

Faculty Club

28 - E - Nov - 75

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Barbara Schorensberg.

It's a privilege to be here invited by the Faculty Club.

In fact, before I arrive to Chapel Hill, my good friend Harry Landstube had arranged this talk with Dr. Brinkhaus. Landstube, as a good social scientist, know quite well, that we are excited to talk about what has happened in the past; to build beautiful models to explain export. I'm glad of that, and I believe that is the reason why I will talk on the past + the present, but nothing about the future.

As a good social scientist I will attempt to give my view about the past and the present in Chile; I would prefer to stop here; with an historical or better military regime, predictions are very difficult. Greece and Portugal are good examples.

To talk about Chile, for a Chilean is a difficult task for 2 reasons: first, because of the emotion that appears, and second because of some ~~law~~ Law Decree of last August that ~~states~~ states that ~~any~~ any Chilean can loose his citizenship - in addition to being ~~prohibited~~ prohibited for him to return to his ~~to~~ fatherland, if - according to military criteria, the talk is considered offensive toward the country. Let us hope, that in this ~~to~~ keep that in mind during our talk this afternoon.

I believe that two main values has been the ~~purpose~~ goal for many human being since we are here, in this planet: freedom and social justice; ~~The right~~ <sup>Through</sup> The pursuit of this two values we can see most of the history of mankind.

And there is no question that one of the big challenges that we face is to prevent them as compatible; one with another.

There are many examples of societies where one of those values it is considered more important than the other.

To this very selective audience, I do not need to go on further on this subject.

etc

Chile is an small country. Very ~~thin~~ <sup>narrow</sup> and very long.

And we have also a very ~~various~~ unusual history by latin America standards.

While most of the Latin America countries had an history of revolutions and coup d'etat, 12 years after independence in the 1830's we were able to build some democratic form of government with an established constitution after several attempts about what should be the organization of this new country.

During the XIX Century the landed aristocracy was able to build a democratic state. Of course, with many imperfections, but with a sense of freedom for all those that were able to participate in that form of government.

Given the feudal organization of Chilean society, democracy was restricted to just a few Chileans.

~~The~~ While participation was restricted, the important factor is that the rules of the game were respected by all those that participated in it.

The history of the XIX century is an history of improving our political institutions; of broadening participations and of assuming freedom.

On the economic side, we were an export oriented economy: first silver, afterwards copper, then, after the <sup>Pacific</sup> war against Peru + Bolivia, nitrate.

An author has said that all the elements were there to have an strong capitalistic development.

We have natural resources; financial ones from our exports; nevertheless, that landed aristocracy missed that opportunity; Instead of devoting those financial resources to investments, they decided to live from that resources and to eliminate ~~the~~ internal taxes.

The Pacific War was important for several reasons: ~~was~~ it developed some industries; it create ~~a~~ strong and important mining centers in the north of Chile; it developed some financial centers.

In other words, a incipient middle class emerged as well as a worker class.

At the beginning of this century some social unrest could be detected.

The parliamentary system of government - that we have after 1891, was unable to deal with the kind of problems. Statistics show that on the average, a new cabinet was formed every 3 months.

Politics was almost a toy for the oligarchic circles.

But the middle class wanted to have some participation.

1920 - Alessandri is a turning point. A new constitution, or better, an amendment to the old 1833 constitution was approved and we start in 1925 with a presidential constitution very much like the U.S. constitution.

If this was an important event from the political point of view, 1930 was an " " " " economic side.

Chile was devastated by the Depression of the 30's. Demand for imports + exports dropped.

The government has to take extraordinary measures, among other, control of foreign trade.

It was necessary to have ~~to~~ high tariffs to prevent imports.

The process of import substitution begins.

Industrialization took place.

This period - especially after 1938 - represent the ascent of the middle class, an ascent that is made possible ~~with~~ via a coalition with

the working class. This is the Popular Front.

To some extent, since we had had such an important development in political freedom it was possible to turn our attention toward social justice.

Up to <sup>the</sup> 1950's because of the dynamics of the process of import substitution it was possible to have economic growth while at the same time to incorporate new sectors toward the political participation of the country.

When this process came to an end? By 1950's why: because once to substitute the ~~easy~~ simplest manufactured goods, to continue with this process would require higher technological skills; bigger amount of capital; a bigger market for those products, etc etc. To produce textiles is not very difficult. To produce cars, or T.V. sets is another matter.

Chile, again was in the middle of a crisis; given the political developments it was very difficult to forget about social justice. - Trade union movements, in the cities was by this time very strong. Political diversity was very big: from Conservatives, to communists...

What should be the answer to this new challenge:

In short, Chile attempt 3 answers, all of whom came through electoral elections.

From 1958-64 the Conservative answer was given: without a foreign capital, and through foreign debt

From 1964-70 - the reformist answer with Frei.

Frei introduces a new element, a very important one: land reform and the incorporation of the peasant. With an important reform in the electoral law in 1958, peasants now became new political actors, in addition to urban workers, demanding social justice.

It seems to me impossible to understand Allende's program unless we begin with the reformist changes that were introduced by Frei.

- By 1970, 3 choices were given to the Chileans:
- Conservative — Alessandri
  - Reformist — Torric
  - Toward socialism — Allende.

The diagnosis of the Chilean problems were very much the same for Torric, and Allende.

It was the capitalistic system of development what had come to a point of crisis.

- Changes in the structure of the Chilean society were needed to solve the problem of social justice.
- ~~Any~~ Chileans chose to attempt the third way, the one that was never been attempted before: toward socialism through electoral means.

As Allende put ~~it~~ in his first message to congress:

"As Russia was then, in 1917, so Chile today is faced with the necessity of finding a new way to build a socialist society — our revolutionary path is the ~~the~~ pluralist path, anticipated

by the classic theorists of Marxism, but which has never before become a concrete fact" "It is a challenge to us to accomplish everything in legal terms"

This is too short time to review what happened during the Allende's thousand days.

Let me say only, that most of the structural changes promised by its government were already ~~done~~ accomplished:

- Nationalization of copper & iron.
- Banking system ~~the banks~~ went to the state.
- State control of the most important <sup>industrial</sup> firms
- Land reform practically completed as far as expropriation is concerned.
- The political system of Chile was in a degree of extreme tension.
- Vested interest are much more powerful of what people usually realize. Given the kind of changes introduced in Chilean society, the whole society was divided; Nevertheless, we were able to introduce those changes with absolute freedom of press, of speech, with absolute respect to human rights.

I sincerely believe that never such changes in any society has been introduced with the that absolute respect for everybody.

I do not think that this is the place to discuss how convenient those changes were for the long run prospects of Chilean development.

150 years of democracy, freedom and search for social justice came to an end on September 11, 1973. -

A new form of government emerged: those that can be injured through the use of naked force. What can we say about that. -

Many factors explain that outcome:

- Internal forces that decided that the rules of the game, democracy, was dangerous because the country could become socialist.

They resorted to anything.

- International forces: not a single loan <sup>went</sup> to Chile - a dependent country upon the Interamerican Bank or the World Bank.

- Destabilization to me the word used by CIA.

- Of course, there were mistakes made by all sides, that ~~to~~ in one case or other participated in front.

But this is not enough to change a point.

To day in my country freedom has disappeared;

No free press, no free speech, no strikes, no meetings.

no academic freedom, U. Notices, with only 8 votes against, approved a resolution asking for the restoration of human rights.



It is impossible to predict the future.

~~Let us hope,~~

Justice Holmes in 1928:

"If there is any principle of the Constitution that more imperatively calls for attachment than any other, it is the principle of free thought - not free thought for those who agree with us but freedom for the thought that we hate" -

Let us hope, that sooner than later - ~~Chile~~ <sup>will</sup> ~~may become again~~ <sup>again</sup> to walk <sup>again</sup> towards a world freedom and social justice. When that happened, Chile <sup>once more</sup> again will have found its historical ~~way~~ path of development."