

Central Intelligence Agency relentlessly pressed the military option. According to one CIA cable, "It is firm and continuing policy that Allende be overthrown by a coup. We are continuing to generate maximum pressure toward this end utilizing every appropriate resource."

Once Allende was in office, the Nixon administration took steps to impose an "invisible blockade" against the Chilean economy. This policy went into effect before the nationalization of such major U.S. companies as ITT and Ford, but its legal foundation was strengthened by the Allende government's refusal (and/or inability) to reach agreements on suitable compensation. U.S. government measures included a shutdown of all economic assistance to Chile, opposition to international credits (from the World Bank and the Inter-American Development Bank), discouragement of private investment, and disruption of the world copper market. In Nixon's memorable phrase, the intent was to make the Chilean economy "scream."

Working mainly through the CIA, the Nixon-Kissinger team attempted to exert direct influence on Chilean politics. The U.S. government provided substantial support for the anti-Allende media, most notably the conservative newspaper *El Mercurio*, and for opposition parties in local and legislative elections. CIA funding also supported strikes, lockouts, and other actions designed to destabilize the Allende government. (It was not until the year 2000 that the CIA officially confirmed its activities in Chile, finally acknowledging the disbursement of \$6.5 million "for Chilean political parties, media and private sector organization opposed to the Allende regime.") This included, of course, constant efforts to provoke a military coup.

Countdown to a Coup

Allende's three-year presidency was rich in significance, for both the history of Chile and that of Latin America, although the nature of that significance is still bitterly argued. The president and his advisers decided that despite the narrowness of their election victory, they would seek radical change—but by legal means. Was such a course of action possible? Could socialism be introduced in a genteel fashion?

Allende's initial economic strategy was quintessentially populist: freeze prices and raise wages. The result was an immediate boom in consumer buying. This caused a significant short-term redistribution of income. Merchants' inventories were quickly depleted, while producers put a hold on all orders until they could see how long price controls would last. Here Allende designed economic policy in order to expand his political support.

Allende's other economic policies flowed from campaign promises. Top priority went to the complete nationalization of the copper companies. Most significant, the congressional vote on this issue was unanimous. That spoke volumes about the growth of nationalist sentiment in Chile and the perceived failure of Frei's Chileanization policy. Later, the Allende government argued that no compensation was due the companies because of what the president charged were their previous illegally high profits. That aggressive stand furnished U.S. government

hard-liners with "proof" that Chile had declared war on private property in the hemisphere.

The UP government also extended state control into other economic sectors. It nationalized the coal and steel industries, along with 60 percent of the private banks. As the "transition to socialism" continued, the government took over more and more firms and businesses. Often workers forced Allende's hand by occupying management offices and refusing to leave until the president announced an expropriation. Foreign firms were a favorite target, including such well-known names as ITT and Ford.

In the rural sector the Allende government moved with speed. The expropriations came faster than the government's ability to ensure the services (credit, access to supplies, equipment) that new small owners needed. Furthermore, peasants, often organized by leftist radicals, seized land on their own and increasingly outflanked the government. Landowners hired armed guards, tried to fight back legally, or simply fled the country. The long-standing agrarian problem was being met by radical means.

In its overall management of the economy, the Allende government took an early chance. Facing a majority opposition in the Congress, Allende's political strategists decided to go for a constitutional amendment that would create an assembly of the people in place of the Congress. The populist policies of 1970–71 (freezing prices, raising wages) were intended partly to build support for the amendment. It was a risk because the populist measures were bound to be inflationary. A great deal was riding on the gamble to win increased constitutional power because Congress could block so much of the program.

Congress rejected the amendment in 1972. At that point, Allende and his advisers decided to pause in order to consolidate their political gains. They planned eventually to submit the amendment to a popular plebiscite—thereby bypassing the opposition-dominated Congress. The proper moment never came, or at least they could never identify it. As 1972 continued, the government was preoccupied by the enormous economic dislocations. First, there were the distortions resulting from the attempt to enforce price controls. Second, there was extensive sabotage or deliberate diversion by producers, landowners, and merchants who either wanted the UP experiment to fail or wanted to make quick profits, or both. Finally, there was the inefficiency of an inexperienced government trying to take over and run huge sectors of the economy. New and often untrained bureaucrats, frequently appointed for political rather than technical qualifications, could hardly master tasks that still bedeviled their counterparts in tightly controlled societies.

The Chilean economy was falling into a shambles. Monetary authorities were pumping out money to cover huge budget deficits, thereby provoking inflation. An overvalued exchange rate was encouraging imports, while low world copper prices depressed export earnings. Foreign credits and investments had virtually disappeared. Partly under the pressure of the Nixon administration's "invisible blockade," Chile's gross national product declined by 0.8 percent in 1972 and by nearly 5 percent in 1973.

Added to these inherent difficulties was the intransigence of the opposition. At no time, one should remember, did the Allende government get over half the vote. Allende became president in 1970 with a smaller percentage of the vote than he had received when he lost in 1964. In the local elections of April 1971, the UP parties received 49.7 percent, their high point. Subsequent months saw furious battles in every political arena—elections in unions, student groups, and professional associations.

The UP itself was weakened by splits within its own ranks. The far left, led by the MIR (the *Movimiento de la Izquierda Revolucionaria*, or Movement of the Revolutionary Left), pressed for more radical action. They wanted faster nationalizations, tough police action against the opposition, and rule by decree. The moderates within the UP, including the Communists, urged caution, arguing that precipitous action would play into the hands of the rightists who could manipulate the military and the middle class.

By mid-1972 the political climate had become volatile. Massive street mobilizations by both pro- and anti-Allende forces about the economy and the political direction of the country became routine. In August shopkeepers staged a one-day boycott to protest government economic policies. In October a series of protests began to sweep the country. These eruptions showed that widespread sectors of the Chilean public were willing to confront the government in the streets.

The government had its own mass support. The UP could on command turn out several hundred thousand disciplined marchers. Their ranks included the many Chileans who had already begun to experience significant changes—higher real wages, subsidized fresh milk, a role in administering their community or workplace. They also responded to the takeover of the copper companies, the tough line toward all foreign firms, and the highly publicized welcome to Fidel Castro when he came to visit Chile in 1971.

March 1973 brought another political test. At stake was the composition of Congress. The opposition hoped to gain a two-thirds majority and thereby be able to impeach Allende. When the votes were counted, the government had done better than even it had dared to predict: UP got 43 percent, reducing the opposition's majority from 32 to 30 (out of 50) in the Senate and from 93 to 87 (out of 150) in the lower house. UP leaders jubilantly pointed to the increase in the leftist vote over 1970, noting that no previous Chilean president had ever increased his support in a midterm congressional election. In contrast, the opposition pointed to its 56 percent vote as equivalent to Frei's landslide victory in 1964.

There was no shortage of plots to overthrow the elected Marxist government. The rightist *Patria y Libertad* (Fatherland and Liberty) had already been engaged in violent attacks against government officials and vital economic installations. By 1973, however, more and more of the middle class had come to think there was no democratic solution to the crisis. In April a strike of copper workers began, giving the opposition ideal grounds to claim multiclass resistance to Allende. In July the truck owners struck, triggering a wave of strikes by middle-class associations, such as lawyers, physicians, and architects. The pro-Allende mass labor organizations staged huge counterprotests. Chile was in the grip of a feverish political

battle. Violent incidents from the far left and the extreme right became frequent. Few thought the situation could remain peaceful until the next presidential election in far-off 1976.

Allende realized this. He had long since rejected his far left's advice to resort to extralegal means, and he knew the Christian Democrats were the only political force that was strong enough and possibly willing to reach an agreement that might preserve the country's democratic system. Allende tried to negotiate with Frei and his fellow leaders, but after extended deliberation they refused. They did not want to be drawn into joint responsibility for a collapsing government. Equally important, they suspected they had much to gain from further discrediting of UP.

Allende concluded that he had to increase military participation in his government. Although it might give short-term stability, it could also open the way to military intrigue and to opposition charges of politicizing the armed forces. Allende sensed the danger and in August attempted to shuffle his army commanders. It was too late.

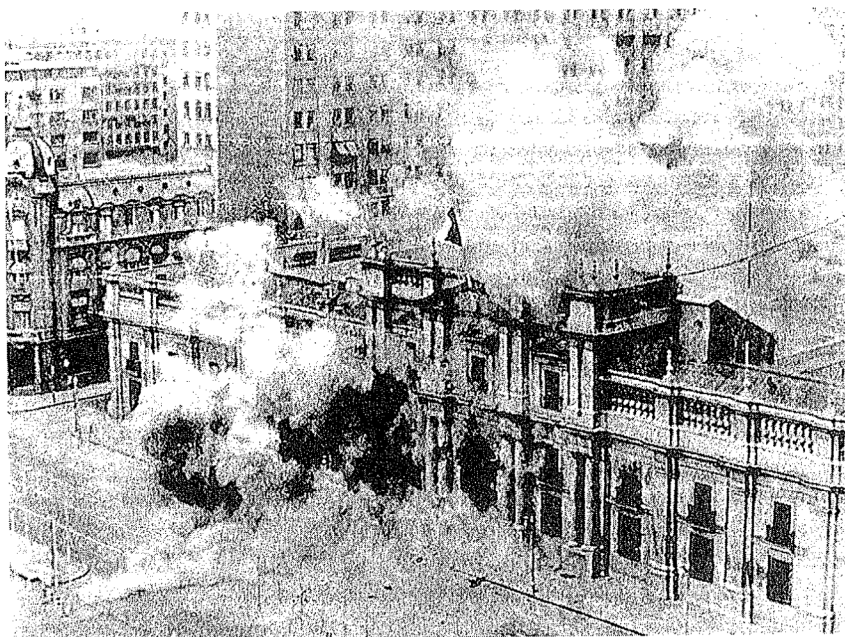
By early September a military conspiracy to depose the UP government was in high gear. Strikes and counterdemonstrations had further slowed an economy already hit by hyperinflation and capital flight. General Carlos Prats, army commander-in-chief and minister of defense, proclaimed his support for Chile's constitutional democracy. Unfortunately for Allende and the UP, Prats' military prestige was slipping badly. Outvoted at a generals' council in late August, he resigned both his army and cabinet posts. His successor as army chief was General Augusto Pinochet.

The military wasted little time. On September 11, 1973, a well-coordinated coup began. Early that morning the Special Services *carabineros*, long thought to best embody Chile's tradition of nonpolitical police, were still guarding the presidential palace against possible attack. Ominously, they pulled out when informed that their commander had joined the unfolding coup. At 6 A.M. Allende decided to go immediately to La Moneda, the landmark presidential palace in the heart of Santiago.

The rest of the morning saw frenzied activity at the palace, as government forces prepared the defenses. Allende began receiving offers of safe passage to exile, but he chose to stand and fight. Just before noon, air force Hawker Hunters attacked the palace with rocket fire. As army troops prepared to storm the palace, Allende committed suicide.

Opposition to the coup was scattered, but the repression was rapid and brutal. We shall never know how many died—at least 3000. It was the most violent military intervention in twentieth-century South American history. The "transition to socialism" that so many on the left thought to be irreversible came to a screeching halt.

Allende's downfall resulted largely from the interplay between social classes and political parties. The left drew its support mainly from the urban working class. It met opposition from a cohesive upper class united by family ties and objective interest. This unified elite was able to gain the allegiance of middle-sector groups and, most important of all, militant lower-middle-class activists, such as storekeepers and truckers. Between 1970 and 1973, the worker-based



The presidential palace located in central Santiago burst into flames under rocket attacks by the Chilean armed forces during the coup of September 11, 1973. (Corbis/Bettman/United Press International.)

Allende movement was unable to form an enduring coalition with the other strata in Chilean society. That in part explains its inability to win a clear majority at the polls, hence its ultimate vulnerability.

This is not to discount the effects of opposition from the United States, which worked steadily at “destabilizing” (that is, overthrowing) the Allende regime. But U.S. intervention was not the deciding factor in the government’s downfall. The Allende administration had a mountain of troubles of its own. Nonetheless, the United States once again placed itself squarely on the side of counterrevolutionaries.

The Pinochet Regime

The new military government promptly set out to impose an authoritarian regime on Chile. Proclaiming its goal as “national reconstruction,” the junta set about to destroy—not merely reform—the country’s political system. It dissolved Congress, suspended the constitution, and declared political parties illegal or placed them “in recess”: there was to be no more political bickering. The junta further imposed a state of siege, called a 9 o’clock curfew, and set strict limits on the media. A massive roundup of Allende supporters and other left-wing activists, including many Latin American revolutionaries living in Chile as exiles, marked the beginning of the systematic repression and torture of oppositionists.

The armed forces also sought to revamp long-standing relationships between state and society. One critical component of this plan was the unity of the military, led by army general Augusto Pinochet. Another was the disarray of civil society, which made it possible for the regime to dismantle (or at least repress) such intermediate institutions as political parties and labor unions and to establish direct authority. Political activity in its traditional sense stopped. In January 1974 General Pinochet announced that the military would remain in power for no less than five years.

Through clever political maneuvering, Pinochet achieved supreme authority, and what had at first been a thoroughly institutionalized military regime became highly personalized—as Pinochet alone commanded power. A plebiscite in 1978 produced the widespread appearance of support for Pinochet’s “defense of the dignity of Chile.” Another plebiscite in 1980 approved a constitution that confirmed Pinochet’s hold on his office until 1990.

In the meantime, a group of civilian technocrats with the support of economists from the University of Chicago, known as “the Chicago Boys,” introduced far-reaching changes in economic policy. They believed strongly in the efficiency and fairness of market competition. What had restricted Chile’s growth, they reasoned, was government intervention in the economy. To put the laws of supply and demand back to work, they set out to reduce the role of the state and also to cut back inflation. The ultimate goal, Pinochet once said, was “to make Chile not a nation of proletarians, but a nation of entrepreneurs.”

The regime’s programs had a clear effect on inflation, which was running at an annual rate of around 500 percent at the time of the coup. By 1976 it was down to 180 percent, by 1978 it was around 30–35 percent, and by 1982 it was down to 10 percent. From 1983 to 1987, inflation fluctuated between 20 and 31 percent. This was a far better performance than that of Argentina, Brazil, or Mexico, and here the junta could justifiably claim success. They could make a similar claim for growth, which averaged over 7 percent from 1976 through 1981. But it was achieved at the cost of lower real wages and declining social services.

The goal of the University of Chicago-trained technocrats was to open Chile to the world economy, drastically reducing tariff protection, government subsidies, and the size of the public sector. In late 1973 the state owned nearly 500 firms. The junta returned about half to their original owners and opened bids for many of the rest. The lack of true competition made for low sale prices, benefiting local business conglomerates and multinational corporations, such as ITT. They did not, however, privatize the copper mines. Today, the state-owned Chilean copper enterprise, CODELCO (Corporación Nacional de Cobre de Chile) is the largest producer in the world, responsible for 11 percent of the world total in 2011.

Economic policymakers also reduced barriers to imports on the ground that quotas and tariffs protected inefficient industries. The result was that many local firms lost out to multinational corporations. The Chilean business community, which strongly supported the coup in 1973, was badly affected. Ironically, Chile was attempting to create a free-market economy with assistance largely drawn from international organizations and other governments, not private banks and companies.

The financial crash of 1982, triggered by Mexico's de facto default on its foreign debt, hit Chile harder than the rest of Latin America. The gross domestic product plunged 10 percent that year, as unemployment rose to include one-third of the labor force by mid-1983. Pinochet installed a new set of conservative technocrats, who launched an even more radical economic restructuring. They stimulated investment, greatly increased exports, and sharply reduced unemployment. But wages remained chronically low, and the systematic privatization of social services left many poor Chileans without the essentials of life.

On the political front, the Pinochet regime never hesitated to use repression, especially at any hint of labor unrest or popular protest. Its brutal tactics earned widespread condemnation, as critics denounced repeated and persistent violations of human rights. In September 1976 a car bomb in Washington, D.C., killed Orlando Letelier, a former Allende ambassador to the United States and at the time of the bombing an effective lobbyist against U.S. government aid to the Pinochet government. The assassins' link with Chilean intelligence was clear, but Chile contemptuously rebuffed the Carter government's attempt to extradite the

Weaving Opposition

During the darkest days of the Pinochet dictatorship, when political opposition or even appeals to human rights were extremely dangerous, ordinary Chilean women challenged the dictatorship and spoke out against human rights violations in innovative ways. Like the mothers of the Plaza de Mayo in Argentina, Chilean women were able to organize protests with a degree of impunity unthinkable for others, so long as they acted in their accepted gender roles as mothers, wives, sisters, and grandmothers, Catholic protectors of their families.

One interesting way in which these women were able to express their grief and appeal to human rights was through sewing *arpilleras*, traditional Chilean tapestries. In messages combining the personal and the political, women depicted their lost children, or better times, or even scenes of human rights violations and antiregime protests. The Vicaría de Solidaridad, representing a progressive wing of the Chilean Catholic Church, helped in the production and distribution of the *arpilleras*, setting up workshops and providing materials as well as selling the tapestries.

The role of the *arpilleras* in allowing Chilean women to express loss and protest the human rights violations was only one of the ways in which the tapestries functioned. Sewing these visual testimonies of grief served as a kind of therapy for women whose suffering continued as they contemplated the fate of their disappeared loved ones. The sale of *arpilleras* also provided income in extremely scarce times, as Pinochet's neoliberal policies made life ever harder for poor and middle-income communities. But their most important function was to provide an avenue for protest in a society in which "de-politicization" was enforced by gun and bayonet.

accused members of the Chilean military. The election of Ronald Reagan came as a great relief to the Pinochet government, which soon found Washington seeking closer relations.

Around 1985 the Reagan administration suddenly began to distance itself from Pinochet. By this time Chile's aging (and patently undemocratic) dictator was becoming something of a political embarrassment to the United States, especially at a time when President Reagan was loudly denouncing human rights abuses within the Soviet Union's "evil empire." Moreover, U.S. policymakers began to fear that Pinochet's repressive rule was encouraging the development of a radical opposition—a guerrilla movement that might seize power through armed violence, as had occurred in Cuba. Whatever the reason, the Reagan administration was backing away from its initial honeymoon with Pinochet.

In 1988 Pinochet took a dramatic gamble and lost. Reacting to international pressure to liberalize and feeling confident in a recovering economy, the general risked another plebiscite on his one-man rule. The opposition now united in a fourteen-party alliance, called the Concertación, and mounted a highly effective television campaign for the "No" vote, which triumphed by a decisive 55 to 43 percent. The die was now cast for a return to elected government.

After a tense interval, Pinochet accepted the result, knowing that the constitution ensured his continuation as army commander-in-chief until 1998. The next step was the 1989 presidential election, won by the longtime Christian Democratic leader (and implacable Allende foe) Patricio Aylwin, supported by a coalition of seventeen center and center-left parties. The extreme left failed to win a single congressional seat and the once-powerful Communist Party dissolved into a bitter fight between reformists and hard-line Marxist-Leninists.

THE CONTEMPORARY SCENE (1990–PRESENT)

Aylwin assumed power in 1990, committed to the restoration of Chile's democratic institutions, investigation of past human rights abuses, and rapid improvement in the living conditions of the poor. His heavily technocratic cabinet was also committed to maintaining the essentials of Latin America's leading economic success story (at least by orthodox standards): relative price stability, booming exports (buoyed by high copper prices), record foreign investment, impressive foreign debt reduction, and significant progress in privatizing much of a once highly inefficient public sector.

Chile's newly restored democracy faced formidable obstacles: an ever-alert army still headed by an unrepentant Pinochet (although he was now tarnished by family financial scandals), a pro-military judiciary, a rightist-dominated Senate, sporadic political violence from the left and the right, and the explosive issue of what to do about past human rights abuses—with its potential to ignite civilian-military conflict.

The governing coalition (the Concertación) held together for another presidential election in 1993. Once again the Christian Democrats furnished the president. He was Eduardo Frei, the son of Chile's president from 1964 to 1970,