

# CHILE NEWSLETTER

el pueblo sigue siendo explotado



the people continue to be exploited

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## Economic Conditions in Chile

For the majority of Chileans, the winter of 1974 will be the hardest in many years, perhaps in their lifetimes. Vital necessities like kerosene, cooking oil and clothing are scarce and expensive. (see table) Salaries have risen only a fraction of the rate of inflation. (The official minimum salary is 18,000 escudos, but many workers receive less.) Estimates of unemployment range upward from 20%. In December, 1973, real wages were down 55% from December 1972, according to an economic report of the Inter-American Committee of the Alliance for Progress. The annual readjustment of wages being prepared in September, which would have brought real wages back up to par, was never granted by the Junta. (Throughout the Popular Unity period such readjustments of wages were a mechanism for maintaining the buying power of salaried workers--but because the Congress would never finance them through taxes on the wealthy, they fed the inflationary spiral and necessitated further readjustments.) The redistribution of wealth achieved during the three years of the Popular Unity government has been erased, and even the Alliance for Progress admits that real salaries in Chile are now 15-30% below their 1970 levels, and worse among the poorest sectors.

Despite all this, the Junta claims a "dramatic recovery" in production--but in evaluating such claims, one must remember that beginning in October of 1972, Chile was paralyzed by a deliberate campaign of economic sabotage by the Right, so that "annual comparison" statistics lose their validity. It should also be recalled that in many industries workers are forced to work an extra 4 to 8 hours weekly as part of the "campaign for national reconstruction." True production figures are reflected in the scarcities and high prices. Yet the Junta stubbornly pursues its 19th century policies, and Economics Minister Fernando Leniz, in a remark worthy of Marie An-

toinette, says "if free market prices are too high, it would be better to stop buying for a while until they come down." With all union and political activities prohibited, under threat of brutal repression, the Chilean poor, the working class and peasants can do no more than clench their teeth, try to survive--and organize against the Junta.

The economic philosophy of the military is one of arrogant free market capitalism. Led by Minister Leniz and his group of advisors, known in Chile as "los Chicago boys" from their studies at the University of Chicago with such economic luminaries as Milton Friedman and former Treasury Secretary George Schultz (himself a recent visitor to Chile), the new government has unleashed the "invisible hand" of the market on the Chilean economy, eliminating price controls and tariffs, and aiming to control inflation by seeing that wages do not rise as rapidly as prices, thus cutting demand, which they consider to have been "excessive" under Allende. These drastic policies have not only put a crushing burden on the working class, they have also created anxiety and agitation among the middle sectors; small businessmen and merchant see their enterprises going bankrupt as no one buys. (Jorge

### Cost of Living (prices in Escudos)

	Sept. 73	March 74	April 74
Sugar/kilo	24	260	300*
Cooking Oil/ liter	36	430	600*
Milk/liter	8.5	60	--
Bread/kilo	11	134	--
Rice/kilo	15	360	--

\*These figures, from El Mercurio, are undoubtedly conservative. The Chile Monitor quotes prices up to double these.

Minimum wage: 18,000 Escudos. According to the Chile Monitor, the Confederation of Private Employees of Chile has calculated that a family of four would have minimum monthly expenditures on food and essentials of 76,000.

Martinez, President of the Central Chamber of Commerce, in a declaration rejected "the attacks of those who hold the shop keepers responsible for the constant price rises which are seriously affecting various sectors of the population, and especially the poor," and said that "never before in the history of Chile have the shopkeepers worked with so narrow a margin of profit." The relatively inefficient Chilean manufacturers and industrialists are close to panic at the prospect of "free" competition with the multinational monopoly capitalists. Orlando Saenz, President of the Industrialists' Association, expressed his preoccupation with what he called "precipitous" steps by the Junta to abolish many tariffs. Only the very wealthy, with ties to international capital, stand to gain from this strategy--and then only so long as they can maintain themselves in power. Hence the unholy alliance between the military and monopoly capital.

This brings up the other side of the coin; Chile, with its disastrously distorted and dependent economy, can only hope to survive as a capitalist society through massive foreign support. On the one hand, the Junta counts on friendly countries like the U.S. and Brasil to contribute substantial credits and loans, both directly and indirectly, through the multilateral lending institutions they control. On the other hand, Chile is desperately courting foreign private capital. (Gen. Arturo Yovane, Minister of Mines, has said "we must put a stop once and for all to this myth that foreign investment is an act of imperialism.") It is mainly as an inducement to foreign private investment that tariffs have been cut, arrangements have been made for companies to extract high profit rates, in hard currency, etc.

The first of these campaigns has, to date, been fairly successful. With the backing of the U.S., the Junta has received a virtual flood of new loans from institutions--like the Interamerican Development Bank and the World Bank--which had refused every loan Allende's government requested. (see table for statistics) They were also fairly successful, again with U.S. support,

in renegotiating their foreign debt with the Club of Paris so as to avoid substantial payments in the immediate future. (Chile's foreign debt, just under \$5 billion, is one of the two or three highest in per capita terms in the world. It was estimated that payments due in 1974 would have amounted to more than \$700 million, of which only a small fraction need now be paid.) There are indications, however, that international "goodwill" toward the Junta has about been exhausted; the Paris Club negotiations were contingent on a Chilean promise to recompensate the U.S. copper companies, Anaconda, Cerro and Kennecott for their holdings, nationalized under Allende, which will add another economic burden in the future. And recent loans from the International Monetary Fund have carried strict conditions on how they are to be administered.

Chile has been much less successful in attracting new private capital. Many companies with substantial capital investments already in Chile, like Dow Chemical and General Motors, are returning, presumably because they will be able to make back the cost of resuming production very quickly. Other companies, however, appear hesitant to begin projects that might take 4 or 5 or more years to pay for themselves--perhaps they doubt that the Junta, and its "open door" economic policy, will last that long? The current attitude toward investment in Chile is exemplified by the Wall Street Journal, which originally enthusiastically supported the Junta; now, in an article May 13 titled "Second Thoughts", they express their reservations--not only on humanitarian grounds, of course, but on the grounds that the Junta's Chile may not be as "safe" for investment as they had hoped. The Junta too recognizes the situation; Gen. Pinochet noted that "people with money are very cautious...it is possible that the flow of foreign capital will arrive a little later on."

The one area where the future continues to look good for the Junta is copper. Prices of copper have risen 40% over last year and continue to rise. The Junta has invited its friends, the U.S. copper companies, to return to Chile to explore and exploit new deposits of copper in the

FOREIGN CREDITS AND LOANS TO CHILE  
(in millions of dollars)

BY COUNTRIES										
1970--1973 (3 years)					Sept. 1973--March 1974 (6 months)					
OTHER	50	70	125	250	140	62	55	54	35	24
CHINA	LATIN AM.	E. EUROPEAN COUNTRIES	U.S.S.R.	CONSORTIUM OF EUROPEAN AND BRAZILIAN BANKS	U.S.	JAPAN	BRAZIL	ASIAN BANK	OTHER	
BY INTERNATIONAL BANKS AND LENDING AGENCIES										
AUGUST 1970	35	148	230*	95	14					
BANKS	INTERNATIONAL MONETARY FUND (I.M.F.)	INTER-AMERICAN DEVELOPMENT BANK (I.D.B.)	I.M.F.	OTHER	OTHER BANK					

\* In April, after meeting in Santiago, the IDB authorized another \$97.3 millions.

north. And every effort is being made to boost production of that one product, which accounts for by far the greatest part of Chile's foreign exchange revenues. It is estimated that soaring copper prices may provide an extra \$200 million for Chile in 1974, although this is counterbalanced by the soaring costs of oil and fuel imports. Of course, the fact that this will put Chile even more at the mercy of fluctuations in the international market than they have been throughout their long history of dependency is of no interest to those who profit from it.

The long range goal of the Junta is to imitate Brazil (in this as in so much else) and to orchestrate an economic takeoff--a sort of "Chilean miracle"--in a few years. But Chile has little chance of achieving such a miracle; Chile's dependence on copper, the lack of an internal market comparable to Brazil's, and the international economic configuration, very different today from ten years ago, all weigh against it. And in the last analysis, Chile would have Brazil itself to contend with, and Brazil is likely to feel that one sub-imperial power is quite enough in the continent.

We see from all this how the Junta is led, by forces beyond its control, to ally itself with international monopoly capital--the multinational corporations and their Chilean representatives. The Junta has little possibility of liberalizing politically or becoming more progressive economically, fearing as it does (and correctly) the potential for revolution in the majority of Chileans, now held down by force of arms. The survival of the military regime depends very heavily on foreign support, principally from the U.S. and Brazil. And in this context, it becomes clear how important our own role can be; if we can make it sufficiently costly and inconvenient for the U.S. to continue supporting the Junta at its present level, there is a good chance we can change U.S. policy toward Chile. And the consequences of such a change, within Chile, would be immense.



## May Solidarity Activities

Eight months after the September 11th coup, activities of the Chile Solidarity Movement here in the U.S. have increased to a national scale. May was a month of protest against the junta; across the nation thousands demonstrated to demand freedom for political prisoners and the cutting off of U.S. aid. On May 11th demonstrations were held in Buffalo, Philadelphia, New York, Detroit, and Minneapolis. 250 people rallied that day in Chicago and Los Angeles; 400 protested in Washington, D. C.

The largest demonstration took place in San Francisco, where over 1,000 people participated in a spirited march with banners, chants, and a mobile sound truck. The march route took demonstrators past the Bank of America, the Sheraton-Palace (formerly ITT owned), the Chilean Consulate, and the San Francisco Chronicle, well known for its distorted coverage of events in Chile. The marchers added support for the Chilean resistance to other nation-wide demands to cut aid, free political prisoners and help refugees.

Several days earlier, 1,000 people protested at the annual stockholders meeting of ITT in Seattle. Demonstrators there organized a 4-hour picket line outside the meeting, then rallied to denounce ITT's infamous intervention in domestic and foreign politics.

On May 9 over 5,000 people attended a benefit for the families of Chilean political prisoners in New York City's Felt Forum. More than \$30,000 was raised while the large crowd enjoyed the music of Bob Dylan, Pete Seeger, Phil Ochs, Arlo Guthrie, Melanie and others.

On May 31, a State Department sponsored tour of four "Chilean Youth Leaders" was met at Berkeley by members of NICH, USLA, and other progressive students and faculty. When questioned, through their State Department interpreter, about the repression in Chilean Universities and in the country as a whole since the coup, they avoided criticism of the Junta, ending by stating that "a period of military rule is necessary, inevitable." At that point the audience walked out, leaving the four alone in the room with their interpreter.

Joan Jara, widow of slain folksinger Victor Jara, has just completed a successful and emotion-filled visit to the U.S. She spoke to large crowds in New York, Washington, Los Angeles, and Portland. In several memorial services in the San Francisco area, she spoke to 2,500 people about Victor's life and death. She concluded her presentation by observing that the Chilean upper class hated him so much because despite his fame, he was the son of peasants and proud of it.

## Upcoming Chile Legislation

In December, 1973, significant progress was made in the campaign to curtail U.S. support for the police and prison systems of totalitarian governments abroad. Under Section 112 of the Foreign Assistance Act of 1973, the AID is prohibited from training police agencies in foreign countries, while the Foreign Assistance Appropriation Act prohibits the use of AID funds for support of the police and prison system in South Vietnam. These measures represent an important first step in our efforts to eliminate all forms of aid to foreign dictatorships.

As the new 1974 foreign aid bill (S.3394) comes up for a vote, Sen. James Abourezk, who was instrumental in getting last year's measures passed, will introduce two new amendments which would go even further toward halting support for foreign dictatorships. These amendments, if passed, would provide a powerful tool in efforts to force the Chilean Junta and other dictator-



Freedom for Angela Davis...Nixon, murderer of women and children

Pablo Neruda  
Canto General #8

Ramona Parra, beautiful  
As the early star in our sky,  
Ramona Parra, delicate heroine,  
Flower stained with blood, dear young  
Ramona,  
Girl with the heart of steel,  
Golden-haired fighter,  
By your name, Ramona Parra,  
We swear to fight on  
Until your wasted blood  
Flowers in freedom.



...And to prepare yourself to direct the industry.

Plaza Bulnes, Chile, Jan. 28, 1946:  
Police open fire on a worker's meeting in solidarity with striking nitrate workers, killing a 20 year old communist worker-militant, Ramona Parra.



...And the mines will be nationalized.



...And the land for those who work it.

Chile, 1970:  
The Ramona Parra Brigades spring up throughout Chile, painting murals on street walls depicting the changes brought about by the Popular Unity Government; denouncing Imperialism and the enemies of the people; spreading socialist ideas, its International heroines and heroes. The walls lasted from a few days to months, sometimes painted over by the Brigadistas themselves, sometimes



...And there will be no pain in giving birth.

by rivals. In essence these walls were meant to change, like the pages on a giant book covering the walls of Chile: the medium used was water-soluble tempera: inexpensive, and by nature impermanent. The Junta has had the walls destroyed, yet the writing on the walls continues in Chile.



(not even)...the gorillas...the bourgeoisie...the yanquis...can impede our second independence



If Chile had a price it would be 10 thousand million dollars. From 1910 to today the gringos have taken away 10 thousand million dollars.

Pablo Neruda  
Canto General # VIII

Ramona Parra, bella  
como una estrella nueva en nuestro cielo,  
Ramona Parra, heroína delicada,  
flor manchada de sangre, joven querida,  
Ramona  
niña con el corazón de acero, luchadora de  
pelo dorado,  
por tu nombre, Ramona Parra, juramos seguir  
luchando  
hasta que tu sangre gastada floresca en libertad.



The small mining industry with 8,000 workers produces 5% of the national income.

Plaza Bulnes, Chile, 28 enero, 1946:  
La policía acribilla una reunión de trabajadores en solidaridad con los mineros del salitre que estaban en huelga. Matan a Ramona Parra, obrera y militante comunista de 20 años.



Seventy-five percent of the national income is invested in buying what the country doesn't produce.



Chile, 1970:

Las Brigadas Ramona Parra aparecen por todo Chile, pintando murallas en las paredes por las calles. Murallas describiendo los cambios que trajo la Unidad Popular; denunciando a el Imperialismo y los enemigos del pueblo; enseñando las ideas del Socialismo, recordando sus heroes y heroínas Internacionales. Las murallas duraban algunos días, o muchas meses... a veces repintando por los Brigadistas mismos, a veces por otros grupos. Estas paredes nacieron para seguir creciendo, cambiando, como grandes páginas de un libro cubriendo las paredes de Chile. La misma pintura que se usaba no aguanta el agua y el sol; tempera disoluble en



The large mining industry with 8.500 workers produces 600,000 tons which signifies 70% of the national income

agua, no muy cara pero fácil de conseguir. La Junta Militar ha mandado a destruir las murallas...pero los mensajes en las paredes de Chile siguen aún.



And the gringos take away the rest.

## NEWS IN BRIEF

### INSIDE CHILE:

Economic...On May 13, the Junta devalued the Escudo for the 12th time since the coup in September. The dollar exchange rate was changed from 580 Escudos to 620 Escudos. It was also reported that the military government had issued a new note with the value of 10,000 Escudos. (New China News Service, PTS)...As winter approaches, basic necessities like kerosene, sugar and detergents are disappearing from markets and lines are growing longer than ever. (Resistance News Service)... 21 businessmen were arrested in Santiago for hoarding. (Excelsior)...According to the official underground boletín of the MIR, Gen. Pinochet has made a present to his mother of an apartment in the Torres de San Borja (opposite the present seat of government) formerly occupied by Dr. Enrique Paris, a communist University professor executed by the military. (Chile Informativo)... The daughter of Junta member Admiral Jose Toribio Merino was married to a Navy lieutenant by the Bishop of Valparaiso. The ceremony was followed by an extravagant party for thousands, under strict military security, at an estimated cost of \$200,000. (Ch. Inf.)

Repression...Gen. Pinochet has announced his "conviction" that "15,000 extremists are preparing against Chile in the exterior, with virtually unlimited resources." This is the Junta's latest excuse for maintaining the State of Internal War under which the country has been governed since the coup. El Mercurio goes on to editorialize that "the few visible signs of the extremist advance...only show that the enemy is well capable of concealing his activities." (El Mercurio)... It is reported that instructors from the U.S. Army base in Panama have been flown into Santiago to lead courses in "modern police methods" including urban warfare, hand-to-hand combat, intelligence and interrogation techniques. (RNS)...The climate of terror is being maintained in the poblaciones (shantytowns) surrounding Santiago by massive raids in the early morning, during curfew hours. Around May 1, several hundred men were taken from their houses in the población San Gregorio and held in a nearby soccer stadium for six hours while military intelligence conducted searches and interrogations. Many were held for further investigation. (RNS)...The Carabinero corps, always considered more loyal to Allende than the other three branches of the military, has been moved from the Ministry of the Interior to the Ministry of Defense, in an apparent attempt to consolidate power within the military. Of the ten senior Carabinero generals at the time of the coup, only two remain. (Chile Monitor)...According to Decree Number 1,309 of the Rector of the University of Chile, no student, faculty member, or employe of the University presently suspended may be hired or appointed to any other post in the University. This ratification of the purge carried out in the University has drastic consequences for many persons who are effectively cut off from their means of livelihood. Students who depended on University work may have to with-

draw to support themselves and their families, if they have not already been expelled. (El Mercurio)...During late April and early May several new mass trials have been announced in Valparaiso, Viña del Mar, Talcahuano, and San Fernando. The trials involve persons accused of being militants in the Socialist Party and MIR, although as the "war councils" are closed, neither complete lists of the accused nor the charges have been made public. (Ch. Inf.)...Radio Balmaceda, the Christian Democratic radio station, was closed for a week in April "for dealing with political matters" (Excelsior)

Resistance...The reorganization of the Left in Chile is evidenced by the increasing circulation of clandestine bulletins, newsletters, and declarations by the various parties. MAPU, MIR, the Communist Party and the Christian Left (IC) have all been publishing regularly, in addition to the collective declarations and other material which is being circulated...The coal miners at Lota went on strike because their wages would buy no more than 3 loaves of bread daily, and their families were starving...the military responded with a virtual military occupation of the town, arresting the strike leaders and forcing the miners back to work at gunpoint. (Chile Fights)... The Chilean Central Labor Union (CUT), outlawed by the Junta, released a statement through its representatives in Europe emphasizing that for the first time in decades the Chilean working class was forbidden to celebrate Mayday. They called for international solidarity with the Chilean working class in their suffering and struggle against the military criminals, and urged that international pressures be brought to force the Junta to grant safe conduct passes to CUT leaders Luis Figueroa and Rolando Calderon, the latter already once the subject of a near-fatal sniper attack while in the embassy where he took asylum after the coup...On May 9, a meeting was held in the Estadio Palestino to honor Orlando Saenz, former leader of SOFOFA, the Chilean Industrialists' Association. Saenz was one of Allende's most unrelenting enemies, but since the coup he has become increasingly alienated from the Junta and their economic policies. In his address at the Stadium, while generally supporting the Junta, he said, "there is no doubt we are facing greater difficulties than anticipated (on Sept. 11)... what we must have to fight against now is the unequal distribution of sacrifice in the task of national reconstruction." (RNS)

### FIVE DOWN, THREE TO GO

Resistance News Service reports that five of the eight Hawker-Hunter jets recently delivered to Chile have been sabotaged. Sand and other material was introduced into their fuel systems, and the engines have been returned to Britain for repairs. However, British workers are now refusing to conduct repairs, in solidarity with their Chilean comrades.

## INTERNATIONAL:

Argentina: On May 15, the City Council of Buenos Aires adopted a resolution declaring General Pinochet "persona non grata" in that city. Pinochet is scheduled to meet with President Juan Peron at an Air Force base outside Buenos Aires on a stop-over after his visit with Paraguayan dictator Alfredo Stroessner (L.A. Times) . . . . . 16 armored vehicles being constructed in Argentina by a General Motors subsidiary for delivery to Chile were seriously damaged in a bomb attack on May 10 . . . . . Bombs were also exploded at the offices of LAN Chile in Rosario (DocAL).

Britain: Chancellor James Callaghan has announced that although warships contracted for in Britain by the Chilean government in 1969 will be delivered, guns and ammunition for the ship will not (Chile Informativo) . . . . . The Amalgamated Union of Engineering Workers (AUEW) and other British labor unions continue their militant opposition to trade with the Chilean junta. . . . . This is made concrete in the refusal of British workers to repair the motors of Hawker-Hunter jets recently sabotaged (see box) (Chile Fights).

Colombia: Colombia has joined such countries as Mexico and Sweden in withdrawing their Ambassador from Chile as an act of repudiation of the junta. . . . . Former Socialist Deputy Carmen Lazo was finally granted a safe-conduct pass and flown to Bogota on April 29, after 7 months of embassy asylum in Santiago. (Ch. Inf.)

Holland: The 250 Chilean refugees in Holland have formed an association and begun circulating a newsletter, according to their first boletín.

Italy: Four young members of the human rights group "Europa Civiltà" chained themselves in the Chilean Embassy in Rome as part of a protest against atrocities in Chile. (Ch. Inf.)

Paraguay: Despite government repression, a street demonstration was organized in Asunción during which the Chilean flag and shield were removed from the Embassy there "to be restored when Chile recovers its liberty." (Chile Democratico)

Scandinavia: During the meeting of Foreign Affairs Ministers of the Scandinavian countries in Copenhagen, a resolution presented by the Finnish Minister appealing for the release of all political prisoners in Chile was unanimously approved. (Ch. Dem.)

South Yemen: In an official declaration condemning the Chilean junta, Prime Minister Ali Nassar Mohamed compared the Chilean regime to Hitler's Germany. (Ch. Inf.)

Switzerland: The Swiss journalist Pierre Rieben, recently held for a week by the Chilean military before being expelled from the country, testified that he had been tortured during his imprisonment in an attempt to force a confession of connections with the MIR from him. (Berliner Extra-Dienst, PTS)

## Frankfurt Conference

250 delegates from 16 Western European countries attended a conference on the Chilean resistance, held from April 23-27 in Frankfurt, Germany. Over 55 political organizations and Chile support groups were represented, and 7,000 people participated in a mass demonstration which concluded the conference.

The major purpose of the conference was the mobilization of solidarity with the Chilean resistance on a larger scale, one goal of which will be to try to prevent the government, economic, and banking interests of all countries from aiding the junta materially. A second goal will be the strengthening of all Chile work in workers organizations and unions to urge them to stop production and shipment of goods to Chile. In addition, the conference decided to form a commission to coordinate the solidarity actions of Latin American refugees in Europe.

Among the actions of the conference were pledges of money and blood donations for the Chilean resistance. Funds raised by groups in West Germany and West Berlin alone since September 11 now total about \$170,000 and are going directly to the Chilean resistance. (PTS)

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# FIRST CLASS