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Update of Chile Handbook

Please replace the April 1970 Contents, Introduction, and sections III, IV, V, VII, VIII, and IX of the Chile Handbook with the attached.

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INTRODUCTION

Chile, long regarded as one of the few remaining democracies on the South American continent, has been characterized by political maturity and stability as well as a high literacy rate. Since the presidential election victory of Salvador Allende, it has been closely watched in Latin America as well as in the rest of the world to see how a democratically elected Marxist uses the powers and prerogatives of a free society to develop a socialist state and economy. Shortly after taking office in November 1970 Allende moved Communists and Socialists, many with technical experience in the Cuban Government, into controlling positions in key policy-making ministries.

Allende's predecessor, Christian Democrat Eduardo Frei, who was elected in 1964, tried to achieve far-reaching social and economic reforms within the constitutional framework. Among his reforms were participation by the Chilean Government in joint ventures with the US copper companies; agrarian reform designed to allocate more land to peasants and to stimulate output; expansion of public housing, education, and health and social services; and greater economic stabilization efforts. Although the rate of inflation was reduced somewhat and considerable progress in reform was made, the government was seriously handicapped by party dissensions and by opposition on both the right and the left.

In addition to copper (Chile ranks third behind the United States and the USSR in world copper production), natural nitrates, and iron ore, Chile has considerable potential in other partly exploited resources: hydroelectric power, petroleum, fishing, forest products, and reasonably fertile land. Although some industries, particularly iron and steel, are well established, the country lacks diversity of industrial development, adequate transportation and communications, and an effective domestic market. Much of the funds depended upon for development and reform come from export earnings, chiefly those of copper, making the country highly dependent on the vicissitudes of world markets. Supplementing this has been foreign (mainly US) aid.

The population of 9.7 million, concentrated in the temperate central sector of the country, is largely homogeneous. The country's growing middle class has played the dominant role in government since 1938, making possible increasing political and economic democratization. Chile has for the most part been spared the rural violence and urban terrorism that have plagued some other Latin American countries.

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Mindful of its traditional place as one of the most important countries of Latin America, Chile has been active in the United Nations and the Organization of American States. One of Allende's earliest moves as President was to establish diplomatic relations with Cuba; the Frei government had renewed commercial ties earlier in 1970.

The Communist Party of Chile, part of the coalition that supported Allende's candidacy, advocates the use of legal, peaceful avenues to power. Small groups of hard-line extremist Socialists, however, have been advocating violent revolution.

III. POLITICAL SITUATION AND TRENDS

Historical summary

Chile was first settled by the Spanish in 1541 and was a poor appendage of the Spanish Viceroyalty of Peru. The struggle for independence from Spain began in 1810. The leaders warred among themselves as well as against the Spanish, and independence was not formally proclaimed until 1818. Subsequently, Chile was one of the first Latin American nations to depart from personalistic-type rule and develop stable government based on political parties. In the early 19th century Chile was ruled by a conservative landed aristocracy. The government was representative only in the sense that it was not ruled by a dynasty, either personal or hereditary. During that period the country had a tradition of adhering to constitutional procedures, in sharp contrast to the general practice in Latin America. In the last half of the century, characterized by Chilean historians as the period of the "liberal republic," the influence of political parties gradually increased, although conservative forces continued to be dominant.

Between 1879 and 1883 Chile fought the War of the Pacific. As a consequence of its victory in that war over Peru and Bolivia, Chile acquired rich nitrate and copper territories, the development of which had been the cause of the conflict. The newly acquired wealth meant the opening of an era of expansion and economic development. Chile had increased its territory by more than a third, and the revenues derived from nitrate began increasingly to augment private wealth and public revenue.

In the late 19th century and early 20th century the gradual rise of middle class elements and organized labor, and the broadening of the franchise, led to a multiparty system and the partial democratization of Chile in a social and economic as well as in a political sense. The political change began when the rightist coalition was narrowly defeated in 1920 by a grouping of centrist and moderately rightist elements headed by Arturo Alessandri Palma, the "Lion of Tarapaca," who then characterized himself as "a threat to the reactionaries who resist all just and necessary reform." In retrospect, however, his election was a triumph not of the working classes, but of the educated bourgeoisie over the hitherto ruling aristocracy. The nature of Chilean conservatism is well illustrated by the fact that Alessandri and his sons (one later to become president) developed social connections with the upper class and political ties with former conservative opponents.

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In 1924 a group of conservative generals, disgusted with the country's economic situation and with extensive political bickering, dissolved Congress and forced the resignation of Arturo Alessandr . Early the next year a more liberal group, led by Colonels Carlos Ibanez and Marmaduke Grove, led a coup against the conservative junta and brought Alessandri back to serve out the remainder of his term. Alessandri set about introducing economic and social reforms designed to benefit the laboring groups. He also had a new constitution drawn up which provided for a strong executive and also established the separation of church and state and freedom of worship. The power of the oligarchy was diminished by the provisions that established widespread suffrage and the direct election of the president and by those that gave the chief executive officer authority and control of finances.

During 1926 and 1927 Carlos Ibanez became concerned about the inefficient way the government was being run and in the 1927 election he managed to win the presidency and became a virtual dictator until 1931. In that year he was forced to resign because of bitter criticism over his suppression of liberties and over the effects of the world depression, which hit Chile very hard. After a period of instability with short-lived governments, Arturo Alessandri was again elected president in October 1932. He restored political and economic stability for a few years, but did little to promote reforms. In the wake of severe repressive measures and the dissolution of Congress in 1936 following a wave of strikes, the parties of the center and left rallied together in a Popular Front, which won the presidency for Pedro Aguirre Cerda of the centrist Radical Party in 1938.

The Popular Front had been first tested in the 1937 congressional elections, where it made a surprising show of strength. In the 1938 presidential election, for the first time in Chilean political history, middle class and proletarian groups were challenging the traditional parties that had governed the country for more than a century. This was a well-managed effort of well-organized political forces pledged to basic ideological principles. It was a closely fought contest and it afforded the electorate the opportunity of choosing between two markedly different concepts of government and was, to a large extent, a national trial of the existing political systems. The Front's victory meant that Chile was to have its first president elected predominantly by the middle and lower groups in society.

Political differences placed severe strains on the Popular Front during World War II, and the fragile unity that was achieved in 1941 was almost completely destroyed in a dispute over a candidate for a special presidential election following the resignation and death of President Pedro Aguirre

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Cerda. The Communists favored a leftist Radical, Gabriel Gonzalez Videla, but, in the end, they and most of the other leftist parties supported another Radical, Juan Antonio Rios, who was elected.

A Socialist split in 1944 enabled the Communists to increase their popular following. In 1946 the Communists again supported Gonzalez Videla and after his victory accepted three portfolios in his cabinet—Communications and Public Works, Agriculture, and Lands and Colonization.

The three Communist ministers were ousted early in 1947 because of the party's involvement in labor agitation, and in 1948 a new "Law for the Defense of Democracy" outlawed the party and removed Communists from the voting rolls. The party retained its organization, however, and its members in Congress were permitted to serve out their terms. The Communists continued to make gains among the workers while cooperating with other leftist parties in a variety of formal and informal coalitions. The Law for the Defense of Democracy was repealed in 1958, and, since then, the Communists have participated fully in Chilean politics.

The presidential election of 1958 saw the emergence of the Christian Democratic Party (PDC) and its standard-bearer, Senator Eduardo Frei. The PDC had been formed in 1957 from the Falange Nacional, which was originally the youth group of the Conservative Party, but left it in 1938. Notwithstanding its name, this small group of young Roman Catholics did not, like the typical Falangista movement, espouse pro-Franco and ultra-rightist views. On the contrary, they were committed to social and economic reform. Jorge Alessandri, son of Arturo Alessandri, ran for president as the candidate of the Liberal and Conservative parties. Salvador Allende was the candidate of the Communists and Socialists, and Frei ran for the PDC. Alessandri won a narrow victory over Allende and Frei came in third.

During the Alessandri administration, Chile's economy showed little improvement, while popular demands became more pressing. The administration relied on import restrictions, wage ceilings and currency controls, all unpopular measures that were only partially successful. Alessandri did, however, begin some reforms in land distribution and in housing. In congressional elections in 1961 and in municipal elections in 1963 a shift of the electorate toward the left became evident.

The presidential election of 1964 saw a polarization between Frei and Allende, who once again ran with Communist and Socialist support. A third candidate, Senator Julio Duran, was backed by parts of the Liberal, Conservative, and Radical parties. He remained in the race merely as a standard-bearer and received less than 5% of the vote. Frei received more than 50% of

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the vote, thus becoming the first Chilean president in the 20th century to be elected directly without invoking the constitutional requirement that Congress choose between the two top contenders. His election was hailed as a breakthrough for the democratic left in Latin America, and many people hoped that Chile's Christian Democratic government would set the pattern for the rest of Latin America.

Frei accomplished a good deal in his six years in office. His land reform program raised the expectations, although not always the economic conditions, of many of the people in rural areas. He brought much of the marginal population into a fuller participation in the economic and political life of the country. He was not, however, able to control the historic Chilean problem of inflation. The cost of living rose 35% in the first ten months of 1970.

Since taking office in November, Allende has begun to implement his campaign promises. His government is considering the best means of completing the nationalization of the US copper companies that was begun under the Frei administration and already has taken over a large "monopolistic" textile concern. Pending legislation includes nationalization of private banks and insurance companies. In addition to entrusting key economic ministries to Communists, Allende has drawn heavily on economists with technical experience in the Cuban Government for key positions in policy-making ministries.

The President's primary problem at the beginning of his administration seemed to be the difficulty of reconciling the strong rivalries and disagreements in his disparate electoral coalition. The predominance of Communists and Socialists in important positions belies Allende's pre-election assurances of a pluralistic administration. So far the Communists and Socialists have managed to submerge their long-standing antagonisms. Over the longer run, however, Allende may have trouble reconciling the more extremist Socialists to the idea of working within the constitutional framework.

Structure and functioning of governmental system

Chile is a unitary republic with a strong centralized government. The centralist trend has grown in recent decades, despite sporadic and generally ineffectual objections from the far north and the far south that their local interests were being neglected.

The formal constitutional system resembles that of the United States; there is a separation of executive, legislative, and judicial powers and a relatively strong presidential authority.

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The constitutional qualifications for the presidency include birth in Chile, Chilean citizenship, and minimum age of 30. The term is six years, and the incumbent cannot succeed himself. The president's executive powers include administrative and national security matters, and the conduct of foreign relations. His authority is augmented by his power to shift appropriated funds and to make extensive use of supplementary appropriations. The president also has broad decree powers, which he sometimes uses to affect the form and spirit of the laws passed by Congress.

Members of both the Chamber of Deputies (150) and the Senate (50) are chosen by direct popular vote, the former for four years and the latter for eight. Half of the senators are elected at each quadrennial election.

The highest organ of the judiciary system is the Supreme Court. Local courts, known as **jueces de letras**, with one judge for each court, have civil and criminal jurisdiction. Above these are nine Courts of Appeal, each with appellate jurisdiction and original jurisdiction in certain cases involving two or more provinces.

For administrative purposes Chile is divided into 25 provinces, which in turn include a total of 87 departments. Each province is administered by an intendant, appointed by the president for a three-year term, and each department has a governor, also named by the president for three years. The intendant directs provincial administration, theoretically with the assistance of a provincial assembly. The assemblies, however, although constitutionally authorized, have never been created. Both the intendants and the subordinate governors are agents of the central government.

Political dynamics

Although Chile has several important political parties and a host of minor ones, most Chileans do not belong to any party. Even so, many observers have characterized Chile as an "over-politicized" society. The campaign for one election begins almost before the previous one is ended. Because of the separation between presidential and congressional elections, the President often is faced with a hostile congress, thus increasing the opportunity for political warfare.

One of the most important facts of Chilean political life is the legitimate participation of the extreme left in the democratic political process. The Communists and Socialists long have been accepted as important components of the electoral scene; since 4 November 1970, they have held the presidency as well as eight of the fifteen cabinet-level positions. Some

Socialist leaders believe that the future of the party lies in violence rather than politics, but so far the less extreme view has prevailed.

The Communist Party (PCCh) is devoted to achieving power through peaceful means. It is, in proportion to the country's population, the largest and best organized Communist party in Latin America, with the exception of Cuba's. Although it has adhered closely to each shift in the line of the Communist Party of the Soviet Union, it considers itself basically a domestic movement and has found it expedient to ally with other leftists and even centrists for electoral purposes. The keystone of its policy of alliance is its special relationship with the Socialist Party, with which it has cooperated rather uneasily in the Popular Action Front (FRAP) and now in the governing Popular Unity (UP) coalition. Behind its commitment to the *via pacifica*, the tactic of peaceful political struggle, lies the PCCh desire for acceptance as a respectable constitutional party. To this end it frequently showed a large measure of political responsibility, sometimes even cooperating with the Christian Democratic government while condemning the violence and radicalism of extremist groups. The PCCh has rejected guerrilla warfare and insurgency as no genuine and effective solution to the existing conditions in Chile.

Since 1963 the Christian Democratic Party (PDC) has been the largest political party in Chile. It appeals primarily to members of the middle and lower classes who favor social and economic reform within a democratic framework. Because of the party's rapid rise (it was founded officially in 1957), it has not had time to develop a strong core of capable leaders. Frei tapped the most competent members for posts in his government, leaving the party in the hands of inexperienced people.

A leftist group within the PDC became dissatisfied with the pace of Frei's reform program. In addition, it hoped to ally the PDC with the Communists for the 1970 election. When the national directorate decided in May 1969 to adhere to Frei's pattern and run its own candidate, this group left the party. Although the actual number of resignations was small, the PDC was deprived of some of its most dynamic members.

Since the 1930s the Chilean armed forces have usually been apolitical. They have been concerned primarily with what they see as a threat from Argentina and with improving their internal security capability. Only in recent years have salary difficulties and increasing internal security problems caused them to renew their active interest in politics. Many Chileans look upon the 1927-32 period as one of aberration in the face of economic

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disaster and believe that an apolitical military establishment is the only possible system for their country.

During the period between the election in September and the Congressional ratification of Allende's victory on 24 October 1970 there were various reports of plotting within the military to prevent him from taking office. On 22 October army commander in chief Rene Schneider was shot in an apparent abduction attempt; he died three days later. This event united the armed forces in support of constitutional processes in a way that little else could have. At present there is no evidence of organized resistance to the government.

Security system

The Carabineros, the 23,800-man uniformed national police, are charged with primary responsibility for the maintenance of public order. Carabinero tasks include regular police functions, control of inter- and intra-state commerce, customs enforcement, port security, border protection, forest and animal conservation, price control enforcement, traffic control, protection of the president, and riot control. In villages and at isolated mountain posts, a Carabinero may be the only government authority, and as such may also exercise social service and medical functions.

In cases of small-scale riots, street demonstrations, or labor trouble, the Carabineros are capable of controlling the situation and restoring order. In the event of a large, well-equipped, and well-directed effort, however, with outbreaks occurring at several points simultaneously, it is doubtful that its thinly spread forces could cope effectively with the problem. If the army is called on for assistance, the Carabineros pass under control of the army.

The Carabineros are one of the best police forces in Latin America. Their integrity and esprit de corps are matters of national pride. Their effectiveness has been hindered, however, by antiquated methods, inadequate equipment and a mission sometimes in excess of capability. Efforts are being made to lessen these inadequacies with the purchase of improved telecommunication and transportation equipment.

Investigaciones, under the Ministry of Interior, is the principal civilian agency responsible for internal security. It investigates all forms of subversion and keeps the minister of interior, the President, and other key officials informed of real and potential threats to the government.

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IV. SUBVERSION

Communist Party and front groups

Under the present government, the Communist Party and its front groups cannot be considered subversive organizations.

Extremist subversive groups

The leftist extremist revolutionary movements in Chile have been molded by Chinese Communist, Trotskyist, and Cuban influences and under previous governments were dedicated to the transplantation to Chile of insurrections based on Cuban models. Most are characterized by their small size, internal disunity, and domination by the personal ambitions of their principal leaders. The Communist Party (PCCh) has harshly attacked the actions of these movements, believing them to be motivated by Trotskyist and "revisionist" positions and also because they lure some members away from the PCCh. The Socialist Party, however, has at times given frank support to these movements, encouraging their activities and making common cause with them. It has even concluded agreements with some of these groups through youth and student organizations.

The Movement of the Revolutionary Left (MIR) was formed in August 1965. It is the most active and effective of the leftist extremist revolutionary movements in Chile. Its strength is concentrated almost exclusively in the universities. Although originally inspired and trained by Cuban revolutionaries, the MIR has become increasingly independent in its actions. It is dedicated to the overthrow of capitalism through armed insurrection and its organization is secret.

The MIR has been responsible for many of the bank robberies and bombings in Chile during the past year or so. It reportedly acts as the paramilitary arm of the Socialist Party, and for some time it has provided personnel for President Allende's personal bodyguard. MIR leaders reportedly will command a new counterespionage organization now being established by the Allende administration with Cuban aid.

Allende is trying to placate the MIR, thus keeping it from renewing the urban terrorism. If, however, MIR leaders, who make no secret of their disdain for constitutional procedures, eventually become dissatisfied with the pace of Allende's actions, they probably will resume their violent

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activities. Such a development would present Allende with the unpalatable alternative of tolerating terrorism or cracking down on revolutionaries, thus impugning the authenticity of his own leftist credentials. Another problem is the strong opposition to the MIR and its tactics on the part of the Communist Party.

There is little evidence of any organized right-wing subversion directed at the Allende government. Just before Congress was to confirm Allende's election victory, the commander in chief of the army, General Rene Schneider, was mortally wounded by gunfire. This action apparently was meant to be an abduction that would be used to blackmail the legislators into voting for Alessandri rather than Allende. Actually, it horrified Chilean public opinion and solidified Allende's hold on the presidency. A number of high-ranking officials have been implicated in the plot, and the Communists and the MIR are seizing on it as a pretext for denouncing rightist opposition to the Allende government.

V. LEADING PERSONALITIES

Government and political hierarchies

President Salvador Allende Gossens

Allende was elected President in September 1970. His victory marked the first democratic accession to power by a Marxist in Latin America. Allende was born in 1908 and received a degree in medicine from the University of Chile in 1932. His medical practice was limited to doing autopsies, however, and most of his early career was spent working as a Socialist party organizer and lawyer. Allende has generally advocated revolutionary goals and took care of the remnants of Che Guevara's guerrilla group when they fled Bolivia through Chile. He has run for president four times. Allende was by no means the first choice of the groups making up the coalition Popular Unity (UP), but he drew on his political talents and knowledge of Chilean politics to obtain the nomination. Allende in the past has been extremely critical of the United States.

Cabinet Members

Foreign Minister Clodomiro Almeyda Medina

Almeyda is a doctrinaire Marxist-Leninist with a strong anti-US bias. He is far to the left of Allende in political philosophy and at one point opposed his selection as a presidential candidate. Almeyda was born in 1923 and received a law degree from the University of Chile in 1949. He served under authoritarian President Carlos Ibanez for brief periods in 1952 and 1953 as minister of labor and minister of mines. Almeyda has visited Communist China and Cuba and is a strong supporter of both countries.

Minister of Interior Jose Toha Gonzalez

Toha is a long-time Socialist and a close confidant of Allende. He has used the prerogatives of this key post to appoint the heads of the 25 provinces and has placed Communists and Socialists in control of the most important ones. Toha was born in 1927. He attended the University of Chile Law School but is not known to have received a degree. Toha was vice president of the Chilean-Cuban Cultural Institute in 1963 and has visited Cuba at least twice.

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Minister of Economy, Development and Reconstruction Pedro Vuskovic Bravo

Vuskovic is a noted leftist economist and an avowed Marxist. Although officially listed as an independent leftist, he almost certainly is a secret member of the Communist Party. Vuskovic was born in 1924 and received a degree in economics from the University of Chile in 1950. For 20 years he has worked as an economist for the UN Economic Commission for Latin America. He has been Allende's chief economic adviser for years and was appointed UP economic liaison officer with the Frei government between the election in September 1970 and the inauguration in November.

Minister of National Defense Alejandro Rios Valdivia

Rios is a member of the Radical Party, part of the non-Marxist window dressing Allende has included in his cabinet. His appointment was made in part to alleviate concern in the military, which the appointment of a Marxist would have heightened. Rios was born in 1901 and is the oldest member of the cabinet. He received a degree in history and geography from the University of Chile in 1923. He has long been associated with the left wing of the Radical Party and was an early advocate of diplomatic relations with the Soviet Union. He served as minister of education during the 1940s.

Minister of Agriculture Jacques Chonchol Chait

Chonchol is a member of the United Popular Action Movement (MAPU), a group that broke away from the Christian Democratic Party (PDC) in 1969. He was born in 1926 and received a degree in agricultural engineering from the University of Chile in 1969. In 1955 Chonchol went to work for the United Nations and served as a specialist in agrarian reform for the Economic Commission for Latin America and the Food and Agriculture Organization. From 1959 to 1962 he worked in Cuba as UN adviser to the Agrarian Reform Institute. He served in the Frei administration but broke with the government when it refused to go as far in its agrarian reform program as Chonchol believed was necessary. Chonchol sees agrarian reform primarily as a political process rather than a means to improve agricultural production. He carried out the PDC program within these parameters. Chonchol was nominated as the presidential candidate of MAPU but withdrew in Allende's favor.

Minister of Mines Orlando Cantuarias Zepeda

Cantuarias has been an active member of the Radical Party and campaigned hard for Salvador Allende in 1970. He was born about 1930 and

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received a law degree from the University of Chile. He has no experience in mining. He was instrumental in pushing the Radical Party leftward and in its decision to form an alliance with the Communists. He is hostile toward the US.

The other cabinet ministers are:

Finance Minister Americo Zorrilla Rojas
Education Minister Mario Astorga Guiterrez
Justice Minister Lisandro Cruz Ponce
Lands and Colonization Minister Humberto Martones Morales
Labor and Social Welfare Minister Jose del Carmen Oyarce Jara
Public Health Minister Oscar Jimenez Pinochet
Housing and Urbanization Minister Carlos Cortes Diaz
Secretary General of Government Jaime Suarez Bastidas

Other political leaders

Eduardo Frei Montalva

Frei's presidential victory in September 1964 marked the first election of a Christian Democratic president in Latin America. He was born in 1911 and received a law degree from the Catholic University of Chile in 1933. He was a founder of the National Falange, a group of young Conservatives who wanted their party to take a more modern attitude toward social problems. This group later became the Christian Democratic Party. During his presidency he was plagued with a lack of competent subordinates, congressional opposition, and dissension within his own party. Frei is friendly toward the US and was distressed by the election of Allende to the presidency. He refused to abandon his nonpolitical position, however, and gave Allende's opponents no rallying point. Since Allende's inauguration Frei has returned to his previous occupation as columnist for a PDC-owned newspaper.

Gabriel Valdes Subercaseaux

Valdes, for many years a close associate of Eduardo Frei, was foreign minister during Frei's entire administration. He believed that Chile should assert its "independence" of the US to become a force in the "third world." To this end he was instrumental in the resumption of commercial ties between Chile and Cuba in 1970. Valdes was born in 1919 and received a law degree from the Catholic University of Chile. He has studied in Europe and greatly admires European values, ideas, and products. Valdes now holds an executive position with a government corporation but is in effect an unofficial adviser to Salvador Allende.

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Senator Luis Corvalan Lepez (or Leppe)

Corvalan, who epitomizes the strong pro-Moscow stance of the Communist Party of Chile, has served since 1958 as secretary general of that party and since 1961 as a national senator. He was born in 1916, graduated from the Normal School of Chillan and taught primary school for a while. He attended law school in Concepcion, but he did not receive a degree. Corvalan has kept the Communist Party on a pragmatic course domestically and a pro-Moscow course internationally. He believes that the Communist Party can attain power through peaceful means in Chile, and to this end has skillfully built up the party's political organization. It was in large part maneuvering by the Communists that contributed to the split in the Christian Democratic Party in May 1969. The party's adherence to the Soviet line internationally has caused some problems with other leftist parties in Chile, particularly over issues such as the Soviet invasion of Czechoslovakia.

Radomiro Tomic Romero

Tomic was the presidential candidate of the Christian Democratic Party to succeed President Frei. He served as ambassador to the US from 1965 through 1968. He originally had hoped to run as the candidate of a broad leftist front and made repeated overtures to the Communist Party for its support, only to be rebuffed. Tomic was born in 1914 and received a law degree from the Catholic University of Chile in 1941. He was quick to acclaim Allende as "president-elect" after the voting, influencing the PDC to support the UP candidate in the congressional runoff. As a result, Tomic deepened the strains within the PDC. He and ex-president Frei are expected to continue their long-time rivalry as the party attempts to come to terms with its defeat.

Senator Carlos Altamirano Orrego

Altamirano is a spokesman for the extreme left wing of the Socialist Party. He is a fervent admirer of Fidel Castro and advocates armed revolution. Altamirano was born in 1922 and received a law degree from the University of Chile in 1945. He was elected to the Chamber of Deputies in 1961 and to his present Senate seat in 1965. In 1968 he was imprisoned for criticizing the armed forces. In the same year he ran for rector of the University of Concepcion as the candidate of the extremist Movement of the Revolutionary Left; he was soundly defeated. Altamirano's wing of the party has with difficulty been contained by the slightly more moderate faction that supports Allende. Altamirano contends that a true revolution in Chile is impossible without violence.

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Important military figures

General Carlos Prats Gonzalez

Prats was appointed army commander in chief by President Frei in October 1970 following the assassination of General Rene Schneider. Salvador Allende then confirmed him in this position. Prats was born in 1919 and graduated from the Military Academy in 1934. He is a specialist in combined operations and knowledgeable in matters concerning internal security. Prats gave no support to those military officers who tried to organize action to prevent Allende from becoming president. [REDACTED]

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Rear Admiral Raul Montero Cornejo

Montero was appointed navy commander by Allende in November 1970. He has a reputation as a competent staff officer and served as naval attaché in Washington from 1968-70. Montero was born in 1914 and graduated from the Naval Academy in 1934. He generally has been considered nonpolitical.

General Cesar Ruiz Danyau

Ruiz was named air force commander by Allende in November 1970. He was born in 1918 and graduated from the Military Academy in 1938. As long ago as November 1969 Allende reportedly stated that he would name Ruiz to the present position if he were elected president.

Other important personalities

Pablo Neruda

Neruda is a world-renowned poet and a member of the central committee of the Communist Party of Chile. He was nominated by the Communists as a presidential candidate in 1970 but withdrew when the leftist groups agreed to join in support of Allende. Neruda was born in 1904 and attended the Pedagogical Institute of the University of Chile. Neruda's poetry has gained him many honors in Chile and throughout the world. In 1963 he was nominated for the Nobel Prize in Literature and placed third on the list of candidates. In July 1965 he became the first South American to receive a literary honor from Oxford University and in April 1968 he was named an honorary member of the American Academy of Arts and Letters.

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Raul Cardinal Silva Henriquez

Silva was made the second cardinal in the history of Chile in 1962. He was born in 1907 and studied law at the Catholic University of Chile. He graduated in 1930 and entered the Salesian Order; he was ordained in 1938. Cardinal Silva has become a prominent leader of the campaign to eradicate poverty in Chile, and in Latin America in general, through economic and social reforms. He often has stated that land reform is the "only practical answer" to Communism. He also has called for tax reforms and an increased educational program. In a pastoral letter in 1962 he warned that Chile must quickly revise its social system to give the underprivileged masses better housing and schooling and real opportunities. He publicly supports Allende and the goals of the UP program.

Luis Humberto Figueroa Mazuela

Figueroa has been president of the Single Center of Chilean Workers (CUT) since 1965. He also is a member of the central committee of the Communist Party and of the Chamber of Deputies. Figueroa was born about 1922 and left school after finishing the sixth grade. He is a printer by profession. Figueroa has at times cooperated with the government in such things as attempting to curtail student demonstrations. He has used the CUT to promote Communist policies, but has worked within Chile's constitutional system. Figueroa is strongly opposed to the United States.

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VII. FOREIGN RELATIONS

President Allende's first actions in the international field are an acceleration of trends begun cautiously under the Frei government. Within two weeks of his inauguration Allende had renewed diplomatic relations with Cuba and opened commercial ties with North Korea. The government presently is conducting discussions with Communist China aimed at opening diplomatic relations. At the UN in November 1970 Chile voted in favor of the Albanian resolution that proposed seating Communist China in place of Nationalist China. These actions are completely in line with statements made by Allende during his campaign.

President Frei resumed diplomatic relations with the Soviet Union in 1964, and Chile now maintains ties with all Eastern European countries except Albania and East Germany; Allende has said he will recognize them. Trade with these countries has increased a little, but agreements and aspirations have far exceeded actual realization. The present administration is talking with the Soviet Union about the utilization of a trade credit unused since its establishment in 1967.

Frei's foreign minister, Gabriel Valdes, took the lead in challenging US influence in inter-American affairs and stirred recent interest among Latin American countries in reconsidering the policy of isolating Cuba in the hemisphere. In 1970 trade with Cuba was resumed, and the Chilean central bank now has lifted restrictions on such commerce, thus facilitating financial arrangements.

Although Allende has criticized the OAS for being out of tune with present conditions, there is no indication that his government plans to pull out of the organization. He has shown marked restraint in comments on relations with the US, although the UP-controlled media maintain a barrage of anti-US commentary. Neither Allende nor his radical foreign minister has shown an inclination to aggravate issues presently in dispute with the US, such as Chile's claim of jurisdiction over fishing in waters up to 200 nautical miles from its coast.

Chile's relations with its immediate neighbors are characterized by some wariness, as Chile sees itself as a democracy surrounded by military regimes. Brazil and Argentina in particular have been uneasy about the prospects for international cooperation with the Allende government. In addition, they fear that Allende will give at least tacit support to guerrilla groups operating in their countries. So far, however, there has been little friction.

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VIII. US INTERESTS

Chile is the world's third largest producer of copper, 25% of which is normally exported to the United States. US capital primarily developed the extensive copper industry, which has nearly doubled output in recent years. The Allende administration intends to nationalize the copper industry, a process begun gradually by the Frei administration. Most Chileans of all political views favor nationalization.

Defense commitments

Chile is a member of the Rio de Janeiro Pact of 1947, the inter-American treaty of reciprocal military assistance in cases of aggression.

US military grant aid to Chile was terminated at the end of 1967 after delivery of more than \$100 million worth of grant aid, training, excess stocks, and sales items in the preceding 15 years. Although the government has made no overt moves against the US military assistance program, the joint staff in November 1970 was requested to prepare a study of the impact on the Chilean armed forces of a termination of all military agreements with the US.

Investment and trade

Direct US private investment in Chile reached \$964 million in 1968, an increase of 25% from 1963. Nine percent of this investment came in 1968. Nearly \$600 million of the total in that year was in mining, chiefly copper, and the increase in that sector amounted to 13% of the five-year build-up.

Chilean imports from the US have shown a strong correlation with US program loan assistance. In 1960 the US accounted for 48% of total Chilean imports. This figure dropped to 35% in 1963, rose to 40% in 1966 (with program loans), dropped to 35.5% in 1967 when there was no loan and rose again in 1968 to 38.4%.

The percentage of Chilean exports to the US has dropped sharply since 1960. In that year Chilean exports to the US were 37% of the total. By 1967 this percentage had dropped to 18.4%. In 1968, influenced in part by the long US copper strike, Chilean exports to the JS were up again to 22.4% of the total.

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Economic and technical assistance

Chile has been one of the leading recipients in the world of US economic aid. During the first four years of the Frei administration, this aid totaled some \$650 million. In Latin America, Chile holds first place in the amount of assistance received per capita and is second only to Brazil in the total amount received. US support presumably was instrumental in Chile's acquisition of more than \$200 million in additional economic assistance from international financial organizations from 1965 through 1967.

Total economic and technical assistance obligated to Chile under US programs exclusive of military amounted to \$1,007.1 million from 1962 through 1968. \$914.6 million of this amount was in loans and \$92.5 million in grants. These programs include Export-Import Bank, Peace Corps, Food for Peace, and some \$500 million from the Agency for International Development. The peak year of AID assistance was 1965, when \$99 million was authorized. Authorizations in 1968 amounted to \$53.9 million. In 1969 emphasis was narrowed to the educational and agricultural sectors.

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IX. CHRONOLOGY AND TABULAR DATA

Chronology of Key Events

- 1946 (September) With support of Communist Party (PCCh), Popular Front elects Gabriel Gonzalez Videla of Radical Party as President of Chile; PCCh given three cabinet portfolios.
- 1947 (October) Chile breaks diplomatic relations with Communist countries after their representatives become involved in Communist-inspired strikes.
- 1948 (September) PCCh outlawed.
- 1958 (August) PCCh regains legal status.
- (September) Jorge Alessandri, independent, backed by rightist Conservative-Liberal coalition, elected President by narrow margin over Socialist Salvador Allende, backed by Communist-Socialist Popular Action Front (FRAP).
- 1964 (13 August) Chile complies with OAS resolution calling for a break in relations with Cuba.
- (4 September) Eduardo Frei, Christian Democrat supported by Conservatives and Liberals, elected President by a wide margin over Allende, backed by FRAP.
- (24 November) Chile resumes diplomatic relations with the USSR; relations with other Communist countries follow.
- 1965 (7 March) In congressional elections, Christian Democrats become first party in this century to have a majority in Chamber of Deputies; also rank first in Senate.
- (July) President Frei visits Italy, France, Great Britain, and West Germany, increasing his prestige both at home and abroad.
- 1967 (13 January) Trade and aid agreements signed with the Soviet Union.

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- (17 January) Senate refuses Frei permission to visit US, sparking a political crisis. Frei calls for constitutional reform allowing the President to dissolve congress; the bill is defeated in February.
- 1968 (2 May) Congressional delay in passing wage adjustment bill and military unrest over low pay causes Frei to bring military man into Cabinet for first time in ten years.
- 1969 (2 March) In congressional elections PDC receives 30% of the vote, losing control of the Chamber; conservative National Party comes in second with 20%.
- (22 October) A one-day army revolt results in top command changes and the naming of a civilian as defense minister. The insurgents receive little overt support, but basic grievances remain.
- 1970 (4 September) Allende, running for president this time at the head of a Popular Unity leftist coalition, narrowly wins the popular vote over independent conservative Alessandri and Christian Democrat Radomiro Tomic.
- (22 October) Army Commander in Chief Schneider is shot in an apparent attempt to prevent Allende from assuming the presidency. Schneider dies three days later, ending for the foreseeable future the possibility of military action against the government.
- (24 October) Congress ratifies Allende's popular victory.
- (3 November) Allende inaugurated; many Communist countries send unofficial delegations.
- (12 November) Chile re-establishes diplomatic relations with Cuba.

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TABULAR DATA

Holidays and Significant Dates

1 May	Labor Day
21 May	Navy Day
10 July	Homage to the Chilean Flag
15 August	Feast of the Assumption
18 & 19 September	National Holidays
12 October	Dia de la Raza
1 November	All Saints Day
8 December	Feast of the Immaculate Conception
25 December	Christmas

Selected Factual Data

LAND

Total square miles: 286,000. 2% cultivated, 7% other arable, 15% permanent pasture and grazing, 29% forests, 47% barren mountains, deserts, and cities.

PEOPLE

Population: Approx. 9.5 million (Jan. 1970 est.); males of 15 to 49 years, 2.3 million; 1.5 million fit for military service; growth rate 2.3%.

Ethnic groups: 85-90% mestizo (mixed white-Indian, with white strongly predominant), 3% Indian; 7% Europeans, Asiatics, and other.

Religion: Predominantly Roman Catholic, about 10% Protestant.

Language: Spanish

Literacy: 84%

Universities, colleges and secondary schools in session during March-December.

Labor force: 2.8 million (1967)

Organized labor: 20% total force

Time zone: EST-1 (GMT-4 hours)

GOVERNMENT

Type of government: unitary republic

Congress normally convenes on 21 May and adjourns on 18 September.

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Branches of government: President elected for 6-year term, strong executive power; bicameral legislature elected by popular vote through proportional representation; independent judiciary.

President: Salvador Allende Gossens (1970-76)

Presidential succession: If the president dies during his term of office, the minister of interior succeeds him as vice president. Within ten days he must call for a new election to be held within 60 days.

Attitude incumbent administration toward US: reserved

Capital: Santiago (1964 pop: 2.4 million)

Political subdivisions: 25 provinces

Principal political parties and chief officials:

National (PN), Sergio Onofre Jarpa

Christian Democratic (PDC), Benjamin Prado

Radical (PR), Carlos Morales

Socialist (PS), Aniceto Rodriguez and Salvador Allende

Communist (PCCh), Luis Corvalan

Suffrage: universal (except enlisted military and police) and compulsory; age limit 18

Qualified voters: 3.5 million, 1970 presidential election

Actual voters: 2,962,743 - 1970 presidential election

Voting strength of parties by percent (1969 elections): PR, 12.9; PDC, 29.7; PS, 12.2; PCCh, 15.7; PN, 20.0; other and void, 9.5.

Voting strength of candidates 1970 presidential election: Salvador Allende (PS, PCCh, PR, and small leftist), 36.3; Jorge Alessandri (PN and independent rightists), 35.0; Radomiro Tomic (PDC), 27.8; void and blank, 0.9.

Representation in Congress: Chamber of Deputies: PDC 55, PN 33, PCCh 22, PR 21, PS 15, Minor parties and independents 4.

Senate: PDC 20, PN 5, PCCh 6, PR 8, PS 4, Minor parties and independents 7.

Next elections: Municipal April 1971, congressional March 1973.

Member: UN, ECOSOC, OAS, LAFTA, IBRD, IMF, IDB.

ECONOMY

GNP: \$5.6 billion (1968), \$600 per capita; 73% private consumption, 12% government consumption, 15% gross investment; real growth rate 2.3% in 1967, 2.7% in 1968.

Inflation: 29% in 1969.

Agriculture: Main crops—wheat, other cereals, fruits and vegetables; about 75% self-sufficient; 2,400 calories per day per capita (1967 est.)

Major industries: Copper, nitrates, foodstuffs, fish processing, textiles and apparel, iron and steel, pulp and paper.

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Crude steel: 0.7 million metric tons capacity (1967); 0.6 million metric tons produced (1967), 70 kg. per capita.

Electric power: 2,060,000 kw. capacity (1968 est.); 7.3 billion kw.-hr. produced (1968); 780 kw.-hr. per capita (1968).

Exports: \$914 million (f.o.b., 1968 prov.); copper, nitrates, iron.

Imports: \$869 million (c.i.f., 1968 prov.); machinery and equipment, chemicals, petroleum, foodstuffs.

Trade: Exports and imports—99% non-Communist countries, 1% Communist countries.

Foreign aid: Economic—extensions from US (FY 46-68)—\$1,455.9 million (\$1,279.4 million loans, \$ 186.5 million grants); from international organizations (FY46-68)—\$441.0 million (of which IBRD \$201.8 million, IDB \$176.4 million); from other Western countries (1960-66)—\$170.6 million; from Communist countries (1967-68)—\$59.8 million.

Military (FY46-68)—from US, \$9.2 million in loans, \$123.1 million in grants.

Exchange rate: 11.90 escudos=US\$1 nontrade (broker) rate; 10.28 escudos=US\$1 trade rate (31 January 1970, changes frequently)

Fiscal year: Calendar year.

Railroads: 5,090 miles of various gages.

Highways: 39,400 miles; 3,890 paved; 14,470 gravel; 21,040 earth.

Inland waterways: 451 miles navigable.

Pipelines: crude oil, 380 mi.; refined products, 510 mi., natural gas, 200 mi.

Ports: 3 principal (Antofagasta, San Antonio, Valparaiso), 7 secondary.

Merchant marine: 46 ships (1,000 GRT or over) totaling 290,100 GRT, 386,300 DWT; includes 3 passenger, 28 cargo, 5 tanker, 9 bulk, 1 specialized carrier; includes 2 naval tankers and 4 transports sometimes used commercially.

Civil air: 57 major transport aircraft.

Airfields: 339 total, 250 usable; 33 with permanent-surface runways; 3 with runways 8,000-11,999 feet; 51 with runways 4,000-7,999 feet; 7 seaplane stations.

Telecommunications: Extensive radio relay network under construction, and HF radio links expanded; telephone network modern but with only 300,000 instruments; communications satellite ground station; est. 2.5 million radio receivers and 150,000 TV receivers, 130 AM, 28 FM, and 7 TV stations.

DEFENSE FORCES

Personnel: Army 23,100, navy 14,010 (including 145 in naval air and 2,200 in marines), air force 9,720 (490 pilots), carabinieri 23,800

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Loyalty to government: loyal, apolitical.

Major ground units: 6 understrength divisions (4 infantry, 1 cavalry, 1 school).

Ships: 2 light cruisers, 4 destroyers, 1 submarine, 4 high-speed transports, 4 patrol ships (plus 4 inactive), 4 small amphibious transports, 12 other amphibious warfare ships, 8 auxiliaries (plus 2 service craft).

Aircraft: 248 (60 jet), including 21 (nonjet) in naval air and 227 (60 jet) in air force.

Supply: Limited quantities of small arms and ammunition produced; dependent on US and Western Europe for all categories of equipment, including additional quantities of those produced locally.

Military budget: For fiscal year ending 31 December 1968, US\$210,460,000, about 13% of national budget.

RELATIONS WITH COMMUNIST COUNTRIES

Resident diplomatic missions: Hungary, USSR, Czechoslovakia, Romania, Poland, Bulgaria, Yugoslavia, Cuba

Permanent commercial missions: USSR, Czechoslovakia, East Germany, Communist China, North Korea, Cuba

National Intelligence Survey (NIS) Material

The following sections of the NIS are relevant:
NIS Area 89 (Chile)

GENERAL SURVEY (Oct 68) and the following specialized sections:

Sec 22	Coasts and Landing Beaches (Nov 66)
Sec 23	Weather and Climate (Sep 56)
Sec 23S	Meteorological Organization and Facilities (Feb 68)
Sec 24	Topography (Sep 66)
Sec 25	Urban Areas (Jan 60)
Sec 31	Railroads (Sep 66)
Sec 32	Highways (May 68)
Sec 35	Ports and Naval Facilities (Mar 58)
Sec 36	Merchant Marine (June 56)
Sec 40	Sociological-Introduction (Dec 59)
Sec 41	Population (Apr 57)
Sec 42	Characteristics of the People (July 68)

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Sec 43	Religion, Education, and Public Information (Dec 67)
Sec 44	Manpower (Nov 66)
Sec 45	Health and Sanitation (Jan 59)
Sec 51	The Constitutional System (Oct 53)
Sec 52	Structure of the Government (Apr 54)
Sec 54	Public Order and Safety (Mar 59)
Sec 55	National Policies (Jan 63)
Sec 56	Intelligence and Security (Jul 66)
Sec 57	Subversion (Apr 64)
Sec 60	Economic-Introduction (May 58)
Sec 61	Agriculture, Fisheries, and Forestry (Jun 65)
Sec 62F	Fuels (Sep 67)
Sec 62P	Electric Power (Oct 66)
Sec 63	Minerals and Metals (Jun 64)
Sec 64	Manufacturing and Construction (Jun 65)
Sec 65	Trade and Finance (Apr 66)

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Gazetteer (Feb 67)

Map

The best available general reference map is: Esso Standard Oil Co. (Chile) S.A.C.; **Chile, Guia Turistica y Plano de Santiago**; various scales; 1963