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Stop Sending Mixed Signals to General Pinochet

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Abstract
[Excerpt] We should not apologize for U.S. enforcement of the new labor rights laws against Chile. Critics have attacked them as "backdoor protectionism" aimed at keeping out foreign products. U.S. unionists, though, report a genuine enthusiasm among their rank-and-file members, not for the prospect of shutting out foreign goods but the hope of better pay and working conditions for their foreign counterparts.

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Chile, Pinochet, foreign policy, international trade, labor rights, human rights, anti-unionism

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Federal law requires a U.S. "No" vote on international loans to countries engaged in gross human rights violations. On Dec. 15, however, the Reagan administration abstained in a vote on a $250 million "structural adjustment" loan from the World Bank to the dictatorship of Gen. Augusto Pinochet, who overthrew Chile's constitutional government in 1973. The loan was approved, and Pinochet trumpeted the U.S. nonaction as proof that President Reagan really backs his iron rule.

But the general crowed too soon. One week later, under pressure from U.S. congressional, church, labor and human rights groups, the administration eliminated Chile from two preferential trade programs because of its violations of workers' rights to organize and to bargain collectively. Now, instead of crowing, Pinochet is moaning that the United States is abetting an international communist conspiracy by imposing new economic sanctions.

Nearly $60 million worth of Chilean goods enter the United States each year under a program of trade benefits called the Generalized System of Preferences (GSP), which permits developing countries to export selected products to U.S. markets duty-free. Another program run by the Overseas Private Investment Corp. (OPIC) insures nearly $300 million in U.S. corporate investments in Chile.

Amendments to federal laws governing GSP and OPIC, passed in 1984 and 1985, mandate stripping benefits from countries that systematically violate worker and trade union rights. Last year the administration announced it was placing Chile on a one-year "probation" status to see whether the labor rights situation improved. Instead, it got worse.

Throughout 1987 church and human rights organizations in Chile recorded abuses against workers and trade unionists: arbitrary arrests, kidnappings and beatings by armed men in government cars; sacking of union halls and seizure of union books and records, and similar incidents designed to cow Chilean workers, who have a history of strong, militant, democratic unionism.

The government has arrested Manuel Bustos, head of Chile's largest labor federation, and charged him with subversion for organizing a protest strike in October. More ominously, Bustos has been the target of death threats from something called "Chilean Anticommunist Action," a death squad linked to the military. Five years ago, another prominent union leader, Tucapel Jimenez, was kidnapped, shot and decapitated following similar threats.

In August 1987 the Pinochet government imposed an extraordinarily repressive labor code that bars trade unions from political activity and requires sworn statements from union leaders that they do not belong to any political party. Collective bargaining is limited to the single work site, preventing effective company-wide or industry-wide bargaining. A strike may last only 60 days, at which time workers must accept the employer's last offer or abandon their jobs.

Administration spokesmen sought to play down the trade moves, pointing out that only $60 million of selected Chilean exports would be affected by the GSP cutoff, out of more than $800 million in total exports to the United States. But the OPIC ban is more ominous for Pinochet. It was a powerful inducement for U.S. corporate involvement, amounting to almost $300 million worth of OPIC-insured U.S. investments in Chile. Now that inducement has been eliminated.

Chile has been held up as a model Third World debtor by international bankers pleased with its free-market ideology, austerity measures and clampdown on unions. By abstaining on the World Bank loan—in effect letting it go through—the administration did give Pinochet a nod of approval for his economic policies. But now the United States has also said it will no longer insure investments against the political risks that flow from those same policies. We cannot have it both ways.

Pinochet is keeping tight control of procedures for a plebiscite later this year that would prolong his rule to the end of the century. Quiet diplomacy has its uses, but sometimes it helps to speak loudly and carry a big stick. The mixed signals and half-measures aimed at Pinochet by the United States only feed the climate of uncertainty that Pinochet counts on to sustain his rule.

We should not apologize for U.S. enforcement of the new labor rights laws against Chile. Critics have attacked them as "backdoor protectionism" aimed at keeping out foreign products. U.S. unionists, though, report a genuine enthusiasm among their rank-and-file members, not for the prospect of shutting out foreign goods but the hope of better pay and working conditions for their foreign counterparts.

Without an accelerated return to democracy, the same kind of turmoil that rocked dictatorships in Haiti, the Philippines and Korea in recent years is likely to occur in Pinochet's Chile. But the general has the guns, and he won't go quietly unless the United States shows a firm, consistent policy that he must go and democracy must come, without years more of "transition."

The writer is Washington counsel of the United Electrical Workers Union.