

# The significance of Pinochet's arrest and the lessons of the 1973 coup

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*The following is the text of a speech given by Chris Marsden, national secretary of the Socialist Equality Party (Britain), to a public meeting in Sheffield, England.*

Britain's Home Secretary Jack Straw will soon make his decision whether to allow Spain's extradition warrant against Pinochet to proceed. There is little doubt regarding the decision Straw would like to make. The *Observer*, for one, has reported that Straw already had his speech of farewell written in anticipation of the Law Lords upholding the High Court ruling granting the dictator sovereign immunity.

Instead, the Lords have handed him a poisoned chalice. If Straw wants Pinochet to go free, he can no longer hide behind the fig leaf that this is purely a judicial matter. Any attempt, moreover, to cite compassionate grounds on behalf of a "frail, sick old man" will not wash. Neither will the claim by Chile's Socialist Party Foreign Minister Jose Miguel Insulza that Pinochet can be brought to justice at home.

The amnesty law passed by Pinochet himself in 1978 prevents former members of the military government from being tried for human rights abuses. Human rights groups have filed lawsuits against the general, who is a senator-for-life, on the slim chance that the amnesty law may be re-interpreted to allow prosecution for specific crimes such as torture. But Insulza's assertion that these will go ahead is a transparent fraud.

Even if they did, Pinochet would have the option of being tried by a military court. Last week, the Chilean Supreme Court rejected a request by the government to intervene so as to ensure that Pinochet could one day be tried in a civil court.

The US government is most insistent that no trial take place. After weeks of behind-the-scenes lobbying, US Secretary of State Madeleine Albright has come out openly with what is effectively a demand that the Blair government allow Pinochet's return to Chile. The official reason is US concern over Chile's stability. This is a real question.

## The lie of Chilean democracy

Chile's supposed transition to democracy is built on a lie: that it is in everyone's interest that the past be forgotten and the crimes that were committed be forgiven. This has simply enabled the continuation of a situation in which a handful grow rich at the expense of the impoverished masses, who live under the perpetual threat of military repression. To speak the truth about so-called democracy in Chile is to raise the true character of similar regimes throughout Latin America, and expose the nature of similar amnesties and "truth and reconciliation" processes in South Africa, Spain and elsewhere.

A primary consideration for the US and its allies is to conceal the CIA's role in Pinochet's 1973 coup against the government of Salvador Allende. We already know that Nixon and his National Security Adviser Henry

Kissinger allocated \$8 million for the campaign to destabilise Allende. Kissinger told the CIA that Washington's "firm and continuing policy" was for Allende to be overthrown by the US-trained Chilean military. In 1975, CIA director Richard Helms admitted his agency's involvement.

When the coup finally came in September 1973, US warships appeared off the coast of Chile and American intelligence officers kept in touch with Pinochet and other military leaders. In subsequent years, an estimated 50,000 Chileans died at the hands of Pinochet's dictatorship, which was protected throughout by Washington. This is an awful lot of blood on America's hands, and its present-day leaders are determined that the details of the operation remain concealed.

The present diplomatic and political crisis surrounding Pinochet is a remarkable turn of events that goes far beyond the personal fate of this mass murderer. His arrest has revived critical political and historical issues suppressed for a quarter of a century.

## Some critical questions

We are compelled to consider the following questions: What was the significance of the 1973 coup? What were its central lessons? What accounts for the sudden reversal of Pinochet's fortunes, and what are the wider implications of this development?

The Chilean tragedy is one of the major strategic experiences of the twentieth century. The overthrow of Allende's Popular Unity government and Pinochet's subsequent reign of terror delivered a body blow to the Latin American and international working class from which, in a sense, it is only now beginning to recover. The installation of a military-fascist regime in Chile played a major role in creating the conditions for a counteroffensive by the imperialist powers after a period of militant and potentially revolutionary movements of the working class on a global scale.

A terrible defeat took place in 1973. However, an examination of this experience can, if properly understood, provide critical lessons for workers and all those who are coming to see the need for a struggle for socialism today. It is only through an unflinching examination of the mistakes of the past that the requisite lessons can be learned and future defeats prevented. Those who benefit from a failure to examine the causes of a reverse of this magnitude are the political forces and social groups who are implicated in the terrible events of 1973 and the years that followed.

The Socialist Party of Chile, for one, is happy to wrap itself in Allende's mantle of martyrdom, while calling for "tolerance and forgiveness." Its aim is to implement the free market policies pioneered by Pinochet, while claiming to represent a new democratic departure. It is not in their interests to review how Allende's government paved the way

for the fascists.

## Capitalism and democracy

One crucial lesson that Allende's political heirs would like to obscure is this: the Pinochet coup exposed the myth that capitalism—the so-called "free market"—is in some way synonymous with democracy. In September 1973, the major imperialist powers and the native capitalist class in Chile combined to overthrow a democratically elected government and replace it with a military tyranny that ruled for 17 years.

Chile is often cited as testimony to the power of capitalism and the unassailable character of its rule. The main proponents of this view, apart from the imperialists themselves, are the Stalinist and social democratic parties. Their claim is that, as soon as US imperialism decided on a coup under the auspices of Pinochet, the fate of the working class was sealed. This is both false and self-serving.

Chile was pregnant with the possibility of a successful socialist revolution, and such an eventuality would have had a profound impact on the movement of workers all over the world, just as the Russian Revolution did in 1917.

The events in Chile unfolded within an international context of escalating class struggles on a scale not seen since the period immediately following the Russian Revolution. Beginning with the French general strike of May-June 1968, the European working class launched a powerful offensive to defend its living standards that swept through Germany, Italy, Britain and elsewhere. By 1974 this movement had led to the fall of Heath's Conservative government in Britain and the collapse of military and fascist dictatorships in Portugal and Greece.

The very centre of world imperialism, the United States, was rocked by workers' struggles, student protests, the civil rights movement and urban upheavals by the most oppressed layers of the working class, coupled with the humiliating military defeat suffered in Vietnam and the massive anti-war movement. All of this culminated in a political crisis that led to the fall of the Nixon administration.

In Latin America—not just in Chile, but also in Bolivia and Argentina—it was entirely possible that the working class could have seized power.

## The counterrevolutionary role of Stalinism and social democracy

The central role in rescuing world imperialism from the revolutionary threat was played by the Stalinist "Communist" parties and the social democrats. It was they who, in country after country, worked consciously to politically and practically disarm the working class and prevent it taking the road of socialist revolution. They did so by subordinating the working class to a reformist perspective in the advanced capitalist countries and painting bourgeois nationalism in false socialist colours in the semi-colonial nations. A supplementary role was played by the middle-class radical groups—pseudo-Trotskyists, Maoists—who limited workers to pressuring these leaderships.

Chile was perhaps the greatest of these betrayals. In the name of "Marxism", the Allende government and the Chilean Communist Party promoted what they described as the "Chilean road to socialism". They insisted that Chile's long traditions of democracy meant that it was not necessary to mobilise the working class in a revolutionary struggle for the overthrow of the profit system.

"A hundred years of congressional democracy" supposedly made Chile

impervious to the type of brutal dictatorship that had been imposed in Indonesia less than a decade earlier; instead a peaceful and gradual parliamentary road was possible. The deadly illusion was fostered that the democratic rights of the working class could be entrusted to enlightened sections of the ruling class, including the military.

Though Allende carried out certain reforms and limited nationalisations, his government was characterised by its refusal to expropriate imperialist interests in Chile, its cowardice before the native capitalists and large landowners, and its prostration before the state.

## A theoretical justification for the defence of capitalist rule

The Stalinists provided the ideological justification for Allende's regime. The statement of the International Committee of the Fourth International published in the aftermath of the coup cites a spokesman for Chilean Stalinism, who wrote shortly before the military take-over: "A distinctive feature of the revolutionary process in Chile is that it began and continues within the framework of the bourgeois institutions of the past....In Chile, where an anti-imperialist, anti-monopoly, and anti-feudal democratic people's revolution is now under way, we have essentially retained the old state machine.... The armed forces, observing their status of a professional institution, take no part in political debate and submit to the lawfully constituted civilian power. Bonds of co-operation and respect have evolved between the army and the working class in the name of the patriotic goal of shaping Chile into a free, advanced, and democratic land.

"Ultra-left elements clamour for the immediate 'introduction' of socialism. We hold, however, that the working class will gain full power gradually: it will be in step with our gaining control of the state machine that we shall begin to transform in the interests of the further development of the revolution."

Stated here is Stalinism's two-stage perspective: first, a struggle for bourgeois democracy against feudalism. Only at some indeterminate and distant point in the future is it permissible to consider the possibility of a struggle for socialism. This radically false and ahistorical conception was answered theoretically by Leon Trotsky when he elaborated his perspective of Permanent Revolution after the 1905 Revolution in Russia, and answered in practice by the 1917 Revolution, in which the working class, led by Lenin, Trotsky and the Bolshevik Party, won the support of the oppressed peasantry, took power into its own hands, and began to lay the foundations for the construction of a socialist society. The revolutionary strategy of the Bolsheviks under Lenin and Trotsky was permeated by the perspective of world socialist revolution. They recognised and stated repeatedly that the ultimate success of the socialist revolution in Russia was dependent upon the construction of revolutionary Marxist parties of the working class and the extension of the revolution internationally.

On the basis of their theoretical scheme, at once nationalist and anti-revolutionary, the Chilean Stalinists defined the developing struggle as a purely democratic revolution, which meant, they insisted, the workers were obliged to subordinate themselves to the Chilean bourgeoisie, which they depicted as progressive, even revolutionary. The CP of Chile operated within Allende's Popular Unity regime as political police in defence of bourgeois property, proscribing any actions by workers or peasants that challenged the holdings of the capitalists and big landowners.

## The Chilean bourgeoisie and imperialism

As events were to demonstrate all too brutally, the Chilean bourgeoisie was neither able nor willing to play the role assigned to it by the Stalinists. In Chile, as in all countries with a belated capitalist development in the imperialist epoch, the native ruling class was incapable of carrying through the tasks associated with a bourgeois democratic revolution: breaking up the landed estates, freeing the peasantry, creating representative institutions of government and liberating Chile from imperialist domination.

Externally the Chilean capitalists were tied to foreign imperialism, above all the US, while internally they were linked to the old landowning elites. Whatever differences they might have had with Washington, they recognised that the greatest threat by far came from the Chilean working class.

There are few more consummate examples of a bourgeoisie dependent on an imperialist power than that of Chile. Its military was a creation of the US government and the CIA. The calculations of the bourgeoisie—and of Allende himself—were that any serious encroachment on America's interests in Chile would provoke a US intervention even more ruthless than that carried out against Castro's regime in Cuba. Any serious attempt to free Chile from US domination, moreover, would inevitably unleash the revolutionary force of the Chilean workers.

One could say that in different ways both Allende and Pinochet expressed the essentially counterrevolutionary character of the Chilean bourgeoisie: Allende in his servility before imperialism and Pinochet in his savagery against the working class.

### **Socialist revolution and the defence of democratic rights**

There was no genuine prospect for democratic development in Chile without challenging the system of private ownership of the means of production and imperialist domination, which were the root causes of the poverty and exploitation faced by its working people. This demanded the independent political mobilisation of the Chilean working class and oppressed masses in a struggle for a workers government and socialist policies. A successful outcome required, moreover, a struggle to unite workers in Chile with their class brothers and sisters in Latin America, the US and throughout the world.

In fostering illusions in the Chilean bourgeoisie, the Communist Party denied the class nature and repressive role of the capitalist state. The state is not a neutral body as claimed by the Stalinists. It is an instrument of class rule, the function of which is the defence of capitalist property relations. Likewise, the military is not the "people in uniform", but bodies of armed men whose purpose is to preserve the right of big business to exploit the working class.

As the ICFI explained in its statement, "No popular regime could coexist with the Chilean armed forces that were led by the most reactionary representatives of the capitalists and landlords. Every one of their leaders was a CIA-trained professional reactionary.

"Instead of dissolving Congress, the senate, and the armed forces and instead of creating a popular militia whose power would be derived from the workers' and poor farmers' councils, the Chilean Stalinists became the principal defenders of bourgeois 'law and order' through the creation of the Popular Front government."

The working class was subordinated to a purely parliamentary perspective, which paved the way for its bloody defeat. In the Congress and the Senate the right-wing Christian Democratic and Nationalist parties were allowed to work unhindered for the overthrow of Allende. Eduardo Frei's party did everything to slow down and obstruct Allende's social reforms, while outside parliament the military and the fascist groups

prepared their counteroffensive.

### **How the Popular Unity regime disarmed the working class**

In this situation Allende and his Stalinist allies did everything to oppose the attempts of the working class to mobilise its own opposition. Allende consistently refused to support the building of a workers' militia. In September 1972, for example, Allende declared: "There will be no armed forces here other than those stipulated in the constitution. That is to say the army, the navy and the air force. I shall eliminate any others if they appear."

Accompanying this refusal to arm the workers and the glorification of the military was a systematic retreat from the promised reforms. This soon necessitated open repression against copper miners and other workers and poor peasants protesting against their hardship, as well as any political groups on the left who were seen as a threat to the stability of Chilean capitalism.

Even after a coup attempt was mounted by the Second Armoured Regiment in June 1973, Stalinist leader Luis Corvalan declared: "We continue to support the absolutely professional character of the armed institutions," while an "arms control law" was used to prevent the arming of the workers.

It is no small irony that it was Allende who appointed Pinochet head of the armed forces, supposedly because of his commitment to democracy. The ICFI statement explains, "The final attack on the president's palace on September 11 thus became the culminating blow in a plan which was conceived only because of the acquiescence of the government and the Stalinist party. Like Hitler and Franco, General Pinochet won by default, because of the treachery of Stalinism."

Was an alternative outcome possible?

Yes, had there existed a genuinely revolutionary party in Chile, such a leadership would have mobilised the Chilean masses under the leadership of the working class for the overthrow of the capitalist state and the establishment of a workers government. It would have fought to unite the Chilean working class with their brothers and sisters internationally, including making an appeal to the US working class to oppose the intrigues of Nixon and Kissinger. On this basis, victory was entirely realisable.

### **International consequences of the Chilean coup**

Much has been written in recent weeks about the terrible repression that followed the coup, but two issues have been less exhaustively explored—the political impact of this defeat and its social and economic consequences.

Pinochet himself has repeatedly stressed what he believes to be his enduring contribution to Chile. First, "We effectively purged the nation of Marxists," and second, he established a regime based on the understanding that "nation-building is about making Chile a country of proprietors, not proletarians.... It is the wealthy who produce money. They have to be treated well so that they produce more money."

We do not accept Pinochet's designation of either Allende or the Stalinists as Marxists. But the coup did usher in a period in which all political activity in the working class was suppressed and big business was able to have a field day.

The economic growth that took place under Pinochet—which benefited

only Chilean and international big business and a thin, privileged layer of the population—was built on foundations of mass murder and the destruction of the living standards and democratic rights of the workers. This was politically crucial in reinforcing the claims of the imperialist powers internationally that socialism was off the agenda. Together with the defeats inflicted with the assistance of the Stalinist and social democratic parties internationally, Chile paved the way for the rightward shift in politics and economics that found its fullest expression in the election of Reagan in the US, Thatcher in Britain and the pursuit of monetarist economics on a world scale.

Here again Chile was a pioneer. The Pinochet dictatorship's destruction of the social conditions and organisations of the working class created unparalleled opportunities for foreign capital and the Chilean bourgeoisie to enrich themselves. CIA experts were drafted to assist Pinochet in implementing the most radical programme of privatisation and deregulation seen anywhere in the world. Healthcare, social security, pensions and education were all sold off to the private sector, while corporate income tax was abolished.

### The “Chicago Boys”

All of this was spearheaded by a group of economists who became known as the “Chicago Boys”, because they had studied at the University of Chicago under the arch-monetary Milton Friedman. According to the report of the United States Senate on covert actions in Chile, the CIA also financed their activities. Between 1975 and 1989, the Chicago Boys sold government stakes in more than 160 corporations, 16 banks and over 3,600 agro-industrial plants, mines and real estate, as well as returning the property expropriated during Allende's rule.

Milton Friedman once declared that Pinochet “has supported a fully free-market economy as a matter of principle. Chile is an economic miracle”. Over recent weeks, Mr. Friedman has been at pains to insist that his economic collaboration and embrace of Pinochet's regime did not translate into political support for repression. Whatever his position, the Chicago Boys themselves have admitted that they needed a dictatorship in order to implement their agenda.

Sergio de Castro, an architect of Pinochet's economic programme, said military repression was necessary in order to introduce “economic liberty”. This “provided a lasting regime; it gave the authorities a degree of efficiency that was not possible to obtain in a democratic regime; and it made possible the application of a model developed by experts and did not depend upon the social reactions produced by its implementation” (Quoted by Silvia Bortzsky, “The Chicago Boys, social security and welfare in Chile”, *The Radical Right and the Welfare State*, Howard Glennerster and James Midgley [eds.], p. 90).

Much of Chile's economic growth was based on amassing foreign debt and financial speculation. When the bubble burst in 1982, Chile's gross national product plunged 14 percent. Meanwhile, Chile had accumulated one of the highest per capita debts in South America. Unemployment reached 30 percent, and Chile's debt crisis sparked three years of workers' protests. But this again revealed why Pinochet was embraced by world capitalism. At the behest of the IMF, the World Bank and Chile's international creditors, the government took over failed banks and businesses at a cost of incurring a further \$4.7 billion in foreign loans.

### The toll on Chilean workers

All of this exacted a terrible price on the workers and oppressed. By 1976, real wages had fallen 35 percent and 15 years later they had still not exceeded their 1970 levels. In the first decade of military rule, unemployment rose to 20 percent, while those below the official poverty line rose from 17 to over 40 percent of the population.

While consumption for the poorest 20 percent of the population of Santiago dropped by 30 percent, it rose by 15 percent for the richest 20 percent. Between 1987 and 1990 the richest 10 percent of the rural population saw their income rise by 90 percent, while that of the poorest 25 percent fell. Per capita healthcare spending was more than halved from 1973 to 1985, setting off an explosive growth in poverty-related diseases such as typhoid, diabetes and viral hepatitis.

Even after 1990's supposed transition to democracy, Pinochet's economic policies remained. In *The Myth of the Chilean Miracle* Stephanie Rosenberg explains: “Both the Chicago Boys and the centre-left agree that the market and the private sector should lead the development process. Both emphasise economic growth as the key to the elimination of poverty and reject government measures aimed at reducing inequality or which might risk causing inflation. Both agree that export growth is fundamental to Chile's development, and therefore both support maintaining an open economy.”

As a result, official estimates record today that 4 to 5 million live in poverty in a country of 13 million, and Chilean workers are among the most exploited in the world.

The repression in some cases may have been less severe, but a similar process subsequently unfolded across the globe. The 1980s witnessed an historically unprecedented redistribution of wealth from the working class to the rich. The semi-colonial nations were subjected to plunder in which many were reduced to starvation, while a thin layer of the bourgeoisie and the upper middle class grew rich as the local representatives of the huge transnational corporations that now dominate the world economy. In the imperialist countries, a wholesale offensive mounted against the social gains of the working class has led to falling living standards and rising poverty levels for the first time in the post-war period.

### Behind the arrest of Pinochet

Outlining these developments goes some way towards answering our third question: What underlies the present crisis surrounding Pinochet, and what are its implications?

The present plight of Pinochet has a symbolic character that is felt by tens of millions around the world, on the right as well as the left. For just as his ascent epitomised the beginning of an era of triumphant reaction, his present humiliation heralds the emergence of a new and very different period. It is well to note that the other great beneficiary of the defeats suffered by the working class in the 1960s and 70s—Suharto of Indonesia, who came to power in an even more bloody coup—has been forced out of office as a result of the social unrest unleashed by the financial collapse of much of Asia.

Whereas the 1980s seemed to epitomise the triumph of the free-market system, the 1990s have become the decade of its unravelling. Capitalism's attempts to overcome its crisis in the mid-1970s rested on a conscious drive toward globalisation. Facilitated by the development of new technologies associated with the microprocessor, economic life—the very process of production—was reorganised as a truly international venture. New areas of the globe, such as the so-called “Asian Tiger” economies, became centres of economic activity for corporations that operated on a world scale. This was held up as proof that capitalism could proclaim “the end of history” and its final triumph over the socialist

utopia.

The break-up of the Soviet Union and the introduction of capitalist property relations seemed to confirm this boast. In reality, however, the Soviet Union's fate—determined in large part by the extreme forms of economic nationalism pursued by the Stalinist regime—was only the first expression of a crisis of the entire system of world imperialism.

The drive towards globalisation has served to exacerbate the inherent contradictions of the imperialist system identified by Marxists—between international production and the division of the world into antagonistic nation states, between social production and private ownership of the means of production. Moreover attempts to overcome the declining rates of profit that became manifest in the 1970s have also failed. Profits are now stagnating, even falling, and markets are saturated. The result has been not only a collapse of the Asian Tigers, but a degree of financial instability and economic crisis on a world scale unprecedented since the 1930s.

### Interimperialist tensions

Tensions between the imperialist powers grow each day on a broad range of issues, such as monetary and economic policy, trade, control of oil supplies, spheres of influence in the Persian Gulf, the Balkans, the former Stalinist-rule countries, Africa and elsewhere. These differences have played a part in the diplomatic embroilment surrounding Pinochet. While America is desperate that no trial take place, France, among other powers, barely conceals its satisfaction at seeing Washington squirm.

There is a palpable sense of drift in the political thinking of the bourgeoisie, which has begun to recognise the failure of its previous strategy, but has no consensus as to an alternative policy. At the same time, class antagonisms are sharpening in every country. Millions around the world are no longer prepared to accept the nostrums of the free market and are beginning to seek an alternative.

There are other indications that could be cited of a certain sea change in class relations. The fall of right-wing governments such as that of Thatcher and Major in Britain, Kohl in Germany, Juppé in France and a number of other European countries expresses a shift to the left in the working class. This has taken a contradictory form, bringing to power social democratic regimes that have continued to pursue a right-wing economic and social agenda.

Nevertheless, a political change has taken place in the thinking of broad masses of working people. Pinochet, for instance, has been coming to Britain as a guest of the Tories for years. He did so again under Blair's premiership last year and was invited by the government on this occasion as well. Arriving in September, Pinochet declared Britain "the ideal place to live" as he dined with his old friend Margaret and made his shopping trips to Fortnum and Masons. To both his and Blair's surprise, he found that times had changed.

In every case I have cited, however, the working class has, as yet, found no means to articulate its independent interests. As long as workers, above all their most politically advanced layers, remain confused about the experiences through which their class has passed, real dangers present themselves.

In Chile the military commanders in the National Security Council are demanding that the government secure Pinochet's release. They are also calling for the suppression of all those demanding justice against the military and the fascists. They still have autonomous control over the army under the 1980 constitution drafted by Pinochet and have threatened action against the civilian population.

Whether it is the Socialist Party in Chile's Concertacion government or

Blair in Britain, the social democratic parties have moved dramatically to the right. In Chile, the Socialist Party sits in government as a coalition partner of the Christian Democrats—one of the main CIA-sponsored parties that worked for the removal of Allende in the 1970s—and champions the freedom of Pinochet.

However, a major difference between 1973 and the present is that the grip of the old parties on the working class has been weakened. Workers are dissatisfied and alienated from their old organisations. Socialist Party Foreign Minister Insulza was greeted with cries of "traitor" by the exile community in Britain, and the same cry will no doubt be heard in Santiago.

There will be no lack of opportunities for workers to reverse the defeats of the past. But this is precisely why the lessons of strategic experiences like those in Chile must be assimilated. Everything depends on the building of a new internationalist socialist leadership in the working class.



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