

# New Chilean president to continue military occupation of earthquake ravaged regions

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15 March 2010

Billionaire President Sebastián Piñera took office in Valparaíso, Chile on March 11. Twenty five minutes before the event, Chile's congressional building was shaken by an earthquake that measured between 6.9 and 7.2 on the Richter scale.

Though smaller than the mega-earthquake of February 27, the March 11 quake and several aftershocks caused panic in coastal areas. Thousands moved to the streets and other open areas, and many took to high ground, fearing a tsunami. Electric power went out in some areas and there was further damage to Route 5, the main North-South highway in Chile.

As soon as the February 27 earthquake struck, President-Elect Piñera demanded that President Michelle Bachelet declare a state of emergency, mobilize the Chilean military, and send it to the earthquake region. After some delay, Bachelet, the outgoing social democratic president, agreed. She mobilized the troops and imposed an 18-hour curfew on Concepción and other population centers.

The central purpose of the military mobilization and state of emergency was to protect private property and shield merchants, who had jacked up the prices of basic necessities, from the outrage of desperate earthquake victims in working class and poor neighborhoods. Their poorly constructed homes were destroyed en masse by the quake and ensuing tsunami.

Shortly after his inauguration, Piñera extended the state of emergency in central Chile and re-imposed the curfew in the Concepción region.

With Piñera, the political, military and bureaucratic layers that were allied to the Pinochet dictatorship are now back in power. His election was the result of the failure of a succession of Christian Democratic and Socialist Party regimes to address the deteriorating economic and social conditions of the majority of the population or ameliorate the vast socio-economic inequality that dominates Chilean society. These regimes

were based on a power-sharing agreement between the two parties—the Concertación alliance.

Piñera, who had lost to Bachelet in 2005, narrowly won this time, in large part due to the widespread abstention of workers and sections of the urban middle class.

The new president's fortune is linked to LAN, a major South American airline. Like his Italian counterpart Berlusconi, with whom he is sometimes compared, parts of Piñera's great wealth are also derived from control over the media—in this case, the cable channel Chilevisión.

The 60-year-old president is the offspring of a family deeply embedded in Chile's right-wing political establishment. His father, José Piñera, was one of the founders of the Christian Democratic Party. There are allegations that he was on the payroll of the American CIA.

His brother, José, was labor minister under the Pinochet dictatorship between 1978 and 1980 and played a major role in replacing Chile's government-run pension system with a fully privatized system that has proven disastrous for Chilean workers, while generating mega profits for the insurance companies.

Piñera is from that layer of the corporate elite that most benefited from the Pinochet dictatorship and its ruthless "free market" policies. His party, Renovación Nacional (RN), was formed in 1987 as part of a coalition of right-wing parties that supported Pinochet's candidacy in 1988, when the military regime, spent and discredited, attempted to institutionalize its rule.

By Chilean standards, RN is considered a "center-right" party because it places itself politically to the right of the Christian Democrats and to the left of the Independent Democratic Union (UDI), which also supported Piñera in the recent elections. Both RN and UDI represent a reactionary, ultra-nationalist layer. With its pro-business, pro-clerical program, RN is barely distinguishable from

the UDI. Between them, the two parties embrace a “who’s who” of Chilean reaction, including Opus Dei, much of the military brass, and the copper barons.

At a press conference the day after his quake-shortened inauguration ceremony, Piñera outlined his program, making clear that the reconstruction of devastated areas will be subordinated to a policy of fiscal austerity. Funds allocated for rebuilding are to be deducted from spending on education, health care and other social programs.

Management of reconstruction projects will be placed in the hands of private corporations, ensuring that such projects provide new sources of profit, influence peddling and corruption.

The earthquake of February 27 laid bare the consequences of the dismantling of the social safety net that begun with the September 1973 coup that overthrew and killed President Salvador Allende and installed the fascist regime of General Pinochet, which massacred tens of thousands of students and workers.

Though the Pinochet dictatorship ended in 1990, its economic policies were largely continued by successive governments, transferring wealth to the richest layers of society through deregulation, privatization and the gutting of social programs. One consequence of the plundering of the country’s resources by the financial-corporate elite was lax enforcement of building codes. Since Chile bestrides major tectonic fault lines and has a history of destructive earthquakes, it was all but inevitable that millions of workers would eventually pay the price for these policies.

It is now known that within hours of the February 27 quake, merchants hiked up the price of basic supplies such as water and bread in an orgy of price-gouging. It has been reported that the price of bottled water jumped to \$4 in Concepción. The same price, prohibitive for most Chileans, was demanded for a kilo of bread. Telephone service, water and electricity, all privatized under Pinochet, collapsed, as did the emergency communications system.

Roads, bridges and homes built in recent years by private contractors who flaunted construction standards also collapsed.

Bachelet’s initial response, that Chile was “well prepared and organized to respond to disasters,” was quickly exposed as a lie. Her statement became a symbol of the cavalier attitude of a government that, indifferent to the needs of the people, neglected to make the necessary preparations to respond to tragedies such as this one.

Those social layers that had the means to do so

proceeded to corral whatever basic necessities were available. Pharmacies were stripped bare of medicines, not by looters, but by their owners, leaving thousands without needed medications.

It took three days after the quake occurred for supplies to reach Concepción. In desperation, many workers reacted by removing from stores whatever was left.

The government, fearing civil unrest, responded by sending more than 14,000 troops to central Chile. These troops are an occupying force enforcing a daily curfew.

Soldiers are patrolling the poorest neighborhoods of Concepción and other cities, seizing consumer durables they claim were removed from stores by quake victims. The soldiers go door-to-door, intimidating the occupants and threatening them with imprisonment.

While the new president continues to denounce “looters” in the name of “law and order,” no trials are expected for the hoarders, speculators and price-gougers. Nor are there plans to investigate and prosecute the companies that built the highways and homes that collapsed during the quake.

Piñera is one of three Chilean multi-billionaires on the list of global billionaires issued each year by *Forbes* magazine. The total fortune of these 3 individuals—\$15 billion—is more than the combined yearly income of the poorest 40 percent of Chileans. Their combined wealth could pay half of the estimated cost of rebuilding Chile after the quake.



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