“Allende’s Chile, 1972”

Part “A”

How long does a man live, after all?

Does he live a thousand days, or one only?

For a week, or for several centuries?

How long does a man spend dying?

What does it mean to say “for ever”?

-- Pablo Neruda

Introduction

Salvador Gossens Allende is often called the first democratically elected socialist president in world history. The period of his rule in Chile between 1970 and 1973 witnessed an attempt to construct a “Chilean path toward socialism” with great creativity and popular enthusiasm. It also encountered serious opposition from vested interests in society, the army, and the United States government abroad. This dramatic experiment in democratic social transformation reached a crisis point in its second year, 1972. To deal with the problems that were arising, Allende convened a high-level meeting of his coalition partners at Lo Curro in the gloom of the Chilean winter, June 1972. The problems they faced, the stakes, and the options were particularly complex and challenging.

Historical Background

Chile is a narrow country some 1,000 miles long that runs down the western spine of the
Andes mountains from the northern deserts that border on Bolivia, through the rich central valley that contains the capital city of Santiago linked to the chief port of Valparaiso, to the cold southern tip of Latin America. Its economy has historically been based on mining, primarily nitrates in the late nineteenth century, and copper in the twentieth. Its social and political structures since independence in 1821 were dominated by the agricultural and mining elites, who had historically competed for national power through the vehicle of the conservative National Party (Partido Nacional, or PN). Around and after World War 1, socialist and communist parties also emerged, vying for the allegiance of the northern miners and the urban working class. Social structure was grossly unequal, with peasants in particular living in semi-feudal conditions on the large estates of the central valley.

In the period leading up to and after World War 1, American companies invested heavily in Chilean copper, which became the main export of the country. U.S. investments reached $1 billion by 1930, mostly in copper, and the U.S. displaced Britain as the main foreign power in the country. There were a series of political experiments in this period as well. A military coup in 1924/25 brought a few reforms but with it came a dictator named Carlos Ibanez del Campo, interrupting for a time Chile’s comparatively long history of democratic rule, by Latin American standards (or indeed by any standards). The world-wide depression led to more coups in 1931 and 1932 (a pattern also seen in Argentina, Brazil, and Central America). After that, there was a long period of four decades of uninterrupted civilian democratic rule. Between 1938 and 1952 there was a government consisting of mostly centrist parties (in particular the Radical Party) with left-wing support in a coalition called the Popular Front. These governments presided over a certain amount

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1 There were a handful of socialist leaders elected in Europe between 1900 and 1970, but it is accurate to say that Allende represents the world's first democratically elected Marxist president with an explicit program for a transition to socialism.
of industrialization led by the populist state. Their social base lay in the growth of the Chilean middle class, which supported the Radical or National parties, and the working class, which provided support for what were by then Latin America’s most numerous and well-organized Socialist and Communist parties.

Beginning in 1958, Chileans elected three successive one-term governments, each with a very different development strategy. In 1958, the conservative candidate Jorge Alessandri came to power by narrowly defeating the socialist leader Salvador Allende. Alessandri followed a classic free market style of capitalist development, reducing the government’s role in the economy and inviting foreign companies to invest in Chile. Inflation was contained by keeping wages low. This strategy ran into problems however -- there were few productive investments made by the private sector and eventually inflation broke out again when the government devalued the currency. A new party, the Christian Democrats (Partido Democrata Cristiana, or PDC), made gains in local elections in 1963. The Christian Democrats’ support came from the middle classes -- white-collar workers, skilled workers, professionals, managers. It also got votes from women and slum dwellers and had some support in the countryside because it promised a land reform.

In order to prevent a victory by Allende and the left in the 1964 presidential elections, Chilean businessmen supported the Christian Democrats. The United States also poured $20 million into the campaign in favor of the Christian Democrats, and their candidate, Eduardo Frei, won the election with fifty-six percent of the vote to Allende’s thirty-nine percent.

Frei’s development strategy had a vague content but a progressive tinge. It was based on a vision called “communitarianism” in which the state promoted social welfare without getting involved in class struggles. He said: “We do not propose for the country either a socialist road or a

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2 This was an “import-substitution” type of industrialization, meaning that Chile began to produce simple manufactured goods and process foods that it had till then imported.
capitalist road, but one that emerges from our national reality and our national being, in which the state predominates as the administrator of the common good."3 The Christian Democrats called for land reform (but never implemented it) and for the state to own fifty-one percent of the copper sector -- a policy known as the “Chileanization” of copper -- which did not effectively dispossess the American companies, who continued to make large profits in Chile. For two years the economy did fairly well, but inflation returned in 1967 along with slower growth and high unemployment. Landowners and the business elite became alarmed at the prospect of land reform. Unions were angered by the decline in living standards and repression of strikes. The Christian Democrats themselves divided into left and right wings. In May 1969 the party split, with the left wing forming the Unitary Popular Action Movement (MAPU), and seeking an alliance with parties on the left.

The 1970 elections for president were a three-way contest between the conservative National Party, which ran former president Jorge Alessandri; the left, which formed a coalition called Popular Unity (Unidad Popular, or UP) of communists, socialists, the Radical Party, MAPU, and two smaller parties, with Salvador Allende of the Socialist Party as their candidate; and the Christian Democrats, who ran Radomiro Tomic from the remaining left wing of the party. U.S. interests -- the CIA and the multinationals -- put less money into the campaign than they had in 1964, assuming Alessandri would win, but the results were:

<table>
<thead>
<tr>
<th>Candidate</th>
<th>Votes</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Allende (UP)</td>
<td>1,075,616</td>
<td>36.6 percent</td>
</tr>
<tr>
<td>Alessandri (PN)</td>
<td>1,036,278</td>
<td>35.3 percent</td>
</tr>
<tr>
<td>Tomic (PDC)</td>
<td>824,849</td>
<td>28.1 percent</td>
</tr>
</tbody>
</table>

Thus it was that the world’s first freely elected socialist president came to power in Chile.

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Allende’s First Two Years: The Plan for a Chilean Path to Socialism

The development strategy of the UP alliance was clearly expressed in the opening sentence of its economic program:

The central objective of the united popular forces is to replace the current economic structure, ending the power of national and foreign monopoly capitalists and large landowners, in order to initiate the construction of socialism.4

Such a transition to socialism would require major structural changes, notably the nationalization of the industrial sector (to be called the Area of Social Production), and the implementation of an effective agrarian reform. Other goals included providing better health, housing, and social security, and ending discrimination against women.

The core of the policy was to raise wages at the expense of profits, thereby squeezing the private sector, much of which was to be taken over by the state and run at a lower rate of profit. By the end of 1971, 150 industrial plants were under state control, including twelve of the twenty largest firms. Unemployment declined as the economy expanded, inflation was kept under control, and workers’ incomes rose by fifty percent, a huge increase. As a result, the UP increased its share of the vote in the April 1971 municipal elections.

In July 1971 the U.S.-owned copper mines were nationalized, and after a calculation of the companies’ “excess profits” from 1955 to 1970, it was determined that Chile owed the two big American companies Anaconda and Kennecott Copper nothing for the mines. (The way this was done was by comparing copper profits in Chile with the companies’ profits elsewhere in the world. It was calculated that twelve percent was the world-wide profit rate for these companies, and that they had made $774 million above this in Chile from 1955 to 1970: “This deduction exceeded the

1979), 65.
4 From the UP program, quoted by Stallings, Class Conflict and Economic Development in Chile, 126.
book value of the companies’ properties”). Nationalization however caused an escalation of ongoing U.S. plans to destabilize the Chilean economy, which were coordinated for the Nixon administration by Henry Kissinger, who in a famous quote said: “I don’t see why we need to stand by and watch a country go communist due to the irresponsibility of its own people.” In other words, the U.S. would decide what was best for Chile, and if that meant replacing a democratically-elected Marxist with a military government, that was perfectly acceptable to Kissinger and Nixon (not to mention the copper companies and ITT -- International Telephone and Telegraphs -- which had also been expropriated in Chile). So, the U.S. cut off loans to Chile and blocked World Bank and other sources of money (the U.S. ambassador to Chile remarked: “Not a nut or a bolt will reach Chile.... We will do all in our power to condemn Chileans to utmost poverty”).

As a result of the drop in aid and economic sanctions, Chilean industry ran into problems getting spare parts, technology, and new machinery. Meanwhile inflation returned because workers and peasants now had more money to spend, driving up prices, while shortages of goods were occurring. Agriculture declined as the land reform disrupted production, and landowners took land out of production. Politically, it should be pointed out that Allende did not control the entire state machinery -- he did not have a majority in Congress, he did not control the judiciary, he did not have the loyalty of the entire civil service nor of much of the army high command, which had been trained in the United States. The upper classes owned most of the mass media, and used it against him (the CIA also gave money to conservative newspapers and radios to do a vicious smear campaign playing on fears of communism).

The Lo Curro Conference: Proposals for Further Change

Faced with these difficulties the UP convened a high-level strategy conference in June 1972 to try to elaborate a strategy capable of maintaining the momentum of the revolutionary process.
At this meeting, a significant difference of opinion emerged. The Communist Party, Allende’s wing of the Socialist Party, and the Radical Party wanted to slow things down and try to rebuild an alliance with the progressive wing of the Christian Democrats and thereby regain the support of the middle classes. Against this view, most of the Socialist Party, the MAPU, and a smaller, further left group called the MIR (Movimiento de la Izquierda Revolucionaria, or Movement of the Revolutionary Left) called for more activism and mobilization of the working class (since the MIR was not formally part of the UP coalition, it was not directly represented at Lo Curro).

The first group wanted to slow down the pace of nationalizations, especially the spontaneous ones that were going on in some factories; maintain payments on the foreign debt to appease the United States; and call for a “battle of production” appealing to workers to hold down wage increases in order to reduce inflation and shortages. Politically, this meant rebuilding an alliance with the progressive wing of the Christian Democrats, to bring the middle classes back into support for the process of change, and to win a more solid electoral majority. Once this political base was consolidated, it was argued, the transformation of Chilean society could proceed on a more solid footing.

The second group wanted to encourage worker and peasant seizures of factories and land (called “tomas’ -- meaning “to take”); to suspend payments on the foreign debt to retaliate against the blockade; and to implement rationing of basic goods to fight speculation and combat the shortages. Politically, this meant mobilizing the working class and peasantry for even more radical (but still largely constitutional and legal) changes. By building a deeper base among the working classes of Chile, both electoral gains and the political will for radical changes could be preserved.

Two other options also hung over the deliberations:

-- the MIR’s proposal for sharp class confrontation and eventual armed struggle against the
right and the repressive forces of the army and police. According to this logic, the whole process was in grave danger because the right-wing opposition would not play by the rules of the constitutional game. Therefore, the left should prepare for a direct seizure of power, and above all, take away the army’s ability to end the revolution with a coup.

-- an (as yet) undefined combination of points of one or more of the above, that would address the pressing short-term problems, creating a space to deepen the process of change without running such a great risk of reversal by the army, the United States, and the right.

Salvador Allende, hoping to find a way forward out of the myriad of problems confronting his fragile coalition, and realizing the huge human stakes in the outcome of these deliberations, turned to the assembled groups, and put the question:

“What should we do, companeras and companeros?”
Appendices

List of players and acronyms

Chronology

Economic indicators, 1960-72

Political data


-- manifestos and statements by members of the various groups
Allende’s Chile, 1972

“B” Case: The Coup

As in the classic Greek tragedies, everybody knows what will happen, everybody says they do not want it to happen, and everybody does exactly what is necessary to bring about the disaster...

-- Radomiro Tomic to General Carlos Prats (August 1973)\(^5\)

What Happened, 1972-73

Although the formal outcome of the meeting at Lo Curro was the adoption of Allende’s positions, in practice, both strategies were carried forward at the same time -- the government tried to build bridges to the Christian Democrats and the middle classes, while grass roots activists carried out land seizures and factory occupations.

Each group tried to carry out its own program for social transformation, and throughout 1972 class conflict grew.\(^6\) In October and November, truck drivers, retail merchants, and professionals went on strike, a so-called “bosses’ strike” against the government. The government responded by having trade unions and neighborhood groups take over the distribution of goods. The strike ended in a stalemate, with more factory occupations and worker support for the government, but more shortages of goods and loss of middle class support. Allende had to bring certain military figures into his cabinet to shore up the authority of the government.

and decreased white-collar and middle class voters for the UP). This outcome meant that the UP’s enemies could not get the two-thirds vote needed to impeach Allende and remove him legally. The rightwing opposition therefore hardened its tactics. In May the copper miners -- at least those organized by the Christian Democrats and the white collar sector of the work force -- went on strike against the government, a somewhat incongruous situation of workers opposing a socialist government. On June 19, 1973 there was an attempted military coup with assistance from fascist, or extreme right-wing civilians, which failed when part of the army remained loyal to the government (Chile had a rather long, if not uninterrupted, history of rule by civilians, and this culture influenced the army too to some degree). On July 29 came the second truckers’ strike, combined with much right-wing terrorism against people and trucks, buses, gas stations, pipelines, and trains.

Finally, on September 11, 1973 came the brutal military coup that overthrew the government. Allende died fighting in the presidential palace. His final words, broadcast to the nation, were:

> Probably Radio Magallanes will be silenced and the calm metal of my voice will not reach you. It does not matter.... I have faith in Chile and in her destiny. Others will surmount this gray, bitter moment in which treason seeks to impose itself. You must go on, knowing that sooner rather than later the grand avenues will open along which free people will pass to build a better society. 

The army was the main maker of the coup, and certainly the U.S. gave ample encouragement, material aid, logistical support, and swift diplomatic recognition to the junta. Inside Chile there was support from fascist and anti-communist groups, large landowners, industrialists, and owners of the mass media. But all of these groups together would not have had

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6 This was very apparent from a survey of the Chilean press of the Allende period that I undertook at the Biblioteca Nacional in Santiago in 1991.
much of a social base despite their material resources. A key social base for the coup, then, was Chile’s middle classes, who were economically hard hit by inflation and shortages, and politically close to the Christian Democratic Party, the centrist party that ultimately supported the right over the left. Groups like professionals, small shop owners, the truck drivers, and others, who all had their own associations much like workers have labor unions, provided an atmosphere of public support for the military coup. Recall too that Chile’s population was being bombarded by anti-communist messages in the media, which under Allende was perfectly free to say whatever it wanted.

The workers, unarmed and unprepared for a civil war could not resist the coup, which brought General Augusto Pinochet to power. The junta -- the new military leadership -- killed over 3,000 supporters of the UP in its first few months in power, most of them arrested, tortured, and then disappeared. Some fifteen years later, after countless demonstrations and suffering, Chileans would restore their democracy through a decisive repudiation of Pinochet at the polls. Chile today is refinding itself in a free political system, but the Allende years represent a lost option for a transformation of society that still awaits its moment.

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7 Allende’s speech is found in Laurence Birns, editor, *The End of Chilean Democracy* (New York: Seabury Press, 1974). I have changed the translation slightly.
8 To get some of the atmosphere of this, see the film “Missing,” with Jack Lemmon and Sissy Spacek. The 1995 Rettig Commission concluded that 3,197 Chileans were killed by the regime between 1973 and 1990; this is the figure the Chilean government admits to. Estimates of Chileans exiled after the coup range as high as several hundred thousand: Simon Collier and William F. Slater, *A History of Chile, 1808-1994* (Cambridge: Cambridge University Press, 1996), 360.
The Political Economy of Dictatorship

The new system set up by Pinochet and the military junta was a classic right-wing military dictatorship. Some have called it fascist, but the fascist governments in Italy and Germany in the 1930s believed in a strong state role in the economy (which Pinochet did not) and also tried to mobilize and control social forces such as the labor movement and others, which again the junta did not. The comparison with Nazi Germany has been made because of the extremely repressive nature of the dictatorship, which ruled by decree laws, not the constitution, and was backed up by the police, the army, and the secret intelligence agency, the DINA. These were the groups responsible for more than three thousand murders and disappearances from 1973 to 1975. This was what is called a “National Security State” whose top priority was the elimination of all radical elements in the population, whether these elements were democratic and non-violent (as the vast majority in Chile were), or not. Some three hundred thousand Chileans were lucky enough to flee into exile after the coup.9

The development strategy of the junta, which ruled from 1973 to 1990, was one of laissez-faire, free market capitalism, very open to the international market and foreign capital, very opposed to any state role in the economy, or to the organization of trade unions. This policy is sometimes called “monetarism” and is associated with a school of conservative economics in the United States called the Chicago School (of which Milton Friedman was the guru). The young economists that the junta brought in to manage the economy were called the “Chicago boys.” Their

9 See previous note.
two biggest priorities were to sell all the nationalized companies back to the private sector, and to control inflation by holding wages down. By 1980, all but fifteen of 507 state firms were back in the private sector, although the state retained control of such giants as copper, electricity, and oil exploration. As for inflation, there were huge increases from 1974 to 1976 of 200-300 percent a year due in part to the rising cost of importing oil and the falling prices for Chile’s copper. Holding down wages meant that standards of living plummeted. As demand fell, inflation came back down to lower levels, but the effect of all this was to concentrate wealth back into the hands of the Chilean elite and foreign investors, and to reduce the standard of living for the majority of the population.

Data on economic performance reveals the consequences of these policies on various levels of society. In terms of economic growth, the results were very uneven -- there were periods of good rates of growth, followed by collapse to previous levels. It took five years to reach the level of 1972, so there were hard times from 1973 to 1978. Then between 1977 and 1980 the economy grew at eight percent a year, a high rate. Between 1982 and 1984 however all of these gains were wiped out again, as recession set in. After 1986, growth resumed, with GDP up by five to six percent a year (9.3 percent in 1989). The overall growth rate for the whole period (1973-1988) was a modest two percent a year, about the same as population grew. This meant that there was little rise in per capita GNP. Some of the explanations for the weakness of the economy are that there was very little productive investment -- most investment went into speculation and real estate, or buying and selling existing companies. Lots of companies took out bad loans which they couldn’t repay, and went bankrupt. There was also the effect of world-wide recession around 1980 as oil prices rose, which made things hard for many Third World countries. Some positive statistics in this picture include the increasing of exports by over 400 percent since 1973; the reduction of
dependence on copper, which accounted for about forty-five percent of exports in 1988 rather than the seventy percent of the early 1970s; and the fact that there were three times as many cars in Chile as in the early 1970s, a sign that some were benefiting from the changes.

Behind these data lay a falling standard of living for the majority. Income inequality widened dramatically -- the top twenty percent of all families got sixty percent of the national income in 1988, up from fifty-one percent in 1978. Per capita consumption of all goods in 1988 was only four-fifths of what it had been in 1972, so there was a decline in what people could purchase. This is also reflected in data on nutrition, which showed a decline in daily caloric intake from 1,810 in 1972 to 1,546 in 1977, and then a rise to 2,589 by the mid-1980s. This 2,589 calories per day can be compared with the figure of 3,094 for Cuba, which is generally considered a much less developed country than Chile. Spending for social security, health care, and education was cut by about forty percent in the first four years of military rule. So, overall, things got better for two out of every ten people, and worse for four out of ten. In particular, many members of Chile’s large middle class of small shop owners, independent truckers, and professionals experienced a certain amount of hardship under the junta which they had welcomed in 1973.

A final element in the economic picture is the foreign debt, which reached about $17 billion by the early 1990s, quite high for a country of thirteen million people. Since the 1990s, the government has taken drastic measures to reduce the debt -- this is why exports have gone up so much -- Chile is exporting anything it can in order to earn money to keep the debt from rising. As Benjamin Keen points out: “the current boom, like the previous one, is heavily based on such export products as seafood, timber, fruit, and agricultural products (to this list can be added copper). The unchecked exploitation of Chile’s marine and forest resources has produced an

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11 According to data in *Latin America Weekly Report*. 
ecological disaster.” Another strategy for debt reduction has been debt-for-equity swaps, where the debt is sold at a discount to a foreign company, which then uses local currency to buy shares in some Chilean asset. This is a cheap way for foreign capital to enter Chile, and Japanese and American companies are beginning to take advantage of this on a bigger scale. In the end, more of Chile will be owned by outsiders, so this would seem a short-term gain at best from Chile’s point of view, but this is what the debt is forcing the country to do.

The Path Back

The junta’s model of free market development, then, led to increasing hardships for much of the population. Protests and organization of the opposition grew accordingly after 1980. The opposition was heavily supported by the church, and also by neighborhood organizations in working-class areas and in the shanty towns (often these neighborhood groups were run by women and centered around a community soup kitchen to feed the poor in hard times). Meanwhile, the unions and unemployed reorganized themselves after the severe repression just after the coup and learned how to carry out labor actions like strikes again (this is significant, because a whole generation of leaders were wiped out in the coup, and a new generation had to learn all over again how to organize in conditions where it was dangerous to do so). All of the parties on the left and center kept their networks alive under difficult circumstances, and were particularly active internationally in the 1970s and then internally by the early 1980s.

In 1983 the National Workers Command (CNT), a trade union federation, was formed, and a series of one-day strikes brought a lot of pressure on the government. Large political demonstrations occurred for the first time in ten years. These continued in 1984 and 1985, and various coalitions of political parties formed to demand a return to democracy.

12 Keen, A History of Latin America, 338.
Despite these pressures, the return to democracy came slowly. The timetable was set by
Pinochet, according to the constitution which he passed in a questionable vote in 1980. This called
for him to rule until 1988, at which time there would be a yes or no vote on his government. If yes,
he would stay in power until 1997; if no, he would allow direct presidential elections in 1989.
Pinochet campaigned to make the issue one of approval for the government’s fifteen year’s of
military rule. He told a rally: “It would seem that I were the greatest dictator. However, this
dictator, together with the junta, gave himself a constitution. We had enormous power and we
concentrated it into limited power.” The opposition, meanwhile, formed a broad-based coalition of
left-wing and centrist parties, including the Christian Democrats, various factions of the Socialist
Party, the Radical Party, and a new Humanist Party (an environmental, or “green” party). During
the campaign, Ricardo Lagos, one of the coalition’s spokespeople, infuriated the government and
electrified the opposition with critical remarks on live television. He pointed out that Pinochet had
said in 1980 he would not be a candidate in 1988. Speaking directly to the general, he charged:
“And now you promise the country eight more years with torture, assassination and the violation of
human rights. To me, it seems inadmissible that a Chilean is so ambitious for power as to pretend
to hold it for twenty-five years.” When interviewers tried to interrupt him, he brushed them aside,
saying: “You’ll have to excuse me. I speak for fifteen years of silence.”

On October 5, 1988, this plebiscite, or yes/no vote was held, and despite all the powers of the government, the result was
a vote of fifty-five percent for Pinochet not to continue in power, with only forty-three percent
voting in his favor.

In late 1989 direct and free elections were held for president. As before, the whole
opposition wisely united in a Coalition of Parties for Democracy (the CPD). This time around, the

\[13\] Quoted in the *New York Times*, June 30, 1988, and cited in James Scott, *Domination and the Arts
leader of the Christian Democratic Party, Patricio Aylwin, emerged as the presidential candidate, and easily defeated two right-wing opponents, one backed by Pinochet, taking fifty-five percent of the vote in a three-way race. The CPD gained control of the Congress, but not the Senate, because the junta appointed nine unelected senators before disbanding itself, and Pinochet himself remained as head of the army, legally, until 1997. The transition to democracy, however, is basically complete, and Chile has turned another historical corner from the dark days of the military dictatorship. Successive governments, which have included the Christian Democrats, Socialists, and other progressives, has given priority to resolving the urgent social problems of education, housing, health, and unemployment, and ensuring the rights of women and indigenous peoples. They have also moved to bring to account those involved in murder and torture under the dictatorship. Mass graves have been uncovered, some near military garrisons. In 1990 the body of Salvador Allende was brought to Santiago for public burial. Aylwin delivered a speech noting his political disagreements with the socialist leader (in fact, Aylwin had supported the coup when it occurred in 1973). In his speech, however, he stated that the conditions under Pinochet “should never repeat themselves. It is the duty of all Chileans to avoid them.” Alluding to the disappeared persons, he spoke of Chile’s debt to those “compatriots who still don’t rest in peace.”

Today, in a new century, Chile can hope for a democratic future, with respect for human rights, and a slowly improving economy, which still leaves a lot to be desired. Chilean political discourse is marked by a spirit of hope that a new, progressive politics could be elaborated that might somehow avoid the polarization of the past and bring about the reforms that the population needs. The record of the opposition in uniting to bring down the junta, by showing discipline, unselfishness for each party’s own interests, and above all forgiveness for their past differences, may be a sign that this optimistic scenario could become a reality, despite the evident obstacles.
posed by the economy and the haunting specter of Pinochet.

\[14\) Based on a visit to Chile in 1991.