

The hope that Chile had seemed to embody of a civilized, humane society that sought to combine freedom, development, equality, and social justice had given way to a regime committed to order at the price of freedom, economic growth at the price of social justice, and depoliticization at the price of military dictatorship and the strengthening of the power of traditional elites. For the foreseeable future, the fate of Chile would depend more on the internal politics of the military and the economic theories of a conservative technocratic elite than on the more or less free play of competing groups within a framework of constitutional liberty which it had known throughout most of its history. Why this happened, the concluding chapter will attempt to explain.

## CHAPTER THIRTEEN

**The Lessons of Chile**

Like the politics of Chile under Allende, the explanations of the downfall of Chilean democracy tend to be ideological and polarized. The left blames external and internal "reaction"—the alliance of imperialism (the U.S. government), the multinationals, and the domestic oligarchy who combined to overthrow Allende because he threatened their vital (that is, economic) interests. The revelations of extensive CIA intervention in the Allende period and of the economic pressures exerted by the U.S. government, as well as the violence of extreme right-wing groups such as *Patria y Libertad*, are cited to support this interpretation, and the rightist course pursued by the military since the coup is seen to confirm it. The right, on the other hand, sees the coup as an unfortunate necessity, in order to prevent a violent seizure of power by the left or a civil war and to put an end to the runaway inflation that was destroying Chilean industry and agriculture. The external actors involved in the rightist interpretation are the Soviet Union and Cuba, and the Marxist parties in Chile are viewed as their agents, puppets, or willing accomplices. The myth of a fascist Chilean military plotting with the capitalists from the outset to destroy the Allende experiment in democratic socialism is matched by that of Chileans in league with the worldwide Communist conspiracy planning to murder the entire civilian and military leadership of the Chilean opposition and establish a "people's democracy."

The reality is much more complex. Without either relying on a mindless empiricism because the "facts speak for themselves" or selecting only those facts which suit a predetermined thesis, I hope in this chapter to draw some conclusions from my examination of the tangled web of Chilean politics over a decade and a half, analyzing the interplay of systemic, historical, and personal elements in their contributions to the Chilean tragedy.

**/ Allende and Frei**

The first lesson that can be drawn from the narrative is that the Frei and Allende governments were both alike and different. They were alike

in being subject to similar systemic constraints: a hyperpoliticized country, in which ideological parties, frequent and staggered elections, and an expanding electorate combined to raise high hopes at the beginning of each president's term and subsequently to frustrate those hopes; and an economic system which appeared to give the president and the state apparatus great power only to undercut that power because of excessive state expenditures, chronic inflation, balance-of-payments deficits, and dependence on unstable world market prices for a single export. Both attempted to use the Chilean state to redistribute income for the benefit of "marginal" groups such as shantytown dwellers, the peasantry, and the poor. Both believed in democracy, although their definitions of that term differed.<sup>1</sup>

They were different in that Frei attempted to rely on a religiously based populist nationalism ("I am president of all Chileans"), while Allende, despite initial populist and nationalist appeals, relied increasingly on a class-oriented Marxism ("I am *not* president of all Chileans") to gain support for his program. Because his party was situated in the center and center-left of the Chilean political spectrum, Frei could disavow the tactics of the right-wing parties and extremist groups even when, as in 1964, he benefited from them. Allende, himself an admirer of Fidel Castro and a member of a party which ranged from moderate Social Democrats to Maoist would-be revolutionaries, found it more difficult to denounce extremism among his supporters. Frei's economic advisers were more concerned about inflation and productivity than were those of Allende, such as Pedro Vuskovic, who were frank to admit the political purpose of the efforts to redistribute income and to create through a rapid series of faits accomplis a large "area of social property" which would include banking, major industry, foreign trade, and most of agriculture. Both Allende and Frei were experienced politicians and parliamentarians, but (and this was both a strength and a weakness) Frei was more committed to the use of the parliamentary system to achieve reform than was Allende, who continued to discuss possible alternative forms which might achieve his goals and still maintain the democratic legitimacy necessary to avoid military intervention or civil war. Both had initial success (Frei for a longer period than Allende) followed by increasing difficulties, but Allende's problems were far more profound and shattering in their impact on Chilean political and economic life.

### 2 Chilean Political Institutions and the Coup

Implied in what has just been said is the second lesson of the Chilean experience: the difficulty of achieving "fundamental" changes within a system of constitutional democracy, especially when it contains institutional features which inhibit the formation of a majority which can legitimate

such changes. Frei had trouble enough with the system of staggered elections for the president, the legislature, and municipal governments, nearly continual by-elections viewed as referenda on the conduct of the government, and a multiparty system exaggerated by proportional representation. In Allende's case the Chilean political system, having permitted him to achieve the presidency with 36 percent of the vote, gave him only three choices if he wished to govern under a system of constitutional democracy.

First, he could have attempted to establish an "institutional majority" in the Congress "through a far-reaching agreement between socialists inspired by Christianity and those inspired by Marxism," the lack of which was described in 1972 by the former PDC presidential candidate, Radomiro Tomic, as Allende's "fatal political error."<sup>2</sup> Yet although there was substantial agreement between the Allende coalition and a majority of the Christian Democrats on the economic aspect of his program (copper nationalization, expanding agrarian reform and "a transition to socialism"), the Christian Democrats suspected and feared the ultimate intentions of the Marxist parties and opposed Allende's political proposals (the "assembly of the people," popular courts, and the subordination to the executive of the judiciary and the controller general). The PDC was also aware that if Allende failed or resigned, Frei would be eligible to run again for the presidency and in all likelihood would win. In addition, Allende at the beginning of his term (like Frei at the beginning of his) was not willing to make a deal with the opposition. As the 1972 negotiations on the three areas amendments revealed, both sides were held hostage by their own extremes—Allende by the left wing of the Popular Unity coalition, which in accordance with the agreements of December 1969 could veto any conciliatory effort, and the PDC by its more conservative members who were fearful of losing support to the National Party. Thus, the only ones who really wanted an agreement were the Left Radicals (the Chilean equivalent of the Social Democrats), some of the Communists, and one wing of the Christian Democrats; and reasons of party and coalition solidarity prevented the latter two groups from working to secure a minimal accord which was in the interest of both. The problem for Chile thus lay neither in an intractable right-wing opposition (as the left maintains) nor with a violence-prone revolutionary Marxism-Leninism (as the right believes). It lay in a multiplicity of ideological parties followed by the polarization of Chilean politics into two groups, one of which ranged from the quasi-fascists of the extreme right to those who considered themselves democratic socialists, and the other from the revolutionaries of the MIR and the left wing of the Socialist Party to moderates in the Radical Party. By 1972, if not before, the center which had dominated Chilean politics for decades had nearly disappeared.

One might speculate on the possibility of solving these problems with

other political institutions—simultaneous elections on all levels as in Venezuela (which would still probably have produced a three-way split in Congress), Senator Gumucio's proposal of a second round in the popular vote for the president as in France (which would almost surely have elected Alessandri), voting procedures which discriminate against splinter parties and favor the combination of parties to secure a majority as in Germany, or single-candidate local constituency elections and a two-party system as in Britain or the United States (which would have led to a deemphasis on ideology). Such changes would at least have tempered the political rhetoric and diminished the fragmentation of the national will into warring ideological groups, each with its own constituency but none motivated to agglomerate various group interests into something resembling a nationwide majority with unquestioned democratic legitimacy. Before 1958, French politicians used to criticize proposals for reform of the decadent institutions of the Fourth Republic by observing that you cannot cure the patient's fever by breaking the thermometer. Nevertheless, you do not need to inflame and exaggerate the ills of the body politic as the Chilean political system tended to do.

② Allende's second alternative was to attempt to use the recently broadened plebiscite procedure to change the constitution and establish a unicameral legislature and a subordinate judiciary. According to his adviser, Joan Garcés, Allende proposed a plebiscite to his Popular Unity coalition in mid-1971 and again in June 1973. The proposals were rejected, probably because it was felt that the result would fall short of the required absolute majority, constituting a severe blow to the claim that the transition to socialism could be carried out by democratic means.

③ The third possibility—the one he seems to have chosen—was to hope that time was on his side and that he could broaden his support among the low-income groups who constituted a majority of the population by appealing to the class interests of the proletariat, the peasantry, and the poor. However, election results continued to demonstrate that many members of the lower classes in Chile were not convinced that a Marxist government was in their best interests. While there was a perceptible increase in class consciousness in Chile during the Allende years, and support for the left was greater in low-income areas, it never reached the proportions necessary to give Popular Unity the effective national majority to which Allende referred when he quoted Engels on the possibility of a "peaceful transition from the old society to the new" just after his inauguration. Women, including those in low-income areas, were markedly less enthusiastic about Allende than were men. Organized workers were suspicious of him in areas like the Chuquicamata copper mines, which did not support him in 1970 or 1973, or in the El Teniente mine, where the 1973 strike contributed to his overthrow. A consistent pattern of declining

support for the left after 1971 in by-elections, trade union votes, and in the congressional election of 1973 shows that Allende's strategy did not work. The theory that the coup was triggered by fear that the government was expanding its support uses as evidence a specious comparison of the 1970 three-way presidential election with the two-way congressional fight in 1973, and ignores the 1971 municipal elections. There was increasing polarization, but it did not produce a progovernment majority, and those opposing the government were more determined and effective in their opposition than those supporting it.

Lacking a majority either in the Congress or at the polls, the Allende government resorted to "legal loopholes," by-passing the legislature through measures of dubious legality such as the indefinite seizure of factories on the basis of legislation designed for temporary "interventions" to settle labor disputes or "requisitions" to assure supplies of "articles of basic necessity"—or the takeover of land, often below the legal limit, on the ground that it was being "operated unproductively" after it had been seized by the peasantry or outside groups. More important, the toleration and occasional encouragement of seizures of housing, factories, and farms and the refusal to implement court orders to evacuate seized property were part of a general pattern of the breakdown of legality and erosion of the very constitutional legitimacy which provided Allende with his only assurance of survival.

### 3 Economic Policy and the Coup

Besides his failure to recognize the inherent limits of the Chilean political system and his polarizing politics and ambivalence concerning the constitutional order, Allende also pursued a fundamentally erroneous economic policy. The policy of expansion of the money supply, wage hikes far in excess of productivity increases, redistribution of income, and limitless subsidies to state-controlled industry and agriculture, while apparently successful in Allende's first year in office, contained within it the seeds of the destructive course followed by the Chilean economy during 1972 and 1973.<sup>3</sup> Little or no attention was paid to investment, productivity, or economic efficiency in the government's headlong pursuit of short-range political profit and long-range economic control of banking, industry, and agriculture. The short-range goal was to stimulate the economy and make use of unused capacity in the industrial sector, while maintaining price and exchange controls and increasing the share of the lowest income groups in national income. It was hoped that this would pay off at the polls with an increase in lower-class support for the government sufficient to make feasible a plebiscite to carry out desired constitutional changes. The policy also involved a rapid takeover of the remaining latifundia in agriculture, the

key industries listed in the Popular Unity program, and the nationalization of banking and credit. This in turn was seen as destroying the economic and, therefore, political power of opposition groups.

These goals were achieved, but at a very high cost in efficiency and productivity. Depending on what measures are used, estimates of the drop in investment in 1971 range from 5 to 24 percent and in 1973 from 8 to 24 percent. The money supply increased 116.5 percent in one year; and, fueled by deficit financing of the budget (53 percent in Allende's last year) and subsidies to state-controlled industry and agriculture (175 billion escudos in 1973), it rose, according to Central Bank figures, by over 1,700 percent between November 1, 1970, and August 31, 1973. After an initial increase as a result of plantings made before Allende came to power, agricultural production dropped off catastrophically—especially in the vital area of wheat production. The balance of payments turned sharply negative, principally as a result of food imports, and the \$343 million surplus in foreign exchange that Frei had left to his successor rapidly disappeared. In 1971, nominal wages and salaries for all groups, not just those with low incomes, went up by over 50 percent—far in excess of the programmed 35 to 40 percent readjustment for inflation—and this had predictable effects on the inflation rate. Tax collections—which had increased by 50 percent in real terms during the Frei administration, with government revenues from income and wealth taxes increasing by 209 percent—dropped off under Allende, with taxes composing a diminishing share of the gross national product each year, from 20 percent in 1970 to only 11 percent in 1973.<sup>4</sup>

Yet the magnitude of the crisis was not immediately apparent, because production expanded during 1971 as a result of unused capacity and the decline in the inflation rate during the same year. When it should have been evident that drastic measures were needed to improve productivity and to straighten out the distortions in the economy, government policymakers, mesmerized by the 1971 economic figures, simply projected them into the future. Instead of taking action in September 1971, when the inflation rate began to move up and shortages began to appear, no action was taken until July 1972. By September 1972, the inflation rate had reached 100 percent, and it continued to rise thereafter, while industrial output began a decline which continued every month until the coup. The inflation blew the lid off the Chilean economy, and output began to drop *before* the difficulties created by the lengthy strikes of the truckers and other *gremios* in October and November 1972, the strike of the El Teniente copper miners from April to July 1973, and the longer and much more damaging repetition of the October 1972 strikes from July 26, 1973, until the September coup (see table 1).

There were alternatives available to Allende. He need not have ignored productivity and investment and emphasized consumption to the extent

**Table 1**  
Fluctuations in Consumer Prices  
and Industrial Output

Year	Month	Consumer Price Index	Industrial Output <sup>a</sup>
1970	October	35.6	- 8.0
	November	35.3	4.3
	December	34.9	- 0.3
1971	January	28.1	- 4.5
	February	22.8	- 7.3
	March	20.1	6.3
	April	20.2	1.6
	May	21.0	13.5
	June	21.1	10.7
	July	19.1	6.7
	August	17.4	10.7
	September	15.6	25.5
	October	16.5	22.6
	November	18.8	22.1
	December	22.1	19.5
1972	January	24.8	18.5
	February	32.0	11.9
	March	34.0	10.2
	April	38.1	12.6
	May	40.0	11.4
	June	40.1	2.5
	July	45.9	5.0
	August	77.2	3.6
	September	114.3	- 7.8
	October	142.9	- 7.7
	November	149.9	- 8.1
	December	163.4	-11.1
1973	January	180.3	- 6.9
	February	174.1	- 4.7
	March	183.3	- 2.8
	April	195.5	-11.3
	May	233.5	-11.0
	June	283.4	-14.8
	July	323.2	-10.7
	August	303.6	-11.9
	September	286.0	-22.9
	October	528.4	18.0
	November	528.9	5.1

Sources: Instituto Nacional de Estadísticas (National Institute of Statistics), Santiago; Sociedad de Fomento Fabril (Society for Industrial Development), Santiago.

a. Percentage of change from the same month of the previous year.

that he did. The policy he followed was dictated more by political than by economic motives. Large wage increases were supposed to win support for his government, but the salaried middle sectors, which benefited from these increases as much as the low-income groups (see table 2), were frightened by the government's hostile rhetoric, the increasing shortages of consumer goods, and a runaway inflation which appeared to be aimed at their destruction.

**Table 2**  
**Geographic Income by Type of Compensation**  
(millions of escudos, not adjusted for inflation)

	1970	1971	Percentage Change
Wages	12,081	18,596	+ 53.9
Salaries	21,808	33,557	+ 53.9
Employer s.s. contributions	6,206	8,921	+ 43.7
Total labor share in income	40,095	61,074	+ 52.3
Other factor payments	34,539	43,174	+ 25.0
Total geographic income	74,634	104,248	+ 39.7

Source: John Strasma, "The Economic Background to Allende's Reform," *Land Tenure Center Newsletter*, no. 43 (January-March 1974): 9.

Note: The cost of living increased by 22 percent in 1971. Much of the gain in real income made in 1971 was lost in 1972 and 1973 because wage readjustments did not keep up with the accelerating increase in the inflation rate.

Ideology also produced a distorting effect, since it was assumed that once the exploitative profits of the foreign and domestic capitalists were made available to the government, its economic problems would be resolved and that questions such as the balance of payments, the money supply, excess demand, and inflation were only concerns of "bourgeois" economists. Politics also deterred the Allende government from imposing rationing, which would have alleviated its food import problem somewhat. Whenever it was intimated that rationing would be introduced, as in January 1973, there was an outcry from the opposition which correctly understood the considerable possibilities for political control inherent in a rationing system. (Apparently plans were being drawn up at the time of the coup for the initiation of rationing in the near future.)

The economic factor is therefore central to an understanding of the breakdown of Chilean democracy, since no democratic political system, no matter how stable initially, could have withstood the pressures of runaway inflation, a very widespread black market, deepening shortages of essential commodities, and continually declining production. (Concern over the

security aspects of the economic crisis also was a major factor in the military's decision to act.) Reviewing the Allende government's economic policies, it is difficult not to conclude that an important reason for its difficulties was that the economists and economic policy makers of the Chilean left had simply not given serious thought to crucial problems such as the control of inflation, the maintenance of the external balance of payments, efficiency in nationalized industries and agriculture, the development of competent administrators in the state sector, the adverse economic effects of rivalries among the parties in the Popular Unity coalition, and the financing of a vastly expanded government sector which amounted in fact, although not in name, to a huge government-financed employment program.

The Chilean economic system already possessed a large state sector before Allende came to power. This seemed to provide the tools with which to carry out considerable changes. However, just because it was so centralized, economic decision-making was politicized and subject to the action of organized pressure groups which were "economist" rather than "class-conscious" in their orientation, and because the system was so democratic it was difficult to resist those pressures.<sup>5</sup> Frei had seen his proposal for wage readjustment payments in bonds destroyed by the combined pressures of the left wing of his own party and the congressional opposition, and the result had been a turnaround in the inflation rate which was disastrous for his party's electoral possibilities. The drop in the vote for Allende's coalition from around 50 percent in the municipal elections of 1971 to 44 percent in 1973 was in part related to the accelerating inflation of the latter year. Even more serious were the strikes, the absenteeism, the decline in exports, and the drop in food production—all of which indicated that Chile was on the verge of national bankruptcy.

The responsibility for the economic chaos did not lie only with the government. The Chilean middle and upper classes engaged in panic buying, hoarding, and black marketeering which accentuated the inflation and shortages. The price system was so distorted by 1972-73 that peasants and workers could make huge profits by supplying the black market, which by 1973 involved a large sector of the economy providing no tax revenue to the government. The government called this "economic sabotage," but it was carried on both by those who supported Allende and by those who opposed him.

#### 4 External Factors

When a nation is in economic difficulty it looks abroad for help and this leads us to the fourth lesson of Chile: the important—although secondary—influence of external factors in the collapse of Chilean democracy. Just as substantial U.S. economic assistance and political support could not

make the Frei "revolution in liberty" succeed, so the now documented U.S. government economic pressures and CIA intervention could not, of themselves, assure that Allende's "transition to socialism" would fail.

The economic pressures or credit squeeze began immediately after the popular election in September 1970 and continued after Allende's inauguration in November. They involved behind-the-scenes pressures to discourage lending by international financial institutions; a cutoff of *new* loans except for humanitarian and technical assistance, such as Food for Peace (which actually increased); and an effort to persuade private banks to reduce lending to Chile. As described earlier, the cutoff was neither complete, immediate, nor effective. Pipeline assistance continued, including reactivation of an Interamerican Development Bank loan which provided politically useful earthquake assistance in July 1971; the International Monetary Fund made two loans to compensate for export shortfalls; the Interamerican Development Bank extended two small university loans in 1971; and military aid increased. The Export-Import Bank dropped Chile to its lowest credit rating after Allende's election and postponed a loan for the purchase of Boeing 707s in August 1971, but it did not terminate its loan guarantees to Chile until March 1972, five months after Chile had declared a moratorium on the payment of its foreign debts. The Commodity Credit Corporation was still granting supplier credits for the purchase of U.S. foodstuffs in late 1972 (although not in 1973). Most important, the Allende government was very successful in securing loans and credits from other countries—and not only from Eastern Europe, the Soviet Union, and China. In credits actually utilized, more loans came from Western Europe and other Latin American countries, especially Mexico and Argentina. One study estimates that the Allende government received about 80 percent as much outside assistance as did the Frei government in its last three years. The Chilean debt rose under Allende from \$2.6 billion to \$3.4 billion, part of it (possibly as much as 30 percent) unpaid interest on past debts, but most of it to provide foreign exchange, in particular to pay the rising bill for food imports.<sup>6</sup>

The drop in private supplier credits (which U.S. bankers claim was "normal" in view of the deteriorating economic conditions in Chile) made it more difficult for the Allende regime to secure spare parts and U.S. consumer goods, although many were secured elsewhere. The direct effect of the U.S.-inspired credit squeeze was a decline in long-term development loans from U.S. and U.S.-influenced financial institutions. It is difficult to see how the absence of such loans could have had a significant influence on political and economic conditions in Chile. This is not to deny the malevolence of the policy, but only to question its effectiveness and importance as an explanation of Allende's overthrow.

Nor was the Soviet Union's aid to Allende a significant factor. From

the outset the USSR had made it clear that it was not willing to give the Allende government the kind of massive support that it gave to Cuba. It promised increased aid in December 1972, and wheat shipments from Eastern Europe were turned around on the day of the coup. But even if it had committed itself more strongly to Allende, it seems unlikely that massive infusions of Soviet assistance would have saved the regime. Soviet technology was backward (opposition Chileans even claimed that the Soviets were photographing and copying copper production techniques developed in Chile), shipments of food took many weeks to arrive, and it was far easier for Allende to get wheat and meat on credit from Argentina. Some of the shortages might have been alleviated a bit, but in the absence of rationing and a controlled economy, the basic economic imbalances could not have been resolved by increased Soviet assistance.

A second major external factor was the substantial financial aid (about \$6 million) given by the Central Intelligence Agency to Chilean opposition parties, research organizations, newspapers (including the major private newsprint supplier), radio stations, trade unions, and professional groups (*gremios*) between 1970 and 1973. There is no question that the amount of campaign advertising and propaganda by opposition parties and groups and the number of opposition newspapers and radio stations were much increased by CIA support. In particular, the aid to *El Mercurio* (about \$1.5 million, beginning in September 1971) probably prevented the bankruptcy of the most formidable and effective opposition organ. This may have made a psychological difference to the opposition, but given the politicization of the Chilean populace it is difficult to believe that the absence of some organs of communication would have led the opposition to give up the battle. Many groups in Chile, and not all of them wealthy, felt—*were*—directly threatened by Allende's policies and ideology, and they did not need CIA propaganda to inform them of that fact. Aside from outright buying of votes, which no one has claimed, it is difficult to see how the election results could have been altered in any substantial way by CIA financial aid. A possible qualification of this conclusion would be our knowledge from the Senate Intelligence Committee reports that the CIA gave what may have been crucial financial support to several splinter parties, for example, the Popular Socialists after their split from the Socialist Party in 1967, the Radical Democrats both before and after they left the Radical Party in 1969, and the Left Radicals (PIR) after their departure from the Allende coalition in 1972. However, none of these groups received significant support at the polls. The continual leaking of documents to *El Mercurio* during the Allende period may also have been the work of CIA agents, but this had a negligible impact. The CIA aid made a psychological difference, but it is doubtful that it was a necessary or sufficient cause of the Chilean opposition to Allende.

Where CIA money may have had a more important impact was in supporting the *gremios* and opposition trade unions. It is not true, as the U.S. press claimed in 1974 (*New York Times*, September 20, 1974) that a "majority" of CIA money went for the support of the antigovernment strikes of 1972 and 1973. Most went to assist opposition groups and the media. The U.S. Senate investigations have revealed that Ambassador Davis opposed strike support and that no CIA money was authorized for such purposes, although the CIA requested \$25,000 to support the 1973 truckers' strike. However, \$2,800 of the \$24,000 authorized for the Sociedad de Fomento Fabril in September 1972 went to the striking truckers in violation of CIA instructions, and they and the El Teniente copper workers who struck from April 1 to July 1973 may have received additional amounts from other organizations assisted by the CIA, out of \$100,000 approved in October 1972 for the "electoral activities" of three large private-sector organizations.

The strikes were very important in politicizing the military, polarizing the workers and the middle classes, and demonstrating the opposition to Allende of large and important sectors of Chilean society, by no means all of them members of the bourgeoisie. Without outside support it is likely that the strikes would not have escalated so quickly or lasted so long. Possibly they influenced the military to stage the coup when they did. Certainly they accelerated the breakdown of the Chilean economy and polity; but given the intense polarization of Chilean politics and the complete lack of any policy by the Allende government for dealing with the desperate state of the economy, the situation could not have continued more than a few months longer.

The third aspect of the question of external intervention is the relation of the United States to the Chilean military. Besides the general U.S. policy of cooperation with the Latin American military, which involved training programs, joint maneuvers, and subsidized arms sales, the Chilean case also involved CIA assistance ("Track II") to discontented military men in September and October 1970 and encouragement of a coup to prevent Allende's accession to power, planting "fabricated" information, publishing an anti-Allende pamphlet in late 1971, and continued contact between CIA agents and military conspirators until early 1973.<sup>7</sup> (Newspaper reports have claimed that contact was cut off when it became clear that a coup was imminent.) Despite extensive efforts by journalists, the left, and Senate investigators with access to CIA documents, there is no evidence of direct involvement in, or provocation of, the 1973 coup by the U.S. government. Stories of U.S. weather planes coordinating communications in Argentina, transports ready in Paraguay, or U.S. aerial acrobatic teams bombing the presidential palace are unpersuasive and only demonstrate the psychological need of the left (like that of its counter-

parts on the right) to blame the Chilean tragedy on outsiders. It seems clear that while the Chilean military were aware that the United States would not look with disfavor on a coup, they were perfectly capable of carrying it out without outside assistance or incitement.

It is unfortunate that with such a wealth of information about U.S. intervention we do not know more about the intervention on the other side, especially by Cuba. The Senate Intelligence Committee report states that the Cubans provided about \$350,000 to Allende in the 1970 elections and that he received an additional undetermined amount from the Soviet Union. The discovery of arms shipments from Cuba in early 1972 promoted the deterioration of democratic politics which was beginning at that time. Cubans were working in the Central Bank, and Allende's daughter had married a Cuban national who was connected with Cuban intelligence. The purpose of the visit by two high-ranking Cuban officials in July 1973 has still not been explained, except to note that Castro sent a letter with them to Allende. While it does not excuse the massive CIA intervention in Chile, greater knowledge of the Cuban (and Soviet) effort at least might help us to assess the degree of the external intervention that U.S. government policymakers felt they had to counteract.

If neither the U.S.-inspired credit squeeze, CIA aid to opposition groups, nor U.S. assistance to the Chilean military accounts for the failure of the Allende experiment, this was not through any lack of desire on the part of official policy makers, especially Henry Kissinger and Richard Nixon.<sup>8</sup> The U.S. government clearly did not have "the kind of relationship with the Chilean government that it is prepared to have with us," as Richard Nixon claimed in February 1971. As in many other cases in recent years, the U.S. policy of permanent opposition to Allende seems to have been determined more by a visceral anticommunism combined with balance-of-power politics (the effect of the success of Unidad Popular on the politics of other Latin American countries and of Italy and France) than by its professed ideals of democracy and freedom. It exacerbated and intensified an already desperate situation. While not a central factor in the destruction of Chilean constitutionalism, it bears some share of the responsibility.

### The Arms Issue

The Chilean constitutionalist tradition deterred a basically anti-Communist military from intervening until the economy was on the verge of total collapse and the Supreme Court, the controller general, and, in a tortuously worded resolution, the Congress had practically invited them to do so. While those who wish to paint as dark a picture as possible of military intentions will refer to the military conspiracy of 1970 and reports of plots in late 1972, by comparison with most other military establishments

in Latin America, the Chilean military forces were remarkably slow in intervening. This was partly due to Allende's own political skill in dealing with them, in particular what looks like a conversion of General Prats from an anti-Allende position to strong support. The record seems to indicate that actual preparations for a coup did not begin until June or July 1973, by which time the arms issue had become a central concern of the military, since their intelligence services had detected escalating arms stockpiling on both sides and, as Allende government officials have admitted, arms training on the part of the Popular Unity parties and one or two cases of the manufacture of armaments in government-run factories.

It was the classic precipitant of a coup d'état—the breakdown of law and order and of the military monopoly of the instruments of coercion—that finally impelled the military to act.<sup>9</sup> That breakdown had begun much earlier, in the last part of the Frei regime, as the MIR began bank holdups, arms training, and seizures of housing and farms that merely increased support for the law-and-order program of right-wing candidate Jorge Alessandri. Then Allende developed a group of armed personal bodyguards whom he credited with saving his life in the crucial 1970 period, but whom the military despised (and murdered after the coup). For the first two years of his regime, the level of violence gradually increased, although the overall loss of life was remarkably low (about thirty-five killed in political violence between November 1970 and early 1973, according to a list published after the coup). The violence escalated sharply on both sides after the March 1973 election.

The initial responsibility for the rise of violence in what had been the most civilized society in South America lies with the extreme left, which both practiced and preached armed opposition to the institutions of "bourgeois democracy" and thus undermined the very institutional structure which enabled a Marxist candidate to come to power. After Allende's election, however, the extreme right, in the form of Patria y Libertad and associated organizations, responded with a campaign of rallies, sporadic bombings in September and October 1970 which it attempted to blame on the left, and at the end of the Allende period, systematic violence.<sup>10</sup>

The right-wing activities have been cited in order to defend the arming of the left, but this ignores the important chronological fact that the organizing of paramilitary groups began on the left, and that the illegal importation of arms from Cuba with the government's cooperation and Allende's personal knowledge took place as early as February 1971—certainly by early 1972—before the right began to arm itself. When this was combined with frequent statements by Senator Altamirano and others about the ultimate necessity of an armed confrontation, it could not fail to provoke the military. Yet the left never had the remotest possibility of victory in a conflict between a few thousand militant leftists and the 87,000 members

of the Chilean armed forces. As Thomas Hobbes once said, "When no other cards are agreed upon, clubs are trumps." When it became evident that other groups besides the military were trying to acquire the new trump cards (those of constitutional democracy having been abandoned or neutralized by institutional deadlock), the Chilean armed forces ended the game.

The Allende government hoped that it could keep the armed forces divided or secure their support through conversion (the military called it *subversion*) and the use of the president's power to appoint and retire military commanders. Yet Allende's efforts to manipulate the top military leaders and the left's attempts to gain support in the air force and navy were as counterproductive as the distribution of arms and initiation of arms training—they only hastened the military decision to intervene. These efforts followed shortly after an announced government program to educate children in all Chilean schools—including the private schools to which the top military men sent their children—in the virtues of "socialist humanism." The implementation of the program was postponed, but it resulted in the intensification and unification of military opposition and the isolation of those few officers who were still favorable to the regime.

#### Alternative Policies

Could it have been otherwise? Were there alternatives available which would have avoided the debacle of 1973? Our review of the political, economic, external, and military factors has indicated that systemic factors sharply limited the range of maneuver of Chilean democratic governments in the 1960s and 1970s. A century of inflation, populist programs which favored urban over rural groups, increased government spending, "boom-and-bust" electoral cycles, and the internal divisions accentuated by external factors did not augur well for any government. Recent Chilean political history only made things worse—in the case of Frei, making it difficult for him to cooperate with natural allies in the center such as the Radicals, and in that of Allende, reinforcing his intention not to repeat the experience of the Chilean Popular Front, when a left-wing government was compelled to adopt an increasingly conservative course. Yet in retrospect we can identify some crucial turning points in the two administrations which, if different policies had been adopted, might have altered the history of Chile. In Frei's case they include the decision for ideological and party reasons not to seek an early alliance with the Radicals, the loss of presidential control of his own Christian Democratic Party in 1967, the related defeat by the Congress in 1968 of the proposal to give part of the wage and salary readjustment for inflation in bonds, and the absence of an effort on Frei's part to seek a candidate in 1969 more acceptable to the right than Tomic.



In Allende's case the pattern is similar, although in a shortened time frame. He too lost an opportunity at the outset of his regime to broaden the support for key aspects of his program to include a large sector of the Christian Democratic Party and the middle-class (and peasant and labor) groups for which it spoke, and for similar reasons—a desire to maintain ideological purity and not to betray his own Socialist Party. (Later in his administration Allende made efforts to get an agreement with the Christian Democrats on the crucial constitutional issue, but he was sabotaged by his own coalition in April 1972 and by the Christian Democrats in June and July 1972 and early August 1973.) Allende, too, had trouble controlling the left wing of his coalition and placating more centrist groups in the Radical Party, and he ran into economic problems as a result of a rapid increase in government spending and popular consumption combined with the headlong acceleration of takeovers of industry and agriculture. In Allende's case, the economic problems might have been avoided, or at least diminished, by an earlier attempt at holding back expenditures and by the introduction of rationing. He might also have compromised with the copper companies on the compensation issue by accepting the U.S. embassy offer and giving some token compensation. In addition, a more vigorous attempt to restrain the rising tide of violence and greater emphasis on the necessity of the rule of law might have preserved Chilean constitutional legitimacy somewhat longer, but the continuing constitutional disputes and the attacks on "bourgeois legality" by his own supporters undercut the few efforts that Allende made along these lines. As a sympathetic European observer, Emanuel de Kadt of the University of Sussex, concluded in a BBC broadcast after the coup:

Whatever the importance of the U.S.-inspired economic blockade and of the obstructiveness of Chilean private enterprise, very few observers disagree that [the Allende government's] management of the economy was disastrous, certainly as seen in a short- or medium-term perspective. . . . Whatever the contribution of right-wing extremists, there is no doubt that the incapacity of the government to impose discipline and to maintain a sense of legality among its own supporters was a political factor of major importance. . . . The military intervened when the legality and constitutionalism which Allende continued to proclaim as the essence of the *Via Chilena* was becoming, or had become, a figment of his imagination.<sup>11</sup>

Chile does not demonstrate that a democratic transition to socialism is impossible, but only that it is very difficult, particularly in a country in which inflation is endemic, groups are well organized to defend themselves against it, the middle class is relatively large, and the military are strongly anti-

Communist. The only possibility for such a transition, as Joan Garcés, Allende's adviser, and Radomiro Tomic, the Christian Democratic candidate in 1971, both wrote, lay in isolating the upper bourgeoisie from the middle and lower classes. Instead, Allende's policy and, in particular, the Marxist rhetoric of his supporters succeeded only in driving many who had been sympathetic or apathetic into fanatical opposition. It is not impossible to mobilize a majority for social change, but this cannot be done on the basis of an ideology that justifies violence, polarizes the opposition, and repels more than it attracts—radicalizing its opponents more than it does its supporters. And to speak glowingly (as some of Allende's supporters did) of the impending confrontation with "reaction" and then flee into exile or asylum as soon as that confrontation occurs is hardly likely to broaden one's support among those who are left to suffer the repression that follows.

In the absence of a major war or the total desertion of the regime by all major elites, such as occurred in pre-Castro Cuba, it is doubtful that such a confrontation is ever likely to lead to the victory of the left. The lesson of Chile, then, is not as the left would have it, that Allende went too slowly, but that knowing the constraints built into the Chilean system, he tried to move too quickly to produce "irreversible" changes in Chilean society. The result was to reverse the advances that had been made for the last thirty years and to plunge what had been one of the freest and most advanced political democracies on earth into a regime of authoritarianism and repression.

### The Broader Lesson

Chile has lessons not only for less developed countries. It has been experiencing in accelerated fashion the transition from traditionalism to modernity, from hierarchy to equality, and from elite rule to democracy that began in Europe at the end of the Middle Ages and has now spread throughout the globe. It has tried the formulas of right, center, and left, which have been developed since the French Revolution as secular religions, ideological responses to the new awareness of the capacity of man to use the state to transform society and achieve justice. Yet those responses differ in their choice of values to emphasize, and they can either organize society for change or immobilize it by creating deep divisions in the body politic. In the Chilean case, ideology divided the country into three groupings, and when any one came to power the other two would combine to prevent it from governing.

In the developed world as well, political and economic centralization and rising demands for equality, participation, and social justice place strains on economic and political institutions and produce conflicting

ideological solutions which in a period of economic crisis could bring heightened social conflicts, institutional breakdown, and demands for, or toleration of, authoritarian rule. The Chilean example poses the question as to whether Lord Acton's pessimistic judgment on the relation of equality and liberty quoted at the beginning of this book may also someday be the judgment on the democratic nations of the West.

The answer would seem to depend partly on economics—whether rising costs of food, energy, and social services can be absorbed without producing runaway inflation and group conflict—and partly on politics—whether the faith of the political leaders and the public in the democratic process and their willingness to propose and accept partial solutions and incremental changes can carry the constitutional democracies through the difficult readjustments required to achieve a just, productive, and free society. Chile tried and failed to achieve that goal; and if there is any lesson that its failure should convey, it is that countries wealthier than Chile must not fail to do so. If they can demonstrate that efficiency, equity, and liberty can be achieved together and even reinforce one another, there is still hope that a regime committed to genuine democracy and authentic social justice will return to Chile.

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