

ILO MEMORANDUM BIT

To  
A Mr. B. Bolin, DDG/REL, Geneva

c.c. Regional Director, LIMA

From  
De F. Agostini, Director,  
ILO Office, Santiago

Your Ref.  
Votre

Date

Our Ref.  
Notre 12.4(SIND)

740

Date 16.11.78

CONFIDENTIAL

Subject .  
Object .

Visit of a DGB Delegation to Chile

1. Further to my memorandum 733 of 14 November 1978, I venture to send you the three enclosed press cuttings which you may find interesting.

2. From the article in today's TERCERA, it would appear that the gentlemen from the DGB could not, after all, entirely escape publicity which somewhat weakens my statement in my above mentioned memorandum to the effect that there was no press coverage. It is also worth noting that the Chilean trade unionists interviewed by the German visitors range from those in favour of the present government to those who frankly oppose it. There also seems to exist some doubt as to the correct name of the chief of the delegation, but I do not know whether the mistake is mine (due to my ignorance of the German language) or the newspaperman's, for a similar or other reason.

3. The two cuttings from the MERCURIO of 15th and 16th November, respectively, which are not directly related to the DGB visit, may nevertheless provide food for thought and I shall not insist on them.



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**MEMORANDUM**

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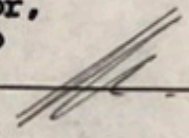
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Regional Director, LIMA

From  
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Date 14.11.78

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Object . Visit of a DGB Delegation to Chile

1. On 7th November 1978, I was contacted by telephone by the Embassy of the Federal Republic of Germany and informed of a forthcoming visit to Chile by a delegation of four DGB trade unionists under the sponsorship of the Friedrich Ebert Foundation. The visit would not be official, I was told, and no contact was expected or would be sought with government circles, nor would there be any coverage in the local press. The purpose was to study the trade union situation "in situ" and to that end, members of the delegation would appreciate meeting with "the ILO Representative in Chile".

2. My reaction was that I would not have any objection to such a meeting, provided it took place at the German Embassy. This was accepted without any surprise or difficulty by Mr. Joaquín von Schirnding, Counsellor, on behalf of the Ambassador.

3. The meeting took place on 13 November 1978 at 3.30 p.m. and lasted for about two hours. In the absence of Mr. von Schirnding, who was sick, the delegation was introduced to me by Mr. Herbert Kamps, the Cultural attaché. The delegation was headed by Mr. Vater, of the DGB Executive Board, who apparently has been associated to the ILO through Industrial Committees and the Resolutions Committee of the Conference. I abstained from writing down the names of the three other members of the delegation, as I did not want to give the impression that they would be "reported on" in any way and I assume that their full names and capacities will reach Headquarters through other means in due course, but I know that they were another member of the DGB Executive Board and two members of the DGB Secretariat. Discussions were held in German, with one of the members translating into English for me, almost exclusively by Mr. Vater.

4. Mr. Vater explained that German trade unionists had grown increasingly concerned over what was happening in Chile with respect to trade union rights, especially after the recent enacting of two laws prohibiting seven workers' associations and calling for trade union elections, and had accordingly decided to investigate the situation otherwise than by mere hearsay. The delegation, therefore, was visiting Santiago in order to collect as much direct information



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as possible. After hearing some prominent members of the disbanded Radical Party and the "Vicaría Pastoral Obrera" of the Roman Catholic Church, not to mention the workers themselves, they would be interested in knowing the ILO's viewpoint. They would not, however, consider making contacts with the Labour Ministry or any government circles: while recognising that any impartial survey would require hearing both sides, they had come to the conclusion that listening to the advocates and promoters of the present official trade union policy would not serve any useful purpose in view of apparently irreconcilable positions which, moreover, would not be understood by their bases in Germany.

5. I explained that my position in Chile was first and foremost that of an observer. In a little more than one and a half year residence in the country, I had followed events closely and endeavoured to keep both Headquarters and the Regional Office in Lima as faithfully informed as possible, mainly through press cuttings, pointing out that, unexpectedly, some freedom of information existed through dissenting publications: the "HOY" (independent) and "MENSAJE" (Roman Catholic) magazines, copies and samples of which I would gladly provide the delegation through the German Embassy (this was readily accepted, and done on the following day). I emphasised, however, that what I was going to say, more by way of comments than as an opinion, was under my personal responsibility and should not in any way be construed as formal ILO position.

6. It would be an illusion to believe that trade union life had come to an abrupt stop after the September 1973 coup in Chile. It had in fact gone on although admittedly with serious limitations. Before the recent reorganisation of trade union structures, Chilean trade unionism could be roughly divided into three main tendencies: those in support of the government (headed by the "Frente Laboral"), those against the government (headed by the so-called "group of Ten") at the two extremes, and in the middle, a growing mass of workers who were not too particular about ideologies but whose sole interest was to improve their own situation against strongly organised and united employers. However, all workers were in agreement on three main objectives, namely (i) to obtain more favourable economic terms; (ii) to obtain a more generous treatment as human beings- and this included trade union rights, and (iii) to obtain participation in the shaping of State affairs. Where they differed was on how to achieve these aims.

7. Against this general background, influences of various kinds were striving to win the workers over. Among these were, naturally, government action and propaganda, mainly through the "Secretaría Nacional de Gremios" (reporting not to the Ministry of Labour but to the Ministry of the Interior) with



as it would affect the whole people of Chile and, by hurting  
 its Trade-Union School ("Escuela Sindical"); some disbanded  
 political parties such as the Christian Democrats or some  
 foreign trade unions such as the AFL-CIO; and last but not  
 least, the Roman Catholic Church which in fact was the only  
 dissenting sector that could raise its voice more or less  
 unchallenged.

8. No sketch of the situation, however brief, would be  
 complete without a reference to the government's economic policy.  
 This was inspired mainly by Milton Friedman and his so-called  
 "Chicago School", the tenets of which were dutifully applied  
 by the Ministers of Economy and Finance, as well as the Director  
 of the Central Bank. Thus the concepts of a free economy, free  
 enterprise (to the extent of turning all state-owned concerns and  
 corporations, such as railways, harbours, copper and coal mines,  
 etc. over to the private sector), free competition, low tariffs  
 were applied rigidly as an undivided package by the government  
 of a relatively poor country, when rich countries such as the  
 United States hesitated to follow a similar course, partly due  
 to trade union opposition. Whereas the advocates of the  
 government's economic policy would point out to some undeniable  
 achievements (reactivation of foreign trade, flowing in of  
 foreign investment, strengthening of the national currency,  
 curtailing of inflation) it could be said with equal accuracy  
 that the "social cost" of such a policy was excessively high  
 and that its negative effects were exclusively to the detriment  
 of the less favoured sectors of the population. Wages were low,  
 unemployment was high; not only was the working class more  
 affected, but also the smaller employers relying exclusively on  
 local production, and in a more general way, the whole middle  
 class, historically so important in Chile, which would eventually  
 disappear unless national income became distributed more equitably.

9. The new "economic order" which the government was striving  
 to achieve was the key to the "political order" being built  
 up as expressed in the draft Constitution presently under study,  
 and determined government policy toward labour and trade unions.  
 To restore collective bargaining and call for free trade union  
 elections were noble tasks. In practice, however, to set limiting  
 conditions to such achievements amounted to wiping off existing  
 trade union structures and replacing them with unexperienced  
 elements, perfect strangers in fact, whose hands would easily be  
 tied up and whose training had already been entrusted to the  
 "Escuela Sindical". This was the "new, unpolitical trade  
 unionism" announced by the government.

10. Mr. Vater then asked what course of action should be  
 followed in my opinion. I replied that it would be difficult  
 for me to answer. Speaking in a personal capacity, however,  
 I would caution against drastic actions like economic boycotts  
 and other embargoes which would only worsen the working man's lot



as it would affect the whole people of Chile and, by hurting acute nationalistic feelings, might even harden the government's determination. Pragmatism would perhaps prove more appropriate under the circumstances by trying to make the best of a bad job: these new trade union masses wanted to be educated, and there was a chance and a challenge for all those who felt concerned about the future of trade unionism in Chile.

11. A question was put to me by another member of the delegation, as to what were the ILO's means of action in view of the fact that Chile had not accepted a visit by an Investigation Committee. I replied that an Investigation Committee headed by Dr. Bustamante y Rivero had in fact visited Chile in 1974 and that its findings and recommendations had been published in a report which had been distributed at the 1975 Conference. Moreover, all cases of violation of trade union rights brought up against any government were fully considered by the Committee on Freedom of Association which investigated such cases directly with the governments concerned and could even censure such governments. Our means of action were essentially of the moral type.

12. Mr. Vater then expressed the delegation's thanks for my presence at the German Embassy and closed the meeting. I have thought it appropriate to give you as complete and faithful an account of the above as possible on a confidential basis, with an information copy only to the Regional Director in Lima.