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WHICH WAY CHILE

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15 October 1971

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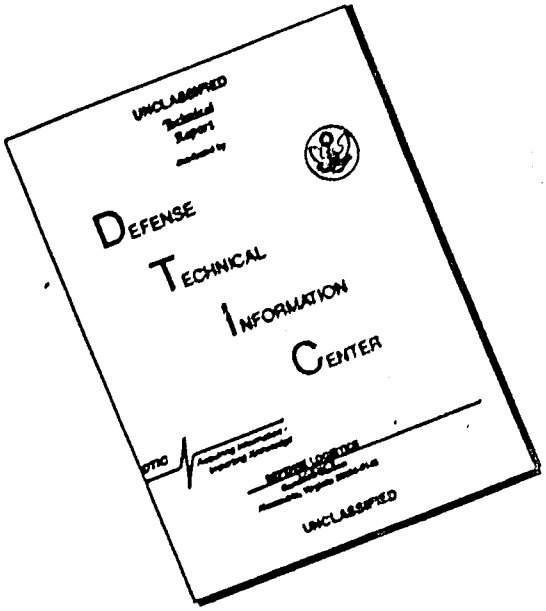

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BY

COLONEL THURMAN T. HATTON, JR.

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USAWC RESEARCH ELEMENT
(Essay)

WHICH WAY CHILE?

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ABSTRACT

AUTHOR: Thurman T. Hatton, Jr., COL, FA
TITLE: Which Way Chile?
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The recent election of Dr. Allende, a Marxist, to the Office of President of Chile caused universal speculation concerning the future of Chile. He was elected by a narrow margin of plurality votes from a coalition composed primarily of the Radical, Communist, and his own Socialist Party. Since he took office numerous drastic social and economic reforms have occurred. Opposition to Allende's government is prevalent; however, he receives support from the working class and surprisingly, thus far, from members of the large Christian Democratic Party in Congress. The critical time to test his coalition support lies ahead and could be decided in the 1973 congressional elections. The author suggests three political paths that Chile might follow - communism, a military coup, and a continued democracy, but makes no attempt to select one path over the other. Due to the current nature of the study, newspapers and periodicals were the primary sources of information, and the research dealt only with events occurring prior to October 1971.

When the people of Chile elected Dr. Salvador Allende Gossens as their new president on 4 September 1970, it marked the first time in a western nation that a Marxist had become head of state in a free election.[1] Perhaps the most important political event in the Western Hemisphere since the Cuban crisis, the choice of Allende focused world attention on Chile. Her successes and failures will have ramifications not only in North, Central, and South America, but throughout the world.

THE NEW MARXIST PRESIDENT

President Allende, a non-practicing physician and astute politician has been in public life for forty years. He first entered politics as deputy for Valparaiso in 1931; as a medical student at the University of Chile in 1933 he helped found the Chilean Socialist Party. He was elected to the Chamber of Deputies in 1937 at the age of 29 after first practicing medicine in Valparaiso's public hospital. From 1939 to 1942 he filled the post of Minister of Health. Prior to being elected president, he served as national senator for 25 years, part of the time as President of the Senate. Since 1952, he had run for president three times before meeting success on his fourth try.[2] During his many years of public service he is credited with more than a hundred bills and gained

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[1]Peter Young, "Allende: A Special Kind of Marxist," Life, (16 July 1971), p. 38.

[2]Juan de Onis, "Allende Chilean Marxist, Wins Vote for Presidency," New York Times, 8 September 1970, p. 1.

popularity by initiating welfare legislation, most of which has dealt with social security and health programs. In spite of the fact that the 63-year old Allende is an acknowledged Marxist, he is also a fervent Nationalist.

Misleading statements frequently appear in the world's newspapers regarding his politics; witness a London Times editorial criticizing Chile's election of a Communist President[3], or syndicated columnist Ernest Cuneo's reference to President Allende as an "avowed Communist".[4] Pete Laine of the Miami Herald's Washington Bureau cites Chile as being "now under an elected Communist President".[5] These references to a Communist are far from the fact. Allende has always been a moderate in the Chilean Socialist Party. In fact, as a prominent member of the Socialist Party he was deeply involved in that party's long and hostile quarrel with the Communists.[6] He presently goes along with the Communists and uses his association with them for his own political expedience.[7] During a recent interview Allende was quoted as stating:

> "I am a man consistent in his ideas, one who has said the same thing throughout thirty years of political life and has acted upon them. During that time no one has been

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[3]Alan Angell, "Chile: From Christian Democracy to Marxism?," Current History, (February 1971), p. 86.

[4]Ernest Cuneo, "Allende Encourages Inflation," Orlando Evening Star, 17 August 1971, p. 16A.

[5]Pete Laine, "OAS Walkout Widening Split Mark Decline in US Influence," The Miami Herald, 5 February 1971 p. 10C.

[6]Ernst Halperin, Nationalism and Communism in Chile, (1965), p. 210.

[7]Young, p. 38.

> able to accuse me of violating anyone's rights or of showing disrespect for the human being, his ideas, principles and beliefs."[8]

HOW WAS HE ELECTED?

Dr. Allende was elected President of Chile by a narrow margin of 1,075,616 coalition votes, or 36.3% of the poll, lower than the 38.9% he had received in the 1964 election. His nearest opponent, former President Alessandri, had 1,036,278 votes or 34.9%. Coalition government is characteristic of Chile since usually no single party has sufficient strength to win an election; however in 1964, President Frei of the Christian Democrat Party received a majority, rather than a plurality. Coalition government in Chile has long been typified by perpetually changing alliances created first to nominate, next to elect, and eventually, if successful, to legislate and govern.[9] Chile's president, under the constitution, cannot succeed himself.

Allende barely received the nomination of the Socialist Party. Uneasy about his political moderation, the party had twice offered the candidacy to more radical leaders, who had refused.[10] However, he did receive the support of all the other members of the Popular Unity coalition, which is comprised primarily of the Socialist,

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[8]Ibid.

[9]Robert N. Burr, Our Troubled Hemisphere: Perspectives on United States-Latin American Relations, (1967), p. 123.

[10]Angell, p. 87.

Communist, and Radical Parties as well as several minor parties.[11]

Since none of the candidates obtained the majority of popular votes required to become president, and since Chile has no constitutional provision for a run-off election, the Chilean Congress met on 24 October 1970 to select a president. It chose the candidate who had the plurality of votes, Dr. Allende. However, prior to the selection hard-won compromises were effected between the Popular Unity coalition and the Christian Democrats. There were efforts also by those on the Right to destroy Allende. Allende was forced to accede to the demands of the Christian Democrats, binding him to their Statute of Democratic Guarantees.[12]

Inauguration was held on 4 November 1970 for the six-year term. In a victory press conference, the incoming president declared that his government

> "....would not be a Communist nor a Socialist, nor a Radical one; it would be a government of the forces that comprise the Popular Unity, something authentically Chilean and in accord with our reality...."[13]

On 4 April 1971 Allende was given a vote of confidence when candidates of his Popular Unity coalition almost won a majority in nation-wide municipal elections.[14]

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[11]Claudio Veliz, "The Chilean Experiment," Foreign Affairs, (April 1971), p. 443.

[12]Leon Goure and Jaime Suchlicki, "Whither Chile?," Problems of Communism, (May-June 1971), p. 53.

[13]Angell, p. 89.

[14]David O. Jordan, "Marxism in Chile: An Interim View of Its Implications for US Latin American Policy," Orbis, (Spring 1971), p. 322.

PROBLEMS AND TRENDS

Chile has over nine million inhabitants, 68% of them in urban areas.[15] Such concentration in cities creates social and political problems and gravely affects the economic basis. Chile's economic problems are considered paramount. Heavy urban concentration could be tolerated providing cities possessed major industry requiring an extensive labor force, but Chilean cities do not meet this criterion.

Chile's rate of population growth is about 2.5% a year, relatively high, but lower than that of certain other countries in Latin America.[16] Chile has had practically no Indian problem. Her industrialization has resulted in the creation of an industrial working class which is small, well-organized, and well-paid in comparison with wage levels outside industry.[17] However, industrialization cannot keep pace with the population growth; consequently, competition on the labor market keeps wages down. An acute lack of housing exists, and the distribution of wealth and income is very uneven. More than half of Chile's children are undernourished, half of the country's families live on less than $30 a month, unemployment stands at about 7%, and severe inflation continues at the rate of 25% to 30% per year.[18] Before land reform was begun,

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[15]Donald E. Worcester and Wendell G. Schaeffer, The Growth and Culture of Latin America, (1971), p. 595.

[16]Ibid, p. 596.

[17]Veliz, p. 445.

[18]"Chile: The Expanding Left," Time, 19 October 1970, p. 31.

ownership remained in the hands of a few of the elite.

Chile's copper mines, which account for about 70% of the country's foreign exchange earnings, have been owned almost entirely by US companies.[19] Under President Frei's Christian Democratic administration advances were made; state control over the economy was increased and the role of foreign investors and domestic landlords was reduced. Foreign corporations were phased into "Chileanization" which resulted in Chilean ownership of 51% of each enterprise. An agrarian reform law passed in 1967 proposed to give 60,000 rural families land during a 3-year period.[20]

Nationalistic sentiment is rising in Chile, as it is in most of Latin America as these societies strive toward greater national identity and self-assertiveness. Political and pressure groups of all persuasions exploit this nationalistic sentiment.[21] The changes under the Frei government have stimulated the desire for even more change. Consequently, Allende's government is committed to eliminate the control which foreign investors, primarily from the US, exercise over Chile's main resources, and to eradicate the remaining social and economic power of the traditional Chilean elite. Some Christian Democrats endorse Allende's program, and the Roman Catholic hierarchy in Chile, one of the most progressive in

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[19] Goure and Suchlicki, p. 50.

[20] Luman H. Long, The World Almanac and Book of Facts - 1970, (1969), p. 510.

[21] Nelson A. Rockefeller, The Rockefeller Report on the Americas, (1969), p. 29.

Latin America, also support his goals.[22]

In the few months Allende has been president, numerous changes have occurred. The Chilean Congress unanimously passed a constitutional amendment nationalizing the country's mineral resources with not a single political party opposed.[23] Payment to owners for the copper mines is to be made within thirty years, an annual interest of not less than three percent.[24] It should be noted that regardless of who had won the election, this trend toward copper nationalization almost inevitably would have continued. Unfortunately, relations between Chile and the US have been attenuated by the US Export-Import Bank's decision to delay a loan to Chile for purchase of jet airliners until Chilean policy on compensating US copper companies becomes clear.[25] Indeed, Chile and Peru have issued a joint protest against the "protectionist" economic measures adopted by President Nixon.[26]

Benefits of the agrarian reform will be extended to medium and small operators, and sharecroppers, who until now have been excluded.[27] Nine automotive companies currently operate in Chile. Allende's government is expected to detail soon a program to reduce

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[22]The Institute for Strategic Studies, Strategic Survey 1970, (1971), p. 62.

[23]"The Andes: A Nationalist Surge," Time, 26 July 1971, p.32.

[24]"Chile Sets Up Mine Grab," Orlando Sentinel, 5 July 1971, p. 18C.

[25]"Ecuador, Chile Expected to Score Sanctions by US," The Miami Herald, 27 August 1971, p. 28A.

[26]"Chile, Peru Protest Nixonomics," The Miami Herald, 5 September 1971, p. 32A.

[27]"Chile Plans Agricultural Policy Changes," Foreign Agriculture, 7 December 1970, p. 5.

that number to three by 1973; companies allowed to operate would do so in minority partnership with the government.[28] The government has also expropriated the domestic textile industry and nine of the 22 privately-owned banks have come under government control.[29] The Allende government recently purchased the Chilean iron-mining operations of Bethlehem Steel Corporation on mutually satisfactory terms.[30]

There is not universal satisfaction with recent changes in Chile. Complaints come from farmers and industrialists that the prices set by the government have been so unrealistic they cannot make a reasonable profit and thus have no incentive to produce more.[31] An estimated 17,000 Chileans have fled their country since the September 1970 elections.[32] The question to be answered is which way Chile will go in the months and years ahead - Communist, Militarist, or Socialized Democracy.

COMMUNISM?

Although banned from 1948 to 1958, the Communist Party of Chile has become the strongest and most disciplined in Latin

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[28]William F. Nicholson, "Allende's March to Socialism Speeding Up," The Miami Herald, 4 June 1971, p. 22A.

[29]"Chile: Operation Tranquilizer," Newsweek, 21 June 1971, p. 39.

[30]"Chile: The Sticking Point," Newsweek, 26 July 1971, p. 43.

[31]William F. Nicholson, "Economic, Political Woes May Push Chile's Government Toward Radicalism," The Miami Herald, 3 August 1971, p. 16A.

[32]"How Communist Took Power in Chile," US News & World Report, 21 December 1970, p. 33.

America outside Cuba, and comprises at least 50,000 members.[33] Chilean Communists have traditionally been oriented toward Moscow, although the Soviets have remained quiescent in their support.[34] The Communist Party of Chile has implemented Moscow's "Popular Front" strategy, which includes both cooperation and opportunism, and generally reflects the peac ful coexistence line of the Communist Party of the USSR.[35]

The Communist Party contributed substantially to the success of the coalition by furnishing large numbers of agitators and propagandists as well as sizeable sums of money; and when Allende took office as president, the Soviets began to promote the Chilean example as a guide for other Communist and Leftist forces. They stressed that only an alliance of all forces can succeed at the revolution and decisively defeat the US in Latin America.[36]

Around every Moscow faction in Latin America there exist pro-Havana and pro-Peking elements adhering to the premise that armed struggle is the means to achieve power; the overwhelming pro-Moscow faction feels that present conditions are not favorable to armed struggle.[37]

In the case of Cuba, numerous Cuban students have travelled to

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[33]Ibid, p. 34.
[34]Trevor Armbrister, "How Chile Chose Marxism," Reader's Digest, (June 1971), p. 74.
[35]Halperin, p. 15.
[36]Goure and Suchlicki, p. 57.
[37]General Edgardo Mercado-Jarrin, "Insurgency in Latin America," Military Review, (March 1969), pp. 10-20.

Chile to politically influence the workers.[38] In 1966 Allende went to Havana to participate in the Tricontinental Solidarity Organization, an international front which Castro has used to expand his influence in Latin America and to encourage the formation of guerrilla movements there.[39] Chile recognized Cuba in November 1970, and a fiery diplomat, Garcia Inchaustegui, who was expelled from Uruguay a decade ago for subversive activities, will be the new Cuban ambassador to Chile.[40] Castro himself plans to visit Chile sometime during late 1971.[41] President Nixon remarked that Chile's decision to establish ties with Communist Cuba, contrary to the collective policy of the Organization of American States (OAS), was a challenge to the Inter-American system.[42] Most important, however, is the fact that economic and social reforms of the Cuban revolution have provided stimuli for some of the Leftist parties to insist that Latin American problems can only be corrected through violence or drastic action.[43]

The successful Cuban revolution offered the Chinese Communists an excellent argument in their forthcoming dispute with the USSR, namely, that a peasant revolution was the appropriate strategy for

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[38]Armbrister, p. 74.
[39]Goure and Suchlicki, p. 52.
[40]Don Bohning, "Chile Gets Outspoken Cuba Envoy," The Miami Herald, 3 January 1971, p. 14A.
[41]"Chilean Confirms Visit by Castro," The Miami Herald, 3 August 1971, p. 4A.
[42]Peter Laine, "Nixon Adds Chile to Latin 'Bad Boy' List," The Miami Herald, 26 February 1971, p. 30A.
[43]Burr, p. 127.

revolutionaries in underdeveloped areas.[44] Chinese intervention in Chile has been made a matter of record.[45] However, both Cuban and Chinese efforts have played a minor role in Chile, and thus far the peaceful road-to-power policy continues. Chile voted for the admission of Red China in the United Nations (UN), and a North Korean commercial mission is to be established in Chile.[46]

Allende's coalition is a broad one consisting of the largest congressional group of 28 deputies and senators in the Communist Party,[47] and three cabinet posts are held by the Communists: the Ministries of Labor, Finance, and Public Works.[48] Today some 70% of the organized labor belongs to the Chilean Labor Center, the leadership of which is led by Communists and Socialists.[49] The Inter-American Press Association has charged that freedom of the press is being strangled by Communists and Marxists forces and their allies.[50]

Communism in Chile offers no immediate threat to the security of Latin America or to the US; however, for the future the threat is real and potentially dangerous. The distance from Mainland US

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[44]Rollie E. Poppino, International Communism in Latin America, (1964), p. 177.

[45]Halperin, pp. 93-117.

[46]Angell, p. 117.

[47]William Montalbano, "Chile's Communist Philosopher Vows Socialism on Legal Basis," The Miami Herald, 29 October 1970, p. 20A.

[48]Veliz, p. 443.

[49]"How Communists Took Power in Chile," US News & World Report, 21 December 1970, p. 34.

[50]"Allende Election Called Doom of Free Press," The Miami Herald, 22 October 1970, p. 2B.

to Chile is about as far as from the US to Europe; therefore, the threat to the US, based on proximity, is remote. However, the potential danger lies in Latin American nations where communism could be easily exported from Chile, and, of course, established communism throughout Latin America could be a serious threat to the security of the US. Chile stretches for about 3,000 miles, which means that regardless of the isolation caused by the lofty Andes, infiltration to and from Chile would be facilitated because of such an extensive border, offering a springboard for communism throughout Latin America.

The opportunities afforded the US in coping with communism in Chile require alertness to its threat and maintaining diplomatic relations with the government of Chile at all costs so that the lines of communications will remain open. The actual reforms which will vitiate communism's thrust will need to come from within Chile in the form of socio-economic changes. Perhaps some of these changes are already taking place. Failures by the Alliance for Progress have caused frustrations and given support to the Communist's charges that real progress is impossible under existing political conditions. The Communists are confident that there will be enough such delays and frustrations to turn the Latin American masses solidly against the US, alienate them from the non-Communist parties identified with the Alliance for Progress, and make them

even more receptive to the appeal of communism.[51] In addition to being the only nation able to defy the US, the USSR also represents a program of social and economic change that makes it attractive to many Latin Americans; on the other hand, the US appears to be one of the major obstacles to the changes that Latin Americans desire.[52]

A MILITARY COUP?

Several aspects of Chile's current situation lend credence to the possibility of intervention by the military. The fact that the Popular Unity coalition won by such a narrow margin and not a majority vote indicates it is neither overwhelmingly popular, nor is the country united. The extremes of economic change currently assaulting the system could conceivably result in a confused and ungovernable situation where the military might be forced to intervene.

A series of chaotic events have occurred during recent months in Chile, and they indicate additional turmoil can be expected. The greatest causes of chaos appear to be threats of violence originating from extremely radical factions outside the coalition, namely, the Movimiento de Izquirida (MIR), and the People's Revolutionary Vanguard (VOP). The VOP engineered the assassination of a former vice-president and has publicly denounced Allende for

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[51]Poppino, p. 52.
[52]Halperin, p. 8.

moving too slowly in his efforts to change Chile into a Socialist State.[53] Earlier Allende had been elected, and only a few days before he took office, the Commander-in-Chief of the Army was assassinated by "ultra-rightists" who desired to disrupt the choice of Allende by Congress.[54] As a result of the VOP assassination, the military has come to the forefront, and Santiago Province has been under martial law and strict curfew.[55]

Recent evidence of turmoil is the illegal seizure of private farms by peasants led by members of the MIR.[56] Farm owners have charged that a Socialist Congressman, Joel Marambio, is also behind seizures of private farms.[57] It should be emphasized again that Allende's Socialist Party has always been more radical than either he himself or its Communist Party partners in the coalition. The illegal farm seizure is one of the gravest problems to confront the Allende regime thus far.

Other signs of instability and lack of confidence in the Allende government are evident. Four cabinet ministers representing agriculture, defense, education, and mines have tendered their resignations to Allende; three of the resignations came as a split in

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[53]William F. Nicholson, "Hostility to Allende Increasing," The Miami Herald, 27 June 1971, p. 16A.

[54]William Montabano, "Chile Politics Stilled by Hush of Hero's Burial for General," The Miami Herald, 27 October 1970, p. 8A.

[55]"Chile Plays Down Reds as Slayers," Orlando Sentinel, 10 June 1971, p. 8A.

[56]William Montalbano, "Illegal Land Seizures Trouble Chile's New Regime," The Miami Herald, 21 February 1971, p. 10A.

[57]"Socialist Blamed in Chilean Farm Seizures," The Miami Herald, 19 February 1971, p. 20A.

the Radical Party.[58] The Popular Unity coalition has suffered defeat in its efforts to control the University of Chile; a Leftist professor supported by the Allende government was defeated for the office of university president by one supported by the Christian Democratic Party.[59]

Chile's military possesses the means to oust the Allende government should they decide to do so, and the Allende group might trigger such a decision at any time by using unconstitutional tactics to achieve its ends.[60] In the event the constitution were violated, military intervention would not necessarily be akin to anti-democratic effort. Based on the historical democratic posture of the Chilean Army, if the military takes power, it is likely to either quickly restore a democratic government or become active at enforcing reforms and order.[61]

A SOCIALIZED DEMOCRACY?

Chile possesses a long and reputable tradition of constitutionalism and democratic conduct. It can be proud of its political institutions which have been in effect for almost 150 years, rarely

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[58]"Four Chilean Cabinet Members Resign," The Miami Herald, 8 August 1971, p. 32A.

[59]"Allende Set Back in University Vote," The Miami Herald, 13 June 1971, p. 12B.

[60]Luis E. Aguilar, "Political Traditions and Perspectives," Problems of Communism, (May-June 1971), p. 69.

[61]Ibid.

deviating from democratic principles.[62] The people profess a high level of nationalism typified by pride in a tradition of peaceful and progressive governments.[63] The Chilean military is anti-Communist, but it has always abided by the constitution and has not involved itself in a political role for more than forty years.[64]

The present democracy's stability could continue in Chile if Allende can control internal unrest and simultaneously accomplish the many needed reforms constitutionally. He may use his power to the utmost to advance the cause of socialism, but at the same time he will need to use caution and observe the Chilean tradition of political and civil liberty; otherwise opposition factions could make it difficult for him to achieve the changes he seeks. The Popular Unity coalition does not control Congress, which means that the president will need, and he has thus far gotten, the support of the large Christian Democratic Party, especially regarding certain reform measures. However, the Christian Democrats most certainly will oppose other measures and will no doubt insist on the perpetuation of a political system that allows them the opportunity to return to power. A recent constitutional amendment allows for national plebiscites.[65] In fact, a plebiscite is to be held to decide whether a unicameral legislature should replace the present

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[62]Ibid, p. 62.
[63]Burr, p. 52.
[64]Armbrister, p. 74.
[65]Veliz, p. 451.

two-house Congress. The issue is opposed by the Christian Democrats.[66] The next congressional elections are scheduled for 1973, which means that during the next two years the coalition must work together to win additional support, insuring further seats in that election.

If Chile succeeds in making a legal and democratic transition to socialism, the US should consider this an example for other Latin nations to follow. A 218-page report by the OAS declares that the US must accept the movement toward socialism in some Latin American countries, and each nation is following a different road toward its development.[67] A socialized democracy is certainly better than another Communist nation in our hemisphere. It should be noted that in Chile there is no mass infiltration of the Socialist Party by the Communist, and there have been vast differences between the Communists and the Socialists.[68]

Sol Linowitz, former US ambassador to the OAS, has been quoted as saying:

> "The US role in this entire Chilean affair is to keep hands off - entirely. Chile is in this hemisphere, and we should be no more disturbed about Allende in Chile than about the military dictatorships of Argentine and Brazil. What kind of double standard do we have?"[69]

A socialized and democratic Chile could represent for the US

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[66]"Chile Plans Vote on Replacing Congress," New York Times, 10 September 1971, p. 10.

[67]"US Urged to Accept Socialism in Hemisphere," New York Times, 16 August 1971, p. 8.

[68]Halperin, p. 118.

[69]"The Fretful Neighbors," Time, 19 October 1970, p. 29.

an opportunity as well as a challenge. Chile would participate actively in the OAS and in Latin American efforts to achieve a common market.[70] An economically sound Latin America would mean greater purchasing power for US products; this is especially important considering the projected population of South America, which will be over 600 million by the year 2000.[71] The US can work closely and diligently with the OAS's recently proposed Council of Education, Science and Culture, and continue with our technical assistance program to Chile. In fact, President Allende's government has asked Washington to increase the Peace Corps volunteers in Chile from 70 to about 100.[72]

Chile needs foreign capital more than ever. Some US companies are going ahead with ambitious capital projects in Chile such as Dow Chemical's building of a $25 million plastic plant.[73] Regardless of the nationalization of US-owned copper mines, none of the more than 150 US firms have given up and left under the Allende administration.[74] Incidentally, Allende's program of nationalizing basic industries has received written and publicly proclaimed official support from Colombia, Ecuador, and Peru.[75] Socialized Chile,

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[70]Sol Linowitz, "Our Nonpolicy toward Latin America," Life, 18 June 1971, p. 4.

[71]Rockefeller, p. 39.

[72]Tad Szulc, "US Gives Chile Credits for Military Purchases," New York Times, 30 June 1971, p. 1.

[73]"Chile Starts Chasing the Capitalists," Time, 4 January 1971, p. 68.

[74]Ibid.

[75]Juan de Onis, "Allende Ends Three Nation Tour Faces Mounting Woes at Home," New York Times, 5 September 1971, p. 14.

therefore, presents not a threat, but a hope. In his inaugural address President Allende was quoted as follows:

> "We Chileans are proud of having managed to choose the political path instead of violence....We have always preferred to solve social conflicts with the resources of persuasion, with political action. We Chileans reject in the deepest part of our conscience fratricidal struggles, but without ever renouncing the duty to secure the rights of the people....My government will respond to this confidence (the popular will) by keeping the democratic tradition of our people true and solid...."[76]

CONCLUSIONS

President Allende and his Popular Unity coalition have been in power less than a year; crucial tests still lie ahead. From the past year it seems likely Allende will make every attempt to remain faithful to his program and platform pledges; however, he may need to compromise to avoid conflicts with political forces inside and outside the country. Such forces, in the event of a series of crises, could mean a departure from democracy to communism or to a military coup.

The political balance of the coalition is precarious, and the problems are numerous. The results of the 1973 congressional elections will be critical. If the Popular Unity coalition succeeds in gaining control of Congress in 1973, then the numerous reforms which Allende proposes will probably continue at an accelerated pace, and a socialized democracy will be realized. Conversely, if

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[76] Aguilar, p. 64.

the opponents of the coalition win, then Allende and his proposals will be stalemated.

Regardless, the government will undoubtedly continue to control the economy, and nationalization will extend to other industries. Under the circumstances, it would behoove the US to accept Chile's program of nationalization which has been confined to basic industries and to diversify its interests into the small business area of Chile's economy, in need of foreign investment. This could ensure the necessary cooperative relationship essential for communications between the two countries.

Meantime, the paramount challenge facing the Popular Unity coalition is whether it can change Chilean society and simultaneously preserve the country's democratic system!

Thurman T. Hatton Jr.
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