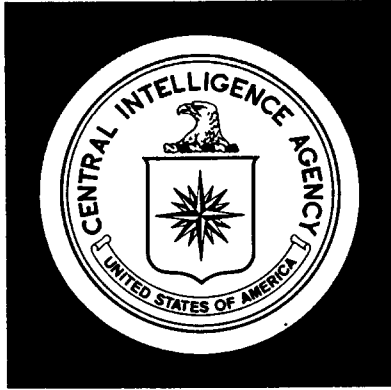


Top Secret
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Weekly Review

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CHILE: MAKING HASTE SLOWLY

Opponents of the junta government succeeded in a few relatively minor acts of sabotage over the recent holiday period, but several attempted attacks on government installations were thwarted by security forces.

1.5c The opposition's failure to pull off a spectacular operation in Chile was partially offset by the sudden appearance in Havana of Carlos Altamirano, the Socialist Party leader who heads the junta's list of most-wanted fugitives. In a press conference soon after his arrival, however, Altamirano seemed to underscore the left's lack of readiness for a concerted guerrilla or terrorist campaign when he declared that, for now at least, "adventurous operations" would be counterproductive.

Disagreements over policy matters, inter-service frictions, and personal rivalries have been sparking controversy within the regime. At the junta level, there [REDACTED] has been disagreement over when the presidency should be rotated. Army commander and current junta president Pinochet recently declared that the presidency will not be rotated, but it was unclear whether he meant now, or ever. In any case, his statement probably was not the final word on the issue.

Some progress is being made despite these preoccupations. Marking his fourth month in office on January 11, Pinochet announced the creation of a "social fund" to be used to upgrade slum living conditions. Present payroll taxes will be consolidated, raised slightly, and applied to the fund. Pinochet also announced that the government plans to get tough with merchants who persist in hoarding and price-gouging. Jail sentences will replace fines for these offenses. [REDACTED]

[REDACTED]

NR [REDACTED]

[REDACTED]