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To : The Secretary
Through: S/S
From : INR - Ray S. Cline RSC

Subject: CHILE: Causes of Army Discontent Seem Likely to Persist

The aura of achievement surrounding the October 21 mutiny led by Army General Roberto Viaux against the Frei government has instilled a heightened sense of political power within the armed forces. Because the top command was changed and military pay raised only last year, similar measures now are not likely to alter appreciably the fundamental conditions which gave rise to the recent crisis. Further open military muscle-flexing thus seems certain to become, for the first time in recent history, part of civilian-military relations in Chile.

Recent crisis based on old complaints. The complaints which figured prominently in the recent crisis--low pay, obsolete equipment, inadequate training--also were cited during the spring and early summer of 1968 in an earlier crisis which peaked when several hundred officers, with the Army in the forefront, threatened to resign. In response, the Frei administration broke with tradition by naming a military figure, retired General Tulio Marambio, as Defense Minister. General Sergio Castillo, who became Army Commander-in-Chief at the same time, took office vowing not to wear the fourth star he had just been awarded until he had dealt satisfactorily with the pay problem. Since then, two pay raises and a bonus (all meager) have been granted.

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Old solutions insufficient. Serious Army discontent has persisted in spite of the government's response. Part of the explanation involves Marambio and Castillo personally, for they have become tainted by evidence of corruption as well as by their well-known ties to the ruling Christian Democratic Party. At the same time it is likely that if the Chilean Army had a greater sense of mission, of purpose, and competence, it would bother less with the bread-and-butter aspects of its existence. There is no concrete evidence that anyone in Chile, military or civilian, has pondered the problem of finding a modern mission for its modestly-equipped army in a democratic country at peace. The complaints about low pay and threadbare uniforms may well reflect the symptoms rather than the causes of military malaise. This may help explain why the army is demonstrably more discontented than the better-equipped and more active navy, air force, and national police.

Basic conditions seem likely to persist. In any case, the government's response to the most recent crisis, although it is in line with the dissidents' demands, produces a discouraging sense of deja vu. The replacements for Marambio and Castillo, former Public Works Minister Sergio Ossa and General Rene Schneider respectively, may be effective in their new roles; both certainly have good reputations. There is less cause for hope, however, concerning the more vital question of pay. Existing demands on Chilean budget resources and government fears that any substantial military pay raise would ignite worker demands for similar increases, thereby aggravating inflation, appear to militate against a major hike in armed forces salaries. At the same time, there are no indications that the Frei administration is considering ways to provide the Army with a more meaningful sense of purpose.

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The measures undertaken or being contemplated, then, are virtually identical to those taken last year, and should not be expected to effect any fundamental change in the sources of Army discontent. Persistent discontent, coupled with the military's feeling that Viaux won something by his recent mutiny, make it probable that the forceful exertion of pressure on the civilian branch by the military will continue.