, he rejected the requisition of the Ferrilozza ceramics plant, and on February 2, 1973, he declared the illegal the requisition of the Gas Company of Concepcion. Alexander, p. 155.

38 This requisition was a direct denial of the constitutional right to strike, which had been recognized in Chile for more than a century. Worse still, Allende went so far as to threaten that any foreign traders who joined the strike would be immediately expelled from the country. Those who had Chilean nationality found the courage to resist the

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pressure, but the Italian and Arab traders, who had settled in the country for many years, feared they would be driven out of Chile and lose their business. The presidents of both the Senate and the Chamber of Deputies declared this action to be illegal, since the constitution grants equal rights in law to all residents in the country, whether nationals or foreigners. The chairman of the Confederation of Production and Trade attacked "...these serious infringements of our Constitution and of the Human Rights Charter".

<sup>39</sup>Henry Kissinger, White House Years (Boston: Little, Brown, and Co., 1979), p. 654.

<sup>40</sup>During its tenure, Allende's regime received over \$822.7 million in foreign credits. From largest to smallest, the contributors were: Soviet Union, Argentina, Australia, Italy, West Germany, France, Mexico, Spain, and Canada. Alexander, p. 226.

<sup>41</sup>For a complete study on CIA activities in Chile see Mark L. Attanasio, Monograph on National Security Affairs, Failures in Covert Operations -- U.S. Involvement in Chile (Brown University, 1979)

<sup>42</sup>Kissinger, p. 673.

<sup>43</sup>With the exchange rate as much as 800 percent higher than the official rate, CIA's cash could have been equal to 40 million. Most Western intelligence experts figure that the CIA campaign was scarcely comparable in terms of expenditures or intensity to the money spent by foreign Communists to get and keep Allende in office. Attanasio, p. 12.

<sup>44</sup>Such dealings in the internal politics of Chile raised complaints from the opposition parties and only stirred up more controversy. Sigmund, p. 162.

<sup>45</sup>In response to a question from a member of the MIR, Castro asserted "...the Revolution in our country took place under specific conditions ... every road was closed -- a situation in which there was no alternative. It was under such conditions that a violent struggle, a bloody struggle was waged." Ibid.

<sup>46</sup>Castro in fact complained that the crowds were not big enough and not as enthusiastic as in Cuba. In his farewell speech he claimed that in two hours he could rally together "...ten times as many people as there are here." Sobel, p. 64.

## CHAPTER V

### THE OVERTHROW OF ALLENDE

#### POLITIZATION OF THE MILITARY

In 1970 Chile, almost alone in Latin American nations, possessed genuinely resilient political institutions and a tradition of civilian control of the military. Between the 1820s and 1973 there were only three episodes of serious military involvement in politics: the civil war of 1891 (in which the army and navy divided), a brief episode in 1924-25, and the dictatorship of Colonel (later General) Carlos Ibanez del Campo in 1931-32. The first two were the product of divisions within the political community; the last was an outgrowth of the depression, which hit Chile with a force unequalled almost anywhere in the world. When Ibanez stepped down in 1932, fleeing the country and leaving it much in economic shambles, an entire generation of cadets and young officers resolved never again to surrender the prestige of their institutions to the interests of civilian politicians.<sup>1</sup>

Specific long-term trends reinforced the withdrawal of the armed forces from politics. Between the 1800s and the First World War, the Chilean army was trained by German officers, from whom it absorbed the unquestioning obedience to superiors. More to the point, the country's political leadership proved capable of resolving most of the problems that invited or facilitated military intervention in other

Latin American republics. Also, after 1932, the militarized national police - the *Carabineros*, modeled on Spain's Civil Guard - took over the sensitive task of putting down strikes, riots, and other such disorders. Additionally, in the nearly 40 years prior to Allende's regime, most administrations dealt severely with military intrigue and insubordination.<sup>2</sup>

One of the most prominent indicators of the low importance the Chilean armed forces had, in the eyes of the government, was the meager provisions it made for pay, allowances, and equipment. In 1965, the percentage of government resources devoted to military purposes (9 percent) was well below the Latin American average (15 percent); expressed as a percentage of gross national product, it had declined from 3.3 (1931-32) to 2.2 (1958) to 1.7 (1964).

Civil-military relations received their first serious shock in nearly forty years on October 21, 1969 when the officers and men of the Tacna and Yungay regiment of the Chilean army, both garrisoned in the capital, took control of their own headquarters and also the main arsenal, the Non-Commissioned Officers School, and the main recruiting center. The apparent purpose of the *tacnazo* - the name given this action - was not to overthrow the government, but to dramatize the army's need for higher salaries and better equipment.

The rebels selected as their leader General Roberto Viaux, who had been forced into retirement a few days previous for raising these issues publicly, and in somewhat intemperate terms. In addition to greater budgetary consideration, they also asked for the resignation of Defense Minister Tulio Marambio. Within hours, President Frei agreed to all of the demands, and the rebellion rapidly dissolved.<sup>3</sup>

Even after considering its prompt resolution, echoes of the *tacnazo* reverberated across the Chilean political stage for months even years thereafter. Viaux himself became somewhat of a cult figure in the armed forces, particularly among younger officers and NCOs. For its part, the Chilean army command was deeply shaken by the evident erosion of discipline, and during the last year of the Frei administration (1970) its leaders, particularly commander-in-chief General Rene Schneider, were above all interested in erasing the stain of the Viaux incident.

By exploiting latent resentment against the traditional political elite, the *tacnazo* also suggested that the Popular Unity might move the armed forces beyond mere neutrality and actually co-opt them for their political virtues. Considering that at the time Allende took office, immediately to the north in Peru, a military government, was already carrying out a social revolution similar in content to his own.

And across the Andes in Argentina the return of military populism (via Peronism) seemed only a matter of time. Both of these examples provided what one author concluded; "... a cogent foundation for the notion that nationalists and progressive elements existed within the officer corps, and that civilian authority would continue to be respected , particularly if Popular Unity policies responded to the major institutional problems of the armed forces."

Particularly during his first year, and throughout his term of office, Allende uninhibitedly courted the military. One of the president's first official acts was to reaffirm his predecessor's decision to go ahead with the building of two submarines and two frigates in Great Britian, and also to acquire other equipment from a variety of Western resources. The defense budget was increased by nearly 20 percent in 1971 to meet these commitments, and by 1973 it was nearly double what it had been when Allende took office, as illustrated below:

<u>Year(s)</u>	<u>Millions \$U.S.</u>
1963-1965 (annual average)	92.07
1966-1968 (annual average)	114.76
1969	124.76
1970	145.11
1971	173.83
1972	138.95
1973	245.33

Source: U.S. Arms Control & Disarmament Agency.  
World Military Expenditures and Arms Trade, 1963-73  
(Washington, D.C., 1975).

Given that much of the increase was due to new



equipment, specific provisions were made for salary improvement, particularly for the middle and lower ranks. New housing projects for military families were begun and top ranking officers were given automobiles specifically imported for them. In the final phase of the regime, when Allende was trying to convince the military to remain in his cabinet (June 1973), he offered to double housing allowances and increase salaries another 10 percent. As Ambassador Korry told a congressional hearing in July 1971, the initial package of pay, benefits, and equipment was "...the best deal that any president in modern Chile history had given to the military." As far as material was concerned, Korry reported, Allende had given his officers "almost everything" they had asked for.<sup>5</sup>

In part, because of commitment made under the Statute of Democratic Guarantees, and out of prudence, Allende did not overly tamper with patterns of military assignment and promotion. In this area Chilean presidents normally enjoyed considerable discretion; under the Statute to the Armed Forces they could pass any serving officer onto retirement without offering a reason. Up to 1972, however, this provision had been used by Allende only twice: once in connection with Rear Admiral Victor Bunster del Solar, naval attache in Washington, who was accused by the Socialist Party press of undue contact with the Central Intelligence Agency and once with regard to Colonel Alberto Labbe Troncoso, long-time commander of the Military School, who

had permitted one of his officers at a public ceremony to criticize the alleged idolization of "foreign international figures alien to Chilean tradition," which, coming at the time of Fidel Castro's state visit, was read as an act of insubordination against the civilian authorities.<sup>6</sup>

Precaution also dictated that initial prudence be exercised with regard to external military aid. Allende therefore left relatively untouched the traditional service-to-service relationship with the United States, to the extent that assistance in the forms of grants and credits experienced a three-fold increase during his first year, and doubling in 1972:

U.S. Military Assistance to Chile, 1965-1973  
(millions of Dollars)

1965-1970 ( <u>annual average</u> )	<u>1971</u>	<u>1972</u>	<u>1973</u>
7.4	5.7	12.3	15.0

Source: U.S. Senate, Select Committee to Study Government Operations with respect to Intelligence Activities, Covert Actions in Chile, 1963-1973. (Washington, D.C., 1975), p.181.

In addition to this and acquisitions from Great Britain and Sweden, the armed forces were able for two years to fend off pressures from Allende and other Popular Unity leaders to accept "incomparably more generous" offers from the Soviet Union and Eastern Europe.

Once in office, Allende took it upon himself to become better acquainted with those on active service. He visited garrisons up and down the length of the country, he took

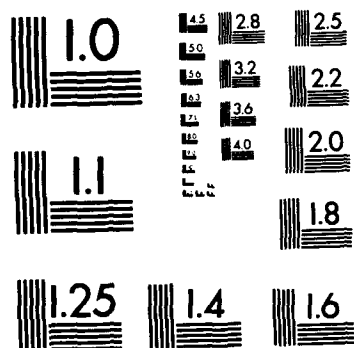
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meals in the officer's and non-commissioned officer's messes, and never missed an opportunity to praise the armed forces or to express his confidence in them. Moreover, the president sought actively to draw the armed forces into the work of his government. In November 1971, Army Brigadier General Pedro Palacios became the minister of mines. In this instance, military participation did not last very long. With a new cabinet crisis in June 1972, General Palacios withdrew from the government.'

The second military appointment to the cabinet was made during the first trucker's strike in November 1972. This time three military men, representing the army, navy, and air force, respectively, became ministers. Most important of all, the head of the army, General Prats, assumed the quasi-prime minister post of minister of the interior. The other two posts were ministry of mining and ministry of public works.

Even though the armed forces obviously welcomed Allende's attentions and concerns of stabilization in his government, neither fully succeeded in their purpose. Instead, there was a growing climate of alienation within military circles, which can be charted along two separate but intersecting lines. The first related to issues of specific professional concern. These included attempts to alter the traditional sources of external military aid and perceived threats both to the armed forces' monopoly of weapons, as well as, to discipline and order within the

ranks. The other arose out of the broader political context, and the unusual role into which Allende sought to cast his officers and men.

During the Popular Unity period, the Chilean armed forces were encouraged by the government to broaden the base of their acquisitions (that is, to begin purchasing some equipment from the Soviet Union and the Eastern bloc). Due to the tough arms sales policies of the Nixon administration,<sup>8</sup> in mid-1973, the army commander, General Prats, was compelled by Allende to make a trip to the Soviet Union in search of additional provisions. How Prats felt personally about his mission to Moscow is a matter of conflicting testimony.<sup>9</sup>

Thus without making serious inroads into Chile's traditional pattern of arms acquisitions, Allende ended up paying almost as high a political price as if he had, since by sending Prats, his principal supporter in the armed forces, to Moscow in the first place, he undermined his stature with Chile's strongly anti-Communist officer class.

The single greatest concern to the Chilean military was the prospect of losing its historic monopoly of force through the creation of paramilitary formations, typically provided with weapons from non-traditional sources. This concern began with the president's own personal bodyguard, the "Group of Personal Friends" (GAP). This unit was recruited directly from the principal terrorist organization of the left - the MIR, and was trained outside the purview

of the Defense Ministry, drawing its provisions from separate, undisclosed budget lines. In addition, as the political conflict sharpened in 1972, the parties of the left -- in clear violation of the Statute of Democratic Guarantees and Allende's own repeated assurances -- created their own paramilitary units: the Ramon Parra Brigade (Communist), the Elmo Catalan Brigade (Socialist), and an undenominated formation recruited from the MAPU.<sup>10</sup>

Arms of both foreign and domestic origins proliferated in the industrial belt (*cordones industriales*) ringing Santiago, where paramilitary training activities proceeded at a rapid pace.<sup>11</sup> Chilean military intelligence even discovered Cuban, Czech, and East German military instructors making visits to Los Cerrillos, one of the largest of these industrial areas. It was also discovered that another paramilitary training center had been established near Valparaiso, in a prefabricated housing plant financed by the Soviet Union.<sup>12</sup> By April and May of 1972, the evidence of expanding paramilitary activities on the part of the MIR led Prats and his chief of intelligence, General Mario Sepulveda, to press Allende for authority to search for illegal arms caches. Allende temporized and delayed, while the activities of paramilitary formations grew in size and importance, broadly synchronized with the deteriorating political situation. By the second quarter of 1973, there was a "...quantum leap in their activities, both in the cities and the countryside."<sup>13</sup>

It is not surprising that one of the conditions exacted by the armed forces as a condition to entering Allende's cabinet in November 1972 was the president's immediate signature on an arms-control law, which had cleared Congress some months earlier. This bill, introduced by Senator Juan de Dios Carmona, specifically reserved heavier armaments (such as submachine guns, large-caliber high-penetration automatic weapons, grenades, tear gas launchers, and bombs) for use only by the three branches of the armed forces, the national police, the investigative police, and by prison guards. It also outlawed private militias and unofficial armed groups. More important, it gave the courts, other civil authorities, and the armed forces the right to authorize and carry out military searches for the proscribed munitions. It also gave the armed forces the right to license smaller weapons by permit, and to try violators in military courts, a provision that, if strictly applied, would have eliminated Allende's private bodyguard, the GAP.<sup>14</sup>

Unfortunately, the arms control law failed to eliminate private or "party" armies; instead, it generated a new round of recriminations between the government and the armed forces on one hand, and the opposition and the government on the other. It was evident that the proliferation of weapons in factories, trade union offices, and working-class communities suggested to the opposition that the government had no real intention of enforcing the law.<sup>15</sup>

Violent protest was not merely a case of the



government's critics and opponents voicing their ever-present opinions. Particularly after the abortive putsch on June 29,<sup>16</sup> leading personalities of Allende's own party spoke as if the time had come to arm and prepare for decisive confrontation. The president's own reaction was to call upon his supporters to demonstrate their support for him by marching to the center of the city. Instead, they seized over 526 factories and extended their control over the industrial belt neighborhoods, organizing sentries and militias, and performing police functions. They even excluded the entry of uniformed carabineros. When the crisis of the aborted coup passed more rapidly than Allende expected, he found that he could not easily undo what had in effect ordered.<sup>17</sup> One Communist leader suggested openly that "...if the reactionary treason becomes worse, passing into the arena of armed struggle, no one should doubt that the people will rise as one man to crush it with speed." A widely distributed pamphlet, which did not escape the purview of military intelligence, urged workers to "...develop at an accelerated pace the accomplishment of military tasks in the party and among the masses ... form organizations necessary to assume the self-defense of the masses in industries, services, neighborhoods, communes, and cordones, developing armed popular power and developing the future Army of the People."<sup>18</sup>

The military took things into their own hands between March and September 1973 and accelerated the search for

arms. In April, May, and June, they averaged three searches a week, by July, almost one a day, in August, forty-five in all.<sup>19</sup> Ambassador Davis recalls:

The harder the military searched, the more arms they found, the more this went on, the louder the left-wing Socialists and their allies screamed in protest -- and the harder the leftists worked to distribute and conceal more arms in the industrial belts. The irony was, that while the workers were being trained for violence and possible civil war,...they were not being trained or armed fast enough to enable them to stand against the country's military forces. At the same time the mobilization of workers produced a sharp reaction among the armed services leaders.<sup>20</sup>

Reference Allende's role in these precedings, Davis offers the following:

The president was aware of the arming for confrontation. In late July Castro sent Allende a letter in which the Cuban prime minister referred to Allende's desire "to gain time, in order to improve the correlation of forces for the eventuality that fighting should break out." According to Regis Debray, a close friend of Allende, stated that the president described the "chess game" he was playing with the Chilean military. Debray went on to say that "everyone knew" that this game was only to secure time to organize, to arm, and to coordinate the military forces of the Popular Unity parties -- "a race against the clock which had to go on week after week."<sup>21</sup>

Then, as mentioned earlier, there was the shadow of politically-inspired acts of insubordination within the ranks. At the outset of his government, Allende sought to reassure the military and the opposition that nothing would be done to tamper with the traditional service heirarchies; in the Statute of Democratic Guarantees, for example, he

agreed to leave intact Article 24 of Law 14.853 (1962) which deprived enlisted men and non-commissioned officers of the armed forces and national police of the right to vote. By 1972, however, there were disturbing signs that some of the president's allies and followers were attempting to subvert individual units of the armed forces. In August of that year, General Prats laid the evidence before the president, with the observation that he was unsure whether Allende's "...most dangerous enemies were to be found in the ranks of the opposition or in the parties of the Popular Unity."<sup>22</sup>

The first concrete act of insubordination occurred not in the army, but in the navy. On 7 August, the navy's commander-in-chief announced the discovery of a mutinous plot that was supposed to have been executed on the eleventh in Valparaiso and Talcahuano, the naval base outside of Concepcion. Twenty-three sailors were arrested. The navy soon accused Socialist Party Secretary General Altamirano, MAPU deputy Oscar Garreton, and MIR Secretary General Miguel Enriquez with being involved. Further, it was reported that in Valparaiso, small cells of sailors on board the cruiser *Almirante Latorre* and the destroyer *Blanco Encalada* were conspiring to murder their officers and to bombard marine and navy barracks near the Naval Academy.<sup>23</sup> For its part, the left -- far from denying the charges -- insisted that the plotters were forced to act to contain navy involvement in a new putsch. In addition, it asserted that the detainees had been horribly tortured and, therefore, their

confessions improperly obtained.

Such confrontation between the navy and the left stretched Allende's policy of compromise with the military. The government "...could not simply arrest those who argued they were doing their best to protect the government from a coup." On the other hand, subversive activities within the ranks struck at the very heart of military interests. According to Auturo Valenzuela, "For a majority of officers, it was no longer a matter of objecting to erroneous government policies, but ... of defending themselves and their institutions from the possibility of destruction."<sup>24</sup>

#### THE COUP

To chart the course of the coup accurately -- to pinpoint specific dates and events, and assess the full significance of each -- is technically impossible, all the more so because so many of the surviving participants, whether civilian or military, government or opposition, recall the Allende period largely in terms of their subsequent political agendas.

By the third quarter of 1972, the government's economic policies had generated a new style of protest politics, culminating in the October strike. It was this event which first brought the armed forces into the cabinet, where they remained until the congressional elections which followed in March. By agreeing to take over key ministries, the generals were able to strike the compromise necessary to put the country back to work. Above all, their mere presence

guaranteed the opposition that the elections would be held as scheduled, with no irregularities or preemptive actions by the government or its parties. In a certain sense, the military's role during these five months would seem to have underlined its political neutrality.

For the left wing of the Popular Unity, particularly the Socialist party, by inviting the armed forces into the cabinet, the president had accepted a de-facto consolidation (rather than a deepening) of the revolutionary process. On this point the Socialists were not mistaken: between November and March, the size of the Area of Social Property did not expand; in one or two cases Allende was even forced to reduce its boundaries. And no new decrees of insistence were issued during the entire period. At this point it could easily be seen that the same "constitutionalism" which led the army to defend Allende in 1970 was now proving to be a double-edged sword.

The opposition began to view the close working relationship between Allende and the armed forces, and particularly with General Prats, his Interior Minister, in a fateful light. Many wondered if this was the beginning of a new development in Chilean politics -- an informal coup, but reversing the Latin American pattern of generals hiding behind civilians. By co-opting the military -- so the worst case scenerio ran -- would Allende finally consummate economic change over the heads of the Congress, the courts, and the comptroller-general?<sup>25</sup>

The job of the armed forces in the cabinet, particularly in the Interior Ministry, was to restore and maintain order. The line between protest, legitimate dissent, and what the government and its supporters regarded as subversion shifted back and forth. This caused General Prats, as Interior Minister to come under a great deal of scrutiny. Thus both the opposition and the left wing of the Popular Unity were relieved to see the military leave the cabinet shortly after the March elections.<sup>26</sup>

As soon as it became clear that the March elections had solved nothing, both the government and the opposition resumed their offensives. A few days after the military left the cabinet, Allende defied the comptroller-general by signing a decree of insistence affecting forty-three enterprises whose requisition had been previously declared illegal. The moratorium on agrarian expropriations lasted another two months. Then, in June, July, and August, there was a rush to confiscate as much land as possible. Of approximately 1,700 farms (1,560,500 hectares) affected throughout the entire Popular Unity period, nearly a third of these were seized during those three months. The opposition matched this by moving in Congress to declare the government illegal; some civilians began unofficially to visit military installations, begging on an almost daily basis for some action against the government. Not all these encounters were marked by cordaility. Some officers were pelted with chicken feed by militant opposition women, who

found the armed forces' apparent devotion to the Constitution and the political status quo to be held in higher esteem than attacks on their Chilean manhood.

During this period Prats began pressing both Allende and his opponents for a political truce. On 14 June, the president agreed to make an effort, but the following evening his chief of staff dropped by Prats' house with somber news that Allende had failed to convince the constituent parties of his coalition. Three days later, Prats asked Oscar Guillermo Garreton, leader of the hard-liners in MAPU, what, given the refusal, "...was the way out of the present bottleneck?" Garreton acknowledged -- apparently without regret -- that there was a real possibility of civil war.

This event and Allende's subsequent actions on 29 June did much to convince the military that Allende was no longer fit to command the office of the president. Davis explains:

The president had revealed by his actions on 29 June that his response to military revolt on any scale would be to mobilize illegal paramilitary forces. This he had been threatening all along, of course, but on the twenty-ninth he actually did so. Even worse from the military point of view, the president had acted in this fashion at the very moment when the service commanders were discharging their duties unflinchingly. Allende had gone off half-cocked and had encouraged an illegitimate and unnecessary challenge to the military leaders' "monopoly of force" and their ultimate responsibility for order. This challenge was what the military most feared and most deeply opposed.<sup>27</sup>

Ever since the March elections, Allende had been urging the military to return to his cabinet. A few days before the June 29 incident, he renewed his request to his service chiefs, but Prats concluded that since Allende could not coax a compromise out of his coalition, such a situation "...would merely undermine subordination of the military to civilian authority." By August 9, against a background of widespread strikes, work stoppages, and sabotage, the president finally prevailed, with Prats rejoining the cabinet as defense minister. Navy commander Admiral Raul Montero was named finance minister; Air Force commander General Cesar Ruiz Danyau, transport minister; national police chief General Jose Maria Sepulveda, minister of lands and colonization. Prats' earlier reluctance to form part of the new government became justified by the ensuing events. When General Danyau, whose job it was to deal with striking truckers, found his authority questioned by his subsecretary, a political appointee, he resigned. Allende accepted his resignation, but -- to the surprise of the officer corps -- he also relieved him of command of the Air Force and relegated him to retirement. This action undermined the position of generals considered sympathetic to the government.

Prats had been under considerable strain for some time, both personally and professionally. Though not a man of the left, the frequent attacks upon his integrity by the opposition press tended to drive him into the arms of the



government.<sup>28</sup> A few days after the 29 June event, General Arturo Araya, whom Prats had always considered a close friend, suggested that the army commander retire and join the government as a civilian minister of defense. When Prats asked him why, Araya informed him that his image was "negative among junior officers." If that was so, Prats replied, "...it is because the generals have not been faithful interpreters of my professional philosophy."<sup>29</sup>

Perhaps the most significant event which caused Prats' eventual resignation was an incident that occurred in late June. Palacios explains:

Returning from lunch on 27 June, Prats noticed someone in another car making an obscene gesture. He ordered his driver to force the vehicle off the road; he dismounted, pulled out his pistol, and discovered to his horror that the other driver was a woman. A group of people rapidly gathered at the scene -- a corner of a fashionable suburb -- and began to taunt Prats for attacking a helpless, unarmed housewife. Journalists and photographers materialized from nowhere. Someone let the air out of his tires, forcing the General to escape in a taxi.<sup>30</sup>

By August 23, having failed to bridge the widening gap between government and opposition, and near emotional collapse, Prats -- one of the last constitutionalists -- retired from the cabinet and the military.

A day earlier on August 22, the Chamber of Deputies passed a resolution directed to President Allende, his state ministers, and the armed forces. The resolution, passed by

a vote of 81 to 47, stated that, "...according to the constitution, a government which assumes rights not delegated to it, is engaging in sedition. In fact, the government has engaged in the installation of a totalitarian system absolutely opposed to the representative democratic system which the constitution establishes." The resolution called on the Defense Ministry to "direct the government's action" as a way of guaranteeing democratic institutions. The Chilean congress which had passed this resolution had been elected by the people only five months earlier. In a strong reply August 24, Allende accused the opposition of seeking to provoke a military coup by inciting the armed forces to disobey civil authorities. The Washington Post reported on 26 August:

The Christian Democrats did not explicitly favor a military takeover, but their leader, Patricio Aylwin, was quoted as saying he would choose a military regime over "a Marxist dictatorship." He further stated that only "sufficient military presence" in the government could restore stability and guarantee observance of the Constitution and the law. Such presence meant at least six military men in the Cabinet "with real powers" and military men at the level of undersecretary and at the head of government agencies.<sup>31</sup>

The resolution did not invite military intervention, although the military later used it to justify their action. It was an indictment of the legitimacy of the Allende government. An unabridged chasm now lay between government and opposition.

It should have been evident to the government that the perilous state of the Chilean economy combined with the resignation of General Prats and the opposition's resolution made a coup almost inevitable. September was an obvious time for such an action, since that is when troops are moved to Santiago for the military parade on 19 September.

Although it was now clear that the Air Force was almost solidly against the government, the situation in the other services was still uncertain. The traditionally conservative navy had never been favorable to Allende, and now the attempted infiltration of ships in Valparaiso and Talcahuano had led Admiral Merino, second-in-command of the navy, to demand the lifting of parliamentary immunity of Altamirano of the Socialists and Garreton of MAPU. Yet despite strong pressure from his colleagues, Admiral Montero, the navy commander, continued to maintain a constitutionalist line. The Carabineros were less important, but the government assumed that being drawn from a more "popular" (that is, lower-class) background, they would be loyal. The army was crucial in the government's calculations, but it was believed that due to their divided attitudes the army was not about to stage a coup.

Now that Prats had resigned, the pressure focused on Admiral Montero. On 29 August, Admiral Merino and Admiral Huidobro, chief of the Chilean marines, went to Santiago to tell Montero that the navy wished him to resign. Two days later after a meeting with other admirals in Valparaiso,

Montero agreed to sign his resignation. Allende rejected his resignation and wrote him an open letter declaring that "the highest interest of the country" required that he continue in his post. A week later, after an all-day session with top naval officers, Allende agreed to accept Montero's resignation and named Merino as his successor.

Meanwhile in the political arena, the opposition parties now concentrated on gathering signatures for a petition asking for Allende's resignation, and Santiago braced itself for demonstrations and counterdemonstrations on the third anniversary of Allende's electoral victory. Public crisis was intensified by worsening shortages and continuing strikes. Cost of living had risen 238 percent during the last twelve months, health care was almost paralyzed; shops were on strike for forty-eight to seventy-two hours each week; lawyers, pharmacists, engineers, teachers, even the pilots of the Chilean airlines (LAN) were on strike. The country faced an acute shortage of bread; on Thursday, September 6, President Allende announced to the country that there was only enough flour for three to four more days.<sup>32</sup>

It was September 7 and 8 when the Popular Unity leaders met to discuss the proposal of Allende holding a plebiscite on his continuation of office. One advantage of the plebiscite was that it would give the country an electoral outlet for the mounting tension and confrontation. Since it would take several months of preparation, it might also give

the government time to attempt to resolve the country's serious economic problems. The disadvantages were first that the Congress would probably oppose it, if only because the Catholic University Law School report on the March elections had cast doubt on the validity of the present electoral rolls,<sup>33</sup> and, more so, the government was certain to lose. As could be predicted, Carlos Altamirano and the left wing of the Popular Unity were adamantly opposed and recommended preparation for armed confrontation, while the Communists were more favorable to the proposal. The Christian Democrats were working on their own solution to the political deadlock. On September 8, at a national meeting of their provincial leaders, they adopted a proposal that both the president and the Congress resign and new elections be held in order to solve the deadlock between them. The next day, on 9 September, Altamirano delivered a speech to the Socialist Party's central committee which sealed the fate of the Popular Unity:

First, the Socialist secretary proudly stated that he had attended "a meeting to which he was invited to listen to denunciations of noncommissioned officers and some sailors against the subversive acts supposedly perpetrated by officers of the institution, and I shall be present anytime that they invite me to denounce actions against the constitutional government of Salvador Allende." Altamirano's second major point was that he and his friends were opposed to any compromise with any part of the opposition. The press reported that "he warned the government that the Socialist Party decided not to accept dialogues and that the reactionary coup should be combated by striking back ... you do not fight through dialogues, but with the force of the people, their industrial commands,

their peasant councils, their organization ... In these three years we have aroused a combative force which nothing and nobody can contain".<sup>34</sup>

This last public speech by Altamirano was in effect a declaration of war on the armed forces leadership. At the same time, it was an act of defiance to President Allende, warning him that Altamirano and his followers would no longer support the president if Allende did not conform to the unyielding policies upon which the extremists insisted.

Allende's reaction was best described as "outrage" which prompted him to do two things that should have been done months earlier; first, he decided to break with the left wing leadership of his party and second, he decided to submit the issues pending between him and the opposition to a national plebiscite. He instructed his staff to draw up the terms of the questions to be submitted to the people, and also to draft a speech in which he would announce his decision to the general public. The speech was scheduled to be delivered on the afternoon of Tuesday, September 11, 1973.<sup>35</sup>

There is at least some reason to believe that Altamirano's speech was decisive in convincing the top leaders of the Carabineros either to join the movement against the regime or, at the very least, not to offer any resistance to it. Alexander states:

One important and well-informed figure in the Allende regime revealed that until Altamirano's open proclamation that he was conspiring in the armed

forces, the top leaders of the Carabineros were ready to oppose any move to oust the Allende regime. The speech of September 9 changed their minds.<sup>36</sup>

If the Carabineros had remained loyal to Allende, it might have made a considerable difference. At the time of the coup, they were a corps of some 35,000 professionals, unlike the ranks of the army which consisted of mostly conscripts. They were well armed and highly disciplined, and had posts in many parts of the country where there were no garrisons or regular armed forces. At the very least, if the Carabineros had stayed with Allende, the coup of September 11 might have been converted into a civil war. It is even possible that in the face of the loyalty of the Carabineros, important elements of the army might not have gone along with the coup.

Later accounts of the immediate reasons of the coup indicate that the decision to stage the coup on Tuesday, September 11, was made on Friday, September 7. The joint declaration, published on September 11, was signed by the three armed services on Sunday, September 9, and by the head of the Carabineros, General Mendoza, the night before the coup.<sup>37</sup>

Military units had orders to report for action at 4 A.M., and three hours later they began to move. By 8:15 Concepcion, Chile's third largest city and a stronghold of leftist sentiment, had been taken over without a hitch. The army later said that it had disconnected the telephones of 1,800 progovernment leaders in Concepcion just before taking

over the city. Valparaiso was occupied by the navy before 7 A.M., while the main effort was at Santiago. At 6:20 A.M. Allende was informed that the navy had seized Valparaiso. He may have thought this was only a naval rebellion which he could handle by negotiation (the military later claimed the navy moved first to distract Allende's attention from the activities of the other services). Allende decided to go to the presidential palace although elaborate plans had been made to defend his residence in the event of a military revolt. According to one account, at 8:20 A.M. Allende's Air Force aide-de-camp transmitted Air Force General von Schowen's offer of a plane to take him into exile. Allende replied, "Tell General von Schowen that the president of Chile does not flee in a plane. As he knows how a soldier would act, I will know how to fulfill my duty as president of the Republic."

At 8:30 A.M. Radio Agricultura, a center of opposition to Allende, interrupted its programming to announce the initiation of the coup and to demand that Allende resign. In a direct radio message to the nation Allende replied, "I am ready to resist by whatever means, even at the cost of my life, so that this may serve as a lesson in the ignominious history of those who use force not reason." (This was a reference to the Chilean motto, "By reason or by force.") He was particularly bitter about the Army and Carabineros turning against him, referring to the incredible action of "soldiers who go back on their word and commitments" and



describing Carabinero General Mendoza as "underhanded (rastrero). Individually, the progovernment radio stations left the air, and the military radio began to broadcast its justification for the coup.

Proclamation no. 5 of the military declaration listed fourteen points, beginning: "The government of Allende has incurred serious illegitimacy as is demonstrated by its violation of fundamental rights of freedom of expression, freedom of education, the right to assembly, to strike, to petition the government, the right to property and the general right to dignified and secure subsistence." It accused the government of "artificially fomenting class struggle," of violating the constitution by the use of "intentionally distorted interpretations," and of failing to execute the decisions of Congress, the courts, and the controller general. It observed that the agricultural, commercial, and industrial economy of the country is in stagnation and decline, and inflation is increasing at an accelerated rate." All of this, said the proclamation, indicated that "the internal and external security of the country"<sup>38</sup> is in danger. "In light of classical historical doctrine" of Chile, this danger is sufficient "...to justify our intervention to depose a government which is illegitimate, immoral, and unrepresentative of the overwhelming sentiment of the nation."<sup>39</sup>

At 9:30, Allende delivered his dramatic last message to

the Chilean people. By mid-morning the Carabineros had left, followed by the military aides and part of the Investigaciones detachment, and tanks were lined up in front of the palace. At 1:30 P.M. shortly after the Air Force bombed the presidential palace, politicians and medical personnel emerged from the side entrance to the palace behind a white flag. Patricio Guijon, the president's personal physician claims to have looked into the Independence Room just as he was leaving and to have seen Allende shoot himself: "At that precise instant, I saw that the president, seated on a sofa, fire the submachine gun that he held between his legs. I saw it, but I did not hear it. I saw his body shudder and the roof of his skull fly off." Guijon said he stayed with the body for eight to ten minutes, since the rest of the group had already left. He reported that he then saw three or four soldiers enter, led by General Palacios. Photographers arrived, and then Guijon was taken to the Ministry of Defense and subsequently to the Military Academy. where the others were being held.<sup>40</sup>

#### CONCLUSIONS

Looking back on the events leading up to the coup, it is difficult to see how Allende could have proceeded other than he did. Considered by many to be both a Marxist and a democrat, he failed to perceive a contradiction between the two value systems until he was forced to reconcile them in practice; by that time it was too late to shift decisively in favor of one or the other. Over the years, the

enlargement of the public sector, price controls, even the expropriation of foreign properties under certain circumstances and in certain industries had become the common currency of politics. Every government promised more than it could deliver, and every one found it necessary to pull back from their programs as economic realities revealed their costs.

When Allende came along, promising that he would succeed where others had failed, that he would, in effect, resolve economic difficulties by political means alone, more than a few Christian Democrats, Radicals, and Independents, to include a few Conservatives must have wished him well. In fact, for the first year Popular Unity seemed to have performed something of a miracle. But by 1972 there were serious distortions in the economy, which any other Chilean government would have been forced to correct. Instead, Allende postponed decisions to March 1973, in the hope of increasing his support in Congress. The March elections were significant for all parties concerned. The Popular Unity needed the votes to continue their socialist programs, the opposition wanted the majority to vote the Popular Unity out of power, and the military were hoping the elections would lead to a peaceful resolution to the economic and political stalemate. By making the stakes of the by-elections intolerably high, Allende cut his options to either appeasing the non-negotiable demands of his own party or beginning genuine dialogue with the opposition.

In theory, Allende could have reached out to the opposition early on and struck a compromise. In practice it was never possible. In 1971 there seemed no need to do so. In 1972, when circumstances would allow and the left wing of the Christian Democracy was still in its ascendancy, the temptation was too strong to let redistributionist economic policies reshape the country. By the next year it was obvious that this was not going to happen; at any rate, not at any time soon. The Christian Democrats hardened their position, and Allende was hardly able to soften his own.

The President's return to the military in his cabinet in 1972 seemed inspired enough at the time; it put an end to the October strike and temporarily gave his government the stability which otherwise could be obtained only by reaching a costly political truce with his opponents. General Prats' presence in the Interior Ministry (and that of his colleagues in Supply, Transport, and Agriculture) provided an easy and even pleasant way around settling on the three areas of the economy or measuring the lower limits of agrarian expropriations. But it carried a price; in effect, it made Allende dependent upon the armed forces for the survival of his government -- a support which could not be purchased with weapons, pay raises, or flattery alone, but with respect for the profoundly conservative nature of military society and its members. It is very possible that the extraordinary personal rapport between Allende and General Prats ill-served the president, in that it deluded

him into underestimating the growing discontent within the armed forces. In the end, Allende would not give to the generals and admirals what he could not give to the opposition politicians.

The conclusion is quite clear. Though Allende continued to speak and act for the people, he rarely had congressional support for his policies and never dared to call for a plebiscite since he knew the majority of the people opposed his more revolutionary programs. The so-called "popular mandate" his regime often spoke of reflects the wishful thinking of the Popular Unity rather than Chilean realities.

Conclusions based on the evidence are that the Allende regime repeatedly exercised policies that were illegal and in violation of the constitution. This evidence is backed by such claims from the Supreme Court, the Comptroller General, the National Congress, and finally the armed forces. Allende's flipant response to the August 22 Congressional resolution which convicted over a dozen members of his cabinet; he simply reassigned each minister to the head of a different ministry.

The causes of Allende's overthrow follow a chronological pattern. Once in office, he quickly set into motion the nationalization of what he defined as the social, mixed, and private sectors. While the economic programs he set forth revealed initial promise in the short term, they were in no way suited to handle the historically troubled

Chilean economy in the long run. Driven by his goal to achieve a socialist dictatorship, Allende's intent was to use economic reform policies to gain popular support, thus buying himself time. The Left, backed by the Popular Unity and considerable encouragement from Castro, demanded an acceleration of events. Unwilling to abide by the laws of the Constitution, the Left began illegal expropriations of private estates, land, and local businesses. When Congress stepped in with a resolution to stop the illegal expropriations, Allende, for fear of the Left, refused their demands by veto. His failure to comply with the Congress, while allowing the dirty work of the Left to continue, was the beginning of the polarization between the Popular Unity and the opposition parties and a result of his failure to maintain control of radical elements in his coalition.

The radical reforms that followed quickly became out of control when extremists from the MIR and MAPU began arming the working lower class. Challenged again by the Congress and this time the military as well, he signed a bill authorizing searches for such arms. This time he appealed to the opposition while sacrificing support from his own party. It was clear that Allende was buying time to weaken the opposition's protest while developing a counter-weight with military support. Allende's own party would not stand still or allow any such negotiations with the opposition parties. Again, his failed leadership had not only lost control of the government, but his economic policies had

virtually collapsed Chile's economy. Allende's time had run out.

Allende had tried to exercise two options. Both had the ultimate goal of using the existing democracy to establish a socialist dictatorship. He wanted to establish a democratic, yet state-owned economy which he thought would gain him popular support. Having accomplished this, he could consolidate his gains and possibly run for reelection. By this time he could have easily peacefully transitioned the government into a socialist dictatorship. His other option was simply to transition into a socialist dictatorship in the first term, peacefully or not. What he had not planned on was the disaster of the nationalization and agrarian programs administered by the radical reformists of his own party. In the end it was failed economics which cost him the time he needed to peacefully transition the government.

The military had but one option after the August 22 resolution. No action on their part meant a civil war between the Leftist para-military force which Allende had actively promoted, and the opposition. Given that the para-military forces numbered less than 3,900 versus 89,000 in the armed forces, it is doubtful the civil war would have lasted long, but casualties could have been numerous. Understanding this, the military action was justified to prevent an all-out civil war.

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## CHAPTER V ENDNOTES

<sup>1</sup>This period was characterized initially by the "saber rattling" in 1924 which was followed by the establishment of a military committee which could address congress directly on issues pertaining to military privileges, pay, etc. Another action which took place during this period was the institution of a Commander in Chief of the Army. Eduardo A. Herman, Chilean Armed Forces: Actors and Not Spectators in National Policy. (Ft. Leavenworth, Ks., 1991), p. 156-160.

<sup>2</sup>Promotions were controlled by politicians, there had not been a raise in salary in five years, and officers who meddled in politics were immediately relieved. It was even forbidden for soldiers to become members of local Masonic lodges. Ibid, 165.

<sup>3</sup>No actual conflict took place. Viaux and his followers were arrested and remained in jail until after the 1973 coup, when they were allowed exile. The Marambio issue was based on his public condemnation of guerilla activities and students lack of spending enough time at their studies. These remarks "produced a violent reaction among the Socialist and Communist parties." Alexander, p. 80.

<sup>4</sup>Liisa North, The Military in Chilean Politics, in Studies in Comparative International Development. (Rutgers: Transaction Press, 1976), Vol. XI, No.2. p. 91.

<sup>5</sup>Edward M. Korry, The U.S. and Chile During the Allende Years, 1970-73. (New York: Random House, 1975), p. 4.

<sup>6</sup>Davis, p. 46.

<sup>7</sup>According to an important opposition leader who was presumably in a position to know, the general retired from his ministerial post because the principal military chiefs had come to think that it compromised the armed forces for one of their number to have to sign "decrees of insistence" legalizing seizures of private enterprises. Alexander, in an interview with ex-President Videla, Santiago, June 22, 1972. p. 294.

<sup>8</sup>While military aid continued throughout his regime, the message during this period was based on the Nixon administration's policy of denying direct assistance to countries that failed to pay prompt and adequate compensation for nationalized U.S. property. He was, however, later convinced by his cabinet that nationalization



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was a separate issue from military aid. Sobel, p. 90.

<sup>9</sup>Ambassador Davis says that Prats came to see him before departing to Moscow to express "his reluctance to become involved with the Soviets." Even though the Soviets offered their equipment at "fire-sale prices," Prats came back to Chile with only a \$50 million logistical agreement. This was a disappointment to Allende. Davis, p. 132.

<sup>10</sup>In a speech in Temuco on March 28, 1971, Allende declared, "I have said it before and I say it again: the Popular Unity government has committed itself... to seeing that in Chile the only armed forces are the Army, the Navy, the Air Force, and the National Police. The people require no other forces to defend themselves than the unity and respect for the Armed Forces of the Fatherland." Labin, p. 88.

<sup>11</sup>During late 1971, unmarked planes arrived each Saturday night at the Pudahuel airport outside Santiago. The planes taxied to a little-used part of the field, and cargos were transferred to trucks without passing through customs. It was never proved that these deliveries contained weapons, but when the opposition press publicized the flights, they stopped. Davis, p. 91.

<sup>12</sup>Ibid, p. 89.

<sup>13</sup>The Communists began systematic efforts to arm the Ramona Parra brigade between March and June. The leftists stepped up the crude manufacture of weapons, including plastic-encased bombs, in the factories. Foreign-manufactured arms, including weapons from the USSR and Czechoslovakia, began to appear at about the same time. Ibid, p. 157.

<sup>14</sup>At the time, the GAP consisted of over 200 personnel. Ibid, p. 116.

<sup>15</sup>To confirm their belief, a purported arms delivery on 11 March 1972 exploded into a major governmental crisis. That day a Cuban Airlines plane landed at Pudahuel, and thirteen crates, supposedly containing works of art and gifts for the president, were rushed into trucks without passing through customs -- a transfer said to have been made under the supervision of Minister of Interior del Canto. The press reported that men unloading the crates dropped one and that automatic weapons spilled out onto the ground. Del Campo was later impeached by the Congress and removed from office. New York Times, 29 July 1972, p. 8.

<sup>16</sup>About one hundred rebel troops of the Second Armored Battalion under Colonel Roberto Souper surrounded the Moneda Palace with tanks and tracked vehicles and exchanged fire

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with Allende's bodyguard. Prats himself rushed to the scene to direct loyalist troops, who broke the siege in less than two hours. Apparently no other unit in the country had joined the rebels. Allende was not present at the palace. Sobel, p. 130.

<sup>17</sup>The events of June 29 had a profound impact upon the political situation and on civil-military relations. In reaction to the failed coup attempt, Allende had taken to the radio calling the workers of the industrial belts to mobilize: "I call upon the people to take over the industries, all the firms, to be alert, to pour into the center of the city, but not to become victims; the people should come out into the streets, but not to be machine-gunned; do it with prudence, using whatever resources may be at hand. If the hour comes, the people will have arms." Davis, p. 172.

<sup>18</sup>Arturo Valenzuela, The Breakdown of Democratic Regimes: Chile. (Baltimore: Transaction Books, 1978), p. 101.

<sup>19</sup>Of the twenty-four searches in July, ten were carried out in factories, three in government offices, four in the offices of the Popular Unity, three in Trade Union offices, and two in organizations of the opposition. Palacios, p. 334.

<sup>20</sup>Davis, p. 158.

<sup>21</sup>Ibid, p. 202.

<sup>22</sup>Even so sympathetic a figure as General Prats openly confronted Altamirano and Almeyda at a cabinet meeting in August, accusing both of conniving with "left extremist" and the MIR. Ibid, p. 157.

<sup>23</sup>On August 30, Vice-Admiral Jose Toribio Merino, commander of the First Naval District, in his capacity as Navy judge, requested Congress to remove the congressional immunity of Altamirano and Garreton, thereby allowing their trial for conspiratorial activities. They were all released due to "illegal procedure" and Prats dismissed the charges due to what he saw as just another case of the military playing into the politician's hand. Alexander, p. 325.

<sup>24</sup>Valenzuela, p. 103.

<sup>25</sup>Secretary General Luis Corvalan of the Communist Party seemed to confirm this possibility in a newspaper interview in December 1972, when he said that the military presence in the government could conceivably become "a permanent and original feature of the Chilean transition to socialism".

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Valenzuela, p. 95.

<sup>26</sup>Attitude changes taking place in the officer corps were fundamentally related to the March elections. A total stalemate had been reached. Within the existing parliamentary system, the Popular Unity could not fully implement and rationalize its social and economic reforms without non-Popular Unity support. The opposition could not legally remove the president, but it could continue to maintain a chaotic situation in which class polarization would be increasingly acute as the economy. North, p. 95.

<sup>27</sup>Davis, p. 174.

<sup>28</sup>Prats also forged a particularly intimate relationship with the president. Though he had never met Allende prior to succeeding General Schneider in 1970, the two men found that they could work well together, and came to hold each other in considerable esteem. Prats became very comfortable with his position and tended to regard all politicians -- including the most radical -- as roughly equivalent. Comments from Ambassador Harry Shauldeman, Deputy Chief of the U.S. Mission in Santiago, in Falcoff, p. 282.

<sup>29</sup>Rojas Robinson Sanford, The Murder of Allende. (New York: Harper & Row, 1975), p. 178.

<sup>30</sup>Several sources hold that this incident was staged by the incumbent military junta in order to set the stage for Prat's resignation. See Palacios, p. 320., or Sanford, p. 162.

<sup>31</sup>Washington Post, 26 August 1973. p. A4

<sup>32</sup>The problem, as Allende explained it, was not only a shortage of imported wheat, but also right-wing terrorist attacks on the highways and railroads which prevented the wheat that was available from being brought to Santiago from Chilean ports. Sigmund, p. 239.

<sup>33</sup>What was clear from the figures was that new voters were an important element in the 1973 election, since 700,000 more Chileans voted in 1973 than had done so in 1970, an increase of 24 percent. The unusually large number of new voters was the basis of a study published in July 1973 by the Catholic University law faculty which claimed to be able to prove a progovernment vote fraud involving 200,000 to 300,000 votes. This would equate from six to nine percent of the total vote. Ibid, p. 201.

<sup>34</sup>Davis, p. 219.

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<sup>35</sup>Allende's reaction is based on an interview with Senator Alberto Jerez who listened to the speech with Allende in his home. Sigmund, p. 241.

<sup>36</sup>Alexander, p. 335.

<sup>37</sup>The top three officers of the Carabineros were not informed of the coup, and Allende found the Carabineros' adherence to the coup a complete surprise. Later interviews refer to that adherence as taking place "late" on September 10, and in Valparaiso it was said that the Carabineros did not agree to participate until 3 A.M. on the day of the coup. The director of the Carabineros was in the presidential palace with Allende when the coup began, and three hundred Special Services Carabineros surrounded the palace to defend it on the morning of the coup, although they left when they learned of the Carabineros' adherence to the coup decision. It is worth mentioning here that any plans reserved by the Conservatives to conduct a coup were put at bay through the convincing influence of General Pinochet. Sigmund, p. 241.

<sup>38</sup>There was considerable concern expressed by the armed forces over the possibility of Peru or Bolivia taking advantage of the instability in Chile by attacking to reclaim the territory they both lost during the War of the Pacific. Lieutenant Colonel Juan Manuel Gallardo, (Chilean Armed Forces) interview held in his capacity as Liaison Officer to the U.S. Army Command and General Staff College. Ft. Leavenworth, KS., February 1992.

<sup>39</sup>This account is aligned with the most accepted versions and one that this author considers to be the closest to "ground truth". It is based on eyewitness accounts from the Chilean correspondent to the Sunday Times of London, Florencia Varas, who was there. Florencia Varas, COUP! Allende's last Day (New York: Stein and Day, 1975), p. 38-95.

<sup>40</sup>Ibid, p. 94.

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