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THE DICTATOR'S SHADOW

LIFE UNDER AUGUSTO PINOCHET

HERALDO MUÑOZ

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New York

Five

REGIME ON THE ROPES

I was sitting in an unmarked police bus with an automatic rifle pointed at my head when Pablo Neruda's widow, Matilde Urrutia, shouted, "*Compañero,* yell your name! Tell us your name!" It was February 1979, when dissidents in Chile were still disappearing. Knowing a political prisoner's name and tracing his or her detention place could make the difference between life and death.

None of the academic seminars I had attended in Washington, D.C., and Europe during my period abroad, between September 1975 and September 1978, had prepared me for the brute reality of the Chilean police state. I had rejected several attractive job opportunities in the United States to be a researcher at the Institute of International Studies of the University of Chile, an oasis of relative freedom within the Pinochet-controlled state universities. Pamela remained in Denver to wrap up her job at a medical human resources company while I returned to Santiago to look for a place to live. I had promised her that I wouldn't get involved in underground activities. But soon after arriving, in September, 1978, I contacted Socialist Party activists.

By early February 1979, I was deeply involved in the Socialist efforts to demand public respect for labor rights. My brother Carlos and I went to a demonstration at Diego de Almagro Square, close to downtown. The atmosphere seemed a little strange when we got there. There were fifty or sixty demonstrators in the middle of the square and many more civilians observing—not all of whom seemed to be our supporters. We felt reassured by the presence of Matilde Urrutia, the respected and well-known widow of the poet Pablo Neruda. But our forebodings were swiftly borne out; no sooner had a couple

of union leaders climbed onto an improvised platform to speak than police vehicles appeared out of nowhere and all hell broke loose.

Two Carabineros grabbed me and tried to drag me away. They were smaller than me and I put up a good fight at first, but when other policemen came to their aid I went limp. I was violently thrown inside a bus, which already held a half dozen or so detainees, and ordered to sit. A few minutes later my captors pushed an obviously pregnant woman onto the bus with such violence that she practically flew across the narrow bus corridor. I strongly protested, using some choice language. A Carabinero struck at my head with the butt of his automatic rifle. I covered my head just in time and the blow landed on the fingers and palm on my right hand. The pain was excruciating (two fingers were fractured, as it turned out), but I saved my skull. While another young detainee who had also protested the woman's treatment was severely beaten in the back of the bus, the policeman who hit me pointed his gun at my head.

"If you don't stay in your seat I will put a bullet in your head," he screamed. "Just try to move!" he challenged me.

Not only was he completely out of control, he seemed more a criminal than a law enforcer. It was at that moment that Neruda's widow approached the bus and demanded the release of the prisoners. When her appeal failed, she approached the window of the bus where I was sitting with a gun at my head, and asked my name. I decided not to risk testing the policeman's will. I could not believe that the same person who had enjoyed intellectually stimulating lunches at the Brookings Institution a few months before had now landed in the back of a dirty Carabineros bus with a gun to his head.

All of the detainees, about fifteen of us, were taken to a nearby precinct on San Francisco Street. There, we were forced to kneel on a cement patio. "So you were insulting my General Pinochet," one of the policemen said, just before they began to beat us. When they had finished, we were ordered to remain on our knees. As time passed and we no longer saw the Carabineros around, several of us tried to lift a knee off the floor, to relieve the pain. To our surprise, one of our fellow "prisoners" summoned the policemen, shouting, "This one, that one, and that other one," as he pointed at me and other detainees who were not fully kneeling. The supposed prisoner was an undercover cop who was there to watch us and ascertain any other dangerous plans we had besides peaceful protests.

As I was identified as one of those violating the order to remain on my knees, two Carabineros struck me with their sticks and kicked

me with their heavy-duty boots. My back hurt—later it turned black and blue—but the pain in my fractured fingers far eclipsed the new beating. After a few more hours of kneeling—the cold cement alleviated the pain in my fingers—we were ordered to stand and hand over our identification papers. From then on, we were no longer subjected to torture or ill treatment.

It was sometime past midnight when we were released. My family had been beside themselves with worry; they'd already contacted a Catholic priest they knew to try to find me. I made them promise not to tell Pamela, who was still in Denver, that I had been arrested.

A week later I was supposed to appear before a local police court, along with my fellow detainees. We arrived around 8 A.M., only to discover that, since we were accused of provoking public disorders and "insulting the President of the Republic," our case had been elevated to a major crimes tribunal (*Quinto Tribunal de Mayor Cuantía*). One of my university colleagues, Raymundo Barros, offered to be my defense lawyer. Though criminal law was not his forte (he was a well-known expert in international law), I trusted him with my criminal case. Together, we prepared my defense. I would declare that I hadn't been involved in the demonstration at all, that I had been browsing for old books in a nearby used bookstore when I heard the uproar from the square and had gone over to see what was happening. A jazz musician who knew me through a cousin offered to attest that he had seen me in the bookstore.

When we finally appeared in the criminal court, everything went fine. The magistrate accepted my defense and my witness and, actually, seemed annoyed with the case. I was "temporarily acquitted" of the charges, meaning that the case could be reopened at some future date. Nothing ever happened again, and except for one of my fractured fingers, which never healed properly, I soon forgot about the arrest and beating I suffered that February 1979.

Attending demonstrations was only a small part of my political activities. Shortly before moving back to Chile, I went to Europe and met in East Berlin with a former Socialist congressman, Víctor Barberis, who was based in Mexico and was in charge of the North America office of the party. Our rendezvous was at the East Berlin home of the Socialist leader, Clodomiro Almeyda.

The East German government of President Erich Honecker had been generous with Chileans, welcoming thousands of refugees such as Almeyda. In the German Democratic Republic (GDR) most Chilean refugees had jobs, a chance to study, schooling for their children, and other benefits. So it was not surprising that when the Berlin Wall fell

and the GDR dissolved, Honecker sought refuge at the Chilean embassy in Moscow, where Almeyda was chief of mission; he eventually traveled to live in Santiago, where he died in May 1994. But life in East Germany became unbearable for many, particularly for Socialists accustomed to the freedom, critical debate, and nonconformism we had known in pre-coup Chile. The discipline and control exercised by the East German Communist Party made Chilean Socialists uneasy. Permissions to travel outside the GDR were often delayed or denied. The Stasi secret police and its informants spied on Chilean exiles (as well as their own citizens).

Víctor Barberis explained that the Socialist Party was going through difficult times. I thought he was referring to the challenges of surviving in exile, but he was actually talking about a brewing division within the Socialists that rank-and-file activists like me did not yet perceive. Once I returned to Chile, I should contact Ricardo Lagos, a Socialist economist, he instructed me. "You're a scholar and we need detailed proposals that are in touch with day-to-day Chilean reality."

I went to see Lagos about a month after I returned to Chile. We had a good conversation. Lagos told me that leftist scholars and activists were analyzing the Chilean reality at some social science centers and he invited me to attend those meetings. Lagos also suggested we get together socially as soon as Pamela arrived from the United States.

At Vector Center of Economic and Social Studies, directed then by the labor expert Manuel Barrera and located in downtown Miraflores Street, we discussed politics and society from a Socialist perspective. At the time academic institutions were difficult to maintain financially, but we struggled to keep them afloat because they became vital instruments for dissidents to regroup. They also provided a framework for opposition political convergence; for example, the left's Vector Center and the Latin American Social Sciences Faculty (Facultad Latinoamericana de Ciencias Sociales, FLACSO) coordinated some activities with the Christian Democratic–leaning Corporation for Latin American Studies (Corporación de Estudios para Latinoamérica, CIEPLAN). I got to know several colleagues at these institutions who eventually became good friends.

Things took a more practical turn when the brilliant sociologist Enzo Faletto decided to invite a small group of Socialists to meet every Thursday at Vector. The idea was to diagnose what had gone wrong with the Allende government and from there to develop an effective strategy to confront the dictatorship, rooted in hard-nosed analyses of present reality and not in preconceived ideological schemes.

The meetings were attended by Lagos, Faletto, Ricardo Nuñez, Luis Alvarado, Rodrigo Alvayay, Eduardo Ortiz (who became director of Vector at a new, more affordable location), Eduardo Trabucco, me, and a few others. We became known as "the Thursday group." Our discussions were honest and self-critical; it became clear to all of us that the radicalized Socialist Party bore a significant share of the responsibility for Allende's downfall. Moreover, we perceived that Chile was changing. For example, the growth of the services sector of the economy, combined with the repression of labor leaders, was causing union membership to drop dramatically, which naturally led to a decline in the political power of industrial workers.

Also, death, repression, and exile had made Socialists reappraise the paramount value of the rule of law, which some had criticized in the past by opposing "formal" to "real" democracy. Many Socialists began to read the work of the Italian philosopher Norberto Bobbio, who had written that those committed to social change "must defend above all the rule of law. Providing it, certainly, with new content," as he said, "but never forgetting that the new content, if not inserted in the structures of the rule of law, will end up becoming new instruments of inequality and oppression." In addition, some Socialists began to advocate different, more open party structures, capable of incorporating new challenges besides the class struggle, such as gender equality, environmental protection, and decentralization of power. Such Socialists began to be called "renovated."

After our 9/11, the Socialist Party had fallen apart. Its internal tensions, reflected in a 1967 party Congress vote endorsing "revolutionary violence" while, at the same time, electing the most moderate secretary general, Senator Aniceto Rodríguez, had intensified with repression. Some leaders had sought asylum in embassies and others had been jailed or killed. In 1975 the "Internal Secretariat," composed of Ricardo Lagos Salinas (no relation to the Socialist economist Ricardo Lagos Escobar), Carlos Lorca, and Exequiel Ponce, had been made to disappear by Pinochet's DINA. Abroad, the "External Secretariat" was led by Carlos Altamirano. In 1978, during a Socialist conference that was called the Algiers meeting but was held in Berlin for security reasons, Altamirano abandoned his view that Allende's overthrow was due to the lack of "a military policy to face up to a conflict that was inevitable and that ultimately needed a military-type resolution." In addition, instead of advocating the classical alliance of the left with the Communist Party, Altamirano now believed that the Socialists had to seek a long-term understanding with the centrist Christian Democrats.

The new leaders of the Internal Secretariat disagreed with Altamirano's diagnosis and rejected the idea of an alliance with Christian Democrats at the expense of the Communists. In April 1979, the Internal Secretariat removed Altamirano as secretary-general and replaced him with Clodomiro Almeyda.

The Altamirano group responded by holding a conference of its own in Paris that became known as the Twenty-fourth Congress of the Socialist Party. The Internal Secretariat's decisions were disavowed; Almeyda was accused of attempting to impose on the party a "supposedly Marxist-Leninist, ahistorical, outmoded and antidemocratic orthodoxy." Ricardo Nuñez, the former secretary-general of the State Technical University, who had lived in East Berlin but who could enter Chile legally, was named party chief. In short, the Socialist Party, the party of Allende, had experienced a schism, just when unity was most needed to confront Pinochet.

We could not believe the news when we heard it. "This is a gift for Pinochet," Ricardo Lagos said.

Behind the Socialist split was a deep disagreement over how to confront Pinochet and, eventually, about the future of democratic politics in Chile. The "renovated Socialists" shared the diagnosis made by Enrico Berlinguer, secretary-general of the Italian Communist Party, who, reflecting on the Allende experience, had called for a "historical compromise" between the left and Christian Democracy as the only sensible option to ensure a democratic road to socialism. A new social bloc for change had to be created based on mass struggle and political consensus; what was needed was "not a leftist alternative, but a democratic alternative," argued Berlinguer. The European debate on Chile led to what later would become widely known as "Euro-Communism."

In the short term, an alliance with the Christian Democratic Party was essential to confront the dictatorship in Chile. But later, too, a coalition with Christian Democracy—a historic compromise, in Berlinguer's words—would also be needed to break the three-thirds logjam of Chilean presidentialism, in which a strong left, a strong center, and a relatively strong right canceled one another out, and in the end just one sector tended to govern alone, as a minority, an inherently unstable arrangement. An alliance of Socialists and Christian Democrats would ensure a majority coalition for future democratic stability and social change, we thought.

Also behind the Socialist rupture and the intraleft polarization was a deep disagreement about the importance of democracy. When

the Solidarity labor movement led by Lech Walesa rose against Communist rule in Poland, the Chilean Communist Party secretary-general, Luis Corvalán, blamed the problems on "the abandonment by Polish Communists of Leninist principles and internal party norms." In January 1982 Corvalán praised the repressive measures taken by General Woijciech Jaruzelski "to impede a bloodbath similar to that of Chile." In contrast, the Socialist leader, Carlos Altamirano, had visited Warsaw in 1981 to meet with Walesa in order to convey to him and to the Solidarity movement the full support of the Chilean Socialist Party, or at least of its "renovated" wing.

Lagos and I decided not to take sides on the Socialist division, though we felt closer to the Altamirano-Nuñez group. Instead, Lagos decided to launch a campaign for reunification. The major division within the Socialist Party had been preceded by the emergence of other, smaller, splinter groups. This would be the chance to bring them all back together. Since many in the Thursday group had opted to remain neutral, we began to be invited to the reunification conversations as "honest brokers."

During a visit to Mexico, Ricardo Lagos met with Hortensia "Tencha" Bussi, President Allende's widow, who asked about his stand on the Almeyda-Altamirano rupture. Lagos explained our position. "Then you are the Swiss. You are neutral like the Swiss," Tencha said. The name stuck.

"How can we join the Swiss?" many Socialists asked us. I responded that we were not another faction. "We simply will not take sides on the division and we believe that most rank-and-file Socialists want a united party to fight Pinochet," I repeated.

Socialist groups and factions mushroomed during this period of division. They all claimed to represent the party. As if "the Swiss" were referees in the conflict, the leaders of those groups began to meet with us to argue their respective cases. In the meantime, a movement of "Socialist Convergence" began to develop in the early eighties, involving mainly small leftists groups and parties that were splinter groups from the Christian Democratic Party in the late sixties and early seventies, as well as independents. The "Socialist Convergence" movement saw the vacuum caused by the atomization of the historic Socialist Party as an opportunity to supersede it through the creation of a broader force of all progressive and Socialist-leaning forces. But Ricardo Lagos, I, and a few other Socialists, although we attended those meetings, never abandoned our efforts at encouraging Socialist Party reunification. The Socialist Party, being firmly rooted in Chilean

society, seemed to us indispensable for fighting the Pinochet dictatorship. The Convergence movement gradually dissolved as the Socialist Party regained its unity.

By 1980 Pinochet had overcome serious challenges to his power. He had expelled Air Force General Gustavo Leigh from the junta in 1978; he had avoided war with Argentina over the Beagle Channel dispute, which was now in a mediation process in the hands of Pope John Paul II; he had offset U.S. pressures over the Letelier case by handing over the DINA agent Michael Townley and dissolving the DINA secret police; and he had dictated an amnesty for all who had committed crimes between September 1973 and March 10, 1978, except for the pending investigation of the Letelier case.

But if he had kept his foes at bay, he was subject to pressures from within his own coalition, on both sides of the political spectrum. The moderates within his government, especially the Chicago Boys, felt that the free-market economic model could only be validated internationally and sustained domestically if there was at least a semblance of democracy. Jorge Alessandri, a former conservative president (1958–1964), and his allies on the traditional right were embarrassed by Chile's pariah status. Perhaps a "protected democracy," embodied in a new constitution, would be an option that Pinochet could accept. Besides, Chile's long and cherished legal tradition demanded a constitutional legitimation of the Pinochet regime. Pinochet's base, his hard-line supporters, of course did not want any constitution.

A constitutional commission, headed by Enrique Ortúzar, who had been a minister in the conservative Alessandri administration, had been created in 1973, but five years went by before Pinochet asked them to present a draft constitution for his consideration. The Council of State, a ghost institution created strictly for cosmetic reasons, headed by Alessandri, was to consider the draft constitution. The former president took his role seriously; to Pinochet's annoyance, he introduced temporary articles to the document that established concrete dates and mechanisms for the transition to a "protected democracy." Pinochet would stay on as president until 1985, but his powers would decline progressively. The military junta would cease to be the "legislative power," and would retain only an advisory function.

Pinochet did not like the proposition. He wanted to remain in power for at least another sixteen years after 1980; probably Pinochet calculated that by 1997 he would be eighty-one years old, a good age to begin thinking about retirement. Ortúzar diplomatically suggested that sixteen years might be too long. "Fine," Pinochet said, walking to

a blackboard where he drew a vertical line. "Eight years and we cut." Pinochet drew another line. "Then another eight years. In the middle we hold a ratification plebiscite." The issue was settled.

The constitution established an eight-year "transition period" toward, at best, a protected democracy, punctuated by a plebiscite in 1988 that would "approve" (or "disapprove") a single candidate as president of the Republic. A transitory article in the constitution spelled out that the commanders in chief of the armed forces and the general director of Carabineros would "unanimously propose to the country," at least ninety days before the end of Pinochet's eight-year transition mandate, the person to occupy the presidency for the following eight years. No specific date was fixed for the plebiscite; no specific candidate name was mentioned in the transitory section of the constitution. Pinochet naturally assumed that he would be the official candidate and would continue in power to complete the full sixteen years. In the unlikely event that the person proposed by the armed forces lost the plebiscite, the constitution determined that Pinochet would continue for one more year and presidential and congressional elections would take place in 1989. Otherwise, the earliest date for elections would be 1997. Alessandri protested Pinochet's decision and quietly resigned his post.

Besides being tailored to accommodate Pinochet's personal rule, the new constitution was overwhelmingly antidemocratic. The Senate it established was non elected to a significant extent; it created a military-controlled National Security Council; it impeded the president of the Republic's power to remove the commanders in chief of the armed forces; and it was virtually impossible to amend.

Nevertheless, in August 1980 Pinochet cynically called for a referendum to ratify the constitution—a national election that would be held just one month after he announced it. Not only did the opposition have almost no time to prepare its campaign, but also it was denied access to the pro-government newspapers and television. All public demonstrations against the constitution were forbidden; with my own eyes I saw people being dragged off a public bus and beaten for shouting, "Vote 'no' on the charter!" The dictatorship authorized just one opposition rally—the first since the coup—on August 27. It was held in an indoor arena, the Teatro Caupolicán on San Diego Street. Press access was denied, except for a couple of radio stations close to the Catholic church. The perimeter of the theater was cordoned off by Carabineros, and hundreds of police were deployed right outside. The arena was packed to the rafters, with about ten

thousand people. Crowds of people were unable to get in. I was inside; the atmosphere of courage and contained energy was electric.

The main speaker was former president Eduardo Frei Montalva, the distinguished Christian Democratic politician who had opposed President Allende's Popular Unity government. Frei minced no words. He denounced the constitution as illegitimate in its origins and antidemocratic in its substance; it was "illegal, science fiction, and a fraud," he added for good measure. A "no" vote would at least be a testimonial gesture by the people.

As we exited the arena, melées broke out between the police and the participants. Since there were so many of us, we fought back—throwing and landing punches and kicks on our attackers. That night the TV anchorman Patricio Bañados of the University of Chile's Channel 11 refused to read several paragraphs of a news report that viciously attacked Frei and the rally. His contract stipulated that he was not obligated to read insults or lies against persons or institutions. When Bañados stepped off the set, the director of the channel was waiting to fire him.

The plebiscite was held on September 11, 1980. The "yes" vote got 67 percent, against a 30.1 percent "no." In some boroughs and towns more people voted than actually lived there. Pinochet was jubilant. At a rally in front of the junta headquarters on the night of September 11, 1980, he gave a speech celebrating his victory. He promised jobs, new housing projects, cars, telephones and television sets, and the creation of a great "military-civilian movement for Chile" during the next eight years. The following day Pinochet gave a press conference. When asked why he had said one day before the constitutional referendum that he would not be a candidate if elections took place in 1989—a startling statement that would come back to haunt him years later—he seemed to confirm it: "I have never said that I will not be a candidate. I said that I would not be here. I have said hundreds of times that I do not aspire to reelection, because a man over seventy years old does not perform adequately in a post like this."

On March 11, 1981, Pinochet was sworn in as president of the Republic according to the provisions of the new constitution. He moved the presidency to a rebuilt La Moneda palace, away from his former junta colleagues. Some time later, Pinochet had himself promoted to captain general of the army, a rank that only the national hero and liberator, Bernardo O'Higgins, had held before. Pinochet added a few inches to his military cap to make him look taller than his army comrades. Admiral Merino complained privately that he now

had to request an audience with Pinochet through his Army Advisory Committee.

PINOCHET FELT STRONGER than ever. Not only had he overcome the problems that plagued him during 1978 and 1979, but he had won the plebiscite. To top things off, Ronald Reagan had been elected president of the United States. The opposition would feel the impact. Human rights leaders were kicked out of the country, and Frei Montalva died mysteriously after undergoing surgery.

On Thursday, February 25, 1982, Tucapel Jiménez, president of the National Association of Public Employees (Agrupación Nacional de Empleados Fiscales, ANEF), was declared missing after he failed to appear at any of the labor union meetings that he was scheduled to attend that day. One week earlier Jiménez had made a public appeal for the unity of all workers and their organizations to fight for democracy and against the government's economic policy. The official newspaper, *La Nación*, had denounced his statement as echoing the "phraseology of international Communism," and had attacked the ANEF, calling it "the best bastion of Marxists, though their leaders disguise themselves as Social Democrats." Pinochet himself had issued oblique threats against Jiménez, though he was careful not to name him specifically.

Jiménez's body was found that same evening, in the rural borough of Lampa, north of Santiago, inside the taxi he drove for a living. The Datsun 150Y was found on a dirt road; strangely, it was surprisingly clean, particularly the door handle on the driver's side. He had been shot in the head and his throat was slashed. Juan Alegría, a poor carpenter from Valparaíso, confessed in writing to the murder before committing suicide by slashing his wrists and hanging himself. Supposedly he had simply wanted to rob Jiménez, but when he learned of the union leader's identity he was overcome with remorse. Later, it was discovered that Jiménez had been assassinated by the CNI and Alegría was murdered as part of the cover-up; his confession was a complete fabrication.

Just when everything seemed to be going right for Pinochet, the Chicago economic model tumbled and came crashing down.

By 1981 Chile was in the midst of an economic boom. Fixing the price of the peso at a low rate of thirty-nine to the U.S. dollar had stimulated massive imports of goods that were either new to local consumers or that Chile had manufactured in the past. A formerly discreet bourgeoisie now flaunted its prosperity with luxury cars, mansions, and shopping sprees abroad, while the poorer sectors attempted

to participate in the consumption boom by taking on debt to purchase portable radios or television sets. Unemployment, though, remained stubbornly high, at about 17 percent, as factories went broke as a result of the inflow of cheap imports.

Chilean businesses borrowed heavily in the international financial markets that were replete with "petrodollars." Consumers also borrowed in fixed-rate dollars in the local market. In 1982, 50 percent of the loans granted by the Chilean banking system were in dollars. Getting indebted in dollars was good business, because banks extended loans denominated in cheap dollars at lower interest rates than loans denominated in pesos.

But in May 1981 there was an unexpected alarm signal. The old and prestigious Sugar Refinery Company of Viña del Mar went broke. Furthermore, in 1981, the price of Chilean exports began dropping, while international interest rates increased and the dollar became more expensive.

The rise in the dollar was a result of the Reagan administration's efforts to bring inflation below 10 percent. Paul Volker, head of the Federal Reserve, had increased interest rates, contracting the growth of the money supply, which led to a recession of the American economy beginning in 1982. In parallel, the prices of Chilean commodities, including copper, plunged because of the world economy's downturn. The Chilean economy exhibited a huge balance-of-payments current-account deficit of 15 percent of GDP by the end of 1981.

The Chicago Boys believed that there would be an "automatic correction," that is, high interest rates would attract foreign capital as savings, which would beef up the reserves of the Central Bank. The increase in the availability of money would make interest rates fall. That was the theory, anyway. But reality dictated otherwise. The Central Bank began losing reserves and money became scarce.

Finance Minister Sergio de Castro went on national television on July 24, 1981, to calm things down. He offered an optimistic assessment of the regime's economic achievements, though he warned that difficult times were ahead due to the changing external environment. No radical measures were announced. Though Chilean businesses pleaded for a currency devaluation, Minister de Castro stuck to the Chicago orthodoxy to combat inflation and the value of the peso remained fixed at thirty-nine to the dollar. Instead, he asked Pinochet to decrease spending by restricting consumption. This would be accomplished through a decree lowering public-sector wages, and indicating to the private sector the need to reduce salaries by about 12 to 13 percent to reach a new

equilibrium. Wages would fall anyhow through inflation, de Castro argued. He added that devaluating the fixed dollar-peso exchange rate would erode confidence in the regime. Pinochet accepted his minister's position, but the junta disagreed, at least on the wages issue.

At a very tense cabinet meeting presided over by Pinochet, de Castro and Labor Minister Miguel Kast went on the offensive again, this time trying to get an agreement to eliminate the minimum wage as the first step in a gradual approach to adjust the economy. If the minimum wage was not eliminated, Kast and de Castro argued, unemployment would increase, since businesses would prefer to lay off workers than to pay them excessive wages. Kast had requested solidarity from fellow ministers before entering the cabinet meeting room. Almost nobody argued against him, except José Piñera, minister of mining, who insisted that there was no causal relationship between minimum wage and unemployment. Furthermore, he argued, the state had a social responsibility to protect the weak—even a market economy needed regulations that favored the poor. Pinochet agreed with Piñera. The minimum wage would not be scratched. A furious de Castro insulted Piñera as they left the conference room.

On November 2, 1981, the state seized four private banks and four finance companies that were on the brink of collapse. A full-blown crisis had broken out, confirming growing fears about weaknesses in the Chilean banking system. By year's end over half of the capital and reserves of local banks and financial companies had been compromised by bad loans. The economic groups that had grown under the shade of economic liberalism had lent money to their offshoots and sibling companies, and many of them were now defaulting, producing a domino effect in the capital markets. The Banco de Chile, for example, had at least eleven major debtor companies that belonged to its parent conglomerate, the BHC group, headed by the businessman Javier Vial. Several other economic conglomerates were at risk. To avoid total chaos, the Central Bank announced that the state would guarantee the savings deposits in the banks and financial companies that it had taken over—a promise that cost the government some $300 million within the following sixty days.

In April 1982 Pinochet summoned his economic team to La Moneda once again. De Castro insisted that devaluation was not an option. Pinochet gave a hint of things to come when, clearly annoyed, he said, "Why don't we just admit it? This situation, as it stands, is already a failure."

On Friday April 16, 1982, Pinochet summoned de Castro to his office at La Moneda and asked for his resignation. In protest, the

whole cabinet resigned en masse. A noticeably shaken Pinochet appeared on television on April 19, 1982, to announce that his cabinet of ministers had resigned and that he would designate a new team shortly. Surprisingly, he still did not immediately announce the currency devaluation, but the removal of the powerful finance minister, de Castro, until then the top Chicago Boy within the Pinochet regime, was a political earthquake.

The Chicago Boys were not a monolithic bloc—some were more fundamentalist in their beliefs than others. The more orthodox Chicago group was led by de Castro. This group, which included Pablo Baraona, Jorge Cauas, Alvaro Bardón, Roberto Kelly, and Miguel Kast, believed that the market was a sphere of automatic exchanges ruled by immutable laws. Following the precepts of philosophers such as Friedrich von Hayek, these economists believed in unlimited economic freedom and saw the role of government as being confined to creating and defending markets and facilitating private initiative; naturally they dismissed Karl Popper's warning about the "paradox of freedom," that unrestrained economic freedom could be as unjust as the exercise of unlimited physical freedom by strong individuals over weak ones, depriving the latter of their freedom. They prioritized reducing inflation and stimulating growth by controlling the money supply, freeing prices, reducing the size of the state (and limiting it to a "subsidiary" role), creating private capital markets, eliminating subsidies, and opening the country to foreign trade. Pinochet felt particularly close to this fundamentalist group because it believed that democracy had to be suspended until the long-term transformations needed in the economy were fully implemented. But Pinochet's alliance with this orthodox circle was, as usual, conditioned by the general's pragmatism in the face of hard reality. That's why at a moment of crisis he veered in the direction of populist economic policies, only to eventually rely on a more pragmatic group of Chicago Boys like Hernán Büchi, José Piñera, and the businessman Carlos Cáceres, who shared the basic orientations of Chicago but were willing to introduce state regulations, subsidize sectors of the economy, and even show some political flexibility to save the market system.

In the midst of the 1982 crisis, Pinochet intended to name military men to the key economic posts. The Chicago Boys launched a counteroffensive when Pinochet floated the name of General Gastón Frez—who had blocked the privatization of copper and had been hostile to the Chicago orthodoxy all along—as a replacement for de Castro. As usual, Pinochet opted for the middle ground. An unimpressive

Chicago economist, Sergio de la Cuadra, was named to Finance, Army General Luis Danús to the economy post, and General Frez was designated minister of planning.

Pinochet's indecisiveness aggravated the problem. The new finance minister, backed by an advisory team of Chicago Boys, clashed with Economy Minister Danús, and cabinet sessions devolved into endless debates, which only confused and irritated the dictator. At one of those meetings, General Frez said to Pinochet, "My general, I would not like it that you should become the first president in recorded history to officially lower wages."

One Sunday in June 1982, Pinochet's military staff ordered the three cabinet members de la Cuadra, Danús, and Frez to report to the Defense Ministry early the next morning for a meeting. Pinochet, who continued as army commander in chief, never lost sight of where his power emanated from: his position as both head of state and head of the army. Hence, on Mondays he worked out of his office at the Defense Ministry, where he would review army matters or phone military attachés in key foreign embassies to be updated on their duties. Naturally, the three ministers assumed that Pinochet wished to address a military problem when they gathered there. They were taken aback by his announcement.

"Gentlemen, we will devaluate," Pinochet abruptly declared.

De la Cuadra was given the responsibility of determining how large the devaluation should be. Economy Minister Danús would announce the measure on national television. Planning Minister Frez would be responsible for taking control of the dollar deposits to avoid a run on the foreign currency. That night General Danús, dressed in military uniform, announced to the nation that the value of the dollar would rise from thirty-nine to forty-six pesos, an 18 percent devaluation of the peso. Furthermore, the peso would continue to slide progressively in relation to a basket of foreign currencies. "Only fools save dollars," I remember the Chicago economist Alvaro Bardón saying just a few days before the devaluation.

Devaluation was a disaster for those who'd borrowed in dollars; overnight their debts multiplied. Businesses went broke, foreclosures shot up, and layoffs skyrocketed. By the end of 1982 unemployment had risen well above 20 percent and the GDP had fallen 13.2 percent. Unemployment was in fact much higher than this, for emergency employment projects, which paid low wages for street sweeping and other menial tasks, disguised the extent of joblessness.

I saw the devaluation from a different perspective. In 1979 Pamela and I had taken out a loan to purchase a modest new apartment on

Vicuña Mackenna Avenue at the end of Florida borough, a semirural sector that was almost an hour from downtown Santiago during rush-hour traffic. Though it was ridiculously overpriced, it was the only place we could afford to buy with our limited dollar savings. One Sunday in 1982, as we were driving around the upper-middle-class borough of La Reina, near the mountains on the eastern side of Santiago, we saw an "open house" sign on Reina Victoria Street, a pleasant tree-lined neighborhood. We decided to stop and take a look. Six Mediterranean-style townhouses were for sale. The townhouses were still under construction but they were beautiful and only minor finishing work was left to be done. Pamela and I were sure that they would be out of our reach, but to our surprise a salesman told us that their prices had been reduced because they belonged to a woman who had borrowed in dollars before the devaluation. Now she was in a hurry to wrap up the construction, sell the houses, and pay off her debts before the dollar went any higher. "She may well accept an offer below her reduced price," the man said. She did. Within two weeks we signed a contract and a few weeks later we sold our apartment in La Florida—at a loss—and transferred our mortgage to the buyer, made a down payment for the La Reina townhouse, and secured a new home loan. Thanks to the devaluation, we had raised our standard of living.

In the meantime, Pinochet turned to his inner circle of military advisers. He instructed his military chief of staff, General Santiago Sinclair, to follow closely the economic discussions going on in his administration and to gather information about the different cliques and alliances that were forming. His new cabinet consisted of ten military officers and only six civilians.

The shock waves from the devaluation were still spreading. The Central Bank decreed restrictions on the purchase of dollars for Chileans traveling abroad, and a "black market" for dollars emerged. The banks' portfolios of unpaid debt climbed to about $1.5 billion, equivalent to 54 percent of the financial system's capital and reserves. Outstanding debts mushroomed as companies continued to go bankrupt. The government devised a formula to bail out the troubled banks: the Central Bank would purchase the banks' bad-debt portfolios in exchange for nontransferable bonds that would be paid back over the course of a decade. But there was one basic condition: lending to affiliated companies would have to be brought under control. Henceforth, "related portfolios" would account for no more than 2.5 percent of a bank's total loan portfolios. One key businessman, Javier Vial of the BHC conglomerate, which controlled 130 companies through its powerful Banco de Chile, resisted the plan.

Vial, a self-confident and aggressive entrepreneur from the Chilean aristocracy, whose business empire had been made possible by the Chicago Boys' privatization policies, did not want to sell off his banks' bad-debt portfolio. Moreover, he had the temerity to criticize Pinochet's economic policy decisions in public.

Pinochet angrily blamed the crisis on Chile's new plutocracy and their Chicago-trained enablers. "I have been too soft," he said. "I should have kicked out of the country one hundred or maybe two hundred people who raised paper empires." Rightly fearing that Pinochet was referring to him, Vial sent more cooperative signals to La Moneda. Still, he refused to relinquish control of his empire. Taking matters into his own hands, he defied both the Pinochet government and the disgraced but still influential Chicago Boys. Using Banco Andino, a Panama-based financial institution owned by his conglomerate, Vial began to illegally channel funds to his BHC companies. Vial's partner, BHC's executive vice president, Rolf Lüders, who had been one of Milton Friedman's favorite Chilean acolytes, resigned from BHC when he saw how few of the measures he had recommended to resolve the crisis were adopted.

Finance Minister Sergio de la Cuadra lasted only four months in his post. In August 1982 Pinochet named Lüders, now an ex-BHC executive, as "bi-minister" of the economy, giving him control of both the finance and economy posts. The idea was to achieve greater coherence in economic policy by putting it in the hands of a well-respected "pragmatist." By then $1 billion in reserves had evaporated. Every day another $22 million escaped the Central Bank through over-the-counter operations.

Lüders focused on reaching a standby agreement with the IMF, which he did in January 1983. Following that agreement, on January 13, 1983, he decreed the administrative seizure of five more banks—including the Banco de Chile and Banco de Santiago—and the liquidation of three other banks. A World Bank expert calculated that by then the Chilean banking system's unpaid loans had reached $4 billion. These new interventions sparked a panic, as Chileans rushed to their banks to withdraw their savings, exacerbating the crisis. In response, the Finance Ministry announced a new set of emergency measures, including the renegotiation of debts, a 20 percent increase in import duties, and a sharp increase in the gas tax.

The cost to the state and the Chilean taxpayer of the Pinochet regime's subsidies to local private banks (since foreign banks would not agree to write off their losses) and purchases of bad loans was about $7 billion. Ironically, after years of enforced privatization, the Pinochet regime now controlled 80 percent of Chile's financial sector; because of the tight connections between the banks and their affiliate companies, Pinochet exercised a greater degree of control over Chile's economy than Allende had ever dreamed of.

Javier Vial was not expelled from the country, but he ended up in prison for illegally funneling funds to BHC companies from the Banco Andino. "Bi-minister" Lüders resigned from Pinochet's cabinet in February 1983 after he was stripped of his post at the Economy Ministry; he joined Vial in jail for his previous involvement in Vial's illegal activities.

THE CLIMATE OF economic crisis—and the reemergence of Socialist leadership—encouraged people to become politically active again, and accelerated political dialogue. The message of Socialist Party reunification championed by "the Swiss" began to bear fruit and talks to that effect commenced among the principal factions. Surprisingly, we, "the Swiss," were invited to participate in the deliberations. I represented our group in conversations that took place at clandestine locations. Strict security measures were always in place, since many of the participants were prime targets of the secret police. I was pleased to see Almeyda followers at the talks, led by Julio Stuardo and Akin Soto.

A first step toward reunification was reached in early 1983 with the creation of a Permanent Committee for Socialist Unity (Comité Permanente de Unidad Socialista, CPU). One day Ricardo Lagos contacted me as the reunification negotiations advanced toward a formal reunification agreement.

"Both the Almeyda and Altamirano leadership trust us and want the Swiss to be represented in the new organization. They want us to join the Central Committee of the reunified Socialist Party," he said. "Who do you think should be in the Central Committee, aside from you and me?"

We did a quick count of the most active of "the Swiss," all members of the Thursday group. And we agreed on six names, including ourselves. The other four would be Eduardo Ortiz, Jaime Ahumada, Eduardo Trabucco, and Rodrigo Alvayay. Enzo Faletto, our Thursday discussions leader, was an anarchist at heart; he did not want to be considered. So we presented six names. Following our lead, each of the six groups coming together to form the new Central Committee put up six names, for a total of thirty-six. Lagos quipped, "If 'the Swiss' had

had seven names to give them, the new Central Committee of the Socialist Party would have had forty-two instead of thirty-six members!"

As we closed the agreement, though, the Almeyda group balked. Those in Berlin and some of the local leaders disagreed with the "renovation" ideas that the majority of the pro-unity Socialists held. But in the end some Almeyda militants, led by Julio Stuardo and Akin Soto, decided to stay with the reunification process, which culminated on September 4, 1983, as the CPU transformed itself into the Socialist Party of Chile. Though the result wasn't quite what he'd hoped for, it was much better than the rupture experienced in April 1979.

Our next task was to seek common ground with the Christian Democrats so that we could present a united front against Pinochet. The Christian Democratic Party had been illegal since 1977. By 1982 their leader, Eduardo Frei Montalva, had died under suspicious circumstances; Andrés Zaldívar, another important leader, had been exiled. In late 1982, Gabriel Valdés, a former foreign minister, was chosen president of the Christian Democrats, along with a new directorate composed of leaders such as Patricio Aylwin and Sergio Molina. They were ready for an alliance with the Socialists.

I began to travel throughout Chile to meet with activists, sometimes in groups of no more than a dozen people, to recruit them back into the organization and rebuild our old networks. I remember a round-faced old man in Osorno, a town in the southern lakes region, who shed tears when we invited him and others to become active again in the party. "I thought I would die with the sorrow of Allende's downfall and without ever seeing my Socialist Party rise. Thank you for renewing my hopes," he said.

On March 15, 1983, an important step had been taken toward the creation of a powerful, concerted opposition to Pinochet when a "Democratic Manifesto" was signed by leaders of the Christian Democratic Party, the Radical Party, a small social democratic group, and even an anti-Pinochet contingent of the right. Two Socialists signed as well, as individuals. Six months later, on August 16, 1983, the signatories of the Democratic Manifesto established a new coalition that became known as the Democratic Alliance (Alianza Democrática, AD); its members shared basic democratic principles and a commitment to peaceful methods of struggle against the dictatorship. Our Socialist Party in process of final reunification, led then by the former Allende interior minister, Carlos Briones, joined the coalition. I attended the constitution of the AD at a gathering with hundreds of participants in a private club, the Spanish Circle, where a jovial and optimistic atmosphere could be felt. We did not realize it then, but that was the end of the Popular Unity coalition that had taken Allende to the presidency more than a decade before.

The decision to join our efforts with the Christian Democrats and other anti-Pinochet groups who did not share our overall ideology had been heatedly debated within our ranks. We had concluded that all the democratic forces in Chile had to unite in peaceful struggle against Pinochet. In contrast, the Almeyda wing of the Socialist Party, which did not join the AD, along with the MIR (Movimiento de Izquierda Revolucionaria) and the Communist Party, advocated "all forms of struggle," including violent insurrection.

The AD issued a document that we had previously discussed within the Socialist Party entitled "Bases for Dialogue Toward a Grand National Agreement," which outlined the steps that we needed to take to regain democracy, including, first and foremost, a truly democratic constitution that would emanate from a genuinely representative constitutional assembly. Pinochet had to resign and a social pact would need to be negotiated to sustain a provisional government. It was a daring platform, but Pinochet was too distracted by the economic crisis to try to quash us.

In fact, in mid-1983, the leadership of the Socialist Party had come out from underground. We convened a press conference to announce that, ten years after the coup, the Socialist Party was once again a vital part of the national political landscape. "Either we are all going to jail, or we will open a space for tolerated political discourse," a member of our political commission declared. The next day, a newspaper published a news report headlined "Socialist Party: 'It Is Time to Abandon Clandestine Activities.'" Nobody went to jail, although the security forces began to follow us and at times hit us with repressive actions.

We Socialists still hadn't given up on the Communist Party. We visualized the AD as an embryonic foundation of a future government of national unity integrated by all opposition parties, from the Christian Democrats to the Communists. The model we had in mind was the Provisional Government of the French Republic toward the end of World War II (1944–1946), led by Charles de Gaulle and based on a tripartite alliance of the Christian Democratic, Socialist, and Communist parties. But the differences regarding methods of struggle against Pinochet made an agreement with the Communists virtually impossible. Nevertheless, our Socialist Party attempted to create an informal coordination mechanism through the "Socialist

"Do you want to go to a more dangerous neighborhood?" I asked imprudently. "Of course," the Valenzuela brothers responded.

We headed toward the Grecia Circle as the protest heightened, only to find ourselves in the midst of a violent demonstration. Barricades of boulders and burning tires blocked the street, manned by protesters wearing ski masks. I honked the horn, signaling that we were on their side. Then, since there was no traffic around, I violently drove the car over the curb and along the sidewalk to get past the barriers. The clamor of banging pots was deafening as I steered along the narrow sidewalk. All the while Samuel Valenzuela, apparently unfazed by our immediate situation, yelled, "There is a civil society in Chile! By God, there is civil society!"

There was tear gas mixed with the smoke; the fumes were almost unbearable. Even so, the car did not bottom out in a ditch or get jammed between a burning barrier and a wall. Once we were back on the pavement, I drove down Grecia Avenue and turned onto Pedro de Valdivia Street toward Providencia borough. People were out in the streets banging pots and waving Chilean flags. After we'd driven about ten blocks, there was a loud noise from under the car. It was a blowout. When we got out of the car, we discovered a *"miguelito"* sticking out of one of the tires, a twisted nail sharpened on both ends to stop vehicles.

The June 14 protest was far more successful than the first one because it spread to provincial cities. Pinochet fairly sputtered with rage: "To the *señores* politicians I tell them: very soon we will send them to their dirty caves!" Three protesters were killed by stray bullets fired by police forces and undercover CNI agents who patrolled working-class neighborhoods in unmarked vehicles. At about 1:30 A.M. a dozen security agents surrounded the house where the union leader, Seguel, was staying that night and took him away. Seguel's arrest and that of other union leaders prompted a call by a dissident group called Project for National Development (Proyecto de Desarrollo Nacional, PRODEN) for a national strike on July 12, which, though it again did not succeed as a work stoppage, turned into another protest. Instead, we centered our efforts on the fourth national protest, scheduled for August 11, 1983.

The day before the fourth protest, Pinochet reshuffled his cabinet once again, this time bringing in as interior minister an experienced politician, Chile's ambassador to Argentina, Sergio Onofre Jarpa, the old right-wing opponent of President Allende and the former leader of the National Party. Jarpa's mission was to seek some sort of understanding with the opposition. Jarpa did not like the Chicago Boys and he blamed them for the economic crisis. But Pinochet had not entirely abandoned the liberal economic line—he had replaced the fallen finance minister, Lüders, with Carlos Cáceres, a pro-free-market lawyer. As usual, Pinochet was covering all his bases.

Encouraged by the newly appointed Catholic archbishop of Santiago, Cardinal Juan Francisco Fresno, and the U.S. State Department, Jarpa, acting as a virtual prime minister, sought a dialogue with the Democratic Alliance. The Reagan administration had favored a peaceful transition to democracy with economic stability all along; with the birth of the Democratic Alliance, Washington had someone else to talk to besides Pinochet.

As the fourth protest began, on August 11, Pinochet ordered army troops into the streets of Santiago. Twenty-eight people died in the bloodiest protest yet, some inside their homes in shantytowns. Pinochet had given a tough warning before the protest: "Be very careful, because I will not give up an inch. Security in Santiago will be taken care of by eighteen thousand men and their orders are to act very harshly!"

Minister Jarpa scheduled his first meeting with representatives of the Democratic Alliance on August 25, 1983, at the residence of Cardinal Fresno. The Socialist Party decided not to attend the dialogue with Jarpa, given the brutal repression of the protests. We felt that for any dialogue to be meaningful, it had to be preceded by the elimination of the state of emergency and the legal recognition of political parties. We Socialists were open to negotiation and compromise, but would not give up on the essential objectives of the Democratic Alliance.

Even without us, the representatives of the Democratic Alliance were forceful in their demands. They insisted on the restoration of essential freedoms, the return of exiles, the rehiring of fired coppermine workers' union leaders, the rescission of repressive temporary articles of the constitution, an immediate end to the state of emergency, and a proper investigation of the killings during the August 11 protest. No settlement was reached, of course, but Jarpa agreed to continue talking. A few concessions followed. A list of Chilean exiles who could return home was published, night curfew was ended, and there was greater tolerance toward dissident media and political parties—an opportunity that others besides those on the left took advantage of. Ultranationalists and CNI security agents created a movement called Avanzada Nacional, while followers of Pinochet's adviser,

Jaime Guzmán, closely linked to the orthodox wing of the Chicago Boys, founded the Unión Demócrata Independiente (UDI) Party.

A second dialogue between Minister Jarpa and the Democratic Alliance, again minus Socialist representatives, took place on September 5, 1983, also at the home of Cardinal Fresno. The atmosphere was tense in the wake of the MIR's assassination of Army General Carol Urzúa, the chief administrator of Santiago. Jarpa invited the opposition to participate in the drafting of a new agenda of political laws: the Political Parties' Law, the Electoral Tribunal Law, the Statute of the Parliament, and others. The laws would be put to a plebiscite in 1986; if approved, parliamentary elections would be held that same year so a new Congress could be installed as early as 1987. To accomplish this, the itinerary fixed in the 1980 constitution would have to be altered. The Democratic Alliance leaders offered to send comments on the political laws through the group of opposition jurists known as the Group of 24.

A fourth protest was held on September 8, 1983, which again was marred by arbitrary, unprovoked attacks on opposition leaders. I was a part of a peaceful noontime sit-in that was violently disrupted by the police. Some of us fought back, setting off a street battle that lasted for hours. Gabriel Valdés, the Christian Democratic president, was hit by a water cannon and, later, by a tear-gas canister. Genaro Arriagada, a Christian Democrat, was similarly mistreated. I remember seeing a pair of distinguished opposition economists dressed in tweed jackets joining us in throwing rocks at the police. Pinochet, typically mean-spirited, made fun of Valdés's soaking by the water cannon.

Despite the fracas, a third dialogue was scheduled between Jarpa and the opposition, which for us Socialists seemed more useless than ever, since Pinochet had now declared that "whatever the costs," the constitution would not be modified, though "politicians could continue talking." Air Force General Fernando Matthei, a junta member, had argued in favor of shortening the constitutional itinerary, but, once again, Pinochet prevailed.

To make matters worse, Rodolfo Seguel, who had already spent thirty-four days in jail for organizing what Pinochet considered an "illegal strike," had been imprisoned again in early September, after he called Pinochet an "absurd and fanatic dictator." On October 2, Pinochet reiterated that the government had already chosen "a goal, a road, and it will comply with that." At a rare breakfast meeting with foreign correspondents, Pinochet ruled out stepping down before 1989. "The citizenry gave me a mission, and when a soldier receives a mission, he completes it," he said, adding that the protests signified "nothing." Economic recovery was the key to regaining support for the government and nothing else mattered. The dialogue was over.

The Democratic Alliance called for every chapter of the organization throughout the country to organize "open town meetings" (*cabildos abiertos*) that would challenge the dictatorship with demands for employment, debt renegotiation for small business and homeowners, student loans, and basic freedoms. On October 20, 1983, the Democratic Alliance established an executive committee with a monthly rotating presidency, comprising Gabriel Valdés representing the Christian Democrats (September 1983), Enrique Silva Cimma for the Radical Party (November 1983), and Ricardo Lagos, on behalf of the Socialists (December 1983). A giant AD rally was held in November, the first outdoor public gathering since the coup, which congregated about half a million people.

When Ricardo Lagos became president of the AD in December, one of his first duties was to lead a delegation to Argentina to attend the inauguration of President Raúl Alfonsín, the Radical Civic Union Party (Unión Cívica Radical, UCR) leader who had won the presidential elections after the collapse of the military junta in the wake of the disastrous Malvinas War (also referred to as the Falkland Islands War). Lagos asked me to organize the mission; the members would be Gabriel Valdés for the Christian Democrats, Enrique Silva Cimma for the Radical Party, Mario Sharpe for the Social Democrats, Armando Jaramillo for the Republican right, and Lagos himself for the Socialist Party.

Around this time I had been named international secretary of the Socialist Party. I maintained regular contact with embassies based in Santiago (with a few notable exceptions—I did not make any efforts to contact U.S. diplomats, nor was I sought out by them, at least until 1986) and liaison with Socialists in exile, providing them with information on the national situation and party matters through a bulletin and direct communications. Leading a team of foreign policy experts, I drafted press releases on international political issues, briefed our leaders on technical aspects of foreign affairs, and participated in press conferences.

Somewhat later I also became a member of the editorial board and a columnist for *Convergencia,* a Socialist journal published in Mexico. Since I lived in Chile, for security reasons I used a pseudonym, Bernardo Valenzuela. More than one friend in Chile asked me if I knew who "Bernardo Valenzuela" was.

Mixing academics with politics, whenever I lectured in the United States, Europe, or Mexico, I would spend a good part of my time meeting with refugees and exiled Socialist leaders.

A couple of days in advance of our trip to Argentina I traveled to Buenos Aires to make sure things went smoothly in this first trip abroad of the AD. Buenos Aires exuded excitement and joy as it welcomed its democratically elected president. I had only one huge problem as I endeavored to prepare our program for the visit: when I arrived in Buenos Aires nobody at the Argentine Foreign Ministry knew anything about the Chilean opposition delegation.

After spending two days in a row in a waiting room of a protocol office in charge of the presidential inauguration, and buttonholing every official I could, I obtained four invitations for the presidential inauguration ceremony and one for that of Vice President–elect Víctor Martínez. "You should be more than satisfied," said an annoyed protocol chief I had pestered constantly.

I communicated the good news to Lagos and asked him who he thought should go to the vice presidential ceremony. "Let's send the right-winger Jaramillo," I suggested. Lagos was not fully convinced, but he agreed. That night I went to the delegation's hotel and placed the invitations under the doors of the four other leaders and contacted the reception desk to make sure that all of them would be called so that they could attend the ceremony the next morning.

Everything went perfectly. The Pinochet delegation was furious when Lagos, Valdés, and the other two dissident leaders arrived; they were even angrier when they saw that the dissidents were seated seven rows ahead of them. When the opposition delegation gathered a couple of hours later, Armando Jaramillo, not knowing yet that the others had been at the presidential ceremony, proudly said, "Hey, fellows, I just came back from attending the inauguration of Vice President Martínez, and I saw none of you there. You missed something beautiful." During the following hours we met with President Alfonsín at his suite in the Hotel Panamericano, with President Felipe González of Spain and France's prime minister Pierre Mauroy, among others. The Chilean democratic coalition was gaining international recognition.

In the meantime, the economic crisis continued to worsen in Chile. Pinochet had had to accept strict IMF terms to obtain so-called standby loans, which were subject to yearly evaluations of agreed goals. Moreover, to regain investor confidence he had had to assume all the domestic banks' debts with foreign lenders. Critics of the Chicago Boys argued

Pinochet speaking to the nation from La Moneda Palace. CREDIT: *La Nación*

General Augusto Pinochet and President Salvador Allende during the ceremony when Allende named him commander in chief of the Army on August 23, 1973. Eighteen days later Pinochet overthrew the president in a coup. CREDIT: *El Mercurio*

Marriage ceremony of Heraldo Muñoz and Pamela Quick, on November 28, 1972, before a civil judge and witnesses. After the ceremony the couple went to an Allende rally. COURTESY OF THE AUTHOR

President-elect Michelle Bachelet swears-in as President of Chile as outgoing President Ricardo Lagos (center) looks on, and Senate President and former President of Chile Eduardo Frei Ruiz-Tagle conducts the oath in Valparaíso, March 11, 2006. Frei's father, Eduardo Frei Montalva, died under suspicious circumstances during the Pinochet regime; Bachelet's father, General Alberto Bachelet, was imprisoned, tortured and died in captivity in Pinochet's period, and Lagos spent time in jail under Pinochet. CREDIT: *EL MERCURIO*

Three unidentified mourners render homage with the Nazi salute to Pinochet at his funeral in December 2006. CREDIT: EFE NEWS AGENCY

that the IMF's terms made it virtually impossible to reactivate the economy. Pinochet acknowledged the criticism when, in April 1984, he removed Finance Minister Carlos Cáceres, who had negotiated the IMF loans, and replaced him with the neo-Keynesian economist Luis Eduardo Escobar. Earlier Pinochet had substituted Economy Minister Andrés Passicot with the engineer and businessman Modesto Collados. Once again, the general had displayed his pragmatic streak—he was not wed to the Chicago doctrine; he was willing to try whatever worked.

The former finance minister Sergio de Castro declared in a 2007 interview, "Even in the most prosperous years the [economic] model didn't feel like a one-way street. I always had the feeling that someone could convince [Pinochet] to reverse course." In fact, General Carlos Molina told me that when he was a young army officer at the War Academy, around 1980, Pinochet had discussed with them the government's economic policies, and that those policies had been severely criticized by the officers. Pinochet had reacted annoyed, and had stuck to the rigid Chicago strategy. Many years later, when Pinochet had retired, General Molina recalled that episode with Pinochet and the ex-dictator confessed that he should have introduced substantial modifications to the Chicago model. In 1984 Pinochet was in that doubtful mood.

Minister Escobar did not have it easy in his post at finance. Many of the midlevel economists and bureaucrats in his department adhered to the Chicago creed, resisting Escobar's more protectionist stand. In addition, he began to clash with his new colleague, Economy Minister Collados, who was more sympathetic to the Chicago Boys than Escobar was. The Chicago rearguard found they still had an unconditional ally in the junta member Admiral José Toribio Merino. When an attempt was made by the new minister of labor to redraft the Chicago-style Labor Code, Admiral Merino stopped it cold.

Escobar argued that the state had to play a forceful role in a "stable economic reactivation." A general refinancing of debts was key to alleviating the sufferings of the middle class; import duties had to be raised to help domestic producers; short-term credits needed to be secured from commercial banks. All this would require deficit spending. Escobar devaluated the peso again and the outflow of reserves stopped, but, well into 1984, he continued to be attacked by Collados and the pro-free-market advocates within the government.

By mid-1984, after additional protests, we began wondering about how much further we could go with this strategy of staging protests. Still, another protest was called for September 4, 1984.

Pinochet, who was already annoyed at Jarpa's insistence on a political opening and dialogue with the opposition, decided to kill two birds with one stone by resuming hard repression. Over nine hundred protesters were arrested, one hundred fifty were injured, and ten were killed. One of the fatalities was a French Catholic priest, André Jarlan, who was struck in the head by a 9 mm bullet from an Uzi submachine gun from Carabineros while he was inside the wooden rectory of a church in La Victoria, a poor *población* south of Santiago. The French ambassador arrived in the *población* demanding an investigation (a cover-up was attempted as Carabineros officers provided false information on the case to the investigating judge). It was the first time since the days immediately following the coup that we saw an ambassador in action in favor of human rights.

A few weeks later massive search operations in poor neighborhoods and slums yielded almost four hundred more arrests. One hundred forty of the detainees were "relegated" into forced internal exile to Pisagua, the old prison camp in northern Chile that Captain Pinochet had commanded in the 1940s. The most radical dissidents did not take this lying down—bombings in Santiago and four provincial capitals damaged banks, government offices, and telephone lines. Blackouts and attacks on police stations increased.

On Sunday, November 4, Pinochet announced that he was reimposing a state of siege. A week of political unrest led to fourteen more deaths. Lagos, as president of the Democratic Alliance, declared that the crisis reflected a government that had "nothing to offer to the country, except the will of Pinochet to stay in power under a constitution most Chileans do not accept." Lagos also called for a another protest. The next day, Minister Jarpa submitted his resignation, which Pinochet decided to keep on hold.

As in George Orwell's novel, in Chile "1984" became a watchword for state brutality. In October, a bomb destroyed a Catholic church in Punta Arenas in Chile's Patagonia. It was officially determined to be a leftist terrorist operation, but the body and the identity card of an army intelligence operative, Lieutenant Patricio Contreras, were found in the rubble. The government's explanation was that perhaps Lieutenant Contreras had died while trying to deactivate a bomb that had been placed by leftist extremists. Nobody bought that story.

Also in October 1984, Mario Fernández López, a local Christian Democratic leader in Ovalle, in northern Chile, who was a truck driver, died after being arrested by CNI personnel from Santiago. Blows to his abdomen had ruptured his internal organs; he'd died from hypobolemic shock. A military tribunal absolved the murderers, accepting

instead the theory that Fernández, while trying to escape, had accidentally struck his thorax against the sharp edge of a table. Eventually, an appeals court, backed by a Supreme Court decision, reversed the military tribunal's ruling, concluding that the detainee could not have possibly suffered the alleged fatal accident, and condemning the CNI agents involved to several years in jail.

The Roman Catholic Church, which reported that 1,655 people had been detained for political activity and protests in the first six months of 1984, also felt the heavy hand of repression. Ignacio Gutiérrez, a Spanish priest in charge of the Vicariate of Solidarity, was forced to leave the country when the government canceled his residence visa, despite the Church's protests. Not much later, Father Dennis O'Hara, an American priest who had lived in Chile for six years and had sent cards to his parishioners expressing his wish to see an end to torture, was also arrested and deported.

Francisco Javier Cuadra, the new head of the Ministry Secretary General of Government (Ministerio Secretaría General de Gobierno), who quickly became a young Pinochet favorite, orchestrated a new hard-line offensive (created in 1976, this ministry is the government's principal organ of communication with the public). Radio stations were closed, and independent magazines and newspapers that had emerged in recent times were prohibited. It was tough times again.

I was a foreign affairs columnist at *APSI,* one of the weekly magazines that were closed. Already struggling to make their publication break even, the editors, Marcelo Contreras and Sergio Marras, called me into an emergency meeting, where we brainstormed how we might survive. Pinochet's problem with *APSI* concerned domestic news. How about if we printed a sharp international politics edition that was still relevant to local matters? It was exactly what we had done in 1981 when *APSI* was forbidden from covering national news and received a nine-month suspension as a punishment after producing a successful issue on the CNI secret police. Now I put together an issue of the magazine on international affairs that dealt with repression and democratic struggles around the world and Reagan's policy toward Chile, and even included comic strips and caricatures dealing with external affairs that nonetheless spoke to the local public. It worked. The magazine began circulating again and, little by little, it shifted its focus back to Chilean politics.

On June 29, 1984, the Socialist Party had held a semiclandestine meeting at the Audax Italiano Club on Carmen Street, south of downtown Santiago. It was a plenary meeting to which we had invited leaders of other parties, including the Christian Democratic representative

Patricio Aylwin, as well as delegates of the Communist Party and other groups. About a hundred people came. That night my car, which had been parked across the street from the club, was robbed. A briefcase was torn open but the only things missing from it were political documents. A couple of valuable items, including a portable short-wave radio, had not been stolen. The cars of a few other participants in the meeting had also been broken into, and their valuables were also untouched. It was an unmistakable message from the CNI: we are following you and can hit you whenever we want.

Not long after the imposition of the state of siege, CNI personnel—an army officer commanding a group of armed men wearing ski masks—arrived at our party headquarters, located in an apartment on Serrano Street, and smashed down the doors. "It's over. Mr. Lagos is finished. You understand!" the officer yelled at the people inside.

Ricardo Lagos was not there at the time, but he arrived while the CNI agents were still searching the premises. Unfazed, he demanded an explanation.

"Mr. Lagos, we know you and your comrades very well," one of the agents said. "In fact, we belong to a unit that specializes in the Socialist Party."

"If you know what we do, then you should be cognizant of the fact that we only exercise our right to peaceful dissent," Lagos responded angrily.

The agents departed soon after.

Not long after that episode, on January 3, 1985, the CNI invaded our Socialist think tank, Vector, arresting its director, Eduardo Ortiz, and other researchers and political leaders who were on the premises, including Marcelo Schilling. That night, Minister Cuadra announced that a fake institution, a front for subversive activities, had been successfully neutralized.

Ricardo Lagos and I set to work besieging human rights officials and organizations with phone calls, and the government was quickly flooded with protests—including one from the U.S. State Department. The Vector officials were quickly released, but we were horrified, upon returning to the premises, to discover that the CNI had stolen everything that wasn't nailed down: furniture, documents, fax machines, even wastepaper baskets.

Jarpa finally left the cabinet on February 16, 1985, and Finance Minister Escobar quit along with him. Pinochet sarcastically stated that he had allowed Jarpa's dialogue with the opposition to proceed just as "fancy footwork to gain time." Jarpa was replaced by an unimpressive businessman, Ricardo García, while Escobar's place was

taken by Hernán Büchi, a young economist trained at Columbia University but sympathetic to the Chicago doctrine. It seemed that Pinochet's instinct was now leaning back toward the side of liberal economic policy. Yet Pinochet, as usual, covered all bases. He named Army Colonel Enrique Seguel as Central Bank president and gave greater authority to his military staff, which had been transformed into the Ministry Secretary General of the Presidency (Ministerio Secretaría General de la Presidencia) under the direction of his trusted adviser, General Santiago Sinclair.

Pinochet had neutralized the protests through repression. Through Jarpa, he had cunningly bought time while he waited for an economic recovery to take hold. Protests no longer seemed the way to get rid of Pinochet. A sense of frustration began to grow among us, but we were not ready to give up.

MARCH IS WHEN the school year begins in Chile. At 8:40 A.M. on March 29, 1985, under state-of-siege conditions, security forces kidnapped the teacher Manuel Guerrero from Colegio Latino Americano High School. Another teacher who interfered was shot. Almost simultaneously, Manuel Parada, a sociologist working with the Vicariate of Solidarity, was also kidnapped. Parada had been taking testimony from an air force deserter about security operations. The following day, Santiago Natino, a retired publicist and painter, was forced at gunpoint into a car. The three men, all members of the Communist Party, were assassinated and their bodies dumped near the town of Quilicura. Their throats had been slit and their hands, arms, and abdomens had been slashed.

The case, which became known as the *degollados* ("the slit-throated"), shocked a country inured to repression and horror. I was particularly saddened by the crimes, as Manuel Parada was the son of my friend María Maluenda, an actress and the former Allende envoy to Hanoi. As usual, the Pinochet regime blamed the killings on the left, possibly foreigners. "Chileans do not kill by slashing throats," Pinochet declared. But a brave judge, José Cánovas, working with abundant witnesses who were willing to testify, identified fourteen commandos from a secret police group known as Dicomcar (Dirección de Comunicaciones de Carabineros) as the culprits. Because of long-standing rivalries between the CNI and the Carabineros, the CNI provided abundant evidence against Dicomcar.

The public outcry was so strong that Pinochet decided that General Rodolfo Stange, the deputy director of the Carabineros and the operative head of the institution, should be removed from his job. But it

wasn't enough. General César Mendoza, the Carabineros' director, a junta member and an unconditional ally of Pinochet, was less respected within the police corps than Stange, plus he had become a lightning rod for the public's outrage. Loyal friend or not, Pinochet finally told Mendoza that he would have to be thrown to the wolves. Mendoza understood.

Pinochet suggested to Mendoza that his replacement be an army general rather than a member of the Carabineros. Mendoza responded that such an alternative was preposterous. Then, bizarrely, Pinochet said, "Let's bring back Stange." The problem was that Stange's retirement decree had already been processed. But as a Pinochet justice minister, Mónica Madariaga, said once, "In a dictatorship you can do everything," and so it was that the comptroller general was forced to remove with a razor blade the stamp with which Pinochet had approved Stange's retirement.

On August 2, 1985, General Mendoza formally resigned because of the crimes that had been committed by the secret Carabineros unit. (Pinochet had never even considered resigning when similar DINA and CNI crimes were revealed and proven.) General Stange took Mendoza's place in the junta and consolidated his control over the Carabineros. Stange was smarter than Mendoza and independent-minded. Of German descent, Stange would often speak in German with Air Force General Fernando Matthei, also a son of German immigrants, during junta meetings, which irritated Pinochet.

Beginning in 1985, as Finance Minister Büchi backed away from the dogmas of the Chicago Boys, the economy began to show signs of recovery. Macroeconomic indicators improved, particularly economic growth, while inflation came under control. Further devaluations, along with policies that favored export-oriented productive sectors, improved the balance of trade. More important, Pinochet gave Büchi the green light to privatize several state-owned firms and to reprivatize companies belonging to what was called the "strange area of the economy" businesses that had fallen under state control as a result of the 1982 crisis. The sale of those companies helped offset the decline in fiscal revenues caused by the devaluations, enabling Chile to comply with IMF conditions.

Büchi did not eliminate in one fell swoop the 35 percent import duties that his predecessor had imposed, but, pragmatically, reduced them gradually; interest rates were not left to the market but were fixed, or "guided," by the Central Bank. Büchi agreed to provide special "protection," or subsidies, to politically sensitive sectors of the economy such as wheat, sugar, and oil. The Chicago doctrine had been watered down, but out-and-out "statism" had also been ruled out. Büchi's variations on the Chicago creed not only seemed to be working, they accommodated Pinochet's pragmatic personality.

By the end of 1984 Cardinal Fresno had asked three trusted advisers to draft a National Accord for the Transition to Democracy, the so-called *Acuerdo Nacional*. The Catholic Church had shifted from directly challenging the dictatorship on its human rights violations to mediating between the government and the opposition.

The real aim of the National Accord was to create a bargaining partner whose strength and legitimacy were such that Pinochet could not possibly ignore it. The cardinal's advisers contacted not only the Democratic Alliance parties but also the right-wing National Union Party and the remnants of the old conservative National Party. The radical left MDP alliance was formally excluded from the discussions because the groups that formed it had not renounced armed struggle, but an informal liaison with the Communists was set up through Luis Maira, the leader of the Christian Left. The more extreme pro-Pinochet Unión Demócrata Independiente party did not participate in the discussions either, because they were opposed in principle to negotiating with the opposition at all. The discussions concluded on August 25, 1985. The National Accord document brought together the widest spectrum of voices yet in favor of democratic reconstruction.

But Pinochet simply ignored it, as many had feared he would. When General Matthei publicly opined that the agreement was "interesting," Pinochet reprimanded him. Matthei was not the only member of the junta who viewed the accord in a positive light, which greatly annoyed Pinochet. At one of their meetings, Pinochet had an assistant read out loud transcripts from Admiral Emilio Massera's trial in Argentina, where he defended himself against the charges stemming from the "dirty war" perpetrated against the Argentine opposition. Pinochet was implicitly warning his generals that they, too, could find themselves on trial if they did not remain strongly united against reform. He issued orders that no one in the government should even acknowledge that they had received a copy of the National Accord.

Cardinal Fresno made a last appeal to convince Pinochet about the merits of the agreement. "You should dedicate yourself to pastoral matters," Pinochet rebuked him. "All politicians are pests and they are using you," added Pinochet.

The cardinal insisted that dialogue should be given a chance, touching on the social crisis. "There is misery in the streets; people are begging," said Fresno.

"There is also misery in the United States."

"No, there is poverty there; here there is misery that touches the soul," Fresno responded.

"The National Accord is over! Let's turn the page," snapped Pinochet. And that was that.

After a heated debate, the Central Committee of the Socialist Party voted on the wording of a statement that I helped to draft. In it we valued the National Accord as a legitimate agreement about the future of Chile's political system; we added that social mobilization against the dictatorship should continue. Pinochet immediately set about poisoning the well, by preparing a critique of the National Accord and circulating it to all military units and military academies. Despite a desultory campaign to gather signatures in support of the National Accord, it received over eight hundred thousand endorsements—but inevitably it withered.

Yet informal contacts prospered between opposition forces and moderate pro-government sectors to exchange views on the factors that hampered or helped a broad-based strategy for transition to democracy. The Center for Development Studies (Centro de Estudios para el Desarrollo, CED), founded by Gabriel Valdés and led by Edgardo Boeninger (later a minister in President Aylwin's cabinet), began a low-profile series of academic meetings among social scientists and political leaders, including former Pinochet ministers and informal representatives of the Communist Party. I was a regular participant in those meetings, which lasted about one year, from early 1985 to the beginning of 1986. It was the first occasion that many of us had to dialogue with pro-regime actors and for them to listen to the wide spectrum of the opposition. At times there were tough discussions but these were never leaked to the press; slowly, a sense of "civic friendship" began to emerge among the members of the group. We also realized it would not be easy to replicate this effort at the national political level.

After the failure of the National Accord, a group called the National Civic Assembly sprung up in April 1986 and drafted a document called "The Demand of Chile." I had meanwhile moved the axis of my academic work to the Academy of Christian Humanism, a nongovernmental institution under the aegis of the Archbishop of Santiago, so I was an NGO delegate at the civic society conference that produced this document. (My job transfer had been precipitated by an act of censorship at the university's Institute of International Studies, when its new director had forbidden the circulation of the manuscript of a book I had written about the military government's foreign policy.)

The National Civic Assembly called for a protest on July 2, 1986. A ghastly event occurred during that July 2 protest. Nineteen-year-old Rodrigo Rojas, the son of exiles and a resident of Washington, D.C., was covering the protest as a freelance photographer working for *APSI*. He met eighteen-year-old Carmen Gloria Quintana, an engineering student, at a barricade in General Velasquez Street, on Santiago's west side, where protesters were igniting gasoline cans and Molotov cocktails. A truckload of army soldiers, led by Lieutenant Pedro Fernández Dittus, detained Rojas and Quintana, beat them up, and then proceeded to pour gasoline all over both teenagers and set them on fire. When the two youngsters attempted to put out the flames, they were beaten unconscious. Fernández Dittus ordered the soldiers to wrap the bodies in blankets and load them onto the truck. Then they drove to the outskirts of Santiago and dumped the bodies near the international airport. Unbelievably, they were still alive. They managed to crawl to the roadside, where a passing motorist saw them and took them to a hospital. When the scandal broke, the army denied any involvement, claiming that the youngsters had burned themselves accidentally. An eyewitness who'd blamed the soldiers was kidnapped at gunpoint by the CNI and threatened with death unless he recanted his testimony. He and his family sought and received protection from the Catholic Church.

Rodrigo Rojas only lived for a few days after he was found; Carmen Gloria Quintana survived but her face and body were severely disfigured. Rodrigo Rojas's death worsened the already declining relations between the Pinochet regime and the Reagan administration. Pinochet's refusal even to talk to his moderate opposition, combined with his continuing repression of demonstrations, convinced Washington that its "quiet diplomacy" was not working. As early as December 1983 the White House had granted human rights certification to Argentina, in recognition of its advancement toward democracy, but continued to deny it to Chile. Washington made it increasingly clear to Pinochet that he could no longer count on its unconditional support. In February 1984, Secretary of State George Shultz delivered a speech in Boston in which he declared that Chile "was not in tune with the democratic spirit which could be felt from one end to the other of Latin America."

Following the reimposition of martial law, which brought to a close the political opening attempted by Interior Minister Jarpa, Secretary of State Shultz let it be known that the Reagan administration "was very disappointed" with Pinochet. A month later, President Reagan himself, during the celebration of International Human Rights Day,

issued a proclamation in which he specifically deplored "the lack of progress toward democratic government in Chile."

But if Washington was increasingly critical of Pinochet, the American embassy in Santiago was an ally. The right-wing ambassador, James Theberge, maintained that pressuring Chileans through vetoes on loan applications at international financial institutions would be "counterproductive" because "the Chilean Government will do no more favors for the United States," read an internal memo by Theberge dated November 1984.

Assistant Secretary of State Langhorne Motley felt that so long as Pinochet could not be persuaded to initiate a transition to democracy, Washington should be satisfied by the eventual removal of martial law and the softening of press censorship. Elliot Abrams, the assistant secretary of state for human rights, disagreed.

In June 1985, when a vote for a World Bank loan to Chile was approaching, Pinochet hastily lifted the state of siege. The United States reciprocated by opposing a resolution condemning the military government at the UN Human Rights Commission. They also voted in favor of the loan.

Secretary of State George Shultz was consolidating his control of American foreign policy vis-à-vis the neoconservatives, and Chile policy shifted accordingly. The change could be noticed in the replacement of the political appointee James Theberge (remembered fondly by Pinochet in his memoirs as "one of the few true friends" of his regime) by a career diplomat, Harry Barnes. Elliott Abrams assumed Langhorne Motley's post as assistant secretary of state for inter-American affairs. Abrams had been the architect of Reagan's human rights policy, which, though mainly designed as a tool to be used against Communist regimes, also became an element of persuasion for influencing authoritarian regimes to advance toward democracy.

Democracy had returned to several South American countries that had previously been under dictatorial rule, and dictators had fallen in Haiti and the Philippines. These events provided a basis for the development of the "third force" thesis, which envisioned an alternative to the two-sided, either-or conflict of the cold war. Instead of tolerating authoritarian governments because they were lined up against Communism, the "third force" theory proposed supporting emerging democratic movements that would oppose the authoritarian regimes in their own countries and provide a bulwark against Communism.

Support for transition through dialogue was reiterated during Ambassador Harry Barnes's presentation-of-credentials ceremony on November 18, 1985, when he remarked to General Pinochet, "I am happy to know that I will have the opportunity to witness directly the installation of stable and permanent democratic institutions in Chile, a process which the people of my country warmly welcome and support." Pinochet was furious with Barnes's declarations and with his observation during a private session that "the shortcomings of democracy are cured with more democracy." A participant in the ceremony told me that Pinochet warned the ambassador, "Do not attempt to influence things here!"

Pinochet slammed the door shut and never met the American envoy again, except once a year when he visited an international trade fair where he and Barnes would exchange a few polite words. After one of those brief encounters a local newspaper published a picture of Pinochet and Ambassador Barnes with the caption "Until next year!"

All of the agencies in the U.S. government had arrived at the conclusion that Pinochet did not want to reestablish democracy, and that his obstinacy fostered polarization and instability, which served in turn to strengthen the Communist Party. According to this analysis, Pinochet himself was laying the groundwork for armed insurrection against his own regime.

Thanks to the influence of Vernon Walters and Jeane Kirkpatrick, Washington had systematically opposed UN resolutions critical of the Pinochet regime. But by 1986, with the policy change in Washington, Pinochet could no longer rely on a blank check from the U.S. delegation. In March, when the UN Human Rights Commission discussed the critical report submitted by the special rapporteur on human rights in Chile, Fernando Volio of Costa Rica, whose appointment had been promoted by the United States, Washington voted in favor of a draft resolution that made specific recommendations to the Chilean government. Pinochet angrily repudiated the American position. The tension was exacerbated two days later when White House Chief of Staff Donald Regan said on television that the United States was not "at the moment" attempting to destabilize the Pinochet regime, but that "there were means through which that government could be induced into a more democratic way of life."

In May 1986 I visited Washington, D.C., as an officially invited guest, to meet with U.S. authorities in my capacity as international secretary of the Socialist Party. It was a clear sign of the new American

attitude toward Socialists. I held conversations with Robert Gelbard, deputy assistant secretary of state for inter-American affairs, Néstor Sánchez, deputy assistant secretary of defense, and other officials and senior aides to senators and congressmen. I recall that most of the talks focused on whether the United States should use economic sanctions against Pinochet to pressure him into initiating a democratic transition. The notes I kept from those conversations reveal that there was a vibrant internal discussion within the administration about the issue. "Sanctions are like a gun with one bullet; if you fire it then you don't have anything else to use," said Gelbard. "They would hurt the Chilean people," I was told at the Pentagon. My interlocutors did not dismiss the sanctions option, particularly since Senators Edward Kennedy and Tom Harkin were working on a bill calling for specific economic sanctions against the Pinochet regime. I recall telling my interlocutors that, in the end, it would be we Chileans who would recuperate democracy in Chile, though the United States and other countries could play a critical supporting role.

In 1986 Senator Edward Kennedy visited Chile. Human rights lawyers and opposition leaders who met with him at the airport were violently attacked by organized pro-Pinochet demonstrators (some of whom would become leading congressmen and senators of right-wing parties after the return of democracy) while the police simply looked on. Since Ambassador Barnes, unlike his predecessor, had regular meetings with the democratic opposition, including the Socialists, I had the chance to talk safely with Kennedy at a reception at Barnes's residence. The day before, I had drafted and cosigned with Secretary-General Carlos Briones a Socialist Party declaration welcoming Kennedy to Chile and praising him for his consistent support for democracy and human rights. Some time later, when the playwright Arthur Miller visited Chile, I had the opportunity to talk with him at Barnes's official residence as well.

The bilateral relationship reached a new low in July 1986 after the murder of Rodrigo Rojas, a U.S. resident. The American government demanded an immediate and thorough investigation, and the punishment of those responsible. Ambassador Barnes attended his funeral, which ended in violent police repression. American media supported the proactive stand taken by Barnes on behalf of human rights.

However, the ambassador's behavior was severely criticized by Jesse Helms, of South Carolina, who visited Chile a few days later. After meeting with Pinochet for two full hours, on July 11, Helms attacked the American press for its "critical views" on Pinochet and

accused Ambassador Barnes of "planting the flag of the United States at a Communist activity" (referring to his presence at the funeral of the teenaged Rojas, who had been burned alive by soldiers). Senator Helms blasted the State Department bureaucracy for "leading President Reagan into error and distorting his policies." Helms was silenced when the White House upheld Barnes's conduct. "Today . . . we had a meeting of the NSC [National Security Council] about Chile and about how we can persuade Pinochet to move towards a democratic form of government," Reagan wrote in his personal diary on the evening of November 18, 1986. "We have agreed we must try."

To my surprise, in his extensive memoirs *Camino Recorrido* Pinochet quoted my book *Una Amistad Esquiva* (Elusive Friendship: A Survey of U.S.-Chilean Relations), which I wrote with the political scientist Carlos Portales, to explain the policy changes by the Reagan administration toward his regime. Pinochet shared my assessment that the growing militarization of some left-wing sectors of the opposition and the exhaustion of the protests had activated—unfortunately, in his view—the East-West red light in Washington, leading it to support moderate forces seeking a peaceful transition. Pinochet quotes me in other passages of his memoirs, although his intelligence advisers erred once again; he labels me and my coauthor, both of us Socialists, as "Christian Democratic specialists."

Indeed, the Reagan administration had distanced itself considerably from Pinochet. Yet the U.S. accompanied its public criticism of the Pinochet regime with pragmatic attempts to gain leverage through a rapprochement with the Chilean armed forces, and by America's official endorsement of multilateral lending to Chile, an example of compliance with IMF requirements. The Reagan administration did not want to push the Pinochet regime over the edge. It was a policy of "carrots and sticks," favoring moderates and excluding radicals, with a peaceful transition to democracy as the goal.