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CHILE, 1964-74: THE SUCCESSES AND FAILURES OF
REFORMISM

Gabriel Marcella

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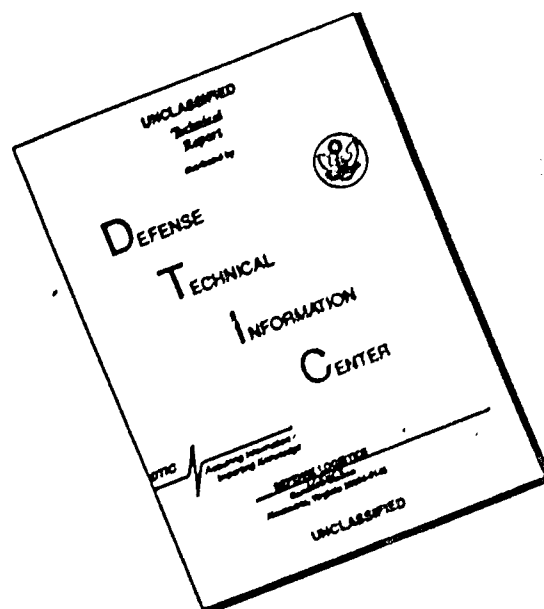
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OF REFORMISM

STRATEGIC STUDIES INSTITUTE



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restore economic productivity and in the long run promote a successful transition to greater civilian participation in national decisionmaking is yet to be answered.

The lessons of the Chilean experience have been, and will continue to be, closely observed by policymakers in Moscow, Havana, and Washington. In addition, reformers throughout Latin America will search for an improved model of autonomous development—hopefully one which avoids the mistakes of the Chilean one. Because of certain historical and structural similarities, the Chilean experience is of notable relevance to Portugal and Italy.

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**STRATEGIC STUDIES INSTITUTE
US ARMY WAR COLLEGE
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**CHILE, 1964-74: THE SUCCESSES
AND FAILURES OF REFORMISM**

by

Gabriel Marcella

22 September 1975

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BIOGRAPHICAL SKETCH OF THE AUTHOR

DR. GABRIEL MARCELLA joined the Strategic Studies Institute in 1974. He graduated from St. Joseph's College with a bachelors degree in Latin American studies, received a masters degree in history from Syracuse University, and a PhD in Latin American history and politics from Notre Dame. His foreign studies include a Fulbright-Hayes fellowship to Ecuador. Dr. Marcella's professional background includes teaching Latin American studies at Chestnut Hill and Rosemont Colleges, Temple University, the University of Indiana, and Notre Dame. He has written articles and book reviews for several professional journals.

CHILE, 1964-74: THE SUCCESSES AND FAILURES OF REFORMISM

Historians fondly search for turning points in the course of human events. For reasons that still await a careful ferreting, the Chilean experience of the past decade constitutes a worthy candidate as a major turning point in the history of Latin America. Since the inception of Eduardo Frei's Christian Democratic "Revolution in Liberty" in 1964, Chile cast itself as a testing ground in which to attempt broad, innovative, socioeconomic changes within a democratic political framework. Chileans have been proudly aware of their unique effort and easily accustomed themselves to being the center of enormous international attention.

Despite spectacular successes that augured well for the Alliance for Progress, some of the failures and contradictions of Christian Democracy set the stage for a narrow but constitutionally bona fide electoral victory by Socialist Salvador Allende in 1970. The election of Allende and the all but unmanageable Marxist-led Unidad Popular (UP) coalition signaled a commitment by a major portion of the Chilean electorate to pursue an accelerated program of socioeconomic changes (some marginally constitutional), in a sense completing the transformation begun by the Frei administration in 1964. The total collapse of Chile's constitutional edifice in September 1973, after more

than two years of severe political polarization and deteriorating economic conditions, ended an attempt to undertake, via the competitive democratic process, a peaceful transition to a structure of socialism. In its wake, the military government inherited the awesome task of arighting the weakened economy and of restoring tranquility to a social fabric severely strained by years of polarization. Whether the politically-inexperienced military can restore economic productivity and in the long run promote a successful transition to greater civilian participation in national decisionmaking is yet to be answered. The lessons of the Chilean experience have been and will continue to be closely observed by policymakers in Moscow, Havana, and Washington. In addition, reformers throughout Latin America will search for an improved model of autonomous development, hopefully one which avoids the mistakes of the Chilean one. Moreover, France, Italy, Spain, and Portugal, countries which share, with Chile, similarities in historical development, political culture, and structure analyzed the Chilean experience in terms of their own internal political options.

CHILE'S CONSTITUTIONAL TRADITION

Students of Latin American affairs have long remarked upon the outstanding record of political stability and constitutionality established by Chile after 1830. In an area notorious for frequent attacks upon institutional democracy and the suspension of constitutional processes, the republic scored high on typologies of the region's democratic development. Prior to 1973, even during the difficult Allende years, so legendary had been Chile's political stability and its adherence to ostensibly democratic modes of behavior (with some exceptions notably the Civil War of 1891 and an interlude of military intervention in political affairs between 1924 and 1931) that scholars have extensively analyzed the Chilean political model, searching for the alchemy that apparently eluded most of the neighboring putative republics. Chileans are intensely proud of their superior record. This pervasive pride facilitated acceptance of the belief that Marxism was alien to the national character. Thus it was possible for the Chilean political system to tolerate a degree of sociopolitical experimentation Frei's "democratic reformism" and Allende's "peaceful transition to socialism" inappropriate in other Latin American societies.

This background is significant because Chile's political leaders

frequently recourse to historical patriotic symbolism to legitimize their pronouncements. For example, the current military government speaks of the "restoration" and returning to the virtues of the fatherland established by the nation builder Diego Portales. Admiral José Toribio Merino, a member of the ruling junta, proclaimed after the September 1973 coup:

Chile had crossed... a Lircay [an 1830 battle in which the forces of conservatism and centralism triumphed over liberals] which we trust will be decisive for her destiny as a free nation. Now as then, the spirit of Portales inspires and vitalizes the reconstruction. And, in the present as in the past, the great mission is one of constructing a new juridical order, indigenous and stable, which channels without deviation the progress of this strong and virile people toward the future it deserves.

The above conforms to a symbolism with which a majority of Chileans can identify. That symbolism, plus Chile's sophisticated political tradition, constitutes at once a source of legitimacy as well as a restraint upon the military government, for any sustained departure from the country's tradition of political democracy and sophistication will not only be alien to Chilean political culture but also unpopular.

With some modifications, the tradition and institution of strong presidential government bequeathed by Portales guided Chile through the remainder of the 19th century, an era of martial glories, territorial expansion, and substantial economic growth. Internal unity and superior organization afforded Chile the opportunity to assume political and military leadership among the powers of South America. A legend of glories and national/racial superiority achieved wide diffusion among Chileans of all classes.

The Portalian tradition and the success story have less relevance to post-1891 Chile, though the myth of superiority and political sophistication continues to this very day. In that year, divided on the personality and reform policies of President José María Balmaceda, the nation plunged into a brief but bloody civil war. The period 1891-1920 witnessed an abrupt departure from the established pattern. Politically, presidential authority yielded to the institutionalization of parliamentary rule, leading to an abyss of governmental ineffectiveness. Socioeconomically, there occurred an intensification of patterns already visible in the 19th century: the parallel enrichment of the privileged sectors of society and the progressive marginalization of the masses. Despite the veneer of well-being engendered by the nitrate and

copper boom, the economy remained monoculturist and heavily burdened by inflation and an increasingly inefficient agricultural system conditions not unlike those of the contemporary period. It is important to note that Chile's problems of underdevelopment, and of the rigidities of social stratification, are derivations of historical experience a truism that is frequently overlooked in assessing the reform efforts of Frei and Allende.

While experiencing the decline of their once mighty nation, thoughtful Chileans began to diagnose their country's problems. This process of self-analysis produced a considerable body of polemic and serious thinking that led to the crystallization of a political consensus for the implementation of reform, for the pursuit of development and social justice. Prior to 1964, some mild reform best categorized as tinkering had been attempted by a number of administrations and a mixture of ideologies beginning with Arturo Alessandri in the 1920's. Substantive reforms, however, did not come until after 1964.

FREI AND THE REVOLUTION IN LIBERTY

The Chilean struggle for development and social justice, whether under the leadership of Christian Democrats (PDC) or Marxists, must therefore be appreciated within the larger historical context. In this context Chilean reformism acquires a unique aura of legitimacy and urgency, a situation which helped Frei to sweep to an unprecedented electoral victory in 1964 (56 percent vs. 38 percent for Allende) and enabled Allende to win in 1970.

Frei's reformism was instituted in a country noted for the contradiction of being politically developed but economically underdeveloped. Alongside a thriving political life characterized by scrupulous regard for democratic/legal procedures there existed a Chile beset by all the symptoms of socioeconomic underdevelopment: agricultural stagnation, hyperurbanization, inflation (close to 3,000 percent from the 1940's to the 1950's), gross inequities in the distribution of income and privileges, inadequate diets for the nonparticipating masses, and insufficient housing. The developed-underdeveloped dichotomy corresponded to the existence of what some observers have termed the "Two Chiles."¹ Frei initiated a broad series of changes that included agrarian reform, tax reform, industrialization, expansion of educational opportunities, housing construction, and the "Chileanization" of the country's major copper producers.

The source of Chile's underdevelopment lay in the internal socioeconomic structure and its relationship to the industrial world. Accordingly, it was a small economy, with a limited internal market, heavily dependent upon mining for a major portion of government revenue, saddled with an agricultural system characterized by the inequities and inefficiencies of latifundism and minifundism. Moreover, Chile's terms of trade were adjudged permanently unfavorable, as the economy found itself unable to overcome its role of raw materials exporter at sometimes low and often unpredictable prices and finished products importer at unfavorable terms.

The pre-1964 agrarian structure underpinned economic underdevelopment and the distribution of political power. For centuries land has been the basis of power for the upper class as well as for elements of the middle sectors, who have bought into rural estate and/or intermarried with the upper class. Stagnating agricultural productivity is of relatively recent origin, however. Prior to World War II, Chile was a net exporter of food, while in the 19th century Chilean wheat competed in the international market. Stagnation occurred despite the fact that Chile is marvelously endowed with fertile land in its Central Zone. The land per man ratio is one of the most favorable in the world, as the following table indicates.

Land/Man Ratio in Hectares²

Chile	1.01
Argentina	1.78
Mexico	.79
India	.29
Japan	.07

(1 hectare equals 2.47 acres)

Despite these advantages, the proper incentives for production have been absent in Chile's agrarian system. Landholding patterns evidenced concentration of ownership in the hands of few. In the provinces of Santiago, Valparaiso, and Aconcagua regarded as the locus of most national production 7 percent of the properties covered 92 percent of the agricultural lands. Furthermore, 85 percent of the farms occupied 3 percent of the land area. Throughout the country, 9.7 percent of the properties accounted for 86 percent of the agricultural lands.³ In

addition, the agricultural system was characterized by an inversion of intensive cultivation (fruits and truck gardening) on extensive holdings with a corresponding extensive cultivation (cereals) on intensive holdings (medium-sized and small holdings). The lack of production incentives helped perpetuate the practice of leaving 35 percent of the tillable soil fallow in any given year.⁴ Other factors, such as the low pay of farm labor, poorly-developed marketing system, and the depressed purchasing power of the lower classes (which meant that the system responded to the needs of the urban middle class and upper class), contributed to the inefficiency of the system.

Reform of the agrarian structure lay, therefore, at the heart of Frei's program. By May of 1970, 21,000 families (somewhat short of the 100,000 promised and the 300,000 eligible) had benefited from the redistribution of expropriated lands.⁵ An institutional structure based around cooperatives (*asentamientos*) arose to not simply improve production but to make the agricultural population participate in the social, cultural, economic, and political life of Chile.

The momentum generated by agrarian reform and the legitimacy embodied in the agrarian reform law of 1967 had other consequences. For one, it raised reform expectations that were not adequately met. Criticism mounted from the Christian Democratic left and the Marxist opposition that the program was too slow, while rural tensions increased. Though in many ways Frei's agrarian reform program was a model of decorum as it strove to redistribute land while not sacrificing production (which actually increased from 1.8 percent per year to 4.6 percent), the land tenure system was, for all practical purposes, not substantially altered until the massive changes of the early Allende years.

In other aspects Frei's program achieved astounding gains: housing for 400,000 families, a 46 percent increase in educational enrollment, and the construction of 3,000 new schools.

"Chileanization" of the major copper companies, meaning government controlling interest, constituted a major breakthrough by Chile to solve the long-standing problems related to its principal source of foreign exchange and government tax revenues. Chile's copper industry had functioned as a classic case of an enclave industry tenuously integrated to the national economy. Moreover, to a majority of Chileans, including those of left and right, foreign ownership was anathema: the operations of American-owned Anaconda and Kennecott accounted for close to 90 percent of total internal

production. Cooper's price fluctuations undermined the predictability of government tax revenues and thus its capacity to promote development. Via "Chileanization," done by settlement with the companies, the government gained control over production and marketing. Various efforts to stimulate production, combined with burgeoning Vietnam War related prices, helped Frei underwrite his ambitious reform program and bequeathed Allende a substantial surplus of foreign exchange (\$388 million in 1970) that became a deficit in excess of \$300 million by 1973.

Internationally, the Frei administration assumed an aggressively nationalistic position, retaining a traditional Western orientation while at the same time opening diplomatic and economic channels to the Eastern bloc. In Latin America, Chile assumed a leading role in promoting Andean economic integration. The Andean Pact (Colombia, Ecuador, Peru, Bolivia, Chile, and Venezuela) increasingly gives evidence of becoming the most successful integration effort in Latin America.

Frei's program was not without its failures. The nation's chronic inflationary spiral (now of 90 years duration) once again returned to uncomfortable proportions--38 percent in 1964 (under Alessandri), 17 percent in 1966, and 35 percent in 1970.⁶ To this was added declining productivity for the overall economy during the last three years of Frei's government. These failures did not escape the attention of an electorate with aroused expectations.

THE ELECTION OF ALLENDE IN 1970

Frei's "Revolution in Liberty" achieved unparalleled successes, but a complex of factors conspired to hand the election to Socialist Allende in September 1970. Despite the great mandate received by Frei in 1964, the Christian Democrats came to face a number of obstacles that made defeat in 1970 all but inevitable. These obstacles included internal factional divisions, eroding electoral strength, and Frei's constitutional ineligibility for a consecutive term. Frei's vote of 56 percent in 1964 did not constitute an unqualified mandate to push reform. Rather, a substantial portion derived from temporary support by the parties of the right, the Conservatives and Liberals, which had the most to lose by reformism. To the right, a Christian Democratic triumph was preferable to the installation of a Marxist government under an Allende-led coalition. This rightist support would dissolve

once the possibility of a Marxist victory was postponed until the 1970 elections.

The erosion of electoral support for the Christian Democrats tended to reflect these internal shifts. From a high of 42.3 percent in the 1965 congressional elections, support plummeted to 31 percent in 1969 creating a serious defection by PDC radicals in the form of Movement of Unitary Popular Action (MAPU). In the meantime, the Conservatives and Liberals united to form the National Party in an effort to capitalize on the leftward drift of Chilean politics. The shrewd leaders of the right, with the father figure Jorge Alessandri as their presidential candidate, abandoned their 1964 strategy and opted to divide the 1970 presidential elections into a three-way race. Alessandri, the perennial Allende, and Tomic. Radomiro Tomic, lacking the enormous charismatic appeal of Frei, was unable to overcome the multitude of obstacles and was furthermore ineffective in transmitting his convictions to a divided electorate.

The Marxists, on the other hand, carefully constructed a broad coalition that included the Socialists, Communists, Radicals (anticlerical, middle class, state interventionist, and patronage oriented), and disenchanted Christian Democrats (MAPU). In the most closely observed election in the history of Latin America, the Marxist strategy triumphed, with Allende receiving 36.3 percent (vs. 38 percent in 1964), 34.98 percent for Alessandri, and 27.84 percent for Tomic.⁷

Within Chile's electoral system, since no presidential candidate achieved an absolute election majority (Frei's victory margin of 1964 was highly unusual), the Congress assumed the duty of choosing the winner from the two contenders with the most votes. Allende and Alessandri. The Alessandri forces, in a gambit to upset traditional practice and invalidate the election, attempted a settlement with the PDC to avoid the selection of a Marxist. Since the political composition of the Congress favored the PDC and the UP melange, Alessandri had no hope of winning without PDC votes. Alessandri promised to resign and permit new elections that would allow Frei to circumvent the constitutional disability.⁸ The suggestion was rejected, but it was significant as a forerunner of attempts to prevent Allende from taking office and later to overthrow him. Rightist elements attempted, by assassinating General Rene Schneider, Commander-in-Chief of the Army, to create conditions of chaos sufficient to precipitate military intervention. The assassination embarrassed the rightist opposition and strengthened Allende's legitimacy.

To Allende and his supporters, victory at the polls came as somewhat of a surprise. Though active as legal participants in politics for many decades (Communists were proscribed in the 1940's and 1950's), Marxists had traditionally held out meager hopes of coming to power via the bourgeois political system. Many had and would continue to preach its violent destruction as a precondition for establishing socialism, while others stressed the feasibility of working within the system to achieve it. Salvador Allende, a consummate politician, master of the give and take, belonged in the latter grouping of optimists.

Allende achieved the presidency after three unsuccessful efforts (1952, a close defeat in 1958, and 1964). Trained as a medical doctor, he became concerned about Chile's health and sanitation problems, and in his thinking attributed the state of lower class destitution to "capitalism" and the prevailing system of social inequities. Minister of Health in the Popular Front Government of 1939, Senator, and President of the Senate during the Frei years, Allende was responsible for sponsoring much social legislation. At the same time he was an admirer of Ho Chi Minh, Mao Tse-tung, and lectured his great friend Fidel Castro that socialism could be achieved in Chile by the ballot box.

Though his diagnosis of Chile's problems of underdevelopment and the maldistribution of wealth and privilege bore an unmistakable Marxist imprint, to his last days he clung to the belief that socialism could be brought about peacefully the *via no armada*. The Marxists, among which the Socialists were the more radical, believed Chile's problems derived from its status as a "capitalist country, dependent on imperialism, dominated by sectors of the bourgeoisie structurally linked to foreign capital, who cannot solve the fundamental problems of the country, which derive precisely from their class privileges . . ."⁹

Chile was analyzed as highly dependent upon foreign interests for the development of industries. Furthermore, these interests were alleged to be extracting unjust rates of profit that progressively decapitalized Chile. Cultural penetration in the educational and communications systems enslaved Chile to foreign forms. Internally, the distribution of political privileges and wealth favored elements with links to foreign interests while low income, poor health, and insufficient dietary and educational opportunities was the lot of the masses.

The diagnosis was remarkably close to that of the Christian Democratic Party; the basic differentiation lay in the timing and process of the restructuring of society. The UP coalition, containing

many types from the impatient violence-oriented Movement of the Revolutionary Left (MIR) to the bureaucratic Communists, demanded a quick transition to socialism often irrespective of the costs in economic productivity and constitutionalism. The PDC favored basic structural reforms within the context of deliberate and legal procedures. Allende's greatest achievement as president lay not in the triumph of Marxism under his aegis, but in his ability to masterfully balance the many contending factions within his coalition and allow the Socialist experiment to endure for three years.

THE ALLENDE ADMINISTRATION

Allende's economic program displayed some continuity with that of his predecessor, but the pace of reform accelerated substantially. In the 2-year period, 1971-73, the government expropriated 4,090 farm units, comprising approximately 14 million acres. These totals contrasted with 1,408 units and 8.6 million acres in the Frei years.¹⁰ Allende's promise to eliminate the landed oligarchy was nearly achieved since by 1973, 64 percent of the country's farmland had been subjected to agrarian reform. The government's plan to move ahead speedily with redistribution was a political commitment that chose to disregard certain economic costs to the advantage of long-term social and political mobilization.

After small increases in the 1970-72 period, agricultural production registered declines of 3.8 and 16.5 percent respectively in 1972 and 1973. The declines contributed to the growing need of importing food 55 percent of the wheat consumption for 1973 (vs. 18 percent in 1970), 43 percent of the beef demand (vs. 25 percent in 1970).¹¹ Increasing food imports accounted for a cost in excess of half a billion dollars by 1973 an enormous cost for Chile's small economy. A number of factors contributed to declining agricultural productivity. Foremost was the government's failure to provide adequate supporting services, such as credit, marketing assistance, and organization. Price controls combined with bad weather to reduce cultivation. The October 1972 truckers' strike, the general climate of political uncertainty and polarization, plus cases of some rightist sabotage increased the fears of producers.

Interpreting the outcome of Allende's agrarian reform depends upon ideological considerations. The fundamental Marxist goal to undercut the landed power base of the middle and upper class had been

substantially achieved by 1973; but expanded agricultural production was not manifest by September 1973, and Chile was more dependent on external sources of food than ever before. Electorally, Allende's land redistribution helped solidify support from approximately 40 percent of the voters (43.4 percent in the March 1973 congressional elections). The erosion of electoral support that afflicted Frei was not in evidence.

Nationalization of copper production, done with unanimous congressional support in mid-1971, was a political act long in the making in Chile. Symbolically, it constituted a triumph for Chilean nationalism. Production, however, continued to be problematic. After a small increase in 1972, production dropped by 12 percent the first six months of 1973 as the result of strikes. The opportunity cost of erratic production in a time of higher copper prices added to Chile's economic woes.

In expanding industrial production, the government achieved some notable early successes. To stimulate production and utilize idle capacity, the government gave large wage increases while at the same time it controlled retail prices. The spiraling demand that resulted invigorated the economy, producing the boom of 1971-72. Industrial production increased by 12.9 percent in 1971 and 16 percent in the initial months of 1972.¹² Declines ensued, 3.1 percent in 1972 and 8.4 in 1973.¹³ Accompanying them was the upsurge in inflation, caused in part by Allende's income redistribution policies. From a relatively mild 20.1 percent in 1971 it reached 249 percent by September 1973.¹⁴ This past year registered a rate in excess of 300 percent, and projections for 1975 are very pessimistic. The performance standard by which all Chilean governments are measured, the ability to control inflation, may turn out to be the Achilles' heel of the successor government.

THE COLLAPSE OF ALLENDE'S GOVERNMENT

The socioeconomic changes undertaken by the Allende administration cannot be considered apart from the Chilean political process. Allende had vowed to work within that process, but in the end the tactic failed him. As one observer has noted, Allende's administration "failed an opportunity to experiment with a peaceful and legal transition to socialism by unnecessarily provoking and underestimating the forces ranged against it."¹⁵ Critics and advisers (among them Regis Debray) warned that there inhered a contradiction in the attempt to bring about socialism within a democratic

constitutional context, that this contradiction could only be eliminated by the gun. Allende, the idealist, and the product of a unique political culture, reminded them that Chile was unique, that only democratically could socialism be established there. The failure is all the more poignant when one considers the awesome opportunity presented to Allende in 1970. In that year there existed a broad consensus for socioeconomic reforms that took years to construct. The failure to capitalize on this consensus will stand out more glaringly in history than the serious economic blunders. That failure will also overshadow the conspiratorial thesis for Allende's overthrow. Historians will record that the political blunder of unnecessarily provoking and seriously underestimating the strength of the opposition and often unbending ideological commitment were the main causes of the demise of the Socialist experiment.

The government hoped to move speedily toward the restructuring of society. By doing so, it hoped to mobilize sufficient popular support so that the revolution would be made irreversible, consolidating the electoral hold to preclude a rightist victory in the 1976 elections. The economic program, a mixture of populism, nationalism, and Marxism, much of which originated in the Frei administration, strove to achieve this mobilization. By accelerating agrarian reform, incorporating copper production and most industries into the public sector, and by redistributing income in massive doses while holding down prices, it largely succeeded in mobilizing substantial but increasingly temporary support. UP popularity peaked at 48.6 percent in the April 1971 municipal elections and continued comparatively high at 43.4 percent in the March 1973 congressionals. The results of the latter election indicated that UP support was not expanding, nor had a drastic erosion taken place a stalemate was evident.

Political mobilization constantly intruded upon economic productivity. In the rural areas, particularly in the south, the government tolerated sometimes violent land seizures by peasants and Mapuche Indians. These seizures were undertaken with the assistance of the MIR, the radical group that Allende never successfully controlled. Similarly, the government promoted and/or tolerated the legal and illegal expropriation of factories. By 1972, 500 factories had passed into the "social sector" though the Marxists had planned for only 91. The massive wage increases granted in 1971, combined with stagnating copper and industrial production, reduced government revenues. Production costs and retail prices rose, while foreign reserves declined.

Inflation in 1972 spiraled to 163 percent. The intensification of economic troubles led to the further galvanization of the opposition. Middle class housewives, in a display of *casserolismo*, paraded in Santiago hanging pots and pans to protest food shortages. In October 1972, independent truck owners (45,000 vehicles), fearing the establishment of a state trucking agency, went on strike for 24 days.

The UP coalition was bitterly divided on the production/mobilization dilemma. Communists, generally adhering to Moscow's position, wanted to consolidate the gains of the revolution, while the radicals (Socialists, MAPU, MIR) wanted to move forward quickly irrespective of the economic costs. The growing polarization, evidenced by violent clashes between leftist and rightist extremists, created the impetus for inviting the Armed Forces to participate in the government. On November 4, military men assumed three cabinet posts. The military assumed a burden desired strenuously by left and right, namely, that of negotiating the rough shoals of polarization. Christian Democrats reminded the military of its historical duty of guaranteeing the constitution while the Nationals wanted no less than a military takeover. During its initial participation (five months) in government, the military succeeded in helping to restore a semblance of order. Nonetheless, conditions deteriorated after the March elections. Clashes between left and right increased in both frequency and ferocity, with the opposition clearly demanding Allende's resignation or a military takeover. But the military bided its time. In the last five months of constitutional government Chile witnessed the rise of paramilitary groups, daily violence, frequent shifts in Allende's cabinet, and the failure of a last ditch Christian Democratic effort to reach a compromise with Allende.

An abortive coup on June 29 demonstrated the extent of internal military dissatisfaction. Evidence of Marxist penetration of the Navy heightened the military's fears. In August, violence was commonplace while rumors of an impending coup circulated. The Christian Democratic and National Parties joined in a congressional resolution condemning the government's violation of the Constitution and calling on the Armed Forces to fulfill their historical duty. They did so on September 11 in an attack so thorough and well coordinated that even Allende was amazed.

THE PERFORMANCE OF THE MILITARY GOVERNMENT

The September 1973 military coup made all speculation about what

may have happened had Allende adopted a more conciliatory approach a purely academic exercise. After witnessing the virtual destruction of the nation's institutional structure, the military, under Army Chief Augusto Pinochet, decided to undertake the liberating revolution. Having witnessed Frei's reformism and Allende's contradictory "peaceful transition to socialism" bring the country to the brink of civil war, the Armed Forces decided to dispense with the political system that they perceived allowed the crisis and to rid the country of the Marxist cancer. The course of Chilean history may be permanently altered. Henceforward the military may choose to eschew its traditional apolitical role and assume a direct hand in the conduct of national affairs.

What will be the role of the military, and can it bring about the cherished goal of national development? The question, because of characteristics peculiar to Chile and its military, does not admit an easy answer. On paper the military would appear admirably unsuited to the task. Unlike their Peruvian and Brazilian counterparts, the task of political government is entirely new to them. Chile does not have an institutional equivalent to the social science development oriented *Centro de Altos Estudios Militares* in Lima and the prestigious *Escola Superior de Guerra* in Rio de Janeiro. In these schools the respective militaries (frequently joined by civilians) worked out extensive plans of national development and inculcated their students (who today govern) with the urgency of carrying them out. However, the Chilean military has, to its advantage, a high degree of institutional autonomy and cohesion.

The military inherited the gargantuan economic problems that weakened Allende plus the political ones unique to a nondemocratic anti-Marxist regime. It is noteworthy that the Chile of 1975 is beset with the same economic problems that faced Frei in 1964. In some initial efforts in addressing economic problems, the government returned banks and industries to the original owners, at the same time declaring its intention to respect the social gains of the lower class. Presumably agrarian reform will be permitted to stand. Restoring productivity and government liquidity, meeting foreign obligations, and enticing foreign investment capital back to Chile are paramount objectives. The bleak prospects of curtailing inflation have already been noted in this paper. To this must be added the world recession, declining copper prices, and the increased costs of energy of which Chile must import more than half of its need.

Politically, the government faces the task of decompressing a dangerously politicized environment and neutralizing the well-mobilized Marxists. All political parties have been suspended, the Congress declared in recess, and a new constitution is in the works. Performing these political tricks is far more difficult in Chile than in a politically less sophisticated country. The Marxists have been forced underground, a new environment for most of them. The imprisonment, exile, and execution of some Marxist leaders, nonetheless, leaves intact the basic cellular structure along with substantial public support. The recent death of the head of MIR has been described as a serious blow to the movement, yet it is likely to survive. Chilean Marxists are probably finally convinced that the peaceful road to socialism is an illusion and only violence will suffice. That threat will continue to exist.

The aspirants for a return to democracy, mainly the Christian Democrats, constitute persistent critics of the government. Many military leaders and some rightists mistrust them for making possible Allende's election in 1970 and the Marxist revolution that ensued. Many Chileans, however, regard them as a rightful alternative to continued military government.

The constraints operating on a civilian government are not the same ones that handicap the military. Possessing the monopoly of coercive power, the military can suppress the opposition at will, since eroding electoral support is less of a constraint. Pinochet's declaration to stay in power as long as necessary, be that 5 or 20 years, illustrates this. If the military can generate economic recovery, the muffled Chilean electorate may tolerate nondemocratic rule.

SOME INTERNATIONAL IMPLICATIONS OF THE CHILEAN EXPERIENCE

The Chilean experience of the past ten years has been closely observed by the world. Frei's "Revolution in Liberty" was typically viewed by many Americans as the last and best hope to achieve the goals of the Alliance for Progress within a democratic framework. The Christian Democrats received considerable financial support from ideological confreres in West Germany and Italy. Allende's election awakened some fears that a Marxist "electoral" model would be emulated in Latin America and Southern Europe, despite Henry Kissinger's remark that Chile was a "dagger pointed at the heart of

Antarctica." Prior to the 1973-74 oil crisis, Kissinger considered Latin America irrelevant to the security of the United States.

Moscow saw Allende's victory as vindication for its strategy of the peaceful united front approach to power. In the ideological cooling afforded by detente, Chile represented an opportunity to gain a tactical advantage over the United States by gaining a foothold on the continent. At the same time Moscow despaired about the contradictory *via chilena* to socialism since it implied that socialism could be achieved with a coalition of political forces that included such strange bedfellows as bourgeois parties, Communists, and Socialists. Allende's foreign policy was more to Moscow's liking.¹⁶ The Soviets seized the opportunity to dramatically increase their economic, political, and military influence in Chile. The overthrow of Allende, though lamented, was not unexpected by Moscow.

Chile's Latin American neighbors Peru, Brazil, and Argentina reacted with some concern to the installation of a pseudo-Marxist regime nearby. Brazil's security-conscious military government, riding the crest of a great economic boom, watched with some trepidation the theatrics of what they considered unstable Chileans. Argentina, afflicted with its own internal dissensions, opted to accept the new climate of "ideological pluralism" in Latin America. Peruvians, who traditionally harbored little love for Chileans, were experimenting with their own revolution, attempting a middle road between Marxism and capitalism. Though corevolutionaries within the context of "ideological pluralism," Peruvian-Chilean relations have grown cooler, due in part to the progressive international isolation of both governments, particularly since the events of September 1973.

Certain sectors of Latin American opinion may conclude from the Chilean experience that the electoral road to socioeconomic reforms and development becomes unequal to the task if confused by Marxist mobilization politics. Eclectic authoritarian models, under a variety of names and forms and with military participation, may therefore hold greater attraction. Latin American countries, in the main, will thus define development, increasingly in terms of socioeconomic indicators and lastly of political participation.

The international response to the overthrow of Allende has placed another set of problems before the military government. Supremely sensitive to foreign criticism of internal oppression and somewhat awkward in the handling of diplomacy and public relations, the junta has become an easy prey for a well-orchestrated Soviet and Cuban

propaganda campaign. The campaign has been, strangely enough, aided by an antijunta leftward drift in the US Congress. The Congress punitively reduced military aid to Chile and thereby further weakened Chile's defensive position vis-a-vis Soviet-equipped Peru, which has not forgotten the humiliating defeat at the hands of the Chileans in the War of the Pacific (1879-83). The Congress, in its self-styled role as foreign policymaker, may be contributing to a "war psychosis" on the West Coast of South America by isolating Chile, exacerbating its government's paranoia, and unwittingly tilting the military advantage to the Peruvians. The Soviet policy of fishing in troubled waters may upset the balance of power in South America and gain them permanent influence in the region.

In a little noted footnote to the history of detente the junta challenged the Soviet Union and Cuba to release their political prisoners. The challenge came in response to criticism by international communism of the junta's incarceration of political undesirables. Santiago has thus become a rallying point for Soviet expatriate efforts (for example, the Ukrainian Central Bureau in Buenos Aires promised assistance) to have relatives and friends released by Moscow. Moscow's response has been a conspicuous silence. The episode symptomizes the vehemence with which the junta is attacking Marxism, nationally and internationally. The Chilean government is very proud of being the first to overthrow a Marxist regime and cannot fathom the criticism of its internal politics by traditional European, US, and Latin American friends.

PORTUGAL, ITALY, AND THE CHILEAN CONNECTION

Chile's experience has been probed in terms of its relevance to the future course of political change in Southern Europe, notably in Portugal and Italy. Though Chile is both geographically and historically removed from the Mediterranean countries, there are some parallels. Both Portugal and Italy have comparatively strong Communist parties and troubled economies.

The following table outlines some significant parallels and contrasts. Neither underdeveloped Portugal nor industrialized Italy faces quite the options of Chile in 1970 and 1973. In Portugal, a multiparty system wherein the Communists may summon 10-15 percent of the electorate is emerging under the corporatist tutelage of the reformist Armed Forces Movement. The important distinction to note is that the

military holds power and may be unwilling to relinquish it in the face of an accelerated leftward drift of a protodemocratic political system. The recent publication of a 184-page statement on reforms planned for Portugal intimates a long tenure, at least a praetorian role, for the military.¹⁷ On the other hand, the Portuguese military has a longer history of politicization and the institution may lack the autonomy and cohesion characteristic of Chile's.

The national elections of June 1975 confirmed suspicions that Portugal was developing a classical European multiparty system. However, Portugal has to resolve the contradiction between a leftist-dominated reformist movement, wherein Communists maintain a degree of influence out of proportion with their electoral support, and a conservative political system aspiring to achieve socioeconomic changes democratically. As of this writing the prospects for peaceful change in Portugal appear dim.

The Italian option is again different. Italian leftists decried the excesses of Allende's coalition. Italy's political culture emphasizes with some pride the success of a parliamentary republic. Furthermore, Italy's multiparty system resembles Chile's of 1970, with the Communists maintaining about 27 percent of the vote and the Christian Democrats 39 percent (according to the 1972 elections). For the Communists in Italy to reach a point of negotiating strength with the parties of the center and right, they must first make serious inroads upon Christian Democratic strength—an achievement apparent from the results of the June 1975 regional and municipal elections (32.4% for the Communists and 35.6% for the Christian Democrats). The Chilean experience taught the Marxist left in both countries that the mistake of provoking the opposition must be avoided, for a rightist reaction might precipitate the loss of their hard won gains. The Portuguese Communists have been instructed that the road to power is smoother without a free press and without a military in opposition. The Portuguese and Italian options are complicated by the presence of the North Atlantic Treaty Organization and the relative proximity of Soviet military power. For the sake of the advantages which detente offers the Soviets, they may demonstrate restraint in fishing in troubled Portuguese and Italian waters.

	CHILE	PORTUGAL	ITALY
Type and style of government	Multiparty presidential democracy, followed by military junta	Salazar corporatism, followed by reformist Armed Forces movement	Multiparty parliamentary democracy
Status of economy	Underdeveloped, agrarian	Underdeveloped, agrarian	Developed, industrialized (North/South cleavage)
Status of Marxist parties	Underground, with recent history of participation; 20-30% hard core support	Participating, with no history of participation prior to 1974; 12.5% in 1975 elections	Participating, approximately 2% in 1975 regional and municipal elections
Role of the military	In power, anti-Marxist; institutional autonomy, traditionally apolitical	In power, highly politicized, permits some Marxist participation; corporatist; NATO	No tradition of intervention in politics, factionalized; NATO

Table 1. A framework for Political Options in Chile, Portugal, and Italy

ENDNOTES

1. K. H. Silvert, *Chile: Yesterday and Today*, New York: Holt, Rinehart, and Winston, 1965, pp. 84, 183, 190.
2. *Ibid.*, pp. 123-124.
3. *Ibid.*, pp. 121-122. To illustrate the more extreme, 17 of 1 percent of the holdings occupied 45 percent of the total agricultural lands.
4. *Ibid.*, p. 123.
5. Peter Winn and Cristobal Kay, "Agrarian Reform and Rural Revolution in Allende's Chile," *Journal of Latin American Studies*, Vol. 6, 1, p. 136. Less than a third of the latifundios, representing only 18 percent of the arable land, were expropriated between 1965 and 1970.
6. The best analysis of the 1970 election is to be found in Michael J. Francis and Hernán Vera-Godoy, "Chile: Christian Democracy to Marxism," *The Review of Politics*, Vol. 33, No. 3, July 1971.
7. *Ibid.*, p. 327.
8. This strategy contrasted with Alessandri's pre-election statements to the effect that the candidate with the larger percentage should be selected by Congress.
9. Michael J. Francis and Hernán Vera-Godoy, "Chile: The Strains of a New Experience," Manuscript, University of Notre Dame, 1971, p. 7.
10. Inter-American Development Bank, *Economic and Social Progress in Latin America*, Annual Report 1973, Washington, DC, p. 165.
11. *Ibid.*, p. 160.
12. *Ibid.*, pp. 161-162.
13. *Ibid.*, p. 162.
14. *Ibid.*, p. 9.
15. Thomas G. Sanders, "The Process of Partisanship in Chile," *American Universities Field Staff Reports*, West Coast South America Series, Vol. XX, No. 1, October 1973, p. 2.
16. James Theberge, *Soviet Presence in Latin America*, New York: Crane, Russak and Company, 1974, p. 176.
17. "Portugal Plans Land Reform and Control of Key Industries," *The New York Times*, February 21, 1975, p. 2.

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