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FMF-15 Chile's Agrarian Reform
Thought and Action of its Proponents

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Dear Mr. Nolte:



Chile's coast is
a tumult of jag-
ged sea cliffs
and wave-eroded
igneous spurs...

Chilean legend tells that "when God finished his building of the World, he had some materials left over: there were snowy mountains, deserts, valleys, tundras, archipelagos and lakes. Being so that God wanted a tidy and neat World, the angels threw all these things over the top of a high range of mountains on a narrow strip of land that was by the sea: thus Chile was born."

Teetering on one of the earth's major faults, the terrain is a maze of tectonic and glacial features. Within minutes after leaving

Santiago's Pudahuel airport, a jet is over the Western Hemisphere's highest peak, Aconcagua, at 22,863 feet. Backed by the Andean cordillera, Chile—in its average width of only 110 miles—squeezes in yet another range of mountains along its coast. At one point in the north the plunge from the highest peak to the nearby ocean depth is 46,000 feet, the world's masterpiece among precipices.

As K.H. Silvert pointed out, if Chile were dropped over Europe and Africa, it would stretch from Copenhagen to Timbuktu. Position it just a few degrees further north to take in Norway and still span the Sahara, and the geographic similarities would be striking—in reverse. Chile's south, starting at about 42° with Chiloé Island, is a dour archipelago whose rocky cliffs and fjords are constantly scoured by cold, humid Westerlies. At 52° near the entrance of the Strait of Magellan, the annual rainfall has reached 200 inches.

No rainfall has ever been recorded some 2000 miles to the north in Chile. Nearly one-third of the country is seared by one of the world's major deserts, the Atacama. Wind-wrinkled sand dunes crawl around jagged outliers, a protean and abstract monochrome of beige and sepia.

Between these two extremes are transitional zones—shrub vegetation and barren steppes to the north, lake-studded barrier basins and volcanic peaks to the south. At the pivot, the Central Zone is a paradise only in comparison to its surroundings. The heartland of this area, an intermediary depression between the two mountain ranges, meanders down the center of the country, not so much as a vast valley floor but as a series of tenuously juxtaposed river basins, running east to west, punctuated by spurs and scarps. But neither would this fluvial terrain serve man's needs had he not toiled through the centuries to capture the volatile supply of waters seaward-bound from the Andes. Man's efforts have altered the landscape of this vital axis: serpentine irrigation canals—carefully orchestrated to gravity's action—wend their way down slopes and through flatlands; verdant fields of corn or melons contrast with the parched sierra backdrop. Eucalyptus cluster over reservoirs of groundwater and form shaggy galleries along the wadis. But man's most arrogant statement of his conquest are the columns of poplar trees, set with erect precision in defiance of nature's plan, glistening emerald in spring and summer, sparkling gold in the clear air of the fall.

Santiago, fulcrum of this intermountain basin, receives about 12 inches of rain per year. Gardens in the comfortable residential districts of Providencia and Las Condes are gems of landscaping and grooming, but they are luxuries wrought by the continuous use of the water hose. Old-timers recall when the city's yards and parks were reminiscent of a Mexican frontier town.

In a country where agricultural land is scarce, the Central Zone's importance far exceeds its dimensions. Almost half of the arable land is couched in this rare congruence of good soils and exploitable water,



...interspersed with deep bays and beaches

yielding nearly the total supply of rice, hemp, tobacco and sunflower seed; over 80% of the barley, beans and corn; 40% of the wheat and potatoes; 75% of the garden produce; and 87% of the wine.

A third of the nation's population is concentrated in just two central cities: Valparaiso and Santiago. Of the total agricultural population, 45% depend upon the production from this one zone's acreage.

In view of Chile's agricultural limitations, Hugo Trivelli F., Minister of Agriculture, commented:

"...our land gives nothing to men for free and without effort. Therefore, everyone must work because the wealth of the country does not derive from its natural resources. In the case of Chile, with its difficult geography, the wealth is product of the toil of men, of all men and all women...In its effect upon agriculture, geography is not only difficult but also extremely limited. The duty to cultivate all available land and to cultivate it well, is therefore, imperative for he who owns or has access to it."

Minister Trivell had good cause to know that this imperative

was not being met. Land classification studies show that in Chile only about one-fourth of the arable land is cultivated and that in the fertile Central Zone one-third of the irrigated land is extensively-used unimproved pasture. A government publication laments, "Of the 11 million hectares which could be cultivated, we are only using two million."

Technicians and reformmongers blame this underutilization of the land on one major cause: the latifundia system. Over 74% of the irrigated land of the Central Zone composed only 9% of the farms, the most of it in holdings of 2400 acres or more.

In a 1962 PhD. thesis, a U.S. economist wrote:

"The concentration of land ownership in Chile is among the highest in the world. In 1955, 4.4 percent of Chilean landholders owned approximately 80.9 percent of the total farm land, 77.7 percent of the agricultural land, 51.5 percent of the arable land, and 43.8 percent of the irrigated land."

In late May of this year a leading Chilean newsmagazine (Ercilla) published an extensive review of the agrarian reform, attempting to strike a balance of pros and cons. By its figures, "2.4% of the land proprietors—exactly 5,626 agriculturalists—hold 73% of the total cultivable land of the country."

Although there are several employer-employee relationships (as described in FMMF-16), the keystone of the agricultural system is inquilinaje, most prevalent in the Central Zone. It obliges the peasant—the inquilino—to provide a set number of work days to the patron's affairs; usually the period amounts to the better part of the year and perforce covers the harvest season. In return the inquilino receives mixed pay—a small part in cash and the rest in regalias, a word derived from regalar meaning "to give" or "to make a present of". These "little gifts" from the patron are a house and a plot of land which the peasant may use for his own sustenance. Until this decade, receiving most or all of his remuneration in kind rather than specie, and having only usufruct of the regalias (a sort of rental in which the payment is labor rather than cash), the inquilino has been fixed within a rigid structure.

Chile has until recently tolerated a way of life bound by traditionalism, product of its rural past: human relations based upon paternalism and personalism—an economic and political monopoly by the few derived from control of the land—a "democratic society" ostracizing the masses. Though not legally enslaved, the farm laborer was trapped in a system which offered little alternative or social mobility. They were a non-people, composing with their urban counterparts some 75-80% of the Chilean population, significantly referred to as the "rotos"—the broken ones.

Discontent with this closed system and agriculture's inadequacies arose not in the countryside but in the cities, among middle-class



The two extremes of Chile: above, the Atacama Desert: below, Magallanes



politicians eager to break the oligarchy's hold, housewives dissatisfied with the market's offerings, trade unionists seeking allies, manufacturers needing new markets, and intellectuals yearning for social justice.

Inspired by all of these considerations, but particularly the last, a small group of Chilean men---friends at Santiago's Catholic University---began to develop their own theories in the 1930's. Through the next decades they honed their ideas with debate and experience, shaping the Christian Democratic party to carry out their program.

Elected Senator in 1949, Eduardo Frei continued developing his concepts for a society which could ward off the maladies of the two alternatives which then presented themselves. In 1953, the vague outlines of the formula were present, but it was still immature:

"The economic world continues to oscillate within the extremes of liberalism and collectivism, capitalism and communism, free enterprise and statism."

By "liberalism" he referred not to the meaning which the word holds in the U.S. where "it signifies progress", but to the "economic doctrine or party which sustains the classic liberalism of Adam Smith, Locke and other Europeans." Likewise "capitalism" in South America has not brought democracy and free enterprise as in the North but has resulted in monopoly and absolute control leading to a dehumanization and loss of economic liberty. But, on the other hand, "the State as the only employer also leads inevitably to the total loss of personal liberty at which point there are only a few steps to slavery."

Instead of these two systems, the search was for a way "to cement the economy not to profit but to the social interest", to realize "the social function of property."

In this 1953 speech, there is a hint of what was to become a central tenet of this concept of a democratic society---a society which can effectively resist both private exploitation and State authoritarianism. To achieve this there must be participation of all sectors; they must know to organize themselves in order to articulate their interests and counterbalance the other forces. For this purpose, "the intermediate organs: the family, municipality, region, syndicate, company (must) exercise an effective role in orientation, planning and direction." "Agriculture's cause has been represented by the landowners through their associations, not by "agricultural unions, and for this reason the human and economic reality of Chilean agriculture has not been exposed or improved."

From these tentative suggestions, the ideas of participation and organization matured to become strong causes of the Frei presidency, playing leading roles in shaping the spirit of the agrarian reform as well as other major programs. Speaking extemporaneously this month (June 1968), Frei spelled out the specifics of this theory

now translated into accomplishments:

"For us, the profound meaning of our action resides in organization of the people by means of peasant syndicates; by means of industrial unions; by means of organizing the marginal world...; by a vast cooperative movement...to create a justice which is born of the intelligence, of the example, of the organization of the people who become the owners of their country, who gain an effective representation and a real social power so that their problems will be heard and their needs be attended. For this reason, we have pushed ahead with the agrarian reform, regardless of criticism. For this reason we continue in this task which, in my opinion, is of historic magnitude because we are opening up new roads for the organization of the country."

In 1953, Frei was bold in speaking of that taboo subject---agrarian reform---but like most in those early days his ideas were embryonic, his observations expressed more often as questions than statements. That agriculture is feudal in comparison to industry or mining he is sure; the poverty of the masses results largely from poor productivity, and he suggests that it might be helpful to stimulate the sector by higher prices. The subdivision of the land in some regions has been fatal because the small farmer does not know how and does not have the resources to care for the land. But, "this is not to say that the small property is an error and the large one is preferable...perhaps an agrarian reform can best be realized by a tax policy which rewards and punishes, or perhaps by the study and creation of agricultural villages serving as cultural and educational centers which would keep the more able people from leaving for other activities."

There were indeed timid proposals, far from the vigorous agrarian reform now sanctioned by Chilean law. But the contrast provides an interesting perspective on the evolution of thinking on the subject over the period of 15 years.

The development of the Christian Democratic ideology proceeded apace through the 1950's. The late Jorge Ahumada, Chilean economist, was a leading mentor of the group of friends and colleagues which included men now in top government positions: Sergio Molina, Hugo TriVELLI, Jacques Chonchol. Appearing in 1958, his book En vez de la miseria (Instead of Misery) has served as vade mecum, the sixth edition coming out in 1967. Citing a 1952 study by the Economic Commission for Latin America, Ahumada states that both large and small properties have been proved inefficient and, therefore, an agrarian reform should aim at creating medium-sized holdings. However, he circumvents an explicit advocacy of expropriation by concluding the sub-section with a quote from a survey mission of the International Bank for Reconstruction and Development which recommended "the formation of family properties as a part of a program of internal colonization; consequently we support the reactivation of the *Caja de Colonización Agrícola*" (Land Colonization Agency). Though he does speak of subdivision of the land, it is in general terms and whatever

property is divided should be paid for with a just price and similarly those receiving the land should reimburse the intermediary agency for the total value. Throughout the chapter on agrarian reform, he reiterates the importance of placing the land in the hands of the capable, that is, small farmers with experience, and he couples this recommendation regarding selection with a suggestion which adumbrates the asentamientos, the institution created to train the peasant before he is given full responsibility for the land.

He questions the effectiveness of a tax policy as mechanism for redistribution:

"In the first place the subdivision of large properties must produce social and economic effects and this cannot be achieved unless the farmers are selected and trained...The redistribution of the land by means of taxes does not necessarily place the most able on the land. Secondly, it is difficult to adjust taxes in such a way as to bring on an orderly subdivision."

He does, however, favor mechanization and higher prices for agricultural products. For the peasants, minimum wage levels and freedom to organize are recommended.

The seeds of Chile's agrarian reform of today are found in Ahumada's writings. Again he was in the avant-garde of those pushing for an enforced change in the agricultural sector. But the tenor of his proposals differs from that of today's program. His stress is almost exclusively on the economic—even measures improving the social conditions of the peasants are proposed largely for their potential contribution to increased production. By implication the program would be gradual, and the beneficiaries would be limited, reference being made to the 80,000 small farmers. It would be more a matter of repairing the extant structure than of remodeling it.

Six years after En vez de la miseria first appeared, the Christian Democrats led by Eduardo Frei won the presidential election in an atmosphere fraught with reform debate. The party forged its own "Program for the Agrarian Reform" which incorporated the rapid advances in agrarian reform thinking in the early 60's and paralleled the bill which President Frei introduced for congressional approval in November 1965. The CD program's first paragraph stated:

"We conceive of agrarian reform as a process of massive redistribution of property of land and water and of the modification of the structure of land ownership to the direct benefit of those who work it, accompanied by an integral policy of assistance, education and promotion of the peasant population."

The significance of the agrarian reform as formulated by the



La Moneda, the executive headquarters of the Chilean government. Cars in the foreground suggest the country's import limitations--- i.e., the vintage of U.S. manufacture and the fragility of domestic assemblage (such as the Citroneta).

Christian Democrats, spearheaded by President Frei and passed by the Congress goes far beyond economic and social measures aimed largely at bolstering agricultural production. The reform embodies the promise (to some) and the threat (to others) of a political revolution intended to be realized within law and order---a transformation along the lines of social mobilization as defined by the political scientist Karl Deutsch:

"...the process in which major clusters of old social, economic and psychological commitments are eroded or broken and people become available for new patterns of socialization and behavior...including potential or actual involvement in mass politics."

The militants among agrarian reformers see the process as essentially political---a power struggle in which the State throws its support to the have-nots in order to enfranchise them in the literal and figurative sense of the word. It is not only a matter of giving to one group but also of taking from another.. It is a painful process,

exacting the pound of flesh from the latifundistas, and demanding sacrifices from the society as a whole during the transitional years when the program must be financed. But, says the current vanguard, Latin American nations cannot continue as false democracies, the next years will see the incorporation of the masses, be it by peaceful or violent means.

"Like it or not, the revolution will take place—with us, without us, or against us," commented a Chilean bishop.

One of the protagonists of Christian Democratic formulation of the agrarian reform, Jacques Chonchol, observes:

"There is a profound contradiction among those who pretend to have democratic regimes in socio-economic structures such as those which today dominate in our continent. The essence of a democratic society, far beyond a parliamentary system which is nothing more than one of the possible formulas for a democracy, is the equality of opportunity to be educated, to get a job, to voice one's opinions freely and to move up in the society according to the inherent merits of each man. But this equality of opportunity is practically a myth for the great majority of our continent...What are the political rights which the peasants have in Latin America today? Practically no other than armed rebellion and banditry."

Jacques Chonchol, economist and agronomist, served as an agrarian reform consultant of the Food and Agriculture Organization in both Mexico and Cuba, the latter during the initiation of the Castro regime. He is now the head of one of the two agencies dedicated to carrying out Chile's program, the Instituto Nacional de Desarrollo Agropecuario (INDAP). A technician and intellectual who has developed his theories through intensive experience and thought, he is probably the most controversial appointee in the Frei government due to his forceful espousal of the rapid integration of the masses. He is the Christian Democrat who has defined most clearly his ideas on agrarian reform and who most effectively articulates them in writing, lecture and conversation. Many of the conditions which he proclaims as basic to a practicable program are incorporated in the law and are guides for the action of the agencies responsible for executing it:

- 1) Agrarian reform is not colonization and is not agricultural development. It is a process of redistributing the land and the water—the rights and the control over these—and consequently of the agricultural wealth and the income which results from that wealth.

- 2) The process must be massive, rapid and drastic. Structural change and education should be carried out simultaneously.

- 3) Political forces must be mustered to support the reform. A massive program will damage many interests and, naturally, they will resist. Therefore, the reformers must be prepared to defend the cause

in the political arena.

4) The process is costly. The important thing is to train the peasants and construct an infrastructure in order to assure the program's success. Therefore, "either one pays for the land or one makes an agrarian reform"—to use scarce funds to buy the land is to waste it on transfer rather than to invest it in production.

5) Irrigation is basic to much of Latin America's agriculture. Therefore, water is as important as land.

6) Sophisticated programs of training and consultation copied from developed countries are not appropriate to Latin America's rural environment. Technical assistance should be for the masses and by the masses.

7) Responsibility to implement the agrarian reform should be concentrated in one or at most two agencies. But in order to avoid a bureaucratic monstrosity, the operation should be decentralized, giving large powers of decision and action to regional and local staff.

Chonchol has reiterated these theories and suggestions for agrarian reform many times and in many places. One of these was in the influential Jesuit magazine, Mensaje, in October 1963; the issue's contents are illustrative of the Church's concern for socio-economic reforms, paralleling the crescendo of exhortations from lay intellectuals and politicians.

Although ecclesiastical attention had long before extended to the physical as well as the spiritual well-being of mankind, the encyclical Mater et Magistra and the mounting ferment around the world brought this earthly consideration to the forefront, often in such outspoken fashion as to appal more conservative laymen. Thus, Mensaje had entitled its issue of December 1962 "Revolution in Latin America", arousing anguished protests against the use of the word "revolution" as well as the contents. Compelled to defend and define the word in the supplementary issue, this latter was, nonetheless, called "Revolutionary Reforms in Latin America" and its editorial opened unequivocally:

"We have seen and we continue seeing the mass of Latin Americans —each day growing larger—becoming aware of their misery, of their strength and of the injustice which, in the name of political, juridical, social and economic 'order', they are obliged to accept. And it is evident that this immense majority is not willing to put up with more but rather that it demands a radical and rapid change." (Italics in the original)

The Chilean hierarchy at this time also took practical measures to effect reform, in this case agrarian. Publications around the world headlined the move, and its significance was great, not so much

in its scope as in the precedent it set and the model it provided for the government program to follow.

In June 1962 the Bishop of Talca, Manuel Larraín, transferred Church land to a peasant cooperative. The Archbishop of Santiago, Cardinal Raúl Silva Henríquez, initiated a similar transfer thereafter.

Mons. Larraín explained the Church's role:

"A more equitable distribution of the land, combined with better social and economic conditions for the rural population is the first problem of all Latin American countries. It is so vast that no general solution is possible without the intervention of the governments. But we can help, and we are helping, to create an emotional climate which permits national action..."

By good fortune, the four major experiments on Church land varied in structure—one operating as a cooperative with no private ownership, another with immediate parcelization of the land and individual management, and two undergoing intermediate cooperative management before the presentation of titles. Technical institutions were created to train and guide the peasants through the first years.

Of the three types of organizations, the combined cooperative-parcelization functioned best, and much was learned about the strengths and weaknesses of salaried-worker-turned-entrepreneur and about the most effective techniques of financing and administering. These Church experiments provided important experience contributing to the provisions of the agrarian reform bill and to the structuring of the two government agencies, CORA and INDAP.

In his address at the time of presenting his project for an agrarian reform law on 22 November 1965, President Frei relied heavily on the report of the Inter-American Committee for Agricultural Development (ICAD) to document his arguments. This study committee, created as a result of the Punta del Este Conference, was composed of representatives of the Organization of American States, the Food and Agriculture Organization, the Inter-American Development Bank, the Economic Commission for Latin America, and the Inter-American Institute of Agricultural Sciences. Among its findings cited by President Frei were the following:

*Minifundia number about 56,000—or 37% of the total farm units, holding but 1% of Chile's arable land and but 2% of the irrigated area.

*Large landholdings number about 10,300—7% of the total units, controlling 65% of the arable land and 78% of the irrigated area.

*The production on the irrigated land of large holdings had a value of 350 escudos per hectare in 1960.

*The production on the irrigated land of minifundia had a value

of 954 escudos per hectare in 1960.

"From this analysis, it can be concluded that—excepting the medium-size enterprise and some large modern farms which operate efficiently—a very important part of Chilean land and especially the most productive in the country, is concentrated in few hands. Many of them are not even agriculturalists, having acquired the land as a speculative investment in order to justify credits or other negotiations or to sustain their personal prestige. These proprietors have no consciousness of their obligation to make the land produce at its maximum in order to contribute to the wealth of the national economy and simultaneously to give an opportunity to the peasantry to derive a just living from the land's fruits.

"This accumulation of land and waters in many cases has been accompanied by an extreme concentration of other productive elements such as credit, technical assistance, commercial facilities, etc., creating a great difference between them, the few, and the great mass of small farmers and minifundistas who, together with the medium-sized farmer and the vast group of salaried workers, practically do not have access to such benefits. This has given rise, therefore, to an inequality which seriously threatens national production and social stability."

The ICAD report—Chile: Land Tenure and Social-Economic Development in the Agricultural Sector, appeared in published form in 1966. Since the congressional debate on the agrarian reform bill extended from November 1965 until its passage in July 1967 (the public debate continues), this lengthy study served as sword of the proponents and whipping-boy of the opposition. To the latter its approach was biased and its statistics inaccurate and out-of-date. Worse of all, it was accused of sanctioning collectivization, not explicitly but by implication. A review of the ICAD study in Mensaje was picked up by the conservative newspaper El Mercurio and by the Sociedad Nacional de Agricultura (the landowners' association), and its negative criticisms were amplified and served as base for a series of journalistic attacks.

However, in the opinion of the study's director these tirades perhaps contributed to the reform's purpose by providing it ample public coverage and exposing the pros and cons of the debate to a previously uninformed urban populace. For all of its notoriety, the importance of the ICAD report lay not so much with the originality of its material as with its compilation and organization of what had been in the minds of agrarian reformers over the past years.

Besides theory, ideology and statistics, Chile's agrarian reform law was also shaped by practical considerations as to what the country realistically could and could not manage. Only Venezuela before it had undertaken an evolutionary reform within a democratic system. But Chile's law is far more radical, embodying more concern for the peasant

and less concession to the landowner. This may be because Chile's followed after six years of a growing spirit of reform, and/or that the necessity for more drastic measures existed in Chile, and/or that Venezuela is a much richer country and so could better afford certain niceties. In any case, in Venezuela the government takes private lands with the consent of the owner; he receives its commercial value and is paid in cash and negotiable bonds paying a market interest rate. Chile expropriates, even against the owner's will, indemnization based upon the tax value of the property with 1% to 10% down and the remainder in long-term bonds. In Venezuela a landholding's size, as sole consideration, is seldom sufficient cause for expropriation; if Chile abides by the letter of the law and persists over the coming years in its expropriations and subdivisions, latifundia will be abolished.

At the time of the 1967 promulgation of the law, President Frei summarized its objectives:

"to incorporate the peasantry into the social, economic and political life of our nation from which it has been, in fact, to a large degree excluded. To create opportunities for men willing to work to become property owners. To change the social and economic structure of the Chilean countryside, ending the disequilibrium posed by an advanced industrial sector alongside an extremely backward regime, at times almost feudal, in the rural area—a situation which not only causes social tensions but also economic contradictions which if they continue will lead the entire country to bankruptcy within a short time. To stimulate the economic development of the country by incorporating the great mass of Chileans into the money economy, resulting in higher salaries for them which in turn will have important repercussions on the consumer market for our industries."

Everyone favors agrarian reform. As pointed out in the preceding newsletter, it's a matter of what kind, benefitting whom, how fast. Viewing the gamut of reformers in Latin America, all of them presume an active role by the Government, but the nature of that role is the issue.

In terms of Chile's agrarian reformers, a tripartite typology describes the major groupings. On the right are those discussed in FMF-14—the Sociedad Nacional de Agricultura (SNA), the similar regional organizations of landowners and the Partido Nacional. They recognize their leading position in the agricultural sector, concede there are production problems and blame governmental policy for creating those problems. Therefore, "agrarian reform" must take place in Santiago, not in the countryside, by changing government policies regarding prices, credits, imports, etc. The crisis is purely technical and can be solved with economic measures. Once the Government has set things right, the agriculturalists will meet the country's needs and, as the rural economy strengthens, the employers will be able to heed the demands of their workers.

A second group has little faith that solutions for the multifold problems of the countryside will follow from government policies which render advantages to the dominant group of agriculturalists. They see the situation as too urgent and too complex to resolve with limited, traditional measures. Official action must be taken to force, albeit unnaturally, a more equitable distribution of wealth and benefits. As President Frei explained, "...the right of property will be extended and perfected, imbued with the social sense which its full exercise implies." The intent is to accelerate political development by providing a significant segment of the society with economic and social powers and amplify their own interests. The ideal is to create a citizenry independent not only of the patron, but also of compromise to partisan politics, and of paternalistic relationship to the government. The aim is not to destroy but to attain a democratic society, in the fullest sense, as expounded and idealized by Western liberal thinkers. It is interesting to note, however, that the application of pressure to achieve change and development is the work of the government vis-à-vis the polity, in the reverse of the flow of demands in the political systems of the established occidental democracies.

Thirdly, there is a vocal, energetic group who would have the government exert its executive powers in a more vigorous manner to achieve a rapid transformation of the economy and the society. In the belief that gradualism cannot adequately cope with the urgency of the problems now exerting great pressures within the system, it is argued that the very system must be modified to meet the contemporary conditions. Traditional economic theories and institutions must be replaced by new guides and relationships. The hold of "certain economic groups" is detrimental to the country's progress; no matter the good intent of the Government, as long as these enterprises are allowed to exist, they will absorb the bulk of the profits and sabotage any program to better the lot of the proletariat and peasantry. Incorporation of significant sectors of the populace into the national polity is the essential work—if the institution of private property stands in the way, then it should be replaced by other economic bases; if the parliamentary system is but a sham of "democracy", serving in fact as a barrier to the realization of social, economic and political justice, and as a block to essential structural reforms, then it too is expendable. With or without the sanction of the present power elite the State must act to redistribute the national wealth and income, placing the good of the society over individual prerogatives.

The Frei government is trying to carry out its "Revolution in Liberty", effecting structural reforms within the established system, in the hope that the third approach to Chile's problems will not gain a massive appeal. Since both the traditional and the revolutionary factions are well represented in Chilean society, and both possess considerable power and influence, the day by day struggle to keep the proper balance is exacting. As Eduardo Frei realized in 1953:

"It is extraordinarily simple to refer to the social function of property, but extraordinarily difficult to find adequate institutions and formulas to realize this function within a determined time and place."

Sincerely yours,

Frances M. Foland

Frances M. Foland

Photos, p. 5: courtesy of El Mercurio
 Photos, pp. 1-3-9: FMF

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