

offered insight on Pinochet's strategy and his dilemma in the Spring issue of *Foreign Affairs*:

Pinochet's own agenda for the next three years couldn't be clearer: to survive until the 1989 plebiscite, which he assumes will enshrine him and his system once and for all time. To do this however, he needs to divide the opposition, to assure a level of subversive activity and violence that is controllable but sufficiently frightening to drive hesitating Chileans back into his camp, and to defuse the potential role of the US as an ally of the democratic opposition.

Falcoff's view coincides closely with that of Angel Flisfisch, a research associate at the Latin American Faculty of Social Sciences in Santiago. During an interview he said, "one way [for Pinochet] to win the elections in 1989 is to create tension so high that the country has to enter a prolonged state of siege. He may also accumulate dollars and heat up the economy for a short boom. The two will most likely go together as a combination of hard and soft lines."

The "hard-line" portion of Flisfisch's prediction has already come true. Following the declaration of a state of siege in September a spate of death squad killings of government opponents ensued and six opposition publications were banned. A Santiago court granted amnesties to forty members of the armed forces and four civilians who were being investigated for their alleged part in the disappearance of ten Communist political prisoners in the mid-1970s. The atmosphere of Santiago in the fall of 1986 was reminiscent of the months following the coup thirteen years earlier, when sheer terror eliminated dissent.

Pinochet struggling

But Pinochet's tactic of creating a cycle of violence in order to scare the population back onto his side is not working. The middle classes, traditional power-brokers of Chilean politics, are aware that the forces which drive the residents of the miserable slums to the armed cells of the Communist Party or the Manuel Rodriguez Patriotic Front are economic rather than ideological. (Economist Jorge Rodriguez says 32 percent of Chileans, or 3.2 million people, live in conditions of "extreme poverty," meaning they are unable to satisfy basic needs such as food, housing, health and education. Chileans are much less concerned about the Communist Party that Pinochet professes to battle (and consequently has promoted) than they are about the disaster wrought by his economic advisers — whose neo-liberal programs included the sale of hundreds of public companies to the private sector, high taxes and cuts in social spending. The recovery that followed this fiscal shock was brief and illusory. Inflation came under control, but hundreds of industries collapsed in the mid-1970s due to the flood of imports allowed by lower tariffs. The drop in the price of copper (a vital export), higher international interest rates on the large foreign debts and an overvalued currency combined to create in 1982 the Chilean version of the Great Depression. The state had to assume control of much of the private debt to prevent a massive bank failure, production declined 14.6 percent in that year alone and unemployment soared to 30 percent. Four years after the crash positive growth rates

and profits are returning, but the legacy of a \$20 billion foreign debt, one of the highest per capita in Latin America, prevents an improved standard of living.

Rising discontent with the economic problems has resulted in the growth in the centrist, non-violent opposition to Pinochet, as sectors which were once passive or allied to the military regime are now feeling its effects in their pocketbooks. The Civic Assembly, which orchestrated a relatively successful national strike on July 2 and 3 of this year, includes a coalition of twenty-two associations representing groups ranging from doctors to truck owners. By imprisoning the eighteen leaders of the Assembly following the national strike Pinochet succeeded only in boosting its profile. When I talked to Assembly leader Dr. Juan Luis Gonzalez in a Santiago prison following the national strike he was confident of his group's ability to bring about change. He said the right wing with economic ties to Pinochet might never join the opposition, but "other, political sectors will enter. We are only missing the medium-sized businessmen. It will be the final stage to force Pinochet out."



'We want to have a little ideological debate with you.'

Other ways to help

International support is another ingredient in the moderate opposition's success. This is where Canada can make its contribution. It could join forces with those like Gonzalez, who says, "all can be achieved through order, pressure and planning," before the angry young men push them aside and enter into a cycle of escalated violence. The support must be concrete, which means shifting from symbolic acts to use of economic levers, and truly making it