

THE CHILE MONITOR

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Cartoon from Las Noticias, Buenos Aires.

- Q: General Pinochet, is Chile preparing a war against Peru?
 A: Definitely not. But our patience is limited. If Peru persists in not provoking us, we shall be obliged to take the initiative.

CHILE, BOLIVIA AND PERU -- THE TRIANGLE OF THREATS

In the past few weeks we have seen the revival of the traditional bitterness, which dates from the close of the last century, between Chile, Bolivia and Peru.

Chile has been accusing Peru of becoming an armed camp infiltrated and directed by the Soviet Union, and has been trying to revive memories of the Cuban missile crisis.

Bolivia has revived with new intensity its claim for the return of its coastline, or at least access to the sea. The claim has revived nationalist feelings to a point where diplomatic solutions may no longer satisfy sectors of the armed forces.

Peru confronts the possibility of complete encirclement by hostile countries, and senses behind their antics the sinister hand of Brazil.

Chile Monitor attempts an analysis of this situation, which will almost certainly continue with varying in-

tensity, until there is some definitive shift in the balance of power in the Latin American continent.

In the War of the Pacific (1879-1884), in which Chile emerged victorious, Peru lost a slice of its territory which was rich in nitrate deposits. Bolivia, Peru's ally in the war, lost not only 66,000 square kilometres of land (including some of the world's richest copper deposits), but also its sea-coast and ports. Since that time, Bolivia has been land-locked.

 A special edition of Chile Monitor for May will be ready shortly. Main topic: Britain and Chile

The formalities of conflict.

Prior to his departure to attend the inauguration of President Geisel, the Chilean press proclaimed that General Pinochet would discuss the formation of an Anti-Communist Axis in Latin America. This matter clearly fell flat in Brazil, and subsequently the junta took pains to deny that such a project had ever been contemplated. Nevertheless, Pinochet was photographed with Bolivian President Hugo Banzer, and on his return announced that they had decided to 'open wide the door to a frank interchange of views which would permit future talks'.

Meanwhile the Chilean press had initiated a campaign against Peru, accusing her of becoming an armed camp for Soviet infiltration. The basis for the accusation was that Peru had purchased tanks from the Soviet Union, and that Soviet instructors had perhaps been sent to school the Peruvian Army in their use. Nevertheless, the Chilean press denounced the presence of missile bases on Peruvian soil, in a heavy-handed attempt to revive memories of the Cuban missile crisis. Media in Brazil and the US echoed the charges, accusing Peru of being engaged upon an arms race.

Meanwhile Chile mobilised troops towards its northern frontier with Peru, sending half the War Academy from Santiago, and half the Luin Regiment. This last was an especially provocative gesture since it was this regiment which, during the War of the Pacific, sacked Lima. At the same time reservists born between 1939 and 1953 were called up. Pressure was brought to bear upon the US for the immediate delivery of promised arms, and for new weapons to match the 'Peruvian threat'. In recent months, Chile has spent 200 million dollars on arms, and is negotiating contracts worth a further 300 million dollars.

Peru also reacted by mobilising troops and calling up reservists. General Velasco admitted the purchase of Soviet tanks, but indicated that it followed the refusal of Chile and other neighbours to listen to Peru's proposals for arms limitation, and the refusal of the US to supply arms to Peru. Velasco warned that aggression would be met in kind, and in an interview with Le Monde he hinted that he did not discount the possibility of a pre-emptive strike.

Bolivia, in late January, was rocked by a peasant uprising against General Banzer's government. The uprising, at Cochabamba, was ruthlessly repressed. During February and March, Bolivian leaders brought to the fore once more the question of Bolivia's access to the sea, and raised hopes that a solution through negotiation with Chile was imminent. Recently, after a further uprising involving some sectors of the armed forces, and which was at first reported as a coup, Banzer announced the formation of a new 'unity' government, with the overriding priority of obtaining access to the sea. A specious conference of national political leaders was convened, where these supposedly vowed to put aside all political differences in the interest of obtaining a solution to Bolivia's major national problem.

Nevertheless, in early April, the sabre-rattling between Peru and Chile came to an abrupt halt. Velasco accused 'the international reactionary press' of attempting to stir up hostility between two neighbours on the basis of completely unfounded rumours. Chile's foreign minister, Admiral Huerta, insisted that relations between the two countries had never been better, and blamed the rumours on 'the international marxist conspiracy'. General Pinochet suddenly found 'the mark of genius' in Velasco's proposals for arms limitation.

The international aspects.

This curious conflict, of which we certainly have not yet heard the last, has two distinct but related components. The first is concerned with the different alignment and ideological persuasion of the governments of Chile and Bolivia on the one hand, and that of Peru on the other. The second concerns the problem of Bolivia's access to the sea.

Peru has a relatively progressive military government, which expropriated and nationalised important US-owned mineral and oil interests. Abroad, Peru has given support to Cuba, Panama and to Chile under Popular Unity. Brazil has appeared to Peru as a threat, because of its pro-US stance in Latin American forums, and because of its increasing economic power and political influence. Peru shares part of its Amazon frontier with Brazil, in a region where major oil-strikes are beginning to be exploited. To the south, Peru has been confronted by hostile regimes, first in Bolivia, and now also in Chile. What is worse, these regimes are both pro-US, and clearly under the influence of Brazil.

For the military junta in Chile, Peru is a threat, because it is a military regime of a different type and with a different ideology, and because it is not hostile to the two influences the Chilean junta fears most -Cuba and the Soviet Union. But what is worse for Chile is that Peru is the major stumbling-block to a settlement of a long-standing and thorny problem which exists between Chile and Bolivia, two countries with regimes which might otherwise embrace one another cordially.

This is the problem of Bolivia's access to the sea. Eighty years old, the problem is now more acute than ever. For it is not only Bolivia that seeks access to the sea, but Brazil, standing behind Bolivia, which seeks access to the Pacific. For the past 12 years, Chile and Bolivia have had no diplomatic relations as a result of a further, but trivial conflict over the use of water for irrigation in Chile from a river which spans the frontier between the two countries.

There are three possible ways in which Bolivia could be given access to the sea. At present her westward freight traffic passes (as it has done for years) down the railways from La Paz to Arica and Antofagasta on the Pacific coast of Chile. Some negotiated diplomatic arrangement could perhaps be made, exempting Bolivia from freight and customs duties, and allowing the Bolivian flag to be flown here and there. This would be most convenient for Chile, but probably unacceptable to Bolivian nationalists in their present mood.

The second solution, inconceivable except as the outcome of a war which is itself highly improbable, would involve the return to Bolivia of a part of her former territory, and the division of Chile into two parts.

The third solution, and the one which has been under discussion recently, would involve Chile's ceding to Bolivia a corridor along the northern frontier with Peru, leading to the sea near Arica. The same solution was canvassed between Peru, Chile and Bolivia three years ago, before the coup which brought Banzer to power. Probably acceptable to Bolivia, this solution would be risky for Chile, since it would involve ceding territory, and might provide a convenient nationalist controversy upon which any dissident sector of Chile's armed forces could focus attention. For Peru this solution is highly undesirable, and Peru is involved, since under the 1929 Treaty of Ancon, Chile must not cede any portion of its northern territory to a third power, without consulting Peru.

Nationalism as opiate.

Internal interests of Peru, Bolivia and Chile are all to some extent satisfied by the conflict. Banzer's weak regime has been tottering for some time, and the peasant revolt in Cochabamba in late January, and the near-coup a month ago are only the latest symptoms of malaise. He was entirely frank for once when he made it clear that his new government would concentrate upon obtaining access to the sea as a priority behind which all sectors could unite. Banzer desperately needs a foreign distraction to maintain his fragile hold on power. But he also needs to show some results.

The junta in Chile also desperately needs to distract Chileans' attention from the increasingly catastrophic facts of daily life; blanket repression which now affects all political sectors, and economic conditions which have brought suffering to all but a small minority. A well-rehearsed and belligerent confrontation with Peru is also calculated to promote unity within the armed forces, a sine qua non for the survival of the regime in Chile, since it has no significant political allies, and has abolished all political means of support. Finally, as one cynic remarked, calling up reservists is just another way of putting potential dissidents behind bars.

For Peru the situation is more complex. Velasco's government, although progressive in some respects, contains many right-wing elements, particularly within the military, and there have been signs that they have recently been gaining the upper hand. No doubt a number of officers look favourably upon the brisker methods of their colleagues in Chile and Bolivia. Since Velasco's illness last year, it has been rumoured that if he dies, the military government in Peru would take a stride to the right. But the conflict with Chile ought to favour progressive sectors, since Peru has little choice but to present any provocation from Chile or Bolivia as the hand of imperialism working through extreme right-wing governments.

Brazil and the US

Peru's purchase of Soviet arms is the first in the continent with the exception of Cuba. Peru has on the whole been skillful in minimising conflict with the US over its expropriation policies, and it has not suffered the same aid-boycott as Chile under Popular Unity. Nevertheless, the present Peruvian regime is hardly on terms of warm friendship with the US. For the US, the present conflict is useful to isolate Peru, and to warn it of what it may expect from any serious leftward deviation.

Brazil has unambiguous plans for dominating trade throughout Latin America, and a key-point must be access to the Pacific, and hence to the markets of the Andean Pact countries. Peru is a potential rival in development of the resources of the Amazon region, and must be neutralized. Agreement between Chile and Bolivia is desirable to remove an obstacle to friendship between two similar regimes already friendly to Brazil. Their alliance would also serve further to isolate Argentina.

What next?

Despite the excellent reasons which Chile and Bolivia possessed for initiating the conflict, there are signs that it rapidly got out of hand. None of the protagonists felt sufficiently secure to risk actual war. Yet the conflict had served to underline the real conflicts of economic interest that exist between Bolivia and all her neighbours. Old nationalisms

were threatening to overwhelm ideological similarities. Doubtless at the behest of Brazil and the US, and to the relief of Peru, the situation was rapidly defused. But nothing has been resolved -all the bases for the conflict remain unaltered, and it will almost certainly be renewed at a later date.

One partial explanation which should not be neglected is that the whole affair was stage-managed for the benefit of the US Congress, which, it was felt, might not otherwise approve the appropriations necessary to arm Bolivia and Chile, and to keep their weak regimes afloat.

THE ECONOMY

The dream of the free market.

In a document of fundamental importance entitled 'Declaration of Principles of the Government of Chile', the junta, in mid-March, expounded its political and economic philosophy. The economic thinking in this document amounts to a bold defence of the principles of capitalism. It underlines the sanctity of private property and free enterprise, and limits the role of the state to that of providing guarantees of effective competition, controlling abuses, impeding the formation of monopolies, and providing planning complementary to the efforts of the private entrepreneur. Individuals, the document continues, have a right to private ownership both of consumption goods and of the means of production. The most 'natural' form of ownership is held to be individual, but group ownership may be tolerated where it is properly defined and controlled. The State should own only that which is strategic or vital for the nation and which it would be unwise to leave in the hands of a limited group of private owners. The sole constraint upon private ownership would be a legal one -to respect 'the social function inherent in the goods possessed'. This right to private ownership should be made a reality for all Chileans, and should be 'effectively diffused' in all social strata. Chile should become a nation of proprietors, not a nation of proletarians.

A morality of just rewards for outstanding effort is to be enforced, says the Declaration, and the principles of seniority and of labour discipline are to be strictly observed. Decentralisation and regional planning are promised. The vital role of competition is underlined, and importance is attached to the role of the consumer in exercising choice.

Two passages are quoted from an important speech made last October by junta chief General Augusto Pinochet. In the first he stated: 'True nationalism consists not in rejecting foreign investment, but in subjecting it to terms which guarantee as the prime necessity benefit for Chile'. In the second: 'Economic development and social progress are inseparable concepts. When, for demagogic reasons, the first is sacrificed, the second becomes a mere illusion, because all that remains to be distributed is poverty'.

Behind these apparently bland concepts, the junta conceals a crusading free-market fundamentalism which is much more remarkable. Consumers worried about the astronomic price-inflation have repeatedly been told that all they have to do is exercise discrimination in buying, and the prices will miraculously fall. A poster campaign has been started under the slogan 'Chilean: learn to buy!'. Shop-keepers who complain that they cannot sell because prices are so high and incomes so low, are told that they must reduce their prices and 'compete', if they expect to survive. Manufacturers with similar complaints are told that the 'era of featherbedding' and government interventionism is over, and that they must

learn to fight for themselves, or go under.

The junta likes to compare its economic policies to those of post-war West Germany, or present-day Brazil. Que Pasa, an extreme right-wing magazine often close to junta thinking, published an article in its March 29 edition, showing a graph of the increase in GNP in West Germany from 1945 onwards. It quoted extensive passages from two books by Ludwig Erhard, detailing his crusade against all forms of price control and state interventionism. Germany's 'miracle' was entirely attributed to the 'suppression of centralist controls'. West Germany, the author of the article noted, had suffered 20% inflation in food prices in six months before climbing out of its depression. He did not note that Chile in the comparable period has suffered 1100% inflation in food prices.

The same edition of Que Pasa carried an article by National Party journalist Hermogenes Perez de Arce, attacking the notion that Chileans today are being asked to make sacrifices. 'Today', he wrote, 'is when we have to pay the bill. We have earned it. There is no "sacrifice" which we have to make for our country, since we haven't been depriving ourselves of anything which legitimately belonged to us. As a people, the most that we can offer is our apologies for the extent, the depth and the magnitude of the errors we have committed'.

The economics which predominate in Chile today are those of the Chicago School. It is interesting to note that no less than five former pupils of US Treasury Secretary George Shulz (now resigned) hold senior advisory posts in the junta administration in Chile. Chilean media refer to them as 'los Chicago boys'.

Inflation.

Despite the drastic reduction in Chilean workers' living standards, which has taken place since the coup, (a drop in real income of about 50%, even according to statistics produced by Chilean business circles), and despite the heavy restrictions on credit introduced by the junta, Chile's inflationary spiral looks as vigorous as ever. According to Economics Minister Fernando Leniz, a rise of 14.2% was recorded in the Consumer Price Index in March, bringing the accumulated total for the first quarter of 1974 to 62.3%. At this rate, the year-end inflation total will be 250%, or 2½ times worse than the modest 100% set as a target by General Pinochet.

This month there was no repetition of the optimistic declarations about the containment of inflation, and the serious concern of the business world was evident in various public statements made by business organizations, each sector denying responsibility for the price rises. The Chilean Association of Pharmacists published a declaration noting the heavy rise in the price of medicine, and blaming the manufacturers.

Even more revealing was the declaration made at about the same time by Jorge Martines, President of the Central Chamber of Commerce, in which criticisms of the junta's economic policies were barely veiled: he rejected 'the attacks of those who hold the shop-keepers responsible for the constant price rises which are seriously affecting various sectors of the population, and especially the poor'. 'Never before', he said, 'in the history of Chile, have the shop-keepers worked with so narrow a margin of profit'. Even three months ago, such sentiments would have been unthinkable, since all ills were ascribed to the 'Marxists'.

A survey carried out by the Confederation of Private Employees of Chile, stated that a family of four in Chile would have a minimum monthly expenditure on food and essentials of 76,300 Escudos, excluding all costs of recreation and schooling (the latter reckoned to cost a further 7,400 per month per child with uniforms, books, travel, etc). The monthly salary of the average white-collar worker with ten years of service, the survey found, is at present 37,200, or just under half the necessary minimum. It should be remembered that the minimum wage is now 18,000 Escudos per month in Chile, and it is probable that a considerable proportion of factory workers are being paid even less than this amount.

As in previous editions of The Chile Monitor, we continue our practice of listing some prices current in Santiago. Those given below were told to us by a Chilean who arrived in London recently. They depend on memory rather than any written record, and there may be inaccuracies.

Baseline: Minimum monthly wage: 18,000 Escudos
Average monthly wage
of white-collar worker: 37,200 Escudos

<u>Article</u>	<u>Unit</u>	<u>Price (E) April '74</u>	<u>March '74</u>
Toothpaste	Tube	380	
Lavatory paper	Roll	150	
Sugar	Kilo	500	240
Cooking oil	Litre	1270	432
Womens shoes	Pair	12000	
Child's shoes	Pair	8000	
School sweater		5000	
School shirt		3800	
Child's underpants		900	
Mens trousers		30000	

Unemployment

The Chilean Committee in Rome, Chile Democratico, has published a table of the numbers of dismissals which have taken place since the coup in Chile. The total figure is 634,100, made up of 502,959 manual workers, 106,587 clerical and administrative, and 24,554 professional and technicians. They pointed out that to this total must be added the 150,000 who were unemployed before the coup d'etat, giving a total of 784,000 unemployed at present. The figure may be inflated. It probably includes some double-counting between sectors and institutions, and the figures for the private sector may only be guesses (See table on next page). But there is no doubt that the army of unemployed in Chile today is huge, and probably encompasses between 15 and 25% of the labour-force. The Chicago Commission of Enquiry into the Status of Human Rights in Chile estimated in February that 160,000 persons were expelled from their work for political reasons after the coup, and that figure obviously excludes those who have since been dismissed because of the general conditions of economic recession. The same Commission estimated unemployment in February at 20%. They noted also that compensation for unemployment in Chile is based upon 75% of the average wages earned during the past 12 months. But inflation has made the value of such payments derisory, even where employers are paying them. Evasion is widespread, since the employer can always threaten a former employee claiming redundancy pay with political denunciation.

TABLE OF NUMBERS DISMISSED BY SECTOR, SINCE THE 1973 COUP D'ETAT IN CHILE

<u>Institution or Sector</u>	<u>Total</u>	<u>Manual</u>	<u>White-Collar</u>	<u>Professionals</u>
<u>Dismissals in the public sector</u>				
State Development Corporation (CORFO)	4,820	3,032	1,515	273
CORFO-subidiaries	11,376	6,842	3,768	766
Nationalised industries (including all 378 industries which, on Sept 11, 1973, were under some form of state control)	12,645	8,870	3,360	415
Forestry sector	8,063	5,897	1,936	230
National Distribution Co. (DINAC)	2,096	574	1,285	237
Fisheries	1,336	629	487	220
Public Works	10,820	7,972	2,261	587
State Railways	3,705	2,974	635	96
National Health Service & Social Security Service	9,756	5,796	3,387	573
Telephone Service, National Telecommunications Co, Radio & Television	5,838	1,890	2,886	1,062
Tourism & Recreation	2,181	1,546	483	152
Mining -Large Copper Mines	7,422	4,368	2,730	324
Mining -Coal, Iron, Nitrate, Oil	9,855	5,940	3,171	744
Housing	9,023	6,094	2,423	506
Commerce & Foreign Relations	1,629	430	820	379
Treasury & Banks	6,263	3,087	2,564	612
Farm Development Institute (INDAP)	1,977	365	1,240	372
Land Reform Corporation	2,719	420	1,873	426
Farm & Cattle Service (SAG)	1,415	346	825	280
Education (teachers & auxiliaries)	4,095	430	1,624	2,041
Municipalities	6,528	4,018	2,126	384
Universities	4,540	823	2,769	948
Pensions and insurance	4,472	1,136	2,469	867
SUB-TOTALS	132,610	73,479	46,637	12,494
<u>Dismissals in private sector:</u>				
Industry	190,090	170,880	16,760	2,850
Commerce	46,060	35,940	8,890	1,230
Transport & Communications	15,760	10,470	4,130	1,160
Services	26,550	18,650	5,880	2,020
Mining	32,070	26,420	4,670	980
Agriculture	62,290	56,950	3,780	1,560
Housing & Construction	128,670	110,570	15,840	2,260
SUB-TOTALS	501,490	429,480	59,950	12,060
GRAND TOTAL	634,100	502,959	106,587	24,554

9,200 Chileans applied for 700 vacancies for apple-pickers to work in Argentina. Argentine farmers have traditionally recruited migrant labour in southern Chile, but their recruiting offices in the Chilean provinces of Llanquihue and Osorno have never been besieged as they were this year.

Cables of EFE and AFP dated April 15, reported that more than 70,000 Chileans had entered Argentina since the coup d'etat in Chile, to seek work or refuge. The embassies of Australia and Canada in Santiago have been besieged by would-be emigrants, the majority of them professionals and technicians. The junta is beginning to be seriously alarmed by the loss of professionals in almost every sector, and by the fact that those who emigrated during the three years of Popular Unity are not returning to Chile. The President of the Academy of Sciences, Osvaldo Cori, raised the alarm in a letter published in El Mercurio on April 29. 73% of the members of the Biology Department of the Faculty of Science in Santiago had already left Chile, he said, or had their tickets purchased, and in the Catholic University 72% of the mathematics staff had already left or were buying their tickets. Chile Monitor has been informed that in a class of 36 metallurgical engineers who will graduate this year from the State Technical University in Santiago, all 36, regardless of political tendency, plan to leave Chile and work abroad.

The Price of Copper.

Despite the inflation and the flight of professionals, the junta can take comfort in the price of copper, which is at least 40% up on its September 1973 level, and shows signs of increasing further. Chile will almost certainly take part in the forthcoming meeting of copper-producing nations, despite the fact that Zambia, one of the other principals, broke off diplomatic relations with Santiago after the junta's seizure of power. In the wake of the world oil-crisis, producers of almost every strategic raw-material are asking for, and getting better prices.

The Inter-American Development Bank (IDB).

The Fifteenth Assembly of the Governors of the IDB was held in Santiago in early April. The IDB had already granted credits to Chile for 201 million US dollars since the coup d'etat, and chose the occasion of the meeting to announce a further credit of 22 million dollars for agricultural development. According to the Washington Post the credit was 'rammed through' the IDB bureaucracy with scant attention to preliminary studies and the niceties so much insisted upon when the beneficiary nation is one with which the US has disagreements. Mexico and Venezuela were reported to be critical of the procedure.

General Pinochet, in his opening speech to the IDB Assembly, once more promised a 'Statute of Foreign Investment' - a sort of law of guarantees for foreign investors. The delay in introducing this legislation is probably due to difficulties with the other member nations of the Andean Pact. It is notorious in diplomatic circles that Chile is anxious to break with Rule 24 of the Pact (if indeed it has not already done so) which places quite stringent restrictions on the terms member nations may offer to foreign investors.

More Foreign Investment.

General Pinochet had conversations with executives of the US company Continental Copper and Steel Corporation concerning the possibility of investment in Chile's major copper mines. Minister of Mines Arturo Yovane, in an interview with the Chilean magazine Ercilla was asked why the government's programme made no reference to state-ownership of Chile's copper mines, and he replied that it had been 'a mere omission'. Nevertheless, there are signs that all new investment in copper in Chile will be made by US companies, and that the nationalisation programme carried through by the Popular Unity government will soon be reversed in all but name.

Banks in West Germany, France, Belgium, Finland and Brazil have agreed a 140 million dollar loan to ENAMI, the Chilean government mining authority which deals with medium and small mines. ENDESA, Chile's electricity generating Company, has received a 12 million dollar credit to purchase gas-turbine generators from the Japanese Marubeni Corporation. Meanwhile, Santiago newspaper announced with triumph that General Motors Corporation had signed an agreement to resume the activities in Chile which it interrupted in 1970, on the election of Popular Unity. Brazil has entered into discussion with the junta on the joint-exploitation of natural gas reserves in Magallanes, in the extreme south of Chile.

The Club of Paris Talks.

Chile's negotiations with its creditor nations, reported briefly in the last Chile Monitor, appear to have concluded with agreement in the following terms: postponement of all repayments due on loans expiring between January 1 1973 and December 31 1974; payment of 2 cuotas of 5% and 1 of 10% of this amount in 1974-6; payment of the remaining 80% in 14 instalments, starting in 1977; this agreement to be the verbal basis for subsequent bilateral negotiations between Chile and each individual creditor nation; all discussion of the question of human rights in Chile to be relegated to some other forum. According to an article in El Mercurio, this agreement will be binding even on Italy, which did not attend the talks, but this seems doubtful.

Measures of the Central Bank.

The Escudo was devalued for the 5th time in the eight months since the coup. the foreign exchange rate rose from 470 to 525 Escudos to the dollar. More recently it was announced that some 2,400 products, including the so-called 'linea blanca' -refrigerators, washing machines, etc- would be freed from import restrictions. Economics Minister Fernando Leniz stated that the aim of this measure was to guarantee effective competition and to correct monetary imbalances. It was received with less than open enthusiasm by Chilean manufacturers, whose President described the measure as 'precipitate'.

A six-year development plan has been drawn up by the junta. The projected investment adds up to 9,357 million dollars, of which only one third would be in foreign currency. An essential component of the plan is the 2,600 million dollars, which it is hoped will accrue to Chile through exports and import substitution. The plan envisage copper production increasing to 1.5 million tons per annum by 1980. Food imports are to be halved by 1976, and by 1980 Chile is to become a net exporter of food.

POLITICS IN CHILE

Politics in Chile has no official existence, but naturally continues.

The Declaration of Principles.

Tradition, property and the family are the three concepts underlying the junta's declaration of its political and economic principles -the economic concepts have already been discussed above. Chile, states the declaration, is to reject Marxism, 'given its totalitarian character, which denies the human personality, and which contradicts our Christian and Hispanic traditions'. Equally, the materialism of the consumer society of the western democracies is rejected, and the Declaration notes 'the successful penetration which Marxism has achieved in these democracies in their weakened condition'. While other countries have embarked on a course of detente and dialogue with international Communism, Chile 'has perpetrated a frontal assault upon it, and inflicted a serious defeat'.

The government, according to the Declaration, must be 'authoritarian, impersonal and just'. Every sign of indiscipline or anarchy will be drastically suppressed. The government's 'values and style' will include the following components:

- a) Equality of opportunity -the only inequalities to be permitted being those which 'come from the Creator, or from the greater merit of each individual'.
- b) The Dignity of Work -neither idleness nor parasitism are to be tolerated.
- c) the creation of a morality of merit and personal effort -to replace the 'morality of mediocrity' which has afflicted Chile in recent years.
- d) the sobriety and austerity of those in positions of command.
- e) the restoration of the apolitical character of the public administration.

"Owing to the prolonged damage", the declaration continues, "caused in our country by many years of demagogy, and the systematic destruction of every aspect of our national life effected since 1970 by the Marxists, the Armed Forces and Police in Chile, complying with their classic doctrine and their duties with respect to national survival, were obliged on September 11 to assume the totality of political power. They did so by overthrowing a government which was illegitimate, immoral and a failure, and they did so in accordance with a national feeling which today finds expression in the support of the majority of the people for the new regime.

"The Armed Forces and the Police place no time limit upon their stay in government, because the task of reconstructing the country morally, institutionally and materially requires prolonged and thorough measures. IT IS ABSOLUTELY VITAL TO CHANGE THE MENTALITY OF THE CHILEANS. But, aside from that, the present government has declared categorically that it is not a mere temporary administration, or some sort of interval between two similar governments by political parties. In other words, this is no 'truce' to restore order before handing back the power to those same politicians who were responsible, by what they did, or by what they left undone, for the virtual destruction of our country. The Government of the Armed Forces aspires to initiate a new stage in our national destiny, opening the way to NEW GENERATIONS OF CHILEANS, FORMED IN A SCHOOL OF SOUND CIVIC BEHAVIOUR".

Even when elections are permitted, states the Declaration, the Armed Forces are not going to sit on the touch-lines as mere spectators, but will take part, in obedience to their duty to protect national security (interpreted in the broadest sense), in a 'new and great civilian-military movement'.

The most important part of the Declaration is the distinction which it draws between Social and Political Power, a dichotomy already foreshadowed in the preliminary study for a new constitution, which was published several months previously. The implication of this is, as the Declaration states categorically, 'the independence and depoliticisation of all social groupings intermediate between the individual and the state'. All forms of association, including above all the trade unions, are to be forbidden all involvement in politics. Especial importance is to be given to the gremio or association. It may represent the economic interest of its members (and it will be the State which must tailor such claims to the 'national interest'), but must also take on the role of assuring technical cooperation. The word gremio, in Chile, is used indifferently to denote a trade union, professional association or club. Nevertheless it has a very strong political association, since gremialismo has been for a number of years a powerful political movement in Chile, anxious to construct a corporatist, fascist state. While they are given some encouragement by the Declaration, the gremialistas have substantially less influence with the junta than they would like. Within the Armed Forces, General Pinochet and Admiral Toribio Merino in particular, are believed to be contemptuous of the political trappings of the gremialista movement, and to prefer direct military rule.

In the concluding passage of the Declaration, the junta affirms its faith in the family as 'the school of moral formation, of sacrifice and generosity towards equals, and of heart-felt love of the fatherland.... In the family, Woman rises to the peak of the grandeur of her mission, which converts her into the spiritual rock of the fatherland.'

The Christian Democrats.

The Christian Democrat Party has now recognised at all levels that it has nothing to hope for from the Junta. On March 10, El Mercurio published an extensive document on the subject of 'Social Development', which probably emanated from sources close to junta General Leigh. It featured a scathing attack upon political parties financed from abroad, naming the Christian Democrat Party by name. It now appears that this was the immediate reason for Christian Democrat former President Eduardo Frei's refusal to attend the ceremony on the following day which commemorated the first six months of junta rule. But it is interesting to note that the Declaration of Principles, which was published on March 11, did not repeat the attack.

There have been persistent rumours in the Latin American press, most recently in the Colombian magazine Cronos, that Frei has threatened to seek diplomatic asylum in the Swiss Embassy if the junta curtails his freedom of speech.

The former falangist and Christian Democrat presidential candidate Eduardo Cruz-Coke died recently in Santiago. At the funeral, there was a fist-fight after Christian Democrat Party President Patricio Aylwin said, in his address: 'Liberty is not defended by putting an end to it. Ideas are fought by ideas, and the hunger and thirst for justice experienced by the poor is only satisfied when justice is granted to them... Force is necessary only as the last resort in tackling emergencies or criminal acts, and is not an adequate means for confronting ideas or implanting the truth'.

It is now a more or less open secret that Christian Democrat leaders abroad are conferring with their former adversaries in Popular Unity to see if an alliance can be arranged for coordinating opposition to the junta. Rado-miro Tomic, who was the Christian Democrat candidate for the presidency in 1970, allegedly reported to the party leadership two months after the coup that Christian Democrats could under no circumstances offer support to the military junta, and that they must strive to unite socialism with democracy.

He stated that the party must accept responsibility for having given substantial assistance to the coup-makers, particularly by its vote in Congress declaring the Allende government to be in violation of the constitution, and by its support for the lorry-owners strike in August 1973.

Various Christian Democrats attended the funeral of former Popular Unity Defence Minister Jose Toha, among them ex-senator Tomas Pablo and the party General Secretary, Osvaldo Olguin.

A number of Christian Democrats are being dismissed from public administration, the media and the universities. In the Faculty of Social and Legal Sciences in the University of Chile, Maximo Pacheco Gomez, who was Minister of Education under Frei, was removed from his post.

There was recently a purge in Santiago's Channel 13 Television station, which belongs to the Catholic University. Despite the extremely pro-junta stance of its Director, Father Raul Hasbun, who claimed that the coup was an act of God, the station had incurred the wrath of the junta. Particular annoyance was apparently caused by the declarations of the ultra-Conservative Marques Bulnes, who suggested in an interview that all political prisoners should be brought to trial immediately. Several Christian Democrats were sacked, and when Hasbun complained, he was himself dismissed and forced to make a public apology to the junta.

Christian Democrat lawyers have been playing an increasingly important role in the defence of former Popular Unity supporters and officials placed on trial by the junta. Andres Aylwin, brother of the party President, was detained by the military, apparently for his role in presenting a habeas corpus application on behalf of a number of detained peasants.

The Church defines its position.

Following on his decision to say a funeral mass for Jose Toha, who, according to the junta, committed suicide, Cardinal Raul Silva Henriquez gave an Easter address, broadcast by radio throughout Chile, in which for the first time he openly criticised the junta. The relevant passage reads as follows:

"We have witnessed the struggle and seen the death of our brothers. We have seen the grief of a situation of bloodshed in our country, and of a war between fellow-citizens. We would have wished to avoid it, and we did everything possible to avoid it. Perhaps we too have been to blame, and did not do all that we should have done. We have said that violence creates only violence and that that is not the route to make a juster and a better society. We have said to our people, to our authorities, that one cannot ignore the principles of respect for man, that human rights are sacred, that no one may violate them. We have said it in every different tone of voice. And we have not been heard. And for that reason today we are crying for the grief of the Father who has witnessed the rending asunder of his family, the fight between his sons, the death of some, and the imprisonment and pain of many others."

At the same time, a telegram from the Pope to the Cardinal was made public, in which the Chilean Church leader was specifically commanded to do everything within his power to protect human rights in Chile.

In the same address, the Cardinal affirmed that threats had been made upon his life, and that he was obliged to go accompanied by an armed escort. This has been widely interpreted to imply that the junta has placed him under virtual house arrest. There have been several reports in the past of the Cardinal's house being searched by the military or the police. The

Junta in this instance rapidly released a statement to the effect that an ultra-left extremist plot to assassinate the Cardinal had been discovered, and several days later they claimed to have made arrests.

Following a five-day conference in Talca, the Chilean bishops published a declaration which was substantially more explicit than the Cardinal's Easter address. They stated that the problems in Chile were caused by arbitrary arrests and prolonged imprisonment of political prisoners, interrogation under physical and moral pressures, limitation of legal defence and inequalities in sentences by military courts. They reaffirmed the necessity of respect for human rights as defined by the United Nations Charter and the Second Vatican Council. They denounced 'the climate of insecurity and terror, whose root we believe is found in the accusations, the false rumours and the lack of participation and information.' 'We are also concerned', they continued, 'by the social dimensions of the present economic situation, indicated by the increase in unemployment, and arbitrary dismissals for ideological reasons'. Wage earners, they said, were being forced to bear an excessive quote x of sacrifice.

The leader of the Lutheran Church in Chile, Monsignor Helmut Frey, was detained by the police during March, and interrogated for one and a half hours before being released. A priest attached to the Vicarate of Valparaiso was found dead beside his car. He had been beaten to death.

Unity in the junta.

11 army generals 'passed into retirement' at a formal ceremony in the Military School in Santiago on April 10. They are: Orlando Urbina, Rolando Gonzalez, Manuel Torres de la Cruz, Ernesto Baeza, Ervaldo Rodriguez, Alfredo Canales, Raul Contreras, Sergio Munoz, Carlos Araiba, Pedro del Rio and Jose Rodriguez. In addition, it has recently been reported that General Herman Brady, who was replaced in the critical military command in Santiago by General Arellano Stark, has also been asked to retire, and may even be prisoner.

It is difficult to understand what internal divisions may be leading to so many premature retirements. Some reporters have looked for a division between 'hard-liners' and 'soft-liners' among the senior officers of the armed forces. While such differences probably exist, the list of retiring generals contains both elements, and it is probable that existing divisions reflect differences in political and economic policies and alliances rather than in the criteria for the use of force. Apparently the explosion in an arsenal in Punta Arenas, which may have caused General Torres de la Cruz' disgrace, may have occasioned the deaths of 200 soldiers, and caused losses of 1½ million dollars in munitions and equipment.

It is notable that the only known trial of military personnel to date has involved only officers and men of the Air Force, although it is known that constitutionalist elements from all the services are held prisoner. Air Force General Leigh is believed to favour bringing political prisoners to trial rapidly, and he wants asylees in embassies to be granted safe-conduct passes, so that Chile can improve its foreign image. Leigh, however, is no dove, and it was he who announced the junta's intention of eradicating Marxism entirely. He is believed to be a proponent of building political institutions to back the junta in Chile, a suggestion that has already been made by fascist leader Pablo Rodriguez, and echoed from time to time by articles in El Mercurio, including a recent piece by Jorge Rogers Sotomayor, which recommended a solution along the lines of Franco's Spain.

Meanwhile, Carabineros de Chile, the police-force, appears to occupy a junior position within the junta. The Carabinero general in the junta, Cesar Mendoza, has made little impression, and his colleague in the Ministry of Mines, Arturo Yovane, was more or less publicly rebuked for suggesting that Chile might not pay indemnity to the American copper companies. Recently it was announced that Carabineros would be responsible to the Ministry of Defence, instead of to the Ministry of the Interior as previously. According to the Chilean magazine Ercilla, of the ten senior generals of Carabineros at the time of the coup d'etat, only two remain, Mendoza (4th) and Yovane (9th), a fact which suggests that within Carabineros there was a substantial amount of loyalty to the Allende government.

The junta has pardoned two persons, Luis Gallardo and Adolfo Ballas, who were sentenced to terms of imprisonment during the Allende government for their part in the assassination of the Commander-in-Chief of the Army, General Rene Schneider, in 1970. This assassination was part of a plot headed by General Viaux, which was intended to thwart the succession of Allende, then President-elect. Viaux himself is in Paraguay, completing a term of compulsory exile for his part in the crime, although there are rumours that the junta will bring him home soon. However, substantial sectors of the Armed Forces are loyal to the memory of Schneider, and these pardons may create divisions. It has been noted that the junta has not attempted to impugn the reputation of Schneider, although they have been more than frank in their condemnation of politicians who failed to prevent the Marxists from taking power.

Military intelligence.

The Intelligence Services of the Armed Forces are now coordinated by a new organisation called DINA (Direccion de Inteligencia Nacional), under the leadership of Carabineros General Nestor Barba Valdes. Their headquarters is variously reported to be in the building formerly occupied by the Communist Party daily El Siglo, in the ~~Union~~ Communist League building, and in a former clinic on Calle Londres. DINA is said to be recruiting and training informers to work in the factories, and to permeate every sector of civilian life where sedition is feared. Courses are being held for them in the Military Engineering School at Tejas Verdes, with the presence of Brazilian instructors.

A member of the Chicago commission which visited Chile (See below) reported that lists of prisoners and suspects are now being computerised. These intelligence registers are supplemented by the lists of all employees which employers are now obliged by law to submit, including the presumed political sympathies of each person.

An interesting letter has come to light which illustrates the methods used during the first months after the coup to segregate Popular Unity sympathisers among professionals. Written by an army doctor, Professor Augusto Schuster Cotes, and dated October 11 1973, it suggests the classification of all those who voted for Popular Unity into 5 categories, in decreasing order of dangerousness: extremists, intelligent and dangerous activists, ideological activists, party members and finally mere sympathisers. 'We cannot allow a single extremist, Chilean or foreign, to remain at liberty in this country', says the letter.

Massive search operations have been less common recently, but still occur. On March 18, the Quinta Bella neighbourhood of Santiago was again cordoned off, and more than 250 persons were detained and taken to the Chile Stadium, which continues to be used as a detention and interrogation centre.

Trials

After innumerable delays, it appears that the junta has decided to proceed with the trials of some of the more important political prisoners. 27 of them have just been transferred from Dawson Island to Santiago, including Luis Corvalan, General Secretary of the Communist Party, Orlando Letelier, a former Foreign Minister, Daniel Vergara, former under-Secretary of the Interior, and Sergio Bitar, former Minister of Mines.

A show-trial opened on April 17th at the Air Force Academy in Santiago. The defendants are 19 officers, and 35 lower ranks of the Air Force, and a number of civilians. Due to start on April 15th, after several earlier postponements, the trial was postponed yet again on that day, due to the presence of numerous foreign journalists in Santiago, and the Directors of the Inter American Development Bank.

The accused face charges on crimes alleged to have been committed, for the most part, before September 11, when Chile was not in a State of Internal War. Nevertheless, they are being tried according to the 'law in time of war'. The political nature of the trial was made clear from the outset, when the prosecution lawyer, General Orlando Gutierrez, opened his case by declaring that the Allende government was not constitutional, and was therefore an 'enemy' to which the accused passed national secrets. The defense, in turn, naturally argued that the Allende government was both legal and constitutional, and that it in any case did not correspond to serving officers of the armed forces to decide whether this was or was not the case. The judge accused the defence of trying to use the court as a political platform, and adjourned the case, sine die, on May 2nd.

According to the junta Minister of Justice, the trial 'puts an end to all possible doubt about the desire of the Government to respect our rule of law, and to safeguard the rights of persons; it is concrete evidence of the calling of the honourable junta to reestablish judicial normality which was so seriously destroyed by the Marxist Popular Unity regime'.

Defence lawyers were allowed access to the 5000 page charge documents for only five days, and at a time when the majority of them were on holiday, during the legal vacations. They were only able to interview their clients, they claim, with great difficulty, and after many delays. Defence lawyer Roberto Garreton declared at a press conference soon after the trial opened, that his five clients had been tortured by electric shock, and severely beaten to extract 'confessions'.

The defendants include two Air Force Generals. One of them, Alberto Bachelet, died in mid-March of a heart attack provoked by the tortures and malnutrition he had suffered while detained. There are unconfirmed reports that the second General, Sergio Poblete, has also died. Among the civilians are two cameramen from the National Television station, the Socialist Senator Erich Schnake, and Carlos Lazo, a senior employee of the State Bank. The prosecution is asking for the death sentence in 5 cases, a number of life sentences, and terms of up to twenty years of prison for the remainder.

Four of the defendants, including General Bachelet, were arrested soon after the coup and taken to the Air Force Base at Colina, where they were kept in isolation cells. For interrogation they were transferred by helicopter to the Air Force Academy of War, where they were hooded, shackled, and hung by the wrists for up to 30 hours at a time, without food or water. In between interrogations they were taken to the Air Force Polytechnic, where after October 29th they were permitted a weekly visit from two members of

their families. In mid-November they were transferred to Gallery 2 of the Public Prison in Santiago, and were for the first time permitted to see lawyers.

Tortures used during the interrogations included the insertion of needles beneath the finger nails and the use of electric shock. The interrogators at times jumped up and down on the body of the prone defendant, or stood on his chest, twisting their boots around slowly to pull out his chest hair. Cigarettes were stubbed out on the prisoners' bodies. Hypnosis was attempted. On occasion the prisoners were transported by lorry to deserted spots in the mountains at night, and invited to commit suicide by throwing themselves over the edge. The aim of the interrogations was to force the prisoners to sign confessions and implicate others.

Conditions in the Public Prison were better, although the prisoners were still taken from time to time to the Air Force Academy for interrogation. These interrogations were usually shorter and less violent than in earlier weeks, except in the case of Captain Vergara, who was again submitted to heavy torture in the Academy on December 5th. He was suspended in mid-air by his wrists, his legs being tied to something below him, so that his entire body was extended. Constantly hooded, he was beaten and subjected to electric-shock treatment. He was forced to sign an incriminating confession, and was not finally returned to the Public Prison until December 19th. When his fiancée saw him, he was in such pain from chest wounds and a broken rib, that she could not embrace him.

In Temuco, in southern Chile, 51 persons accused of being members of the banned Left Revolutionary Movement (MIR), were sentenced by a court martial on March 29th to terms of imprisonment of up to 15 years.

In Valdivia, the court martial called for seven life sentences to be passed on leading Socialists on trial there, among them Sandor Arancibia, the former governor of the province, and Professor of Physiology at the Austral University.

In San Fernando, five Socialists condemned to death by a local court martial, had their sentences commuted to life imprisonment on the order of the junta. There are signs that the junta is thinking of revoking the powers over life and death at present delegated to local commanders.

Prisoners and detentions.

There is serious concern about the health of former Foreign Minister Clodomiro Almeyda, who was transferred to Santiago from Dawson Island in late March, and after a spell in the Military Hospital, taken to the Air Force Academy of War. In a letter to General Pinochet, Almeyda's wife wrote: "I have to tell you that I found him (her husband) in a most deplorable state: I could tell this at first glance because of his extreme thinness. The Governor, Mr. Otaiza, told me that the restricted diet was due to 'budgetary restrictions'. My husband feels the cold terribly, but he is not allowed to wear warm clothing 'for reasons of security'. Despite this, they have left him his belt ... He is blindfolded, I don't know whether all day'. The Chilean Bar Association sent a delegation to visit Almeyda, which claimed to have found him cheerful and in perfect health. But the Bar Association, like the Medical Association, has been under attack for failing to protect even its own members.

According to Radio Moscow, 28 construction workers in Pisagua, a concentration camp near Iquique, have been executed; this was discovered by their families when they were told that parcels of food and clothing would no longer be required.

The junta has declared that no more journalists will be permitted to visit Dawson Island, where the most prominent political prisoners are detained. It complained of distortions in the reporting of conditions there.

In a report published in The Observer, 6 interrogation centres in or near Santiago are named: Cerro Chena, the Tacna Regiment, Tejas Verdes, the El Bosque Air Force Base, the Ministry of Defence, and a disused medical centre on Calle Londres.

The Auxiliary Bishop of Santiago, an outspoken critic of the junta, applied to the courts for details of the whereabouts of 131 missing persons.

The junta has announced a programme of forced labour for 'common criminals' on projects of road and bridge construction. It is not yet clear whether political prisoners will be involved - they are often also referred to as common criminals.

Safe-conduct passes.

Junta members, especially Air Force General Leigh, have redoubled promises that persons imprisoned in foreign embassies will receive safe-conduct passes to leave Chile. Former Economics Minister Pedro Viscovic was permitted to leave for Mexico, but the junta promptly initiated extradition proceedings for his return. A pass was also reported to have been given to a former Minister of Labour, Mireya Baltra, to leave for Holland. Junta spokesmen now say that 8721 persons have been granted safe-conducts, and that only about 200 remain in foreign embassies.

Censorship and cultural repression.

The March/April edition of the comic-magazine for children, Disneylandia, sold in Santiago, contains two characters called Hegel and Marx, portrayed as crows. They chase Jiminy Cricket, who comments 'The only answer they know is arms'.

The Christian Democrat radio station Radio Balmaceda was closed for one week when the junta took exception to the political commentaries of Jaime Castillo Velasco, Christian Democrat ideologue, and brother of the former Rector of the Catholic University.

Five leaders of the youth movement SILO are still detained in the concentration camp at Pisagua. The Chilean Ambassador in Washington, Walter Heitman, sent a letter to a member of the House of Representatives, explaining that the majority of them were Marxists. In Santiago, 139 followers of the Guru Maharaj-Ji were arrested, and the foreigners among them expelled from Chile.

In Arica, the owner of the daily newspaper Concordia was arrested, and the paper was suspended for allegedly giving a false report of a traffic incident involving the owner and a policeman.

Le Monde journalist Marcel Niedergang was refused entry into Chile. The Swiss journalist Pierre Rieben was expelled from Chile after being detained for six days. He said that he was beaten and given electric-shock torture.

The junta published a statement instructing that children being taught the National Anthem should take special care to learn verses 3 and 5. Verse 3, the statement notes, is little known to the general public. The text refers to the role of the Armed Forces.

Due to production problems, for which the Editor apologises, the April edition of Chile Monitor has appeared late. It was revised to include news up to and including May 15th.

The next Chile Monitor will be a special edition, primarily devoted to International News. The major news item will be an analysis of the relations between Britain and Chile since the British general election. There will be sections on the Bertrand Russell Tribunal, the Helsinki Commission of Enquiry into the Crimes of the Military Junta in Chile, and on the Chicago Commission of Enquiry which visited Chile in February.

Readers in French-speaking countries can now obtain a French-language edition of the Chile Monitor, entitled CHILI INFORMATION, by writing to Henri Muller, Chili Information, Case Postale 93, 1000 Lausanne 6, Switzerland. The price per copy is Fr.s. 1,50

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