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HEAL, CHARLES FREDERICK. Reactions from the American Press Toward the Regime of Salvador Allende. (1974) Directed by: Dr. Franklin D. Parker. Pp. 75.

In September, 1970, a Marxist, Salvador Allende was elected President of Chile. It was the purpose of this thesis to review the treatment of the Allende regime by the American press. Because so much had been written about Allende and his government, this paper discussed three key events during his administration; the election of Allende, Allende's policies of nationalization, and the overthrow of the Allende government. This thesis did not attempt to be a study of Salvador Allende, nor was it a study of his government. Omitted from this paper were the activities of various terrorist groups, congressional and municipal elections and the ITT scandal and its related consequences.

In a study such as this, it would have been practically impossible to reflect the opinion of every newspaper and news magazine in the United States. As a result, selections from only the following newspapers were examined: the Washington Post, New York Times, Denver Post, and Chicago Tribune. These newspapers were chosen because they represented a wide geographical area and because they commented frequently on the Chilean situation. In addition, several news magazines were thoroughly examined. Included among these were U. S. News and World Report, Time, Newsweek, and The Nation. These were the only American news magazines which gave a continual account of the events in Chile.

Other news magazines researched which published occasional articles on the Chilean situation were Reader's Digest,

The New Republic, Commonweal, and Business Week.

It can be said that the American press reacted both favorably and unfavorably to the events in Chile. News publications such as the magazines Time, The Nation, Newsweek, and the newspapers New York Times, Washington Post, Denver Post, were generally sympathetic to the Allende government. Conversely, the U.S. News and World Report magazine and the Chicago Tribune newspaper were both consistently critical of Allende and his administration. It was observed that the news sources which published infrequent articles on the Chilean situation generally gave factual accounts as opposed to sympathetic or critical accounts of Allende's government.

PRESS TOWARD THE REGIME OF SALVADOR ALLENDE

by

Charles F. Heal

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APPROVAL PAGE

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CHAPTER I

INTRODUCTION

Salvador Allende Gossens was born July 26, 1908, in Valparaiso, Chile. Allende's father, a wealthy lawyer, died when Allende was still in his teens. Several years later Allende enrolled as a medical student at the University of Chile. It was during these years at the University that Allende became interested in politics. While there he was elected Vice-President of the student federation and was jailed twice for political reasons.

The 1930's held several significant events for Salvador Allende. In 1932, Allende earned his medical degree. One year later Allende founded the Chilean Socialist Party. In 1937, he was elected to the lower house of Congress. Dr. Allende was named to head the government's relief program when a major earthquake killed 10,000 Chileans in 1939. As a result of his work in this crisis, Allende received national acclaim. Shortly after this Chilean disaster Allende published a book entitled Socio-Medical Problems of Chile. The book attacked capitalism in Chile, saying that it created the health problems of the poor.

[&]quot;Allende, a Man of the Privileged Class Turned Radical Politician," New York Times (September 12, 1973), p. 18.

During the early forties, Allende's interest in politics continued. In 1945, Allende was elected to the Chilean Senate. By 1952, Allende had decided to run for President. In the election, however, Allende received only 6% of the vote. In 1958 and 1964, he ran again for President increasing his margins in both elections. Finally, in September, 1970, the people of Chile elected Marxist Salvador Allende as their President. Allende thus became the first Marxist democratically elected to serve as President of a country in the Western Hemisphere. Once in office, Allende experienced many difficulties. His country was besieged with economic and political problems. After three years of struggling unsuccessfully with these problems, the Allende government was overthrown by a military coup.

The purpose of this thesis is to review the treatment of the Allende regime by the American press. Reports on Allende and on his government appeared frequently in the American press. This paper, however, does not attempt to review all of these press releases but instead will discuss only some of the key events during his administration. The second chapter will focus on the reaction of the American press to Allende's victories -- first at the polls in September, 1970, and then in the Congress two months later. The third chapter will deal with the treatment by the American press of Allende's policies of nationalization and will review the United States' news reaction to the continuing decline in

Chile's economy. The closing chapter will review the response of various United States publications to the over-throw of the Allende government.

Several American news sources were selected to complete this study. The criteria used in the selection process were: 1) the frequency with which the publication commented on the Chilean situation 2) the geographic area represented by the particular publication 3) the availability of the particular source. It was observed that the Washington Post, New York Times, Denver Post and Chicago Tribune satisfied all three requirements. In addition, news magazines such as U.S. News and World Report, Time, Newsweek, Business Week, and The Nation were also used primarily because of their week-by-week accounts of the events in Chile. Additional news magazines which provided some information included Reader's Digest, The New Republic and Commonweal.

CHAPTER II

THE ELECTION OF ALLENDE

In the Chilean presidential election of September, 1970, three candidates ran for office. The incumbent, President Eduardo Frei, having just completed a six year term, was ineligible to run. Dr. Frei's Christian Democratic Party therefore nominated Radomiro Tomic Tomero as their candidate. Dr. Salvador Allende Gossens, as avowed Marxist, was a second candidate and the third candidate was conservative Jorge Alessandri Rodriguez.

The results of the election, however, were such that no one candidate received a majority. Allende won with a plurality receiving 1,075,616 votes, while Alessandri finished second with 1,036,278 votes, and Tomic was third with 824,849 votes. The Allende victory resulted in an immediate response from most major news sources in the United States. Some of these sources expressed alarm at the new Marxist government. A New York Times editorial, for example, called the Allende victory, "... a heavy blow at liberal democracy." In another editorial, this same newspaper commented that how Chile handles the rough road ahead "... will

[&]quot;Election of Allende," New York Times (September 6, 1970), p. 10.

inevitably affect the chance for the survival of freedom and democracy elsewhere in the hemisphere -- and beyond."

The editors of the Chicago Tribune, however, did not appear to take the results as seriously as the New York Times and did not forsee Marxism becoming a way of life in Chile. The editors of the Chicago Tribune wrote, "If a western country has to go Marxist voluntarily, there could be worse countries than Chile and worse Marxists than Dr. Allende. Chile is a relatively prosperous and educated country in which Marxism may prove more of a political fad than an economic conviction." Their editorial concluded:

If Dr. Allende succeeds in turning Chile into a classic Marxist economic state, without curtailing political and social freedom in the process; and if Chile later votes to remain Marxist in a free election, then -well, we'll eat our sombrero. 5

The editors of <u>The Nation</u> magazine took yet another view of Allende's election. They seemed to defend the Marxist government when they wrote:

There is certainly no cause for hemisphere alarm. . . To the panicmongers who predict that if Allende takes office

[&]quot;Severe Tests for Chile," New York Times (September 9, 1970), p. 46.

[&]quot;A Marxist in Chile," Chicago Tribune (September 9, 1970), p. 16.

Ibid.

there will never be another free election in Chile, he replies that there will be one in 1976, and "if we have done badly, they will throw us out and elect someone else". It would be folly to deny him his chance.6

The editors of <u>The Nation</u>, in this same article, also criticized the "normally well-informed <u>Wall Street</u>

<u>Journal</u>" for calling Dr. Allende something which he was not -- "a Communist." In denying that Dr. Allende was a Communist, the editors of <u>The Nation</u> noted an assessment of the three candidates made by the British newsletter, <u>Latin America</u>:

Allende was the most insistent in his calls for "Responsible attitudes and behavior". He opposes violence. 8

Another response to the Allende victory came from Newsweek magazine. The editors of Newsweek pointed out that although Allende still had to be approved by the Chilean Congress, his chances for election looked very good. This was because the third man in the race, Radomiro Tomic Romero of the Christian Democratic Party, would probably support Allende. It was pointed out that on the day after the election, Tomic visited Allende's home to congratulate him.

[&]quot;The Best Way for Chile," The Nation (September 21, 1970), p. 228.

Ibid.

Ibid.

The editors of Newsweek did feel, however, that a peaceful accession to power by Allende would have a deep impact on all of Latin America.

In one sense, his inauguration would mark a triumph for the traditional, Moscow-style Communist Parties and a setback for the continent's Maoists. But whether that setback would prove anything more than momentary was open to question. In any event, Chile under Allende would probably become a new base of operations for Latin American leftists of all stripes. 9

Moreover, this article noted that for the few days following Allende's victory, Chileans " . . . staged a mild run on the banks and drove up the black-market exchange rate for the escudo by seeking to convert their savings into dollars." The run on the banks reflected feelings of uncertainty about the new Allende government.

Newsweek, however, was not the only American news publication to comment on the action of Chilean investors to Allende's election. The editors of Time magazine also reported that some Chileans panicked at the news of the election results. In fact, Time reported that the Santiago stock market closed for a day for the first time since

Ibid.

^{9 &}quot;A Marxist at the Top," Newsweek (September 21, 1970), p. 49.

1938, and that many " . . . depositors withdrew massive 11 funds from Chilean banks."

Finally the <u>Washington Post</u>, in an editorial written several days after the election, praised Allende as an experienced and accomplished politician, "... brought up in Chile's democratic tradition and schooled in the give and take of its legislature." The editors of the <u>Washington Post</u> further noted that Allende's "... antiestablishment attitudes may come as much from being a Mason as from being a Marxist," and that "... those who respect him believe that he would stay within the country's constitutionalist ambiance." Thus it was the implication of these editors that, because of Allende's background, he would probably maintain Chile's democratic tradition and work for reform within the system.

Another aspect of the Allende election which was commented upon by the American press concerned Allende's approval by the Congress. According to the Chilean Constitution, in a presidential election a candidate must receive a majority of the votes. If a candidate has only a plurality (as Allende did) the congress then must decide

[&]quot;The Making of a Precedent," Time (September 21, 1970), p. 34.

[&]quot;A Marxist Wins in Chile," Washington Post (September 9, 1970), p. A-14.

Ibid.

the winner. Thus in October, 1970 the Senate and the Chamber of Deputies met to decide upon either Allende or Alessandri. Traditionally, the congress awarded the office to the candidate who led in the popular vote. Allende's Popular Unity Front controlled only 79 votes and therefore needed the 74 votes of the Christian Democrats to win. After mouh discussion, Frei, the leader of the Christian Democratic Party, " . . . agreed to support Allende unanimously in return for guarantees that Allende would preserve Chile's cherished democratic traditions." The final vote on the approval of Allende as reported to the New York Times, was: Allende 153 votes; Alessandri 35 votes; 7 blank; and 5 members absent.

Once the Chilean Congress had given its approval of Allende, many news sources in the United States immediately reacted. The editors of the New York Times wrote that there was no way to deny Allende the presidency, and " . . . the United States, respecting this decision, must make every reasonable effort to maintain good relations In this same editorial, with the Allende Government." the New York Times modified its position on Allende's

"The Only Course for Chile," New York Times (October 26, 1970), p. 36.

[&]quot;Victory and Violence," Time (November 2, 1970), p. 16.

Joseph Novitski, "Allende, Marxist Leader, Elected Chile's President," New York Times (October 25, 1970), p. 1.

election. It will be remembered that in a pervious editorial, the Times called the Allende victory "... a heavy blow at liberal democracy." After the Chilean Congress had given its approval of Allende, however, the editors of the Times wrote, "There are grounds for hope that democracy can survive in Chile. One encouraging fact is that Chile's Socialist and Communist parties have long sought power only by constitutional means..." Furthermore it must be remembered that Frei "... intends to maintain an active role of leadership, while his party still retains claim to being Chile's biggest Political Party." Thus, the editors of the New York Times expressed the expectation that the new government in Chile would respect and work within the Chilean constitution.

In its assessment of the new Allende government, the U.S. News and World Report was much more conservative. Writing two weeks after Allende had been approved, the editors of this magazine wrote that the election of Allende will "... convert the country into another outpost of 20 Communism." This article went on to emphasize things that

[&]quot;Election of Allende," New York Times (September 6, 1970), p. 10.

[&]quot;The Only Course for Chile," New York Times (October 26, 1970), p. 36.

Ibid.

[&]quot;With Chile Run by a Marxist, What U. S. Can Expect,"
U. S. News and World Report, (November 9, 1970), pp. 20-21.

would seemingly alarm many Americans. One such alarming note was the implication that there would be strong ties between the governments of Chile and the Soviet Union due to Allende's victory and because of a warm congratulatory message sent by the Soviet Union to the new Chilean President. A second alarming note for Americans was Allende's announced plans to nationalize Chile's basic mineral resources. According to this article, several large American companies had substantial investment interests in Chilean mineral production, and they stood to lose in nationalization unless they received compensation.

Two other news publications had comments concerning Allende's approval by the Chilean Congress. First the Washington Post, in an editorial, pointed out that Allende's Popular Unity Front in the congressional runoff controlled only 79 votes and needed the 74 votes of the Christian Democrats for his election. The editors of the Washington Post then pointed out that the Front " . . . will require similar help to help implement the Allende legislative 22 program."

Another reaction to Allende's approval came from The New Republic. In an editorial, this magazine examined

²¹ Ibid.

[&]quot;The New Prospect in Chile," Washington Post (October 26, 1970), p. A-22.

the reaction of the Nixon administration to Allende's confirmation by the Chilean congress. Interestingly, the Nixon administration sent no congratulatory message. In fact, according to this editorial the following sequence of events occurred:

With no forewarning to the State Department, a very high official of the White House, in an anonymous "background briefing" for reporters who traveled to Chicago with President Nixon on September 16, expressed his "great dismay" that a "Communist" had been elected against the will of 2/3 of Chile, and his conviction that if Allende took power, there might never again be free elections in that country. Nor did the White House stop there. It put for-ward a new Latin-styled domino theory, according to which Peru, Bolivia, and Argentina (the latter now under a rightist military dictatorship which has suspended elections and yet enjoys normal relations with the United States) might be the next three countries to fall. 23

In the material examined, no other American news publication made any reference to this White House briefing.

Finally, Newsweek magazine called Allende's approval by the Chilean Congress " . . . the most significant political development in Latin America since Fidel Castro marched triumphantly into Havana more than a decade ago."

The editors of Newsweek in this same article went on to describe Allende's plans for agrarian reform, urban development, and

vember 7, 1970), pp. 9-10.

24

"Center Stage for Chile's Marxist President,"

Newsweek (November 2, 1970), p. 52.

[&]quot;Chile and the U. S.," The New Republic (November 7, 1970), pp. 9-10.

nationalization. The editors felt, however, that "Allende's brand of Chilean socialism may turn out to be an inappropriate model for change in South America." Traditionally, warned the editors of Newsweek, the readiness of Latin armies to step in and stop reform was a factor with which Allende might have to face. This military force might be conservative or it might be politically left-wing.

Still another aspect of Allende's election concerned the position of the United States toward these Chilean political affairs. It is interesting to note that almost all of the news sources agreed on one point, that the United States must remain clear of Chile's internal developments. Wrote the <u>Denver Post</u> in an editorial:

We (the United States) cannot deny the right of Chileans to selfdetermination. 26

The editors of the New York Times agreed:

All the U. S. can do in this situation is to keep hands off, behave correctly and hope for the best.
... Whatever troubles Chile may face would only be compounded by even the appearance of American interference. 27

²⁵ Ibid.

[&]quot;Chile to Test U. S. Policies," <u>Denver Post</u> (September 10, 1970), p. 6.

[&]quot;Election of Allende," New York Times (September 6, 1970), p. 10.

Allende himself, confirmed these opinions in an interview shortly after his election. "In essence we want to be an economically independent country with the right to choose our own path. We are believers in self-determination of the people, and in nonintervention."

Finally, the editors of the <u>Washington Post</u> expressed surprise at the conduct of the United States in the Allende campaign, as opposed to the presidential election in 1964. In 1964, the United States bent over backward to help Eduardo Frei, whereas in this election the United States had remained detached and proper.

The American press also attempted to answer the question of why Allende was elected. The editors of the Chicago Tribune called Allende's victory the result of "...his personal popularity and his 33 years on the 30 local political scene." Although Allende's experience and popularity probably contributed significantly to his victory, one must not overlook the role of Radomiro Tomic. It was the opinion of the editors of the New York Times that Tomic, the candidate of the Christian Democratic Party "... tried at times to outflank Dr. Allende on the left and ... seemed to be running against his own

[&]quot;Chile to Test U. S. Policies," <u>Denver Post</u> (September 10, 1970), p. 6.

^{29&}quot;Election of Allende," New York Times (September 9, 1970), p. 10.

[&]quot;A Marxist in Chile," Chicago Tribune (September 9, 1970), p. 16.

party's record in office."

The result was that Tomic lost some support within his own party, and finished third in the election.

Moreover, the editors of the <u>New York Times</u> noted that although the Christian Democratic Party and Dr. Frei had "... achieved solid results over six years ...," Frei's government did not "... satisfy the expectations it had aroused." This then also contributed to the poor showing of Tomic and the Christian Democrats.

Finally, the editors of the <u>Washington Post</u> felt that the Allende victory was in part due to his experience in politics. In addition, Allende was able to convince enough Chileans that he would not " . . . abuse the presidency to curtail the free system that elected him. . . "

In conclusion, it can be said the American Press reacted both favorably and unfavorably to the new Marxist President in Chile. American news sources such as the Chicago Tribune and U. S. News and World Report generally regarded the results of the election as a victory for the Communists around the world. Neither of these sources expected the Allende government to last for the six-year term to which it was elected.

[&]quot;Election of Allende," New York Times (September 6, 1970), p. 10.

³² Ibid., p. 10.

<sup>33
&</sup>quot;A Marxist Wins in Chile," Washington Post
(September 9, 1970), p. A-14.

More favorable reaction to the Allende government came from the New York Times, Denver Post, and The Nation. These sources expressed the belief that Allende, from all indications, would work within the framework of the Chilean constitution. Time and Newsweek magazines generally refrained from editorializing on the Allende election. Instead they tended to report on the reaction of Chileans to the Allende triumph. It can be said, however, there was a general consensus among the major American news sources that Allende's victory was due in a large part to his political experience and popularity.

CHAPTER III

NATIONALIZATION AND THE ECONOMY

After the election and congressional approval of Salvador Allende, the newly elected government began implementing plans to nationalize several industries. It was reported in several American news publications that as early as November, 1971, Allende began nationalization. It was Allende's feeling that government control over certain industries was essential for a successful economy.

His first steps toward nationalization employed a 1945 labor law, which permitted government intervention to keep plants from closing. Allende brought about a "temporary" takeover of a hardware manufacturing industry partly owned by Northern Indiana Brass and then intervened in a 34 feed company that was a subsidiary of Ralston Purina.

In the copper mining industry, Chile's most valuable resource, Allende felt that he needed additional legislation to insure nationalization. As a result in late December, 1970, Allende proposed a constitutional amendment that would make it possible for the president to nationalize the country's mining industry. Under

[&]quot;Chile Starts Chasing the Capitalists," Time (January 4, 1971), p. 68.

former President Eduardo Frei, the government, in a legislative act, was given 51 per cent share in the copper
mines "... with options to buy the remaining 49 per
cent." To buy these shares, however, these options had
to be paid in cash in some cases and not in long-term
government bonds. Moreover, if the mineowners objected,
this could not be accomplished. Under the new Allende
amendment all such stipulations would be erased. Under
this amendment, "... the government could act unilaterally and compensation would be whatever Allende chose."

On the local economic scene, <u>Time</u> reported the wild-cat strikes appeared in many parts of Chile, while

" . . . squatters seized 4,250 new apartments in Santiago
37

Several of these nationalization steps were discussed in other American news publications, too. For example,

Newsweek magazine reported in February, 1971, that the plans for the legal expropriation of the land had run into difficulties. It seemed that, "on farm after farm peasants have seized the land, forcing owners off their property at gunpoint."

³⁵ Ibid.

Ibid.

Ibid.

[&]quot;Land Grab," Newsweek (February 1, 1971), p. 37.

Newsweek pointed out that the government had "... made no effort to turn the peasants off the 200 farms they have illegally seized." When fighting broke out between farmers and peasants, the government did not interfere, and often it was the owners who were arrested and jailed. President Allende "... pleaded with the peasants to wait for the legal expropriation of the land ...," but they ignored 40 his pleas.

In February, 1971, <u>Time</u> magazine continued to report on Allende's nationalization steps and the actions of his more radical supporters. It was reported that groups of leftists had illegally seized almost 5,000 houses and apartment units "... and driven owners off some 750,000 acres of farm land." The editors also noted that Allende's government had already "legally" expropriated almost two million acres. Allende asked that Congress "... pass a law making violent seizures of property a crime punishable by up to three years in prison. But his government has done little or nothing to enforce laws already on the books; in fact, it has ordered police not to use force in evicting 42 the squatters."

³⁹ Ibid., p. 37.

Ibid .. p. 37.

[&]quot;Allende's Hundred Days," Time (February 22, 1971), p. 36.

¹bid., p. 36.

In this same article, <u>Time</u> reported that a Senate committee had given its approval to Allende's mining amendment. This was of particular interest to the American mining firms (Anaconda, Kennecott and Cerro) who claimed investments totaling over \$1 billion. <u>Time</u> said that it was unlikely that the Chilean governments would "... set 43 the sum anywhere near that high."

Despite his problems with nationalization, Allende seemed to be popular with the Chilean working class. It was pointed out by the editors of Time that Allende in an effort to help the poor and to fulfill a campaign promise, distributed 5,230 tons of powdered milk to Chilean children under fifteen years of age. Moreover, Allende ordered 500,000 pairs of shoes for free distribution to rural school children. In fact, reported Time, he even refused to have his portrait hung in government buildings, in order to budget "... the savings to rural health the programs." Despite such measures, noted Time, inflation had risen from 6.4 per cent in November, to 9 per cent in February. Even more disturbing for Allende, was the fact that the world copper price was down to 48¢ per pound, a drop of 40¢ in four months.

¹bid., p. 36.

Ibid., p. 36.

In the spring of 1971, Congress was still considering Allende's copper nationalization amendment. <u>Time</u> magazine reported that, "Allende has already nationalized the coal, steel and nitrate industries, as well as two of the largest textile plants and 60% of the nation's 45 banking."

Chilean businessmen were experiencing rough times. On one hand price controls kept their prices down, while on the other, the government demanded more taxes, and employees sought higher wages. Allende had already " . . . granted cost-of-living increases ranging from 34.9% for public employees to 47% for private workers." noted the editors of Time, by increasing the supply of money 55.2 per cent in 1970, and 34.7 per cent in the first quarter of 1971, inflation would continue to rise. Additional economic problems were reflected in the following statistics: Chile's foreign reserves were \$332 million in December, and by April they were down to \$255 million; " . . . the Chilean escudo has slipped to an exchange rate of more than 40 to the dollar on the black market (versus 14.5 at the official rate);" and finally copper production was reported down 20% from the previous year.

[&]quot;Mandate for Allende," <u>Time</u> (April 19, 1970),
p. 24.

46

<u>Ibid</u>.
47

<u>Ibid</u>., p. 26.
48

Ibid.

Reporting on Chilean nationalization and on the Chilean economy the editors of <u>U. S. News and World Report</u> summarized Allende's major economic accomplishments. They noted the following: 1) nationalization of eight major banks which control nearly 3/4 of the total national credit, 2) redistribution of 380 expropriated farms, 3) stabilization of all prices "... on all consumer goods and on rents, and the subsidization of low rates on electric power and public transportation.", 4) approval of wage boosts of thirty five to sixty per cent, and 5) expropriation of business firms in other key industries. The latter had begun with the takeover of three textile firms and, late in March, the Government purchased an iron-mining subsidiary of the Bethlehem Steel Corporation.

According to the editors of <u>U. S. News and World Report</u>, Allende was able to accomplish most of these actions without confronting the Chilean Congress. For example, in the textile industry, Allende employed "an old law allowing Government intervention in companies operating to the detriment of the nation." It seemed that the textile industries, experiencing a slow down, were forced to lay off workers and defer tax payments. The government, however, interpreted such conduct as "detrimental to the nation" and took them.

50 Ibid.

[&]quot;Can Marxists Now Go All the Way in Chile?" U. S. News and World Report (April 19, 1971), p. 39.

In the banking takeovers, Allende created a

"... state run development corporation that is authorized to buy stock in private companies..."

This development agency was able to buy enough stock to control eight banks.

Not everything, however, was going along smoothly. The editors of <u>U.S. News and World Report</u> further noted that unemployment by the spring of 1971 had reached an all time high of 300,000 out of a total work force of 3 million. Five months earlier when Allende had taken over, it had only been 180,000. In addition, foreign investors were rarely ever seen in Chile anymore and food shortages were becoming increasingly more common.

on October 11, 1971, Allende announced that his government would not pay for the three copper mines it had recently nationalized. The Anaconda Corporation estimated the loss at \$400 million while Kennecott stood to lose about \$63 million. According to Allende the two copper companies owed the government \$744 million in excess profits earned in the past fifteen years. "Since that was far more than the \$467 million book value of the mines, on which compensation for the takeover would have been computed and since no appeal was permitted, the game was over."

Both

<sup>51
&</sup>lt;u>Ibid</u>.
52
"Copper Crisis," Newsweek (October 11, 1971),
p. 77.

Anaconda and Kennecott protested Allende's mathematics, but to no avail. The editors of Newsweek noted that, unless copper production increased and stability returned to the economy, " . . . Allende seemed to be on a collision course with economic calamity."

The editors of U. S. News and World Report also commented on the condition of the Chilean economy in October, 1971. It was pointed out that the Allende government had taken over 1,300 large farms and that most banks were in Government hands. On the surface there appeared to be prosperity. Sales were up in many shops and businesses. Actually, the "miniboom," according to these editors, was due to price freezes while average wages jumped 30 per cent. In addition, the government " . . . to keep a heavy flow of imports" drew on foreign-exchange reserves. Allende then had " . . . succeeded in buying time. . . " Complaints over land reform and food shortages were becoming more frequent. Copper production, essential to the Chilean economy was expected to reach 1.2 million tons that year, but would probably total only 870,000 tons. The editors of U.S. News and World Report concluded: "Unless it (socialism in Chile)

⁵³ Ibid.

[&]quot;The Road to Socialism: A Rough One For Chile."

U. S. News and World Report (October 25, 1971), p. 73.

Ibid.

can be improved, Chile could wind up as broke as that 56 Socialist republic to the north -- Castro's Cuba."

By November, 1971, Salvador Allende had been in office one year. Jeff Radford, writing in The Nation, reported on Allende's significant accomplishments during this period. Allende's program of nationalization was proceeding rapidly. The government had control over 85 per cent of the copper production, 100 per cent of steel, cement, nitrate, petroleum, and coal production; 70 per cent of textiles, 25 per cent of all fishing industries and large electronic firms; and almost 90 per cent of all banking credits. According to Radford, " . . . these state conquests . . . were carried out without sacrificing at least the trappings of democratic process and with a minimum of violent reaction." In fact, argued Radford, Allende " . . . could persuasively claim that no other regime in Latin America, at least during the past fifty years, has accomplished so much so quickly and still allowed the degree of freedom of expression currently enjoyed in Chile." Radford also noted that the purchasing power of the average worker was up -- a fact which can be in part

⁵⁶ Ibid.

Jeff Radford, "Chile's Reasonable Revolution,"
The Nation (November 1, 1971), p. 422.

Ibid.

⁵⁹ Ibid.

contributed to wage hikes to workers in some cases as high as 66 per cent. This author concluded that Allende, "... seems to be proving that nonviolent revolution is possible, as long as the majority opposition party shares the same 60 general goal and can be persuaded to play along."

Newsweek magazine, however, did not feel that Allende's program was as successful as some claimed. The editors of Newsweek acknowledged that Chilean workers were being paid substantially more and that this had caused a minor boom in the economy. But this boom, stated Newsweek, would soon bankrupt the country. Looking closely at the Chilean economy, dollar reserves had dropped from \$335 million in November, 1970, to \$100 million one year later. Food imports would more than double in this year to \$300 million. Chile's copper mines continued to lag in production, and the world market price of copper had dropped from 68¢ a pound to about 49¢ a pound. As a result Chile's copper exports were down 23 per cent from 1970.

Furthermore, foreign businesses and banks had refused any additional credit to Chile. In November, 1971, Chile's foreign debt was \$2.2 billion; half of this was owed to the 62 United States.

⁶⁰ Ibid.

[&]quot;Chile Under Marxist: Does it Work?" Newsweek
(November 15, 1971), pp. 43-44.

Ibid.

Time magazine agreed with the editors of Newsweek that the Chilean prosperity would be short lived unless something was done quickly. Time acknowledged the emergence of new buying powers among Chile's working class, and in addition noted a slow down in Chilean inflation (14 per cent in 1971 versus 35 per cent in 1970), But, argued the editors of Time, doubling the money supply and increasing foreign debts is no way to insure long-term economic security.63

Another American news publication to comment on the Chilean economic situation was Commonweal. Donald D. Ranstead writing for this magazine summarized rather effectively the Chilean problem as told by one of Chile's leading economists, Anibal Pinto.

> It [Chile] is a small country with copper its one basic dollar-earning export. It has had a stagnant agricultural sector unable to feed its rising population for over 25 years. The domestic market is too small to absorb much locally produced durable goods. . . The chronic inflation adds yet more variables. Inflation is the main factor making for a rampant consumer psychology in all classes but especially the middle and upper. 64

[&]quot;You're Going Great, Chicho," Time (November 15, 1971), p. 37. Donald D. Ranstead, "Chile con Allende," Commonweal (December 10, 1971), p. 253.

As a result of an economy such as this, only 16

per cent of the gross national product was saved annually.

President Allende on November 4, 1971, called for a 19 per

cent rate. If a country drops its reliance on foreign

loans as Chile had done, then according to Pinto, a country

must save 25 per cent of its national product " . . . if a

minimum 5 per cent growth rate is to be sustained." Thus,

as far as this economist was concerned, Chile was in trouble.

Not everyone was in agreement, however. Ranstead also pointed to some interesting statistics that supposedly reflected the cost of living:

The opposition contends that the costof-living rise this year is running at 30 per cent whereas the government (as have all previous governments) relies on the official cost of living index which ways 18 per cent. It depends on how you look at it: Often items on the index are not available but only a similar product at twice the price, etc. The Sociedad de Fomento (the Chilean Association of Manufacturers) charge that the year will end with a deficit in the balance of payments of some \$210 million; the Banco Central says \$150 million. The same business groups argue that the dollar reserves will be at an all time low of \$100 million the end of the year and that imports wil have to be cut drastically next year (especially food imports which will run to \$240 million this year). The President simply ignores these Cassandras and points to the fact that unemployment is down to

⁵⁵ Ibid.

5 per cent and that in the 1st nine months of 1971, . . . 50,000 new housing units went up. The PDC (Christian Democratic Party) says, yes, but only because the State incurred an 11 billion escudo deficit in its 1971 budget (34 per cent of the whole.) 66

As a result it appeared that there was some disagreement over the interpretation of the economic statistics coming out of Chile. In any event, it can be said that Chile's economy having incurred large debts would be in for rough times unless some changes were made.

In December, 1971, <u>Time</u> magazine reported that over 5,000 Chilean women demonstrated in Santiago to publicize Chile's food shortages. According to the editors of <u>Time</u>, the demonstration known as the "March of the empty pots" was organized by the Christian Democrat and National parties. The march was organized to coincide with the departure of visiting Cuban Premier Fidel Castro.

Chilean women dressed in simple cotton prints, minis and sleek pantsuits headed for downtown Santiago, snarling traffic and filling the spring evening air with the sounds of banging pans, partiotic songs and chants of "Chile, si! Cuba, no!!" 67

The protesting soon developed into a full scale riot, as young extremists suddenly appeared and began

¹bid.
67 "Empty Pots and Yankee Plots," Time (December 13, 1971), p. 26.

fighting right-wing youths. After several hours and many arrests the situation was brought under control. The reason for the demonstration was that Chilean agricultural production had plummeted in the preceding months. Beef, reported Time, was available only one week out of four. Eggs, poultry and other staples were often sold the same morning they appeared on the market shelves. Moreover, to compensate for the growing shortages, the Chilean government had to greatly increase food imports. A second reason for this demonstration was to embarrass Allende before his Marxist guest and before the world.

Newsweek magazine also reported on the "March of the empty pots." Their report was consistent with <u>Time magazine</u> except that <u>Newsweek</u> reported over 15,000 Chilean women participating as opposed to <u>Time's</u> 5,000. <u>Newsweek</u> also called the march " . . . the biggest and most violent demonstration against the Allende government since it took office in Novmeber, 1970."

During the early months of 1972, Allende's government continued the program of nationalization. The United States government, in response to this, announced a policy change.

On January 19, 1972, President Richard Nixon warned that if

⁶⁸ Ibid.

[&]quot;March of the Empty Pots," Newsweek (December 13, 1971), p. 53.

a country does not provide adequate compensation for United States' property taken over by that government, the offending country can expect to have all aid cut off. In addition, the United States would use its voting powers in the Inter-American Development Bank and the World Bank to stop aid to that country. The editors of The New Republic pointed out that under the Hickenlooper Amendment the President already had the power to stop aid if a foreign nation seized United States owned property. It was further noted, however, that Nixon regarded the Hickenlooper Amendment as ineffective, 70 and thus he felt that a stronger warning was needed. Henceforth, the United States government began a policy of restricting aid to Chile because of the continuing policy of nationalization—often without compensation—in that country.

In spite of this United States warning, by July, 1972, sixteen United States companies had some or all of their 71 property nationalized. According to the editors of U.S. News and World Report, Allende was moving too quickly toward a Marxist state. Wage boosts had brought on increased spending which in turn resulted in widespread shortages of many staple goods.

[&]quot;Tough Talk," The New Republic (February 5, 1972), p. 9.

Anaconda, Cerro, Kennecott Copper, Bethlehem Steel, Armco Steel, Northern Indiana Brass, Ford Motors, Bank of America, First National City Bank, Anglo-Lautaro Nitrate, Du Pont, ITT's telephone subsidiary, Parsons and Whittemore, RCA, Ralston Purina, Coca-Cola Bottling

The emergence of the Chilean black market can be attributed to this situation. Many farmers and ranchers were selling their produce door to door, as opposed to 72 taking their goods to market.

In addition, the Allende government, in expropriating about 2,600 large farms, had run into trouble administering the cooperatives. Disputes between co-op farm workers and landless peasants became commonplace. Dissatisfaction also was growing over shortages of credit desperately needed for 73 seed and fertilizer.

Inflation continued to run rampant. From January to June, 1972, the cost of living jumped by 25 per cent, as compared to a 23 per cent increase for all of 1971. As a result, President Allende announced in June, 1972, the economics minister, Pedro Vuskovic, "chief architect of the program to transform this country into a Socialist state," would be dismissed. Additional plans for nationalization would be slowed as " . . . to restore some measure of investor confidence." It was the opinion of the editors of U. S. News and World Report, that such action indicated " . . . that 76 the Marxist experiment is floundering badly."

[&]quot;Slowdown on the Road to Marxism in Chile," U.S. News and World Report (July 10, 1972), pp. 53-54.

Ibid., p. 54.

⁷⁵ Ibid.

⁷⁵ 1bid., p. 53.

Ibid.

Business Week took a harder line on the economic conditions in Chile. The editors of Business Week, in August, 1972, wrote that Allende's Chile was on " . . . the 77 brink of economic disaster." The editors continued:

The country's two prime economic sectors, mining and agriculture, are a shambles. Its hard currency reserves and its international credit-worthiness are virtually nonexistent. And inflation is rampaging at a 50% annual rate.78

The editors of <u>Business Week</u> also reported on Allende's nationalization program (see Appendix). Interestingly, most foreign companies emerged from the nationalizing process in relatively good shape. With the exception of Anaconda, Kennecott, and ITT, "... most foreign companies were paid from 60% to 100% of book value" for their nationalized property. By comparison, a domestic company rarely received 40 per cent and wealthy land owners "... get from 1% to 10% of their land's tax valuation in cash, with the rest in government paper that inflation is rapidly rendering 80 worthless."

In addition, the editors of <u>Business Week</u> noted the continued decline in Chile's currency reserves. In November,

[&]quot;The Economic Chaos in Allende Country," Business
Week (August 12, 1972), p. 46.

Ibid., p. 44.

Ibid., p. 46.

Ibid.

1970, Chile's reserves amounted to \$483 million, but by August, 1972, this figure had dropped to \$25 million.

Allende, however, was still implementing his socialistic plans of "soaking the wealthy." A 100% tax was added in July on automobiles, and telephone companies raised their rates 20% in working class districts, and 100% in upper 81 income areas.

In the spring and early summer of 1972, several American news sources reported that Allende was beginning to lose his grip on the political situation. Newsweek, for example, noted that Allende had found himself caught between Socialists in his party calling for " . . . an acceleration of the revolutionary process . . . " and more conservative Moscow-oriented Communists who wanted the government to slow down in its policy of nationalization and " . . . consolidate its hold over the huge chunks of private land and industry already seized during the past The disagreement, according to Newsweek, nineteen months." was due to continuing economic problems. Inflation went unchecked, as the consumer price index showed that prices jumped almost 25 per cent in the first five months of 1972. Moreover, noted the editors of Newsweek, copper production had slumped badly, and farm output continued to plummet.

¹bid.
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"Souring on Allende," Newsweek (June 26, 1972),
p. 39.

1bid.

Time magazine also describes Allende's problems during this period. In February, the Chilean Congress passed a bill which made nationalization of private firms subject to congressional approval. This legislation was proposed by the Christian Democratic and National parties. In April, 1972,

"... Allende angrily vetoed the bill and threatened to dissolve the entire Congress." This threat only weakened Allende's position as two cabinet members of the Independent Radical Party--who had supported Allende--quit, and the party withdrew its support from Allende's Popular Unity Coalition.

The editors of <u>Time</u> also reported on the worsening economic conditions which included increased shortages of meat and vegetables. Allende instead had been encouraging Chileans to eat more rabbit and fish. Furthermore, illegal land grabs, mostly by the MIR (Movement of the Revolutionary Left), "... have continued at the rate of between 60 and 85

In another article, the editors of <u>Time</u> magazine again examined the worsening economic conditions in Chile.

Contrary to Allende's claims that the United States was

"... deliberately restricting Chile's lines of credit ...,"

the editors of <u>Time</u> magazine reported that the "... government's freewheeling spending to provide across-the-board

^{84 &}quot;Fighting for Life," <u>Time</u> (April 17, 1972), p. 48.

Ibid.

salary increases and promote public works schemes . . . have eaten up more than \$300 million in currency reserves in the 21 months since Allende came to power." Furthermore, with the printing of more money, " . . . the official exchange rate has jumped from 12.5 to 42 escudos to the dollar while the black-market rate has risen from almost 28 Production remained low, as foreign technicians continued to leave the country, thus driving productivity even lower. To combat all of this, Allende announced a "work, sacrifice and savings program," which according to Time was " . . . a mix of populist palliatives and sensible Two significant points of his new economic reforms." program included \$400 million in promised loans from Communist countries and the formation of "supply and price committees in local neighborhoods to help fight inflation."

In the fall of 1972, the American press characterized the economic situation in Chile as going from bad to worse. It was so bad, in fact, that President Allende himself said: "We are on the verge of civil war. . . " According to the editors of Newsweek, this crisis began when the government proposed " . . . to set up a state trucking firm in

[&]quot;Tightening the Belt," Time (August 7, 1972), p. 29.

⁸⁷ 88 Ibid.

⁸⁹ Ibid., p. 27.

Ibid., pp. 27, 29.

[&]quot;Chile's Strike Against Allende," Newsweek (October 30, 1972), p. 61.

the isolated southern city of Aysen." Immediately all the truckers walked off their jobs fearing nationalization of the entire industry. Allende declared a state of emergency in 21 of 25 provinces and placed then under military control. This action was then followed by the arrest of several truckers.

Newsweek also reported that many Chilean shopkeepers and office workers went on strike in sympathy with the striking truckers. Within a few days doctors, lawyers, and other professionals including supervisors in Chile's copper industry joined in. Allende, deciding to yield for the present, released the truckers' leaders from jail. The editors of Newsweek pointed out that recent demonstrations included many peasants and workers. This will mean that "... Allende will have to scramble to maintain his coalitions' present near-majority in next spring's congressional 92 elections."

Another American news publication which described the trucker's strike was <u>Time</u> magazine. In addition to describing the events in Aysen and in Santiago, the editors of <u>Time</u> noted the bad timing of the strike. Inflation had reached "... a staggering 99.8 per cent." Some prices

⁹¹ Ibid.

Ibid., p. 62.

[&]quot;Allende Challenged," Time (October 30, 1972), p. 48.

even exceeded this rate: sirloin steak, when available, increased 100 per cent in price; stew beef was up 116 per cent, and powdered milk up 166 per cent. Shortages were reported in wheat, bread, and butter.

Time reported that Allende faced even more difficult times ahead. A bus owners' strike in Santiago immediately following the truckers' strike, virtually paralyzed Santiago for days.

chile's grave economic situation also received attention from the editors of <u>U. S. News and World Report.</u>

According to this source, Allende in a national broadcast called the October, 1972, crisis, "the gravest in our nation of procent years." Faced with rising inflation and striking workers, Allende was now being attacked in the courts of Holland and France, where the Kennecott Corporation, still angry over their losses in Chile, attempted to block shipments of Chilean copper. Kennecott claimed that the Chilean copper was, in effect, stolen property. As a result the editors of <u>U. S. News and World Report</u> concluded:

The odds, after days of rumblings in Chile in October (1972) were that President Allende probably would weather the current crisis--but the next one would be tougher still. 96

¹bid.

95
"It's a Rocky Road for Chile's Marxists," U. S.

News and World Report (October 30, 1972), p. 53.

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Ibid.

Allende, after surviving the October truckers' strike, turned his attention to obtaining economic aid from foreign sources. Allende began a five-nation tour early in December, 1972, scheduling visits to Mexico, the United States, Algeria, the Soviet Union, and Cuba. Newsweek magazine noted that Moscow had provided Chile with \$293 million in aid in the last two years, and trade between the two countries soured to \$7.7 million in 1971, " . . . as compared with \$2 million during the entire period from 1964 through 1970." over, the Chileans had received a guarantee from the Russians that they (the Russians) would " . . . buy 130,000 tons of Chilean copper and \$87 million worth of copper products over the next three years." Allende, however, sought additional financial guarantees. It was the opinion of the editors of Newsweek that the Russians would be unable to make such guarantees because of their own financial woes. Furthermore, the unstable economic situation in Chile (inflation was expected to reach 160 per cent that year, with an expected trade deficit of \$430 million, and food imports exceeding \$700 million) did not warrent additional investment. "They (the Russians) are wary. They don't want to get their fingers burned as they have elsewhere in Latin America."

<sup>97
&</sup>quot;Aid and Comfort," Newsweek (December 11, 1972),

⁹⁹ Ibid.

While visiting the United States, President Allende delivered an address at the United Nations. He criticized several American corporations for making excess profits at the expense of Chileans. Allende singled out the Kennecott Corporation which he said made an average annual profit from 1955 to 1970 of almost 53 per cent on its investment. In this same speech Allende appealed for economic aid. The editors of The Nation pointed out that Allende's credit lines, which were \$219 million in August of 1970, had slipped to \$32 million two years later. Added to this was a drop in the world market price of copper which cost Chile about \$187 million during the same period. One could readily understand some of Chile's problems.

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The editors of <u>The Nation</u> were sharply critical, both of the poor reception Allende received when arriving in the United States, and of the American response to Allende's speech. First, in regard to Allende's arrival, the editors of <u>The Nation</u> wrote:

Decent manners are never a liability. . . . The contrast between Mexico's welcome and the treatment Allende received in our country is humiliating--not to Allende but to civilized Americans. 101

[&]quot;Allende Strikes Back," The Nation (December 18, 1972), p. 613.

101

Ibid.

The editors of <u>The Nation</u> then attacked the response of the Nixon administration to Allende's speech at the United Nations:

Our Administration took no notice whatever of Allende, and in answering his General Assembly speech--after the ovation had died down--all George Bush (United States representative at the United Nations) could find to say was that foreign trade is not necessarily evil. Thus idiocy was added to incivility. 102

In the days that followed, Allende, though warmly received in most countries, was still unable to obtain all of the funds which he felt were needed to help Chile.

The economic situation in Chile in 1973 became increasingly worse. By February, the government, because of numerous shortages, began distribution of all food, clothes, and consumer products. Time magazine reported that because of shortages, Chileans were forced to stand in long lines to get such things as sugar, powdered milk, cooking oil, and cigarettes. Allende, conceding that some of his economic plans were poorly prepared, criticized workers for their high wage demands and bureaucrats "... for failing to improve government efficiency." Allende even

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¹⁰² Ibid.

[&]quot;An Economy Besieged," Time (February 12, 1973), p. 73.

threatened to ration beer in an effort to halt workers' 104
wage demands. Despite the threats by Allende, workers still persisted in their demands. The editors of <u>Time</u> reported the following statistics on the Chilean economy:

- 1) industrial production dropped 7 per cent in 1972,
- 2) farm output was down 10 per cent in 1972, as compared to 1971, 3) unemployment, because of public works programs, decreased from 8.3 per cent at the end of 1971 to 3 per cent in December, 1972, 4) a \$600 million deficit not a total spending of \$1.4 billion.

In the spring and summer of 1973, Allende's economic problems continued to plague him. In April, Joseph Benham writing in the U.S. News and World Report remarked that inflation was up 90 per cent in the first three months of 1973. Even more important, production was substantially down in mining, agriculture and manufacturing. Finally, 106
Chileans were experiencing widespread hunger. In July, the editors of Time reported that inflation was an unbelievable 235 per cent. Various groups became increasingly more violent in attempts to demonstrate their feelings. A group of leftist workers, for example, in early July seized

¹⁰⁴ Ibid.

¹⁰⁵ Ibid.

[&]quot;Woes Pile Up for Marxist Regime," U. S. News and World Report (April 9, 1973), p. 67.

45 factories in Santiago's industrial belt in protest over the economy and in protest over the activities of right-wing groups. In other parts of the country crippling strikes caused the economy to come to a virtual standstill. An attempt was even made on the life of Allende.

In August, strikes by the truckers, transportation workers and factory workers left Chile in a complete state of chaos, and to most observers it became only a matter of time before something would explode. Shortly thereafter, in lieu of these mounting problems, a violent military coup erupted in Santiago, Chile, and the Allende regime ended. But with the end of the Allende government and the death of Salvador Allende, Chile's economic problems persisted. Inevitably, a new government again would grapple with the same economic problems that Allende had struggled with for three years.

In conclusion it can be said that several American news publications, namely <u>Time</u>, <u>Newsweek</u>, and <u>U. S. News and World Report</u>, gave to their readers a consistent weekly account of the economic problems in Chile. These accounts were usually supported with statistics, many of which have appeared in this paper. These sources further warned that increasing economic difficulties if unchecked would result in disaster. Other American publications such as <u>Commonweal</u> and <u>Business</u> <u>Week</u> gave similar assessments, though not as frequently.

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According to these sources, Allende's program of nationalization had run into problems, both at home and abroad. The Chilean Congress dominated by the opposition parties had refused to give Allende all the freedom he sought. Moreover, the United States had tried to make life as uncomfortable as possible for Allende and Chile because of the copper mine seizures. Production in the copper mines, on the farms, and in the factories was down. Shortages had become widespread and Allende's appeals to foreign sources for credit often went unanswered.

Allende's program for agrarian reform never really materialized. Although many farms were taken over by the government, mismanagement and unplanned seizures by the MIR resulted in losses in production and popularity.

In an attempt to check the soaring inflation, Allende raised the wages of workers and increased the money supply in circulation, while at the same time freezing many prices. These actions resulted in several "minibooms" for the economy but the long term effect was disastrous. Workers began demanding additional wage increases and the government simply could not meet these demands as Allende's programs had consumed almost all of the available cash resources.

The only American journalist to take exception to some of the above was Jeff Radford, writing the <u>The Nation</u>.

In November, 1971, when <u>Time</u>, <u>Newsweek</u>, and <u>Commonweal</u> were reporting sizable drops in cash reserves, losses in productivity

and increasing foreign debts, Radford praised the Allende government for its accomplishments and for preservation of the democratic process.

Some criticism was aimed at the American press for its reporting on the Allende regime. John Pollock, writing in The Nation, discussed several omissions of the American press. First, noted Pollock, reports on citizen reaction came only from middle- or upper-class people who were predominantly anti-Allende. Second, the American press rarely, if ever, commented on right-wing groups. Third, and " . . . perhaps more flagrant than the others, is the virtual absence of evidence suggesting that Allende has made any social or economic progress whatsoever." Pollock, using statistics from Analysis of the Economy in 1971 published by Chile's Planning Office, reported that under the first year of Allende agricultural production doubled, the consumer price index rose slower than the 1970 increase, construction was up 9 per cent, and unemployment dropped almost 4 per cent. Food production according to Pollock's information also increased in Chile in 1971. More important according to Pollock was Chile's increase in its gross national product in 1971, of 8.5 per cent. This was the second highest in Latin America, wrote Pollock. "Our reporters have failed to record

John Pollock, "What the Press Leaves Out," The Nation (January 29, 1973), p. 136.

such indicators of progress, and have fairly consistently 109 labeled Chile's future as dismal and 'clouded'."

Some of Pollock's criticism was justified. For example, it was probably true that the American press concentrated more on reporting on the anti-Allende segment of the Chilean population. It was further true that left-wing activities did receive more publicity. Pollock's assertion, however, that the American press did not present pro-Allende evidence showing economic progress, is unfounded. Both Time and Newsweek reported that much progress had been achieved in lowering inflation, raising wages, and in decreasing unemployment. These news sources warned, and later events seemed to prove them correct, that Allende made too many concessions without examining their consequences.

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¹⁰⁹ Ibid., p. 137.

CHAPTER IV

THE COUP

On September 11, 1973, a violent military coup erupted in Santiago, Chile. According to <u>Time</u> magazine correspondent Charles Eisendrath, the following sequence of events occurred.

Early Tuesday morning Allende arrived at the Presidential Palace, La Moneda. Shortly thereafter, La Moneda was surrounded by at least 100 carabineros--Chile's paramilitary police. General Augusto Pinochet Ugarte, commander in chief of the army, telephoned the palace and promised Allende safe-conduct out of the country if Allende would surrender the presidency. Refusal to comply, warned Pinochet, would result in a violent overthrow of the government. Allende responded in a brief radio broadcast in which he said: "I will not resign. I will not do it. I am ready to resist with whatever means, even at the cost of my life. . . ."

Soon the navy and the marines joined the coup. Allende found himself in the palace with less than fifty of his own supporters, still refusing to surrender. Within moments the infantry launched a twenty-minute barrage against the palace. Then General Pinochet again called, restating his ultimatum. But once more, Allende refused.

[&]quot;Allende Toppled, Commits Suicide," Greensboro Daily
News (September 12, 1973), p.1.

At noon Hawker Hunters of the Chilean air force cropped bombs, rockets, and tear gas on the palace. Finally, the infantrymen were able to enter the palace about ninety minutes after the air attack. It was then that Allende ordered his personal bodyguards and presidential police to surrender, while he remained behind. Allende, still refusing 111 to surrender, committed suicide. Thus the first democratically elected Marxist leader in the Western Hemisphere, unable to solve his country's economic woes and unable to effectively quiet the mounting divisions among his own supporters, saw his vision of a Marxist Chile end.

The American press immediately reacted to these violent events in Chile. Some news sources expressed regret and sorrow at the fall of Allende and of democratic traditions in Chile. The editors of the New York Times for example, called the military coup in Chile a tragedy.

Any military coup is a tragedy. . . . It is especially tragic for Chile where sturdy democratic machinery had functioned for many years and the armed forces had a strong tradition of keeping to their barracks. 112

[&]quot;The Bloody End of a Marxist Dream," Time (September 24, 1973), pp. 35-37. Although many American news publications reported that Allende committed suicide, it has never been fully established.

[&]quot;Tragedy in Chile," New York Times (September 9, 1973), p. 46.

Similarly, the editors of the Washington Post wrote of the tragedy in the death of democracy in Chile:

Chile's coup is different. Its special tragedy is that it ends Latin America's longest democratic tradition and also its most serious effort to carry out rapid social change within a framework of representative government. . . . 113

Another major newspaper in the United States, the

Denver Post, concurred. Writing about Allende's diminishing
maneuverability between left and right-wing political forces,
the editors of the Denver Post wrote:

Nevertheless, Allende never abandoned his belief in the constitutional process; the concept of government by legal means is deeply ingrained in Chile. We are disheartened by the failure of yet another elected government in our hemisphere; to the South there are few remaining. 114

Other news publications, however, found little to lament. The editors of the Chicago Tribune, for example, felt that the "tragedy" had actually occurred three years earlier, at the time of Allende's election. They wrote that Allende had provided only lip service to democracy in a country in which 63% of the people voted against him.

"Chile's Experiment Ends, but Future Still Clouded,"

<u>Denver Post</u> (September 14, 1973), p. 6.

[&]quot;Coup in Chile," Washington Post (September 13, 1973), p. A-14.

A common reaction to the military takeover in Chile has been to lament the destruction of a democracy. The lamentations come too late. Violence was done to democracy in that country three years ago when the Marxist Salvador Allende assumed the presidency as the minority winner of an indecisive election. Then, while giving lip service to democracy, he began wrenching Chile from Capitalism to Socialism on the pretext that he had a mandate to do so. He had no such mandate: 63 per cent of the people had voted against him and what he stood for. . . . 115

U. S. News and World Report, on the other hand, neither regretted nor applauded the fall of Allende.

Writing for the U. S. News and World Report, Joseph Benham examined instead three reasons why the overthrow of Allende was slow in coming. Benham felt that first, there was some reluctance on the part of the military to take over because they wanted to be sure "... they could win without provoking a civil war." Second, according to Benham, Chile had a long tradition of non-military rule which had lasted for almost 50 years. Finally, the military leaders in Chile "... hesitated to blow the whistle on Allende ..." because they had no real ambitions about 117 governing. Benham's only comment on the coup itself was,

[&]quot;The End of Allende," Chicago Tribune (September 13, 1973), p. 24.

Joseph Benham, "New Challenge for Chile After a Marxist Binge," U. S. News and World Report (September 24, 1973), p. 44.

¹¹⁷ Ibid

"As coups d'etat go in Latin America, Chile's was a particularly violent one."

It was common knowledge that the Allende government was in trouble. Worsening economic conditions resulted in widespread rumors that the military was planning to take over. Writing for the New York Times, Israel Shenker summarized the conditions in Santiago in the weeks preceding the coup. Shenker reported that there were daily demonstrations both for and against Allende. "The left saw a right-wing conspiracy supported from abroad; the right inveighed against a regime they thought was ruining the The military during this period crushed opcountry." position and controlled the disorders.

The editors of Time magazine also acknowledged the existence of rumors coming out of Santiago that Chile was on the verge of a military coup in the summer of 1973. Chileans, however, according to the editorial of Time thought their country was immune from military takeover. As a result they paid little attention to these rumors.

It can be said further that American news publications did agree on one point concerning the overthrow of

Ibid.

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¹¹⁹ Ibid. Israel Shenker, "Power Eluded Allende, then Slipped from His Grasp," New York Times (September 12, 1973), p. 16. 120

the Allende government. In every newspaper and weekly magazine examined, the basic cause for Allende's collapse was his determination to implement his plans for drastic change without ever having a mandate to do so. What support Allende did have was further threatened by disputes among supporters within his own party.

The <u>Washington Post</u>, for example, reflected these ideas in an editorial written two days after the coup.

He [Allende] ignored the limitations of his minority support and attempted to govern as though he wielded a majority. He lost control of many of his own supporters. 121

The editors of the New York Times writing the day after the coup shared this view. Responsibility for the disaster can be in part blamed on all people and factions involved, but " . . . a heavy share must be assigned to the unfortunate Dr. Allende himself." The editorial continued:

Even when the danger of polarization had become unmistakably evident, he persisted in pushing a program of pervasive socialism for which he had no popular mandate. His governing coalition--especially his own Socialist party--pursued this goal by dubious

[&]quot;Coup in Chile," Washington Post (September 13, 1973), p. A-14.

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"Tragedy in Chile," New York Times (September 12, 1973), p. 46.

means, including attempts to bypass both Congress and the courts.123

The editors of <u>Time</u> magazine, in summarazing the Allende collapse, felt that " . . . Allende made at least 124 two crucial political mistakes." The first was

" . . . to forget--or at least ignore--the fact that he 125 had entered office as a minority winner." According to <u>Time</u>, "Allende's second mistake was to assume that the middle and upper classes would placidly accept his 'Chilean road to socialism' so long as all things were done constitutionally. They never did." The principal cause of Allende's downfall, however, " . . . was his inability to settle a series of crippling strikes--staged not by leftist labor unions but by the President's implacable middle-class 127 enemies."

Still other news sources in the United States reflected this same opinion—that Allende never had the support of a majority to complete his programs, and this eventually caused his downfall. The editors of Newsweek wrote:

¹²³ Ibid.

[&]quot;Bloody End of a Marxist Dream," <u>Time</u> (September 24, 1973), p. 45.

¹²⁵ Ibid.

¹²⁶ Ibid., p. 46.

¹²⁷ Ibid.

Chile was simply not ready to suddenly make a peaceful transition to socialism --not because there was something theoretically impossible about the effort, but because Allende never had a popular majority on his side. 128

Newsweek, in this same article, also noted the growing problems within Allende's own Unidad Popular coalition. It was pointed out that many within this party wanted Allende to push harder for change, while others felt that more restrained measures should have been adopted.

Further support for this "no mandate hypothesis" was found in an article by Lewis H. Diuguid in the Greensboro Daily News. Diuguid first noted that "... the basic cause for the crisis was Allende's determination to carry out his program of sweeping change without majority support." Diuguid, however, noted some additional factors in the Allende collapse. One such factor was the unwillingness of the Christian Democrats to compromise toward the end of the Allende government. A second factor concerned disagreements among administrators. According to Diuguid,

[&]quot;The Brutal Death of an Idea, Can Marxism and Democracy Mix?" Newsweek (September 24, 1973), p. 44.

Ibid.

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Lewis H. Diuguid, "Refusal to Bend, Broke Him,"

Greensboro Daily News Los Angeles Times-Washington Post
News Service (September 12, 1973), p. 1.

policies were often weakened, changed or even discarded while moving from the cabinet level to implementation in the field. Diuguid wrote:

The government chain of command frayed into separate hierarchies layered through the ministries by the Communists, the Socialists, and Christian left. None trusted the others. 131

Thus, according to Diuguid, there were several factors in addition to Allende's failure to gain popular support that caused his government to collapse.

The editors of the <u>Greensboro Daily News</u> also commented on the cause of Allende's final crisis. It was their feeling that Allende's programs often drove a wedge between his supporters and himself.

His measures of expropriation and nationalization were so aggressively pursued, with such chaotic and uncertain results, that even the parties theoretically allied to Allende turned against him. 132

In the same editorial the editors of the <u>Greensboro</u>

<u>Daily News</u> went on to say that they felt that Allende's radical structural changes were alien to the political temperament of the people, and that this in part caused

¹³¹ Ibid.

[&]quot;Allende's Collapse," Greensboro Daily News (September 14, 1973), p. 6.

Allende's appeal to slip. Moreover, Allende's primary defect " . . . was a blind faith in 19th Century Marxism." This was both impractical and impossible to implement.

A final aspect of the Allende government that was discussed in the American press concerned Allende's legacy. Lewis H. Diuguid, in the Washington Post, wrote that Allende had given to many within the working class a feeling of participation. Allende's greatest impact, however, was his concentration of economic power in the government. An example of this was Allende's program of nationalizing American copper interests. This celebrated acquisition " . . . came through legislation passed unanimously by the oppositioncontrolled Congress."

A second important impact of the Allende government was " . . . rapid application of an agrarian reform law passed by the Christian Democrats in 1967, under then President Eduardo Frei." The Allende government, according to Diuguid, applied this " . . . law to acquire virtually every farm larger than 200 acres." Unfortunately for Allende, redistribution and development of this land never materialized because of financial and political problems.

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¹³⁴ Ibid. Lewis H. Diuguid, "Allende's Legacy: The Workers Feel They Participated," Washington Post (September 14, 1973), p. A-20.

¹³⁵ Ibid.

¹³⁶ Ibid.

In conclusion, Diuguid felt that additional change did not come because of opposition in Congress to Allende but because the Popular Unity Coalition never agreed among themselves.

A New York Times editorial agreed with one aspect of Diuguid's analysis: the Allende government gave many workers and peasants a " . . . sense of national participation . . .,"

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which was something they had never had before. The editors of this newspaper also noted that Allende had " . . . substantially improved the lot of Chileans on the lowest rungs of the economic ladder," but that these gains probably could " . . . have been achieved at far less overall cost and without the disastrous polarization of Chilean society." In summary, the editors of the New York Times felt that the military takeover was not a reaction against Allende's programs, but rather an attempt to avert civil war.

An American writer to take a similar position was

E. Bradford Burns writing in <u>The Nation</u>. Burns noted that

it was the peasants and working class who saw increases in

their buying power despite the runaway inflation.

Their children drank milk daily for the first time; their consumption of meat increased; consumer items such as

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[&]quot;The Chilean Tragedy," New York Times (September 16, 1973), p. 14.

¹³⁸ Ibid.

¹³⁹ Ibid.

bicycles, radios, television sets, and stoves, long thought a luxury, became commonplace in working class homes. The government turned shanties and shacks into decent housing by emphasizing construction and giving preference to building for the poor. While a crisis mounted in middle-class housing, the less privileged were living better than ever before. 140

Thus for these benefits, Allende was able to enjoy the support of the working class, and the working class
" . . . identified with their President and for the first 141 time felt themselves part of the governing process."

Another American writer to comment on Allende's legacy and on the implications of Allende's death was William Parkinson. Parkinson, writing for the Chicago Tribune, felt Allende's suicide would "...have a neutralizing effect 142 on opposition to the new regime." Had Allende been executed by the new regime, he would have instantly "...become a martyr to the cause of Marxism throughout the hemisphere..." If Allende would have lived, either imprisoned or in exile, "...he would have remained a potential contender for the nation's leadership, however

¹⁴⁰E. Bradford Burns, "True Verdict on Allende," The
Nation (October 29, 1973), p. 423.

Ibid.

142

William Parkinson, "The Death of Allende: Officially a Suicide," Chicago Tribune (September 16, 1973), p. 3.

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Ibid.

distant." Thus, as a result of the circumstances of Allende's death, the new regime did not have to face a revengeful opposition.

The editors of the <u>U. S. News and World Report</u> also commented on the meaning of Allende's death and on the fall of Chile's Marxist Government. It was their feeling that the collapse of the Marxist government was a substantial setback for Russia's ambitions in Latin America. Also, the United States would probably have an easier time in seeking investment opportunities in Chile under the new military government. In view of Allende's program of nationalization any change from that policy would be welcomed by investors in the United States. Last, the immediate loser, according to this article, was Fidel Castro. Castro had contributed much to Allende in an effort "... to enhance his image throughout Latin America."

Allende's defeat, then, was a defeat for Castro too.

To E. Bradford Burns, however, the Allende government

" . . . offered reform as the viable alternative to revolu
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tion." All of Latin America had their eyes on Chile to

¹⁴⁴ Ibid.

[&]quot;What Allende's Fall Means to U. S., Russia, and Fidel Castro," U. S. News and World Report (September 24, 1973), p. 45.

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Nation (October 29, 1973), p. 426.

military, together with "... the frightened middle and upper classes, proved that at least on this occasion it could not, the depressing conclusion that one might draw from this sad lesson is that in Latin America change by reform is impossible... Democracy, freedom and reform in Latin America suffered a staggering blow on September 11, in Chile. The repercussions will be felt throughout the 148 next generation."

Finally, in complete contrast to the Burns article, the editors of the <u>Chicago Tribune</u> discussed the end of Allende. The editors of this newspaper felt that Allende might have done his country a great service in dying if Chile returns to its democratic system.

If he committed suicide, as the junta said he did and as he previously had said he would under these circumstances, then he did the generals a favor; he deprived his supporters of a figure around which to rally. If this hastens the return of democracy to a country which has cherished it, Dr. Allende will have rendered his country a greater service in death than he did as president during the last three unhappy years. 149

American news publications also attempted to answer the question how might Allende have survived. The editors

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¹⁴⁸ Ibid.

[&]quot;The End of Allende," Chicago Tribune (September 13, 1973), p. 24.

of the New York Times wrote that Allende's survival was dependent upon his willingness to offer continued cooperation with the opposition Christian Democrats, Chile's largest political party. When in September, 1973, Allende refused to compromise with Frei and the Christian Democrats, the 150 situation became explosive.

Moreover, in another New York Times editorial, it was pointed out that if Allende " . . . had moved more deliberately; if he had paused for consolidation after nationalizing Chile's basic industries and had delineated reasonable boundaries for his socialist program, he probably would have completed his term with a considerable measure of success."

John MacLean, writing in the Chicago Tribune, also discussed the question of Allende's survival. MacLean pointed to a May 1973 meeting between Allende and United States Secretary of State, William P. Rogers. Allende, reported MacLean, asked for economic aid, but the United States, well aware of Allende's problems, refused to supply any help. As a result, MacLean raised the question of whether the United States could have bailed out Allende.

[&]quot;Tragedy in Chile," New York Times (September 12, 1973), p. 46.

ber 12, 1973), p. 46.

"The Chilean Tragedy," New York Times (September 16, 1973), p. 14.

152

John MacLean, "Could U. S. Have Bailed Out Chile's Allende?" Chicago Tribune (September 16, 19730, Sec. 2, p. 3.

In summary, it can be said that the economic and political problems of Salvador Allende received attention in the American press. References to labor strikes, political violence, and administrative disagreements were reported frequently. As for the coup itself, American news sources generally agreed that the basic cause was Allende's failure to have a majority of Chileans supporting his programs. Reaction to the coup, however, was varied. Some news sources felt that Allende's death was a tragedy, while one maintained that Chile was better off without him.

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Allende left behind a country in economic turmoil. Reform programs had not yielded substantial results, and Chilean society was experiencing class polarization. Several news sources agreed that Allende had given the peasants and the working class a feeling of participation. The same sources noted, however, that the programs of nationalization and agrarian reform were not as successful as had been hoped. Thus, it can be expected that the military junta which succeeded Allende will face a rough road ahead.

CHAPTER V

EPILOGUE

In compiling information for this study, it was observed that certain American news publications consistently supported the Allende regime while others consistently criticized Allende and his policies. This consistency of sentiment can be traced back to the time of Allende's election, through the period of economic turmoil, and concluding with the coup.

Examples of anti-Allende sentiment were observed in several publications. The thoughts of the editors of <u>U. S.</u>

News and World Report were one such example. One editorial immediately labeled the new Chile government in November, 153

1970, as " . . . another outpost of Communism." Throughout the next two years all reporting on Chile from this periodical reflected almost an anti-Chilean attitude in the sense that the editors frequently expressed feelings of no faith in Allende's government. By October, 1971, for example the editors warned that Allende's programs had only

" . . . succeeded in buying time . . ." and that soon Chile would be facing similar economic problems as Castro's Cuba.

U. S. News and World Report (November 9, 1970), pp. 20-21.

¹⁵⁴ The Road to Socialism: A Rough One For Chile,"
U. S. News and World Report (October 25, 1971), p. 73.

Additional warnings of gloom soon followed. In July, 1972, the editors concluded that Chile's " . . . Marxist experiment is floundering badly." In October, 1972, with Allende faced with rising prices and striking workers, the editors of the <u>U.S. News and World Report</u> observed that Allende may " . . . weather the current crisis--but the next one would be tougher still."

At the time of Allende's demise when other news publications spoke of the tragedy of his death, Joseph Benham of the <u>U.S. News and World Report</u> examined instead reasons why the coup was slow in coming. Finding little to lament, the editors saw Allende's collapse as a setback for Russia's ambitions in Latin America, and a possible victory for Americans who may be seeking future investment opportunities in Chile.

The Chicago Tribune also reflected this anti-Allende feeling. The editors of the Tribune were skeptical from the outset of Allende's chances of converting Chile into a Marxist economic state. When Allende's programs failed and the coup erupted, the editors of the Tribune did not praise Allende nor were they saddened over the coup. Instead, they

[&]quot;Slowdown on the Road to Marxism in Chile," U.S.
News and World Report (July 10, 1972), p. 53.

[&]quot;It's a Rocky Road for Chile's Marxists," U.S.

News and World Report (October 30, 1972), p. 53.

Joseph Benham, "New Challenge for Chile After a
Marxist Binge," U. S. News and World Report (September 24,
1973), p. 44.

reminded the reader that almost two-thirds of the people had voted against Allende and his plans. As a result, Allende had no mandate to change Chile into a socialist state. Thus, it was the destruction of the Chilean democracy that deserved the lamentations, not Allende.

One news publication that consistently supported Allende was The Nation. In an editorial shortly after Allende's election, the editors of The Nation urged that Allende should be given his chance. In November, 1971, while some news publications were reporting difficult times for the Marxist government, Jeff Radford of The Nation reported economic progress. Later, in December, 1972, the editors of The Nation in a very pro-Allende editorial, criticized the American government for its reception of Allende at the United Nations. In yet another pro-Allende article, John Pollock reported several omissions of the American press; the most flagrant of which was " . . . the virtual absence of evidence suggesting that Allende has made any social or economic progress whatsoever." the coup, E. Bradford Burns reported the many gains the peasants and working class obtained. More importantly Burns emphasized that it was these people who " . . . for the first time felt themselves part of the governing process."

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E. Bradford Burns, "True Verdict on Allende," The
Nation (October 29, 1973), p. 423.

John Pollock, "What the Press Leaves Out," The
Nation (January 29, 1973), p. 136.

Denver Post were both sympathetic toward the Allende government. This was particularly evident at the time of the coup. The editors of the Washington Post called the coup a tragedy in that it ended "... Latin America's longest democratic tradition and also its most serious effort to carry out rapid social change within a framework of representative 160 government." Similarly the editors of the Denver Post wrote they too were saddened at the failure of the constitutional government in Chile.

One news source that was not consistent in its opinion of the Allende government was the New York Times. It was noted that the editors of the Times called Allende's victory at the polls "... a heavy blow at liberal democated."

One month later, when Allende received congressional approval, the Times wrote: "There are grounds for hope that democracy can survive in Chile." During the difficult period preceding the coup, the New York Times frequently editorialized on the Chilean situation. Many of these editorials, however, did not specifically deal with nationalization and the Chilean economy. Instead, most of these editorials

(October 26, 1970), p. 36.

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[&]quot;Coup in Chile," Washington Post (September 13,

^{1973),} p. A-14.

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"Election of Allende," New York Times (September 6, 1970), p. 10.

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"The Only Course for Chile," New York Times

dealt with either United States-Chile relations, the ITT affair, cabinet changes, or local elections. When the editors of the <u>Times</u> did address themselves to the problems of the economy, they implied that Allende was not to blame. In reviewing the nationalized copper mines, a <u>Times</u> editorial concluded:

Leaders of his own Socialist party and their Communist allies have insisted for months that Chile should pay no compensation for the Anaconda and Kennecott copper properties. In this, as in other matters, Dr. Allende may have been swept along by forces he could not control. 163

In the only <u>New York Times</u> editorial that dealt directly with the economy, the editors in August, 1972, summarized the particular problems and then compared Chile's transition to socialism with that of Cuba's.

If President Allende were candid, he would admit that economic distress is an invariable accompaiment of the convulsions required to Socialize an economy. Chile is merely repeating many features of Cuba's unhappy initiation into the Socialist "utopia" little more than a decade ago. 164

When Chile was " · · · mired in its worst political and economic crisis since Salvador Allende's Marxist-

[&]quot;Emergency in Santiago," New York Times (August 25, 1972), p. 32.

164
"Confiscation in Chile," New York Times (October 2, 1971), p. 30.

dominated Popular Unity Coalition came to power . . . ", the editors of the <u>Times</u> urged Allende to " . . . stand up to the extremists in his camp, relax the repression and revive political dialogue with Christian Democrats and other 165 democratic forces."

Finally, the editors of the <u>Times</u>, in reviewing the coup in Chile, called the end of Allende a tragedy. This of course, was quite different from the editorial that appeared following Allende's election in September, 1970.

Among the magazines surveyed, the most precise and consistent reports of the entire Chilean situation came from <u>Time</u> and <u>Newsweek</u>. These weekly summaries provided thorough accounts of Allende's election, his nagging economic problems, and his demise. No other American magazine gave Chile such complete coverage.

It was observed that the American press appeared to give ample attention to the important events in Chile during the Allende regime. It further appeared that these reports factually coincided but differed mainly in interpretation.

[&]quot;Confrontation in Chile," New York Times (October 16, 1972), p. 46.

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APPENDIX

Production under government control.

Industry	1970	1972	per cent
Agriculture	14	26	
Autos	0	27	
Foreign Banking	0	99	
Chilean Banking	56	99	
Electrical	0	75	
Fishing	54	77	
L. P. G.	0	54	
Coal Mining	17	94	
Copper Mining	46	85	
Iron Ore Mining	14	100	
Nitrate Mining	51	100	
Petrochemicals	30	65	
Steel	52	100	
Telephone	0	100	
Textiles	0	85	
Tires	0	100	

[&]quot;The Chaos in Allende Country," Business Week (August 12, 1972), p. 46.