Allende's Chile: an analysis

Maria K. Mickens

Follow this and additional works at: http://digitalcommons.auctr.edu/dissertations

Recommended Citation
http://digitalcommons.auctr.edu/dissertations/3437
ALLENDÉ'S CHILE: AN ANALYSIS

A THESIS

SUBMITTED TO THE FACULTY OF ATLANTA UNIVERSITY
IN PARTIAL FULFILLMENT OF THE REQUIREMENTS FOR
THE DEGREE OF MASTER OF ARTS

BY

MARIA KELKER MICKENS

DEPARTMENT OF POLITICAL SCIENCE

ATLANTA, GEORGIA

MAY 1978
## CONTENTS

<table>
<thead>
<tr>
<th>Chapter</th>
<th>Title</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td><strong>PREFACE</strong></td>
<td>iii</td>
</tr>
<tr>
<td>I.</td>
<td>THE CHILEAN BACKGROUND: FROM INDEPENDENCE TO DEPENDENCY</td>
<td>1</td>
</tr>
<tr>
<td>II.</td>
<td>ALLENDE'S CHILE 1970-73</td>
<td>17</td>
</tr>
<tr>
<td>III.</td>
<td>CHILEAN OPPOSITION TO ALLENDE</td>
<td>34</td>
</tr>
<tr>
<td>IV.</td>
<td>THE UNITED STATES AND THE OVERTHROW OF THE ALLENDE GOVERNMENT</td>
<td>45</td>
</tr>
<tr>
<td>V.</td>
<td>THE COUP</td>
<td>61</td>
</tr>
<tr>
<td>VI.</td>
<td>CONCLUSION</td>
<td>69</td>
</tr>
<tr>
<td></td>
<td><strong>BIBLIOGRAPHY</strong></td>
<td>76</td>
</tr>
</tbody>
</table>
PREFACE

During the post World War II era, governmental officials of developing nations worldwide have exerted efforts to alleviate social, political and economic stagnation resulting from dependency upon imperialist forces, i.e., capitalist nations, their financial institutions and multinational corporations, and to terminate domination by members of the bourgeoisie who are structurally aligned to foreign capital. Fundamental problems of developing nations have derived precisely from powers of foreign capital and indigenous bourgeoisie classes.

There has not been any consensus among the developing nations regarding solutions to their problems. Strategies have differed. This thesis is an examination and analysis of how one leader of a developing nation, former Chilean President Salvador Allende, dealt with the problems which have been cited and of the consequences which resulted.

Allende, elected to the presidency in September 1970 and confirmed by the Chilean legislature in November 1970, sought to create a Chilean socialist state within existing legal and judicial structures. The Chilean president's strategies proved unsuccessful for in September 1973, the socialist government was overthrown by the nation's military
with the support of other parties unsympathetic to Allende's policies, i.e., indigenous bourgeoisie, foreign investors, capitalist governments.

The specific problem addressed in the thesis was: what were the basic policies of the Allende administration and what were the internal and external factors which led to the overthrow of the Chilean democratic socialist regime he headed?

In general, the purpose of this thesis is to delineate and clarify the internal and external causes of Allende's defeat through a descriptive analytical analysis.

More specifically, the precise objectives of the study are:

1) To identify and evaluate the strategies and goals of the Allende regime.

2) To identify and assess the strategies and goals of internal and external forces working against Allende. These included the military, indigenous middle and upper classes, multinational corporations, international financial organizations and the United States government.

After an extended review of the literature concerning Chile and the Allende regime, the following hypotheses were formulated:

1) Imperialist forces aided by members of the Chilean upper and middle classes, military forces and labor groups, intervened in the political and economic affairs of the nation when the policies of the government threatened to weaken the existing capitalist order.

2) Internal contradictions and conflicts were fundamental in the demise of the Allende government.

3) Public policies of the Allende government and
the reaction to those policies were directly related to the 1973 coup d'etat.

Content analysis of books, journals, articles and reports were used to test the stated hypotheses.

The author wishes to express special thanks to Dr. Mack Jones and Dr. William Boone for their suggestions and criticisms throughout the course of this undertaking.

This work is dedicated to my husband, Ron, whose patience, support and understanding sustained me throughout the duration of this work.
CHAPTER I

THE CHILEAN BACKGROUND:
FROM INDEPENDENCE TO DEPENDENCY

The dynamics of the Unidad Popular (UP) cannot be fully understood without analyzing the phenomenon in a framework which allows for an examination of prolonged developments within the Chilean polity and existing problems within the Chilean economy and society. Further, any scholarly analysis of the problems of the Unidad Popular requires that attention be given to problems the government inherited and the milieu in which the Allende administration functioned.¹ This chapter gives a historical overview of the political problems of Chile, since securing independence from Spain in 1818, which were crucial in the shaping of contemporary Chile.

By 1818, a quasi-feudalistic social structure was emerging. A small elitist group existed whose political power, prestige and prosperity resulted from land ownership. And, there were masses of indigent peasants, farmers and landless laborers "who were economically and socially

dependent upon the land owning groups."\(^2\) The elitists, in conjunction with the Roman Catholic Church, controlled Chile's political structure.

Under the presidential leadership of Diego Portales (1823-1837), a Chilean national constitution was enacted in 1833. The constitutional government formed was operated by and for the Chilean elite. With the implementing of a constitution, there was a merging of the older aristocratic landholding class with the new commercial and mining sectors. The alliance mentioned, according to Richard Feinberg resulted in the aristocracy introducing "a spirit of government service and gentlemanly rule, while the rising bourgeoisie injected seriousness and businesslike techniques."\(^3\)

It should be noted that Portales, in urging the Chilean people to enact a constitution, was instrumental in creating a nation of stability and tranquility for years to come. Prior to Portales' emergence as president, Chile went through a period of post-independence political turbulence, e.g., civil war. The constitution implemented in 1833 remained in effect until 1925 when another was enacted.

A substantial amount of economic development was also taking place in Chile during the early part of the nineteenth century. Chilean capital was being exploited to cultivate

\(^2\)Ibid., p. 10.

the nitrate and mineral industry. In addition, immediately following the end of Spanish rule in Chile, British merchants began operations in the nation. Copper became the crucial commodity for the merchants since the metal was essential to the British metallurgical industry.

British foundaries, during the Portales era, dominated the world copper market. British-Chilean copper exchange was so important that British traders began coercing the London and Santiago governments to alter the laws for their benefit. Further, the British merchants brought little, if any, capital into Chile. Chilean capital was most often utilized and the majority of all monetary benefits accrued to Britain.4

When United States businessmen began investing in Chile in the mid 1850s, opposition was expressed by British competitors as well as natives of the Latin American nation who resented the United States for having shown indifference during Chile's fight for independence from Spain and for "the imperialistic assumptions Chileans read into the declaration of the Monroe Doctrine in 1822."5 It was not until after World War I that United States business transactions and investments would show a marked increase in Chile.6

5 Ibid., p. 36. 6 Ibid.
Throughout most of the nineteenth century, Chilean political institutions remained stable. However, drastic social and economic changes occurred. The middle classes sought a greater role in the existing governmental framework. Richard Feinberg has offered the following analysis as to why the middle classes chose to work within the existing political framework.

To explain why the middle classes so easily fell under the influence of the upper elite, it is necessary to examine their formation. Unlike their counterparts in the European countries, most of their new prosperity was not firmly rooted in industrial power. Chile, like the rest of South America, did not concern itself with industrialization until the Great Depression suddenly cut off its supply of manufactured goods. The Chilean middle classes lived in a country content to export mineral extracts and wheat in exchange for industrial produce; unable to compete with the freely entering foreign merchandise, the ambitious young had to go into the import-export trade, or into the financial world. For those who were not able to find themselves a slot in one of those areas, the professions remained as a suitable career.

The important point is this: Without their own base of economic power, but rather living around or off of the upper classes, either as their merchants, lawyers, or bureaucrats, the middle classes remained dependent on their social superiors. With little chance of becoming independent of them, they naturally preferred to try to become part of them.

By 1879, ninety-seven percent of Chile's national budget was derived from foreign commerce. This economic power was exercised by foreign interests who collaborated with Chilean landowners and the commercial bourgeoisie.8

7Feinberg, Triumph of Allende, p. 49.
8MacEoin, No Peaceful Way, p. 33.
Although Chilean political institutions remained relatively stable during the nineteenth century, numerous political developments of that era were to be of some importance in the twentieth century.

Until the 1860s, the Liberal and Conservative Parties were the major political groupings. The Liberal Party was anti-clerical, urban oriented and represented commercial groups while the Conservative Party catered to pro-clerical and landowning interests.

In the 1860s, the Radical Party, a political assemblage which broke from the Liberal Party, was formed. The leaders of the party have been characterized as upper class and reformist. However, the party eventually "emerged as a potentially powerful coalition of interests, in some measure cutting across class lines." The party gradually gained working class support.

The Chilean proletariat - first in mining and shipping and second in industry, evolved with the coming of the twentieth century. With its formation, the proletariat sought to promote the definition of democracy, but was not able to significantly change the political, socio-economic system.

It was in the northern mines of Chile where the work-

\[9\text{Medhurst, "Chilean Background," p. 13.}\]
\[10\text{Ibid.}\]
\[11\text{Feinberg, Triumph of Allende, p. 51.}\]
ing class movement was nurtured in an environment characterized by exploitation and suppression. Members of the working class were united in comradeship because of their isolation from other persons and their pride in their work. As a consequence of the unity of the workers, organization of the miners was widespread. Aware that they were producing wealth for a minority of Chileans and numerous foreign investors, the miners developed a forcible political consciousness. Also, members of the Chilean working class at first embraced socialist philosophies and later Marxism. According to Richard Feinberg, the workers utilized Marxism as a political tool to acquire support from the urban proletariat and the latter eagerly joined the former since they suffered most from regular cyclic depressions and low wages.12

By 1900, Chile had established itself as the leading Latin American nation. Its military had been victorious in the War of the Pacific against Bolivia and Peru. Chilean per capita production had surpassed that of Argentina,13 Brazil, Venezuela and Columbia. At the same time as these advances were being made, however, a Chilean colonial economy was being well established.14 Such an economy worked well for a minority of the people--a minority interested

12 Ibid., p. 52.
14 Ibid., p. 31.
only in the colonial system reaching its peak in operation.\textsuperscript{15}

In 1904, the Braden Copper Company, a United States firm, became involved in copper production. In 1905, United States interests began exploiting the El Teniente Copper Mine and five years later an American investor secured holdings in the Chiquicamata copper mine.

During the first decade and a half of the twentieth century, the original United States investors in Chuquicamata turned the mine over to Anaconda;\textsuperscript{16} Kennecott secured control of El Teniente from Braden; and the Cerro Corporation gained control over the Cerro de Pasco mines of Chile. By 1914, United States interests controlled the Chilean copper industry.

With the advent of World War I in Europe, United States investors saw an opportunity to supersede German and British investors in varying areas of the Chilean economy.

United States investments in Chile increased from $1.6 billion in 1914 to $2.4 billion in 1919. By 1929, investments had risen to $3.7 billion while in 1930 they stood at $5.2 billion. In 1930, the United States not only controlled Chilean copper mines, it also had a monopoly on electrical production, railroad operations and telephone services. United States investors did not import capital when attaining economic interests in Chile. Rather, the

\textsuperscript{15}Ibid., p. 32. \textsuperscript{16}Ibid., p. 36.
investors utilized Chilean capital to build their vast economic empire.\textsuperscript{17}

One should note that a 1971 statement of the Chile Copper Corporation provided data indicating that four United States companies which had exploited Chilean copper, iron and nitrate resources for sixty years had taken approximately $10.8 billion in wealth from Chile.\textsuperscript{18}

Arturo Alessandri was elected president of Chile in 1920, as an anti-status quo candidate. Alessandri, although associated with the upper class, was elected on an anti-oligarchic platform. The election of Alessandri has been considered the first of several turning points in twentieth century Chilean political history.\textsuperscript{19}

Alessandri called for the termination of inflation; social security; creation of ministeries of public health and labor; mandatory education at the primary level; constitutional changes allowing for a stronger presidency; separation of church and state; creation of a central bank; and increase in government careers for middle classes.\textsuperscript{20}

Upon assuming office, all executive initiatives made by Alessandri which were aimed at alleviating Chile's economic crises were blocked by the conservative congressional majority. Hence, economic conditions worsened and the

\textsuperscript{17}Ibid., p. 37. \textsuperscript{18}Ibid., p. 38.

\textsuperscript{19}Medhurst, "Chilean Background," p. 14.

\textsuperscript{20}Feinberg, Triumph of Allende, p. 28.
government, lacking adequate financial resources, could not pay military or civilian employees. As a result, military men seized the parliamentary chambers (1924) and with such action the Alessandri regime was dissolved and military rule implemented.

The junta which seized control of the Chilean government in 1924 was overthrown January 23, 1925 by a group of young military officers led by Major Carlos Ibanez and Major Marmaduke Grove. The new junta invited Alessandri, who had been in exile, to return to his post as president and he agreed to do so. Political and social-welfare reforms did materialize under Alessandri, but he principally improved the status of the middle classes, e.g., augmenting salaries of persons employed in public instruction.

One should note that Alessandri was successful in getting a new constitution enacted in the Chilean parliament in 1925. The constitution has remained in effect.

Following a coup in 1925, all of the major political parties united behind one aristocratic candidate to succeed Alessandri—Emiliano Figueroa. The influential politician

---

21 Ibid., p. 29.
23 Ibid., p. 388.
24 Feinberg, Triumph of Allende, p. 29.
25 Wilgus, Argentina, Brazil and Chile, p. 389.
26 Feinberg, Triumph of Allende, p. 29.
easily won the election. Figueroa's policies differed little from those of previous administrations and he failed to give consideration\textsuperscript{27} to revolutionary ideologies being expressed within the country.\textsuperscript{28} As a result of Figueroa's nieviete, the military took control of the government and General Carlos Ibanez, in a virtually unopposed election on May 22, 1927, became Chilean president.\textsuperscript{29}

Under Ibanez's dictatorship, a decentralized police unit was placed under Santiago's command and it eventually evolved into a para-military organization; working class movements were suppressed; numerous public works were created;\textsuperscript{30} the foreign debt increased; and a central bank was founded.\textsuperscript{31}

By July 1931, Chile was suffering from financial instability, partially as a result of the world depression. A crisis of confidence unfolded in Chile.\textsuperscript{32} Hence, on July 26, Ibanez gave up his office and fled the country.\textsuperscript{33}

After Ibanez's departure, a short lived socialist regime headed by Colonel Marmaduke Grove, controlled Chile. And, by 1932, political power was again in civilian hands

\begin{footnotes}
\item\textsuperscript{27} Isaac Cox, ed. and trans., \textit{A History of Chile} (New York: Russell and Russell, Inc., 1964), p. 380.
\item\textsuperscript{28} Ibid., p. 381.
\item\textsuperscript{29} Wilgus, \textit{Argentina, Brazil and Chile}, p. 399.
\item\textsuperscript{30} Feinberg, \textit{Triumph of Allende}, p. 29.
\item\textsuperscript{31} Ibid., p. 30.
\item\textsuperscript{32} Medhurst, "Chilean Background," p. 14.
\item\textsuperscript{33} Wilgus, \textit{Argentina, Brazil and Chile}, p. 406.
\end{footnotes}
The Alessandri government was a prologue to another turning point in modern Chilean political history—the formation of a Popular Front government. Under the Popular Front government, members of the middle classes began to actively participate in the running of Chile.

In 1952, Ibanez was again elected to the presidency. Ibanez's victory cut across party lines and could be considered to have been a reaction against former governments for failing to curb inflation.

According to Kenneth Medhurst, the Ibanez victory was significant for the following reasons.

Firstly, it indicated that the processes of social change were beginning to disrupt the traditional pattern of life in rural Chile. Large numbers of rural workers and tenant farmers for the first time defied their landlords by voting for Ibanez rather than the traditional rightwing parties. Secondly, the election saw Allende standing for the first time for the presidency and, what was still more important, he stood with the support of the Chilean Communist Party and in opposition to a large part of his own Socialist Party. Whilst a majority of socialists were attracted by Ibanez and the prospect of a brand of authoritarian rule similar to that of Peron in Argentina, the Communist Party, following its recent experiences, was determined to demonstrate its loyalty to constitutional government. Allende provided them with a useful ally in this undertaking.

The 1958 presidential election was narrowly won by

---

Jorge Alessandri, son of the former president. Unable to cope with the nation's developmental problems, e.g., inflation, agrarian reform, increased foreign debt, unchecked foreign investment, Alessandri accomplished little during his years as president.\(^{37}\)

One should note that since the termination of World War II, drastic changes have occurred in the Chilean economy. Such changes caused an intensification of the class struggle. As European investors liquidated their Latin American holdings during World War II, the United States secured holdings throughout the western hemisphere to further its economic domination. As a result, the growth of transnational firms was massive.\(^{38}\)

Transnational expansion resulted in over one-hundred United States firms, fifty of which were totally owned subsidiaries, being set up in Chile in the 1960s.\(^{39}\)

It was against the background cited in previous pages that the Chilean electorate moved to the left in the 1960s and early 1970s.

The two leftist groups which were most prominent in the 1960s and early seventies were the Christian Democratic Party (PDG) and Frente de Acción Popular (FRAP).

\(^{37}\)Ibid., p. 19.


\(^{39}\)Ibid., p. 43.
FRAP was formed in the latter part of the 1950s by Chilean socialists, communists and smaller left-wing groups. The prime spokesman for FRAP was Salvador Allende.\(^{40}\)

The PDC was founded in 1938 by a group of Catholic students who broke with the Conservative Party. The Christian Democratic ideology could be defined as being a mixture of political democracy and social pluralism. The PDC renounced laissez-faire capitalism and adopted belief in state intervention and at the same time a constitutional form of government. Members of the PDC favored some type of class struggle, "but their ultimate goal was not the triumph of one class over another but the harmonization of diverging interests within the context of a 'communitarian society.'"\(^{41}\)

In the 1964 presidential election, the three major candidates were Julio Duran, a rightist candidate; Eduardo Frei, a representative of the Center and PDC candidate; and Salvador Allende, leftist aspirant and FRAP member.

A pre-election congressional race in a conservative district resulted in victory for FRAP.\(^{42}\)

Fearing the possibility of a leftist presidential victory, the Conservatives and Liberals of the Right withdrew their support of Duran, a Radical, and gave it to Frei.

\(^{40}\)Medhurst, "Chilean Background," p. 19.

\(^{41}\)Ibid., p. 20.

\(^{42}\)Feinberg, Triumph of Allende, p. 38.
The latter won the campaign, 1,409,000 votes to Allende's 977,900. The campaign slogan used by Frei was "Revolution in Liberty." Under Frei's program, "revolutionary change was to be accomplished by establishing numerous intermediate organizations linking campesinos and urban workers to national centers of political power and by introducing innovative and administrative measures benefiting the 'popular classes.'" Fundamental changes, according to Frei were to be made within the existing legal framework.

When Frei took office, the question of control of the copper mines was the major issue in Chile while the agrarian reform issue was second in importance. Implementation of agrarian reform legislation was a major obstacle for the Frei administration. Some Christian Democrats argued that land reform was an absolute necessity if there was to be a redistribution and redefinition of property. Others, however, questioned the need for agrarian reform at all. And, some favored the redistributing of land to selected campesinos and the maintaining of or slight modification in existing property allocation.

---

43 Ibid., p. 39.
45 Ibid.
Full fledged unionization and agrarian reform laws were not passed by the Christian Democratic government until 1967. However, between 1964-67 a program of a quasi-legal nature was executed. Brian Loveman wrote:

The program consisted of (1) legislative acts and administrative reforms to improve the position of rural labor while further delimiting the authority of rural proprietors; (2) intensified enforcement of labor law; (3) establishment of a transitional form of rural property for use with the acreage acquired for land reform; and (4) mobilization of rural labor in legally recognized unions, co-operatives and committees and in illegal associations employing both legal and illegal tactics in confronting the landowners.  

As Frei campaigned for president, he promised to again place control of Chilean resources into Chilean hands. As a solution to the problem, he did not suggest nationalization, but Chileanization or co-ownership with the copper firms. The parliament passed Chileanization legislation in 1967.  

Although Chileanization was operative, conflict arose within the Christian Democratic party over the matter of foreign investment. Younger members of the party viewed the state as a potential silent partner to transnational companies and believed uneven taxation was being used to pay off foreign interests.  

By 1968, close ties between workers and students be-

46 Ibid., p. 248.
48 Ibid., p. 58.
came evident. Peasant militancy began to increase. Unrest was a common occurrence by 1969. The first national peasant strike took place; student demonstrations against the government and worker take-overs led to the use of force by the government to control agitation; and militarization intensified. Social violence continued on a regular basis in 1970. Frei's administration had failed at improving the condition of workers, lowering the unemployment and underemployment rates, controlling the foreign debt, becoming less dependent on foreign capital and curbing inflation.

This was the milieu in which the 1970 presidential election took place.

The preceding discussion was designed to provide readers with a view of Chilean society prior to Allende's confirmation as president and to demonstrate what kinds of political, social and economic problems Allende inherited and attempted to provide solutions to. An analysis of developments during the three year reign of the Allende government follows.

---

49 Ibid., p. 70. 50 Ibid., p. 73. 51 Ibid., p. 75.
CHAPTER II

ALLENDE'S CHILE  1970-73

In late 1970, a popular front government, headed by Salvador Allende, was elected in Chile. According to the editors of *Monthly Review*, the government was elected on a platform "much more radical than any program on which a Western socialist party or popular front has ever run, let alone won, in the past." Allende and his popular front regime had three major goals - the termination of monopolization in the Chilean economy, dissolution of dependency on imperialism; and the formation of a Chilean socialist state. This chapter will focus on Allende's presidential victory and the scenario in which it took place, his policies and attempts to implement them.

By 1970, Chilean social, political and economic conditions were crippling the nation's stability. Approximately eight percent of the employable population was without jobs. Meat rationing was occurring for the fifth consecutive year.  


Out of a populace of ten million persons, an estimated one third resided in open sheds on the periphery of Santiago and eighty percent of all babies died prior to their first birthday.

Further, the foreign debt was $3.9 billion dollars and the Latin American nation was dependent on imperialist nations for technology and on their financial institutions for credits necessary for the nation's survival.

Available statistics indicated that in 1970 "50% of the population ("proletarians" and "poor") got 16.1% of the national income, 45% (the "middle class") got 53%, and 5% (the "rich class") the remaining 30%."  

The Chilean political scene was one of complete disarray. Splits existed within the traditional political parties, citizens complained of inadequate land reform, and strikes against banks, public institutions and supermarkets were commonplace along with student protest movements.

Political unrest resulted from President Frei's administration's failure to act swiftly in providing agrarian reform, nonfulfillment of complete Chileanization of copper, 

---


55 Ibid., p. 198.

unsuccessful equalization of income distribution, failure to allow more citizen participation in the political process and failure to terminate Chilean economic dependence on foreign nations. 57

In the midst of this disordered state of affairs, the Unidad Popular coalition, an outgrowth of FRAP, was formed. The party encompassed members of the Socialist, Communist and Radical parties of Chile along with Social Democrats and leftist Christian Democrats. The Unidad Popular candidate in the 1970 presidential election was Salvador Allende, founder of the Chilean Socialist Party and unsuccessful presidential candidate in 1964. 58

A section of the Unidad Popular platform best described the Chilean state of affairs in 1970.

...Chile is going through a deep crisis, manifested in social and economic stagnation, in widespread poverty and in all kinds of deprivations that workers, campesinos and other exploited classes are subject to, as well as in the growing difficulties that confront white collar workers, professionals, and businessmen with small or medium sized enterprises, and in the miserable employment opportunities open to women and youth.

What is it that has failed? What has failed in Chile is a system which does not correspond to today's requirements. Chile is a capitalist country, dependent upon imperialism and dominated by sectors of the bourgeoisie which are structurally tied to foreign capital and which cannot solve the country's fundamental problems which derive precisely from the bourgeoisie's class privileges which will never be given up voluntarily.59

58 De Vylder, Allende's Chile: Political Economy, p. 27.
59 Ibid., p. 33.
Proponents of the Unidad Popular philosophy defined their program as anti-oligarchic, anti-capitalist, anti-feudal, and anti-imperialist. They argued that by transforming Chile's economic system, the institutional superstructure would also change, allowing for a system oriented toward serving the masses. 60

Unidad Popular candidate Allende was opposed in the September 1970 election by Radomiro Tomic, a Christian Democrat who called for the nationalization of banks and a rejection of complete Chileanization of copper, 61 and former President Jorge Alessandri, a right wing candidate whose platform was vague and reactionary. 62

Allende won the Chilean presidential election with a margin of 39,000 votes. Neither of the candidates had a majority of votes. Hence, Chilean law required that a joint session of Congress be held to select the new president from the candidates who finished first and second if none had a majority of votes. The congressional session took place October 24, 1970. Of the 195 votes cast, Allende received 153. Allende was sworn into office one week later. 63

In 1970, Allende summed up the aspirations of his

60 Ibid., p. 35.
61 Francis, Allende Victory, p. 32.
62 Ibid., p. 36.
administration best when he stated that the Chilean people were to embark on a course that had never been taken before—they were going to start with a pluralistic and democratic system and utilize its bourgeois institutional framework to make fundamental changes in the political, social and economic spheres and eventually form a socialist state. Allende suggested that although national independence had been attained from Spain, Chile was seeking a second independence—economic independence from industrialized nations which would result in full political independence, a rarity among the nations of the developing world.64

Once in office, Allende was immediately confronted with numerous problems. First, the Unidad Popular unwillingly entered into an agreement with the Christian Democrats whereby the former signed a statute of guarantees which was a pledge by members of the Unidad Popular coalition to function within the existing constitutional and legal framework. One author, Pablo Lira, has suggested that the most crucial clause in the statute was one which reaffirmed Chilean military professionalism. One should note that reformist members of the Unidad Popular considered the military to be a professional body with no political ambitions,


especially since the military had not intervened in Chilean affairs for more than forty years. 66 Ironically, however, Chilean military strength was to prove to be of crucial importance in the eventual overthrow of the popular front government.

**Political Economy of the Allende Regime**

Initially, Allende sought to implement measures to terminate the economic stagnation of the Frei era. First, Allende, backed by a majority of the Chilean people and Congress, chose to nationalize copper and in December 1970, he sent a bill to the Chilean Congress concerning the nationalization of United States copper mines. As the Congress considered the copper nationalization bill, the government had begun taking control of banking interests through the purchase of stocks. 67 By April 1971, the Chilean government had acquired controlling interests in eleven banks and purchased 53.2 percent in bank stock. 68 By July 1971, United States owned copper mines were under the control of the Chilean government. Through nationalization, the Allende regime sought 69 "to stop the decapitalization of the economy, channel copper earnings into new development projects, and

66 Ibid., p. 33.
68 Ibid., p. 64.
69 Ibid., p. 65.
create industries that [would] develop new copper-based products."70

Upon nationalizing the copper mines, Allende stated that United States firms would not receive compensation on the grounds that such profits and unpaid taxes of previous years should be subtracted from the indemnification to Anaconda and Kennecott. However, after numerous court hearings, copper firms did receive some compensation.

Since there were no direct legal means by which the non-copper firms could be nationalized, it was necessary that the Allende regime turn to other means. These means included the Chilean government co-operating on a fifty-one percent basis in enterprises which were foreign owned. In terms of large Chilean owned businesses, the executive branch of government was able to deal with them through existing legislation or certain extra-legislative means, e.g., acquisition of controlling shares, workers seizing factories and/or urging that ownership of firms be taken over by the government.

The Chilean Congress disagreed with the methods cited because their use suggested an attempt to avoid legislative restraints to nationalization. Also, as one author stated, "business nervousness increased, paralyzing private investment and causing many conflicts with particular firms...."71

70Ibid., p. 63.

It is noteworthy to mention that of the ninety firms to be nationalized or operated on a state-private ownership basis by the Allende regime, twenty were controlled by foreign interest and only six were to be nationalized out-right.\textsuperscript{72}

During Allende's first year in office, other economic measures were implemented. For instance, a thirty percent increase in wages was given to workers and low level employees; a ceiling was put on public salaries; prices were frozen; and rent was stabilized at ten percent of the family income.\textsuperscript{73}

One should note that by October 1971 inflation was down to sixteen and a half percent, based on the retail price index, as opposed to a twenty-nine percent average during the last three years of the Frei administration. As a result, real wages increased by thirty-four percent.

A by-product of the increase in purchasing power, which resulted from the growth in wage earning power, caused a twelve percent rise in industrial production in 1971. The rise in consumer purchasing power resulted in a demand for more food when agricultural output could not meet such a demand. Hence, food was imported at alarmingly high levels.\textsuperscript{74}

\textsuperscript{72} Ibid., p. 57.
\textsuperscript{73} Petras, "Transition to Socialism," p. 56.
\textsuperscript{74} Nove, "Political Economy," p. 60.
Also, in 1971 and 1972, copper prices had fallen to $48-49 per ton, a decrease of $18-19 dollars. With the fall in prices, copper export revenues as well as export revenues of other items fell. At the time that export prices dwindled, the United States decreased credit and aid (excluding military) to Chile.\footnote{Ibid., p. 61.}

Alec Nove has concluded that the political economy of the Allende administration during its first year in office had a stifling effect on the regime's future ability to govern. Nove wrote:

Why have I used the word "disaster" about the policy of 1971? Because of the exhaustion of currency reserves, which fell from $377.6 million in September 1970 to $32.3 million in December 1971, the impossible increase in "real wages," the price controls, the inevitable material shortages, the exaggerated expectations of the workers, the fall in investments\footnote{Ibid., p. 62.} made a major crisis quite inevitable in 1976.\footnote{Ibid.}

By 1972, the gross national product was rising only at a rate of 0.8 percent; investments had fallen from 17.4 percent of the gross national product during the period from 1960-70\footnote{Ibid., p. 63.} to 12.4 percent; monetary resources in the private sector had increased by 140 percent, up from 120 percent in 1971;\footnote{Ibid., p. 62.} inflation was up as a result of the middle classes "putting into circulation their accumulated profits while making sure to pay no taxes by organizing a
clandestine network to buy and sell staple goods" which led to the creation of a black market; Chile had begun to experience the repercussions of a financial squeeze inflicted upon it by the United States through international manipulation; and the Allende government was burdened with the second highest foreign debt in the world and was forced to seek postponement from the Paris Club.80

The Allende government in the midst of a rapidly deteriorating economy, maintained its power until the congressional elections of March 4, 1973.81 The social polarization which had existed since Allende took office in November 1970 was evident as the 1973 congressional elections neared.

One hundred fifty seats in the Chamber of Deputies were at stake while twenty-five Senate seats were to be filled. The Unidad Popular coalition received 43.4 percent of the vote as opposed to 54.7 percent obtained by a bloc led by the Christian Democrats and the Nationalist Party.82 The elections gave the Unidad Popular six more seats in the Chamber and three additional ones in the Senate. However, control of both bodies remained with the opposition.


80Ibid., p. 11.


Political polarization heightened after the congressional elections. A deadlock had long existed between Allende and the legislature. The civil-military government could "take no decisive action against the will of Congress and without the support of the military within its own ranks." However, military members of the government left the cabinet shortly after the elections and the Allende regime was more vulnerable than ever.

Economic instability mounted after the March elections and Allende was without the power needed to alter the situation. As Alec Nove suggested:

What could Allende now do? He had not the power to impose any drastic economic policies, he faced a hostile Congress, a mainly hostile free press and radio; and the amred forces and carabineros, who had hitherto protected the constitution, were watching from the sidelines, with increasing evidence of the emergence of a faction willing to consider the overthrow of the president. The ultraleft was calling for tough measures....Enforced how? There were militant (not military) working-class organizations, but to arm them would mean instantly provoking the military into decisive and overwhelming counteraction. The sad story of the last six months of Allende's rule was of a gradual slide into disaster, without any real means of averting it or of taking any new policy initiatives in the economic field.

Economic measures implemented by Allende in 1971 stifled his ability to govern thereafter. The measures proved to be ill thought out. The Allende administration could not maintain such 1971 policies as real wage increases of

---

84 Ibid., p. 73.
thirty-four percent and substantial surges in purchasing power while unemployment and underemployment remained at alarmingly high levels. The formulators of the political economy of the Allende regime might best be defined as victims of economic naivete.

Agrarian Reform and the Transition to Socialism

Between the 1930s and 1960s, Chile was characterized by extreme inequality among social groups within the country. It is noteworthy to point out, however, that during the decade of the sixties, inequalities were a catalyst for increased instability which required that measures be taken to alter the existing system. Agriculture, more than any other factor, was viewed as the major cause of inequalities. Thus, agrarian reform, according to the Allende administration, was crucial if there was to be a transition to socialism in Chile. Land ownership, in Chile, was perceived as a symbol and source of power, prestige and/or security against inflation.

Land reform was first attempted in Chile in the late 1950s when law number 15,020 was passed. Under the law, expropriated land was to be appropriated to economic units to enable families an opportunity to maintain themselves

86 Ibid., p. 149.
87 Ibid., p. 154.
by applying their labor to the land. 88

The Frei administration, as noted in chapter one, also attempted to increase land reform programs. Under a 1967 land reform act formulated and supported by the Frei administration, all large estates could be expropriated. However, less than one-third of all latifundios (large Chilean rural estates) had been expropriated between 1965 and 1970. The reform act of 1967 did not allow for the expropriation of livestock and machinery. Landowners were allowed to select reserves equal to eighty hectares of irrigated land. Hence, by 1970 only 21,000 peasant families out of approximately 100,000 had received land. 89

One of the significant by-products of agrarian reform under Frei was an increase in political consciousness among the peasantry. This awareness was especially reflected in the expansion of unionization after 1965. 90

The Unidad Popular, under Allende's leadership, used the act of 1967 as its main device for furthering agrarian reform. Under the class analysis of the Unidad Popular, the principal obstacle to socialist transformation was the latifundias (all farms over eighty hectares). Hence, agrarian

88 Ibid., p. 155.


reform, under Allende, was geared mainly toward expropriating latifundias. Second, it was aimed at reversing the customary outpouring of monetary resources from rural to urban areas to increase rural investment so as to insure that the living standards of the peasantry would increase.

The Unidad Popular's agrarian reform program and the coalition's plan for comprehensive changes in the nation's social, political and economic structure were viewed as processes to evolve concurrently.

The agrarian reform program implemented by the Unidad Popular, a reformulation of Frei's plan, included the following points:

1) acceleration of land reform by expropriation of all properties encompassing more than eighty hectares and withdrawal of the landowners right to retain the land's assets
2) development of state owned land
3) re-establishing minifundios as co-operatives
4) organization of expropriated areas into co-operatives
5) uniting small and middle sized farmers in co-operatives so they might receive credit and technical assistance.
6) incorporation of Indians into the co-operative system to ensure that they would not be exploited.

Within a year after Allende's election, over 2.5 million hectares had been expropriated. However, the land was not expropriated without opposition from farmers who boycotted production and from other political parties.

---

91 Ibid., p. 169.
The Agrarian Reform Centres (CERA) were founded to allocate land on a co-operative basis and peasant councils were created to provide a channel of communication between peasant groups and the government on matters ranging from expropriation to taxation to credits. By early 1972, in every rural district, which numbered in excess of 200, the councils had been created with two-thirds functioning as anticipated. However, by the latter part of 1972, many of the councils were malfunctional. One of the main reasons for the failure of some of the councils was that they lacked political backing from the Chilean government and all parties in the Unidad Popular. The majority of the political support for the councils came from members of the Socialist and Movement of United Popular Action parties. Also, the councils could not be termed successful because the Allende regime did not provide them with concrete assignments, political power and economic resources to implement programs.

Unions, under Allende, were sustained as the most viable organizations for the Chilean peasantry since the councils never operated favorably for those they were designed to serve. It should be noted that although the Unidad Popular wanted revolutionary land reform, it refused to engage in

---

92 Ibid., p. 170.
94 Ibid., p. 88.
repressive measures to secure latifudios. As a result, a series of factory and land seizures called tomas occurred. The number of tomas increased from 148 in 1969 to 456 in 1970 to 1,278 in 1971. In response to such action, the Unidad Popular was constantly forced to hasten expropriations.95

The Unidad Popular viewed agrarian reform as a useful tool in the class struggle and thus sought to seize all large latifudios owned by the economic elite to strengthen its own power base.96 As noted earlier, the Allende government was confronted with considerable opposition in its attempt to implement its agrarian reform program.

Perhaps one can conclude that Allende's agrarian reform program was not completely successful because the question of power was never properly addressed. For instance, Allende and other members of the Unidad Popular were not in favor of the tomas when the land seizures could have provided for the political mobilization of Chilean workers around such issues as land expropriation and capitalist ruination.

One might conclude that the process of agrarian reform was simultaneous and complementary to the general transformation of Chile in a negative way at times. As

95 Ibid., p. 84.
Cristobal Kay stated:

The shortcomings of the Popular Unity agrarian policy led to a series of contradictions which contributed to its overthrow. The vast seizure of estates by the peasants forced Popular Unity to accelerate expropriations under legally unfavorable circumstances. As a result agricultural production diminished substantially, contributing overwhelmingly to the general economic crisis. It thereby alienated the middle-class vote it had set out to win in order to make the democratic road to socialism viable. Furthermore, the rural bourgeoisie established links with the reformed sector that, together with the development of speculative capitalism, encouraged the spread of peasant capitalism in this sector, undermining its socialist purpose. Instead of seizing power to resolve some of these contradictions, the Popular Unity government reaffirmed its faith in the Chilean democracy....

CHAPTER III

CHILEAN OPPOSITION TO ALLENDE

The Unidad Popular coalition began governing Chile in November 1970 and continued to do so until September 11, 1973 when the Allende regime was overthrown by the Chilean military. Some theorists have attributed the military coup d'etat to foreign interference in Chilean affairs, especially since the United States government funneled funds to the Chilean military. However, there were internal developments in Chile which, in part, accounted for Allende's downfall. This chapter analyzes the internal factors which were crucial in ensuring the success of the coup. It should be noted at this point that the following chapter will concern the external factors which were important in the making of the 1973 coup.

When the Unidad Popular coalition began governing Chile, political instability was inherent since the results of the election meant that the executive branch of the government would be composed of persons dedicated to making fundamental social change while the legislature was to remain under the control of parties who were opposed to and would be affected in a negative manner by the change.98

Allende's presidential victory in 1970 served as a threat to the Chilean middle and ruling classes. Immediately following Allende's election, the stock market collapsed, capital as well as capitalists left the country, production decreased and unemployment increased.99

The fact that Allende was viewed as a potential threat was also reflected by the dichotomy of the Chilean Right and its failure to mobilize behind one candidate and platform as it had done in 1964.

But, in 1970, the Chilean Right (many of whom were members of the ruling class), unlike the Left, had a hegemonic position. The development of Chilean capitalism had provided for the evolution of an integrated and united ruling class. Not only did the ruling class have structural cohesiveness, i.e., economic and kinship, it "had managed to legitimate and institutionalize its position...in the political and juridical sphere."100

Accomplishments made by Allende during his first year in office caused many Chilean observers to presume that the peaceful road to socialism would become a reality. During Allende's first year as president, an ample


number of firms had been nationalized, agrarian reform had increased, redistribution of income had been substantial and the Unidad Popular had gained political support which was reflected in the results of the April 1971 municipal elections. However, Allende and the Unidad Popular coalition were forced on the defensive within twelve to eighteen months after taking office and the peaceful road to socialism was in jeopardy.

Under Ranato Sandri's analysis, numerous internal developments must be considered if one is to accurately analyze Allende's defeat. According to Sandri, on the one hand, the Allende administration failed to bridge the gap between the proletariat and the outcast masses (those persons of lower status than the working class and who were excluded from production), and on the other hand, the Chilean government was unsuccessful in countering middle class anxieties of slipping down the social scale.

Following Allende's election, class based organizations were created to complement or supersede existing groups. One of Allende's goals was to have the class based organizations increase in size and importance for the workers

---

101 Alan Angell, "Allende's First Year in Chile," Current History 62 (February 1972):76.
104 Ibid., p. 212.
and peasants. However, the organizations became tools utilized by small businessmen, professionals, merchants and white collar employees to plan protest activities against the government. Protest demands often included the following: 1) that the government grant economic concessions; 2) that the transition to socialism be permanently terminated; and 3) that the Allende administration abdicate or be removed.

One should note that under Allende, mass protest began in December 1971 when middle and upper class housewives of Santiago, with financial and organizational support from the United States Central Intelligence Agency (CIA), demonstrated because food supplies were becoming more and more unobtainable. 105

Members of the middle and upper classes, along with the Central Intelligence Agency staged a strike in October 1972 against the government in protest of the implementation of a scheme which would allow for the creation of a state trucking enterprise. The Confederation of Truck Owner-Operators and the Central Intelligence Agency were the instigators of the strike. Chilean groups backing the strike included the Confederation of Small Merchants, the Confederation of Small Industry, the National Front of Professionals and the Chamber of Commerce. A "Petition of Chile" was formulated by these groups, directed to the Allende government and endorsed by each local organization.

According to Peter Goldberg, the twenty-six day strike gave rise to supply shortages and was indicative of a belief held by many lower middle class Chileans and small businessmen that they might be forced out of business by the socialist regime as had been the elite and larger business firms. The strike also represented class organization and solidarity by the aforementioned groups.

A second strike was staged by the truckers confederation in July 1973. By September of that same year, the strike "had strangled Chile's flow of supplies to the breaking point, a major contribution to the crisis atmosphere in which the coup took place."106

In addition, the crisis atmosphere worsened during the last several months the Unidad Popular governed Chile because of acts of sabotage against factories, bridges, radio transmitters, residences of loyal military officers and homes of governmental officials.107

By March 1973, a situation of dual power had evolved. The bourgeoisie was entangled in a political offensive to retrieve governmental power while the working class, most of whom supported the Allende regime, sought to intensify the nationalization process and secure workers' power which caused antagonism within the governmental structure.108

106 Ibid., p. 111. 107 Ibid.

Economic sabotage instigated by the Chilean bourgeoisie and imperialist had resulted in shortages nationwide which reached disastrous dimensions. The delivery of supplies was hindered by the striking truckers who had one goal in mind—the fall of the Allende government.

An estimated 150,000 middle class females demonstrated in front of Catholic University, Santiago, September 5 and urged that Allende commit suicide or resign to prevent civil war.\(^{109}\)

Bourgeoisie resistance to Allende's policies was rooted in the middle sector's failure to accept the union of socialist and traditional politics and a belief that their social, political and economic status was being threatened. Allende, never successful in erasing polarization between a substantial percentage of the bourgeoisie and his administration, was thus alienated from and a foe of a decisive segment of Chile's population.

Chilean opposition to the Allende government was led by the Christian Democratic and National parties.\(^{110}\)

The Christian Democrats, a heterogeneous party of civil servants, the lower middle class, and an increasing number of workers and peasants,\(^{111}\) retained substantial


strength among the masses following the 1970 election. In fact, the party's candidate received thirty percent of the votes in the 1972 union election and the vice-presidency of the major union organization. The party used its strength as a mechanism against the Allende government, i.e., its members were agitators among the masses. In addition, Christian Democratic criticism in Congress condemning the Allende regime for the disorder of the Right resulted in continuous dissension between the executive and legislative branches of government.\textsuperscript{112}

The Nationalists, the traditional right composed of industrialists and landowners,\textsuperscript{113} agreed with the Christian Democrats on three issues concerning the Allende regime. Both groups viewed the socialist government as assaulting private property; making a mockery of democratic institutions; and being reluctant to restrain violence.\textsuperscript{114}

James Petras noted that the first major effort by the Right (and middle class) against the Allende government was the October 1972 strike discussed earlier in the chapter. Although the ultimate goal of the strike was not achieved, i.e., the overthrow of Allende, it resulted in the inclusion of military members in the cabinet and made Allende keenly aware of the rightist influence on Chilean society.

\textsuperscript{112}Sandri, "Analysis," p. 203.

\textsuperscript{113}Moss, Chile's Marxist Experiment, p. 123

\textsuperscript{114}Ibid., p. 124.
As Petras suggested, "Only the strength of the grass-roots working class organizations and political conflicts within the general staff prevented the Right from 'going all the way.'"^115

The Christian Democrats and Nationalists, it should be noted, sustained a united front in support of the October strike.\textsuperscript{116}

An increasing number of Chileans had lost faith in the Allende government by September 1972 and decided a rightist offensive might lay the foundation for the solving of some of the nation's problems. This deepening political polarization was crucial in Allende's overthrow. One must remember that Allende was unable to successfully implement his programs because a great deal of Chilean political power was not under his control and the institutionalized democratic structures worked against him. As Gerry Foley suggested, Allende was without control over the military apparatus, media or courts.\textsuperscript{117}

By failing to formulate a logically consistent scheme which would allow for the dissolution of the bourgeois state, the Unidad Popular coalition also failed to devise a cohe-


\textsuperscript{116} Moss, \textit{Chile's Marxist Experiment}, p. 149.

rent strategy in regard to a large portion of its basic program. Andrew Zimbalist and Barbara Stallings wrote:

Income was to be redistributed and inflation halted, but the UP failed to define a rational system of prices which would solidify these gains. The UP promised to carry on Frei's agrarian reform at an accelerated pace, but never clearly defined the form of social and economic organization that the expropriated land units would take. Large sectors of strategic, monopolistic, and foreign-dominated industry were to be nationalized, but the UP failed to set clear guidelines for the planning and management of this nationalized sector. The aim was to neutralize and win over the middle sectors (the petty bourgeoisie, small farmers, professionals) by extending property guarantees and credits, but the coalition failed to agree on a policy of control over the distribution system to which the middle sectors were closely tied.

Stefan De Vylder has expressed ideas very similar to those of Zimbalist and Stallings. For De Vylder, the most obvious reason for Allende's overthrow was the failure of his economic and political policies to work.

According to De Vylder, the Unidad Popular coalition was unsuccessful in instituting a centralized and homogeneous government since the members of the party were representative of heterogeneous political forces. De Vylder also attributed Allende's demise to his party's failure to correctly appraise the effects of its short term economic program of 1971. The major objectives of the program included increasing the earnings of all but the high-


119 De Vylder, Allende's Chile: Political Economy, p. 215.
est paid employees and workers such that the new rate of compensation was at least equal to the real wages of January 1970; providing more readjustment to the workers paid the wages; and implementing of a standardized method of equalizing social benefits such as pensions.\textsuperscript{120}

These policies of increased output and consumption restrained future moves by the Allende regime to execute a development policy based on economic planning and capital accumulation.\textsuperscript{121} As Alec Nove suggested:

The large increase in purchasing power, under conditions of underemployment of human and material resources, had favorable effects on industrial production, which rose by 12 percent in 1971. But common economic sense showed that this was unrepeatable: once the slack was taken up, there could be no more increase without investments, and investments...were reduced, not only in the private but also in the nationalized productive sector.... part of the inflated demand of 1971 was met out of higher domestic industrial production. But the bulk of the extra demand was for food, and agricultural output was quite insufficient to meet it. So, at the controlled prices, food had to be imported in evergrowing quantities....\textsuperscript{122}

The preceding discussion has shown the difficulties incurred when a leader attempts to transform a developing and semi-industrial nation into a socialist republic through the use of traditional political mechanisms. One might argue that a fundamental cause of the 1973 coup was Allende's failure to go beyond Joseph Stalin's assertion that a socialist state could evolve when proponents of the former united with

\textsuperscript{120}Ibid., p. 54.  
\textsuperscript{121}Ibid., p. 78.  
\textsuperscript{122}Nove, "Political Economy," p. 60.
followers of bourgeoisie liberalism and implemented a program rooted in the liberalist tradition.

Also, the Unidad Popular's failure to alleviate political polarization acted as a catalyst in creating disruptions (strikes, factory seizures by workers) in an already unstable environment. These disruptions were crucial in providing a scenario for the 1973 coup.
CHAPTER FOUR

THE UNITED STATES AND THE OVERTHROW
OF THE ALLENDE GOVERNMENT

In April 1974, William Colby, former director of the Central Intelligence Agency, revealed to the House of Representatives Armed Service Intelligence Committee that the Central Intelligence Agency had interfered in Chilean affairs under the Allende administration. Other evidence coming out of congressional hearings has provided Chilean observers with a substantial amount of data linking United States involvement to the September 1973 coup d'etat against the Allende government.\(^{123}\) This chapter focuses on United States involvement in Chile and attempts to determine how crucial United States interference in Chile was to the coup of 1973.

United States foreign policy toward Latin America has been characterized by two fundamental goals. First, the United States has sought to avert other world powers from attaining influence in the western hemisphere. Second, the United States government has sought to preserve its

influence over Latin America through the use of diplomacy, military activities, trade and investment.

The above mentioned objectives have been accomplished through varying economic and political strategies. Federico Gil wrote:

In the case of the United States, its early manifestations were the Monroe Doctrine, the Manifest Destiny phase (1845-1860), and the creation of an inter-American machinery, the Pan American Union, to gain commercial advantages. New steps in the imperialistic era best characterized by the administration of Theodore Roosevelt were the strategic and economic expansion into the Caribbean and the further promotion of an inter-American system dominated by the United States. Bitter resentment and mistrust on the part of Latin America, coupled with the effects of the world economic depression, were responsible for the birth of the Good Neighbor Policy in the 1930's. Shortly thereafter, the threat of European totalitarianism stimulated new efforts to construct a more effective hemispheric defense system.

In the post-war period, a new element—the cold war—entered the picture. At a time when Latin America's economic grievances against the United States and its desire for basic reforms of its socio-economic structure were growing, the United States-only preoccupied with communist expansion—resorted again to a policy of occasional military interventionism, as exemplified by the cases of Guatemala (1954), Cuba (1961)....

But all students of United States-Latin American relations would agree that the most prominent and constant feature of United States-Latin American relations has been its cyclical nature....these cycles of amity and attention toward Latin America have always coincided with particular crises: the First World War, the economic depression, the rise of totalitarianism in Europe, the second world conflict, and the new threat of Communism and the Cuban Revolution.

---

According to Federico Gil, an anti-colonial nationalism partially based on anti-United States feelings and geared toward making basic changes in societal structures developed in Latin America in the 1960s. This nationalism was also a protest against the idea of democracy and the free enterprise system. As a result of growing nationalist sentiment, some Latin American nations moved toward authoritarianism while others considered varying forms of Marxism to replace the liberal tradition. With the start of the Cuban Revolution, United States-Latin American relations were re-structured so as to create an experiment in the western hemisphere founded on the strategies of development used in the Communist bloc. Cuba, following the revolution, was made a part of the Soviet bloc and the struggle for a balance of power was instituted in the western hemisphere.

It is interesting to note that not until the election of an acknowledged Marxist-socialist, Salvador Allende, as Chilean president in 1970 was the United States faced with such a complex problem in Latin America since the Cuban Revolution.\(^ {125}\)

Prior to discussing the relationship of the United States to Chile during the Allende years, it is crucial to understand United States-Chilean relations from 1964-70.

As the 1964 Chilean presidential election neared, the United States government and United States corporate

\(^{125}\)Ibid., p. 31.
heads whose firms had investments in Chile became distressed over the potential triumph of a socialist presidential candidate, Allende. To counter a socialist victory, the United States government along with numerous corporations channelled an estimated $20 million into Eduardo Frei's campaign. The Central Intelligence Agency funnelled monetary resources into organizations which would heighten Frei's chance of victory.

During the decade of the sixties, Chile, on a per capita basis, received more United States Alliance for Progress loans than any Latin American nation and from 1963 to 1964, overall United States aid increased by $163 million dollars.

Not only did the Frei government receive development aid via loans and grants from the United States government, it also obtained the same from United States banks and international financial institutions which were influenced by the world power. The Chilean public and private debt, by December 1970, had reached $3.83 billion and the majority of it was owed to the United States government and private lenders. On discussing United States policies

---

127 Ibid., p. 20.
128 Ibid., p. 22.
129 Ibid., p. 23.
130 Ibid., p. 24.
toward Chile from 1964-70, one author wrote:

...U.S. economic policy was politically motivated: directed at promoting an antisocialist candidate, government, and policies and preventing a socialist from succeeding. The heavy direct and indirect financial subsidies of the Frei candidacy and later presidency against Allende and the Left by the U.S. government and corporations, and the joint military activities were early indications of the policies that the United States would adopt during the Allende presidency. Only then the process was reversed: loans to the government were cut off, aid was channeled to the military, and covert funding was directed to opposition groups. 131

United States Policies, Allende's Election and the Corporate Connection

When members of the Nixon administration learned that Allende received a plurality of voted in the 1970 election, immediate steps were taken to hinder his confirmation. Members of Chile's congress were urged to vote against Allende's confirmation. Corporate officials also expressed discontent over the possibility of Allende's assent to power, especially officers of International Telephone and Telegraph Company (ITT).

Jack Anderson, United States syndicated columnist, alleged in March 1972 that ITT and the United States government had intervened in Chilean socio-economic and political affairs to prevent Allende from securing the presidency and worked toward the overthrow of Allende's government following his confirmation. One can infer from available data that the major external participants in the scheme included ITT officials, Central Intelligence Agency personnel, the United States Ambassador to Chile and individuals connected

131 Ibid., p. 25.
with the White House and the United States State Department.\footnote{Subcommittee on Multinational Corporations, International Telephone and Telegraph, p. 2.}

The importance of Chile's presidential election was discussed by the ITT board members at a spring meeting in 1970. A number of board members feared Allende would win the election and company investments would be jeopardized.\footnote{Dale Johnson, ed., The Chilean Road to Socialism (New York: Anchor Press, 1973), p. 47.}

As early as July 16, 1970, an ITT officer contacted William Broe, Chief of the Central Intelligence Clandestine Services, Western Hemisphere, and acknowledged that an election fund would be set up for Alessandri. The ITT official suggested that the fund be taken care of through the Central Intelligence Agency. Broe refused the offer.\footnote{Subcommittee on Multinational Corporations, International Telephone and Telegraph, p. 2.}

The subcommittee on multinational corporations, in its study of ITT and Chile, 1970-71, discovered that the State Department and the executive branch of the government, in conjunction with ITT, were involved in the endeavor to stop Allende's aspirations for the presidency. One of the memorandums in the ITT-Chile Papers included a communication to former Chilean Ambassador Edward Korry from the State Department which stated that he should do all possible, short of a Dominican Republic style action, to ensure that
Allende would not be selected as the Chilean president.\textsuperscript{135}

On September 29, 1970, Broe was ordered by the Director of the Central Intelligence Agency, Richard Helms, to contact an ITT officer to set a meeting date to discuss ways of producing economic disorder in Chile. Such disorder was to be used as an instrument to force the Chilean Christian Democratic congress to vote against Allende.\textsuperscript{136} Broe made five recommendations to create economic chaos in Chile. These recommendations included the non-renewal or delay in credits; slowdown in deliveries and shippings; withdrawal of technical assistance; placing some form of economic pressure on Chilean savings and loan firms; and discussing aforementioned points with other firms for approval.\textsuperscript{137}

ITT executives refused to accept Broe's proposal and suggested that it would fail if implemented.\textsuperscript{138} It should be noted that the proposals made by Broe eventually became a reality.

Chile's nationalization process of United States firms strained relations between the two governments. As one author suggested:

\begin{quote}
A vital part of American foreign policy—manifested in, for example, the so-called 'Hickenlooper amendment' and in a host of official statements....
\end{quote}


\textsuperscript{136}Ibid., p. 9.

\textsuperscript{137}Ibid., p. 10.

\textsuperscript{138}Ibid., p. 16.
as well as in innumerable concrete cases of economic and military pressure on countries expropriating U.S. property without paying prompt and adequate compensation—is to protect American business.... The U.S. responded to the Chilean proceedings.... out of fear that the Chilean example would initiate a chain reaction among Third World countries. 139

Hence, by October 1971, United States government officials were contemplating economic warfare against Chile. On October 11, Secretary of State William Rogers issued a statement criticizing Chilean economic policy. He forewarned that "should Chile fail to meet its international obligation (just compensation to multinational firms), it could jeopardize the flow of private funds and erode the base of support for foreign assistance." 140

Within a week after Rogers' admonishment to the Chilean government, a meeting was arranged between United States government personnel and executives of United States firms with economic interests in Chile. ITT officials, at that time, submitted a Chile White Paper—a seven point plan to create economic anarchy in Chile. The plan included the vetoing of Chilean loans going before the Inter-American Development Bank, an embargo on Chilean items coming to the United States and termination of AID assistance. 141

Responses to the ITT plan were mixed to negative. The October meeting ended in a stalemate. 142 However, points

139 De Vylder, Allende's Chile: Political Economy, p. 128.
141 Ibid. 142 Ibid., p. 332.
included in the ITT proposal were eventually implemented.

Available data allow one to infer that multinational corporations along with imperialist nations, in this instance the United States, especially since the end of World War II have worked together to bring about an integration of the world capitalist system. This new integrated structure is based on the development of the concentration, conglomerationToken, centralization and internationalization of big monopoly capital as embodied in the multinational corporations, and, further, is characterized by an increase and intensification of the interaction between the state and the monopolies.143

If the above assertion is accepted, it is realistic to use the Chilean-United States-ITT model to demonstrate the relationship between the state (United States) and the multinational firm (ITT) in attempting to integrate the world capitalist system through commercial and subversive activities in Chile.

Application of United States Policies in Chile: The Invisible Blockade

When giving testimony before the Subcommittee on Multinational Corporations, William Colby stated that Chile was a "prototype or laboratory experiment to test the techniques of heavy financial investment in an effort to dis-

credit and bring down a government." Through utilization of this tactic, known as destabilization, the United States government and private corporations implemented a program of clandestine obstruction, economic and diplomatic pressures against Chile. Colby's testimony revealed that an estimated $8 million was spent on clandestine activities by the Central Intelligence Agency from 1969 to 1973 to foil the Chilean Left.

It was the implementation of nationalization activities by Allende which led to a firm resolution by the foreign policy makers to execute destabilization.

When the Allende government, in November 1971, suspended repayment on the Chilean foreign debt (nearly $3.83 billion) it attempted to re-negotiate its payment schedule for the remaining 1971 and 1972 debt. The United States governmental officials solicited support from remaining creditors, mainly European, to make the re-negotiation dependent upon two factors: 1) that expropriated firms be adequately compensated and 2) that Chile be subject to an International Monetary Fund standby agreement which might have resulted in Chile's accepting public sector policies outlined by the agency. The United States was unsuccessful in securing support on the acceptance of the above stated conditions.

---

144 O'Brien, "United States Responsible?," p. 229.
145 Ibid. 146 Ibid., p. 230.
At a meeting of the Paris Club on April 19, 1972, Chile obtained a postponement of seventy percent of its debt which was due between November 1971 and December 1971. The United States was the only member of the Paris Club which failed to re-negotiate Chile's debt payments in April 1972 and it did not do so until December 1973, three months after the coup.\textsuperscript{147}

Also, in retaliation of Allende's government's decision to nationalize copper, the United States refused to approve Chilean loan applications before the United States Export-Import Bank and international firms such as the World Bank and Inter-American Development Bank.\textsuperscript{148} United States commercial banks terminated short term credits to Chile. Bank loans from the previous mentioned institutions had increased from $50 million in 1955 to over $300 million a year by 1970. It should be noted that before Allende took office, Chile had obtained an average of $220 million in credits under previous administrations. By 1973, however, credits had fallen to approximately $30 million. In essence, the United States government, along with financial institutions, created a credit blockade against Chile. As a result of the blockade, Chile was forced to delve into its foreign currency reserves and in

\textsuperscript{147}Ibid., p. 235.

1972 the limited number of dollars forced a decrease of approximately fifty-eight percent in non-agricultural consumer import goods. Prior to 1972, nearly forty percent of Chile's imports were from the United States whereas by 1972, only twenty percent of all Chilean imports were from the United States.\textsuperscript{149} Also, after the imposition of the blockade, many Chilean industries were forced to slow down production because spare parts, replacements and machinery could not be obtained from the United States.\textsuperscript{150}

It is noteworthy to mention that not all United States funds were reduced or cut completely. Monetary sources were channelled to the Chilean military from 1970-73 in an effort to eventually reverse political and economic changes occurring in the Latin American country.\textsuperscript{151}

In addition, the Central Intelligence Agency, copper firms and ITT were credited by some Chilean observers with financing and organizing the two strikes discussed in chapter three. The strikes involved an estimated forty thousand truckers and as noted earlier were carried out in protest of Chilean governmental policies.\textsuperscript{152}

Also, Allende's downfall has been attributed to

\textsuperscript{149}Ibid., p. 109.
\textsuperscript{150}O'Brien, "United States Responsible?," p. 233.
\textsuperscript{151}Petras and Morley, The United States and Chile, p. 134.
\textsuperscript{152}Sandri, "Analysis," p. 212.
Chilean concern over the decrease in copper prices on the world market in 1972. Copper prices, however, increased immediately following the coup.153

The data provided in this chapter lead to the logical conclusion that Chile's economic status was in part a result of its participation in the evolving of the world capitalist order. As the development of capitalism intensified in Chile, the nation became dependent upon capitalist nations, their financial institutions and multinational corporations for substances necessary for survival (monetary resources, food staples). It is for these reasons that external forces could play such a crucial role in Allende's downfall and the eventual coup.

An analysis of the internal and external forces in opposition to the Chilean transition to socialism would not be complete unless viewed in an international context. In attempting to terminate Chile's economic dependency on imperialist or external factions, it was necessary for the Allende regime to penetrate the dependency relationship. An attempt to sever this association proved an impossible task for Allende.

Iraj Eskandari, member of the People's Party of Iran, has suggested that economic liberation, in developing nations, cannot be realized unless basic internal changes are executed

to disroot barriers so that productive forces might be increased and the gap narrowed between industrial and developing nations. Eskandari also stated that attempts to make the aforementioned changes are met with resistance from native conservative factions and imperialist forces. According to Eskandari, "The choice of the capitalist or the socialist path is determined by the genuine social, economic and political progress." 154

In Chile, the level of dependency was so deep rooted that Allende could not break the bonds between native conservative factions and imperialist forces. On commenting on the national bourgeoisie in regard to the dependency relationship, one author wrote:

In addition to using foreign-made machines, and depending on foreign credits for essential inputs, most larger Chilean businesses had purchase agreements for patents and product designs, and occasionally for pre-packaged advertising; foreign firms sometimes even agreed to market the Chilean-made good abroad. Meanwhile, an increasing number of Chilean factories fell into foreign hands; one study found that, of the largest 100 firms, 40 were under foreign control, and another 20 had foreign participation....much of Chile's large industry was either dependent on, or directly controlled by foreign firms, with the distinction becoming absorbed-"internationalized"-by the multinational firms, such that many observers raised doubts as to whether the term "national bourgeoisie" could still be applied in Chilean sociology. 155

Chilean capitalists would have found it difficult to function

without the support of multinational corporations and their governments. 156

The implication obtained from reading the above quote is that Chilean capitalists were not in a position to produce growth stimuli without international capitalism because its increased development was induced almost entirely by the complementary growth of multinational firms. It should be noted that this same implication was reached by Giovanni Arrighi in his research on "International Corporations, Labor Aristocracies, and Economic Development in Tropical Africa." 157

Members of the middle sectors of Chile—white collar workers, technicians, professionals, etc.—were also aligned to external forces. To speed up the "embourgeoisement" of the middle sectors, a process which began in the nineteenth century, the United States underwrote numerous projects in Chile. For instance, one United States governmental agency financed housing projects and peasant unions. At times, the United States government even subsidized the United States private sector in the distribution of Reader's Digest and motion pictures starring such personalities as John Wayne and Doris Day. 158

156 Ibid.


158 Feinberg, "Dependency and Defeat," p. 38.
Members of the national bourgeoisie and middle sectors, because of their relationship with external forces, reduced the complementariness between themselves and the proletariat and peasants and thus hampered the progress of Allende's economic policies. As one author suggested:

...the existing market mechanisms were working to preserve the old structures and inhibit the emerging UP endeavors. By "market" is meant the setting of prices according to supply and demand, as well as the behavioral assumptions governing the economic agents: the producers, be they private or public, are maximizing profits, and the consumers seek to fulfill their individual desires. Such economic models generally assume a given income distribution and a fixed preference ordering on the part of consumers. The market worked against the UP intentions of redistributing consumption goods, as well as the UP's wish to alter the assortment of those goods. Part of the problem was the inability of the UP to reduce the purchasing power of the middle and upper income groups; their power in the very imperfect labor market was too great, and no sweeping expropriation of existing wealth occurred. That the better off sectors maintained their escudo votes in the market meant both that the goods that were produced would tend to end up in their hands through the legal or black market and that the production sphere would continue to orient its efforts, and its new investments, towards meeting the demands of these traditional groups.159

Since the Unidad Popular was not successful in stimulating the relative market power of the peasants and proletariat, existing economic relations remained almost entirely unaltered.160

159 Ibid., p. 39.
160 Ibid.
Proponents of socialism as well as democracy have posed perplexing and pressing questions concerning the Chilean coup of September 1973. Allende once stated that a revolutionary government could execute a socialist agenda in Chile without turning to an armed struggle. It might be argued that at least five characteristics of Chilean society would have made Allende's assertion a viable one. First, Chile had long maintained a tradition of a nearly unbroken parliamentary democracy. Second, participation in political affairs by the masses was prevalent. Third, Chilean economic development far surpassed that of most underdeveloped nations. Forth, Marxist parties were solidly controlled by a forceful working class movement. Fifth, the military, in general, had shown reverence for the electoral process. In addition to the above stated factors, there were other reasons for believing that Allende might be successful in attaining a socialist state through peaceful means. For instance, divisions within the Chilean Right had allowed for an Allende victory; obscure policies of the Frei administration caused the petite
bourgeoisie to be more congenial toward leftist policies; the peasantry had become more radicalized and as a result, leftist dominance of trade unions increased; and the democratic nature of Allende's socialist regime interfused with the geographical location of Chile made it appear that external forces would be unable to act against Chile as they had done in Cuba and the Dominican Republic. Although advantageous conditions for a peaceful road to socialism existed, there were other circumstances to block that road. Those factors which were counter to Allende's program and goals and which led up to the coup were discussed in chapters two, three and four. This short chapter describes the final collapse of the Allende government.

During the first year Allende was in office, the Chilean military maintained its forty year practice of supporting a constitutionally elected president. In November 1972, however, as the top military officers remained loyal to Allende, numerous colonels began colluding to plan an overthrow of the government. At that time, the colonels, along with members of the Chilean middle and upper classes, the United States government and foreign investors, were opposed to policies set forth by Allende. And, as one author suggested, once the conspiracy was implemented, all involved, civilians and military personnel alike, were

not interested in achieving accommodation among opposition parties and the Allende government.\textsuperscript{162}

One should note that military intervention had been a rare phenomenon in Chilean history at the time of the September 1973 coup. However, when military intervention occurred, it was at a critical point in the advancement of world capitalism. For instance, military intervention first occurred in Chile in 1891 when capitalism launched its imperialist phase. The military again interceded in Chilean political affairs in the 1920s when the United States began to evolve as a pre-eminent power in the capitalist system and a military dictatorship was needed in Chile to adjust its economy to meet United States needs. If one were to use the above mentioned illustrations as points of reference, it would be easier to put the 1973 coup into perspective. During these periods of unrest in the capitalist system, the nature of the Chilean state was altered, existing power coalitions were modified and the military divided or chose sides in regard to how the state should be re-structured.\textsuperscript{163}

The military was well prepared to execute a coup in September 1973 and Philip O'Brien has suggested that

\textsuperscript{162}Goldberg, "Politics of Overthrow," p. 111.

it was swift and effective. In fact, O'Brien wrote:

Months before the coup, under the pretext of the Law for Arms Control the armed forces had forcibly entered factories, left-wing party headquarters, and poblaciones to search for any arms the working class might have had. These searches served a number of purposes: they helped prepare the rank and file of the armed forces for an attack on the working class and the left-wing parties; they tested the likely resistance of the working class and the extent to which workers were armed, and they allowed the armed forces to control large parts of the country, for example, whole towns in the south of Chile prior to launching their armed offensive proper.

By September of 1973, a lack of commodities resulting from economic sabotage of the Chilean national bourgeoisie, some members of the middle sectors and imperialist forces on the one hand and the Allende government's bureaucracy and inaction on the other hand had surged to calamitous levels. In addition to the above mentioned problems confronting the Allende government, supplies were not being transported because of the truckers strike cited in previous chapters. Also, wheat delivery to Santiago was terminated as a result of rightist terrorist attacks.

Large segments of the petty bourgeoisie just prior to the coup proper were expressing discontent over a failing economy which was tattered by a class struggle that could not be contained and which Allende failed to direct. Thus, petty bourgeoisie dissatisfaction resulted in attacks

on the Allende government which were sphereheaded by rightist organizations.165

On September 10, 1973, the coup proper commenced with a succession of acts to rid the military of officers not in favor of the coup. The following morning, Valparaiso was captured by the navy and upon hearing the news, Allende went to Moneda, the presidential palace, where he was informed that the military, in total, was staging an insurrection.166

Leftist leaders, upon learning that the military as a whole was active in the coup, and that areas of potential resistance were encircled and communications cut off, ordered a strategic withdrawal. Those resistance efforts which were undertaken by leftist groups did not prove successful. Kyle Steenland wrote:

The cases of resistance that occurred, and they were many, were often cases where orders from a given party did not arrive, and the party militants carried out a preconceived plan, in isolation from other workers. Other acts of resistance occurred in self-defense, because the military attacked with clear intent to kill and there was no other choice. The resistance was on the whole uncoordinated, and therefore, unsuccessful.167

Three military heads and a lower echelon officer issued an ultimatum calling for Allende’s resignation. Allende re-

A farewell speech was given to the Chilean people by Allende September 11, 1973 over Radio Magallanes. In part, Allende said:

....I will not resign! Placed in a historical transition, I will pay with my life for the loyalty of the People....I have the assurance that the seed that we plant in the dignified consciousness of thousands of Chileans cannot be forever blinded....In this definitive moment, the last thing which I can say to you is that I hope you will learn this lesson: foreign capital, imperialism united with reaction, created the climate for the armed forces to break with their tradition....

Salvador Allende was dead within a few hours after making the speech. It is unclear as to whether he committed suicide or was killed by the military junta.

Leftist leaders in large numbers went into exile on the instruction of their parties in lieu of expulsion. Other militant leaders fled Chile on their own for personal safety. The Movement of the Revolutionary Left had less exiles proportionally and was less impaired than any leftist party because of its preparedness for clandestine activities.

The military attacked the cordones industriales (industrial belts) with overpowering force. In the Luccetti factory alone, the military murdered five-hundred resisting workers. In another incident, more than one-hundred rebelling students who later surrendered were killed at

---

Technical University. Another hundred or more students were transported to the National Stadium and shot in mass before other prisoners. Civilian resistance also occurred in Valparaiso on September 14 when military installations were temporarily seized.\textsuperscript{171}

Within one week after Allende's death, the military was in firm control of Chile, despite isolated leftist opposition and the idea of a peaceful road to socialism died along with Salvador Allende.\textsuperscript{172}

The relationship between the Chilean military and the Pentagon has not been an obscure one. It might be concluded that the Chilean military could not have executed a successful coup without its ties to imperialist forces. One author explained the Chilean military-imperialist relationship best when in 1974 he wrote:

Every member of the current junta has received training at U.S. military schools; the U.S. government granted Chile a total of $45.5 million in military aid between 1970-74, double the corresponding amount for the previous four years....

The Chilean Left was shocked by the use of aircraft against civilians in the days of the coup. The imported technology at the disposal of the military decisively altered the domestic balance of power....

The Chilean military has been trained in counter-insurgency techniques, and is showing itself to have learned the lessons of Algeria, Vietnam, Uruguay: how to break down a popular movement by systematic terror, applied especially at the cadre level. These techniques may not be unique to modern imperialism, but they have become highly

\textsuperscript{171}Steenland, "Coup," p. 16.

\textsuperscript{172}O'Brien, "Military in Power," p. 274.
refined; and left to its own devices, the Chilean junta would have taken years to develop such methods, and perhaps even longer to find their use morally acceptable.\footnote{Feinberg, "Dependency and Defeat," p. 41.}
CHAPTER SIX

CONCLUSION

One of the primary goals, in general, of any developing nation is the attainment of political and economic independence from industrialized countries. Salvador Allende, believing that the unique historical conditions of Chile, e.g., tradition of parliamentarism democracy, would allow for the attainment of this independence and for a peaceful transition to socialism, sought to achieve these goals within an existing liberal-democratic framework. In seeking to transform Chilean society, Allende sought to free his nation from the tentacles of capitalist domination and to lessen the disparity between varying socioeconomic and political factions in Chile. But, Allende was not completely successful in achieving his goals.

At the outset of this chapter, it should be noted that the successes and failures of Allende cannot be fully understood without first examining the Allende years in a historical context. Allende's election in 1970 was not an isolated incident. Leftist organizations had been active in the electoral process for many years as evidenced by the short lived socialist regime headed by Marmaduke and leftist participation in Chilean politics in
the 1950s and 1960s. In addition, the Left long regarded established political institutions as legitimate ones. Also, the Chilean Left respected the military as a professional unit rather than a foe since military intervention had been a rarity. It was for these reasons that Allende believed that he and the Unidad Popular coalition could lead the way in attaining a peaceful road to socialism through constitutional means. However, some of the above factors, particularly blind trust in the military, turned out to be counter-productive.

One might also conclude that modern Chilean historical conditions would allow for some amelioration in the nation's political and economic spheres. Problems of the Unidad Popular, one might note, evolved mainly because the coalition attempted to make more than slight modifications in political and economic practices. The coalition not only questioned the existence of latifundios and the status of campesinos, it also challenged the power of monopoly as exercised by foreign interests in Chile.

As noted in chapter three, numerous internal forces were in opposition to Allende's policies and actively participated in and/or instigated movements which were adverse to Chilean development, as viewed by Allende. The Chilean socialist president, perhaps, was destined to encounter problems from internal forces as he attempted to implement his policies. As H. Zemelman and Patricio Leon have sug-
gested, "use of the institutional superstructure by political forces which are opposing the dominant interests inevitably poses the problem of legitimacy of the various powers of the state."\(^{174}\)

Also, when Allende utilized legal means to achieve ends which were counter to those of the dominant status quo, congruity was broken between moral and cultural values and institutionalized and material concerns. According to Leon and Zemelman, when Allende used legal means to accomplish his goals, impropriety, disorder and incapacity were asserted and "such calls serve to undermine first the image, then the legitimacy of the executive as the instrument of revolutionary power."\(^{175}\)

Under this author's analysis, the above mentioned factors were the major reasons for internal conflicts in Chile during the Allende administration. It was these factors which, in part, led to the truckers strikes of 1972 and 1973 and the boycott of trade by middle and upper class housewives.

Still another crucial reason for Allende's downfall was his attempt to terminate paternalistic relations between capitalist nations, namely the United States, and Chile. Should a large or small percentage of indigenous

\(^{175}\) Ibid.
forces within a developing nation, as in Chile, attempt to end economic and political imperialism, the imperialist nations respond by exerting political and economic pressure against the vulnerable countries. This has been evident by United States interference in the internal affairs of the Dominican Republic, Cuba and Mexico.

Once industrialized nations enter into economic relations with developing nations, the latter are confronted with exploitation of capital, natural resources and perhaps labor by the industrialized nation. In essence, economic relations between developing and industrial entities have generally been analogous to a colonial relationship between a dominant and submissive nation. Available data would lead one to conclude that control mechanisms have been utilized by multinational firm officials, imperialist governments and upper and middle classes of the developing world, who have been aligned to international capital, to ensure that reform and/or revolutionary groups of newly rising nations do not succeed in disrupting existing economic standards.

An inference one might make from the Chilean experience, is that the ability of a dependent nation to escape from the tentacles of imperialist nations in a peaceful manner is almost, if not, nil. As Stephen Hymer, scholar on international affairs, noted several years ago, there are two laws governing international relations in
this century: 1) the law of increasing firm size and 2) the law of uneven development. It is true that multinational corporations have constantly sought new markets—at any cost. The firms, especially during the post-war era, have become larger and more powerful. Uneven development has partially resulted from an almost total reliance by the firms on capital generated in developing nations which could be better utilized by indigenous persons rather than multinationals. Uneven development has also been a product of the continued relationship between the bourgeoisie of developing nations with international capital. This relationship has proved antithetical to the developing world.

One of Allende's most disastrous moves was to place blind faith in the military. Allende viewed the military as a neutral entity which could be integrated into the Unidad Popular's mode of political, social and economic transformation. This author is in complete agreement with Alain Joxe's conception of military power in underdeveloped countries. Joxe wrote:

Nowhere are the armed forces "simply" a tool in the hands of the ruling class....The armed forces necessarily have a greater autonomy than other sectors of the state apparatus, because their role is not merely one of transmitting economic or judicial orders, but one of guaranteeing the preservation of the existing relations of production....Thus in general, it is safe to see the armed forces as a "state within a state," a social formation with its own distinct methods or organization that are important and must be understood if one wants to analyze the way it is
integrated into a larger, national and international world. It seems clear that Allende did not take the above factors into consideration. Throughout his term in office, Allende viewed the Chilean military from a naive perspective.

Realizing that, in general, military bodies are taught to protect existing political and economic norms, Allende should have viewed the armed forces as possible foes, especially since his program was counter to traditional Chilean standards.

A definitive analysis of the factors which led to Allende’s overthrow would necessitate a discussion on whether Allende had really attained power over the Chilean political structure.

The Unidad Popular coalition was in control of one branch of government—the executive. In the judicial and legislative branches of the national government, the coalition was outnumbered by opposition party members.

In a nation such as Chile, one might conclude that Allende would need control of more than one branch of government to implement his policies. Perhaps, Allende would have been in a better position, as a leader seeking basic societal changes, had he sought a vote by the Chilean people in 1970 to determine whether they were in favor of

176 Joxe, "Chilean Armed Forces and the Coup," p. 245.
a proposal to amend the constitution in a fashion which would allow him to seize control of the legislative and judicial branches of government. This move, if successful, might not have alleviated all of Allende's problems, but a successful plebiscite would have allowed for a smoother execution of policies.

An analysis of the Allende years indicated that the Chilean president's downfall resulted as much from internal factors as it did from external ones. The internal and external factors did, however, have a dialectical relationship. On the one hand, internal conditions resulting from reaction to Allende's policies included political polarization, uncontrollable inflation, declining investments and increased economic instability. And on the other hand, United States governmental officials and transnational executives executed policies which were counter to Allende's attainment of socialism.

Allende attempted to bring order to a state of chaos with revolutionary rhetoric and a plan for socialist reforms. However, after three years in office, Allende and the Unidad Popular had not solved, but augmented Chile's political, social and economic problems.
BIBLIOGRAPHY


