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6/24/98

Population 6 million
2280 miles long

HSC BRIEFING

10 JANUARY 1956

"SIEGE" IN CHILE

Communists outlawed

- I. On 4 Jan, the "Chilean Workers Central Union" (CUTCH) the nation's largest labor confederation, called for a general strike on 9 Jan in protest against administration bill to freeze wages and prices.
 - A. Freeze bill was introduced in Nov 55, approved by lower house on 22 Dec, and given Senate okay "in general" on 4 Jan '56.
- II. On 5 Jan, day after CUTCH strike-call, President Ibanex dissolved Congress, alerted armed forces, and declared "state of siege" for 6 months in 20 of Chile's 25 provinces "siege" already in effect in remaining 5, where major mines located).
 - A. Ibanex proclamation said "siege" necessary to counter "subversive action of international communists and of other seditious elements, together with their agents and fellow travelers, designed to disturb social peace and the constitutional regime."
 - B. However, Chilean Communists are believed opposed to general strikes of indefinite duration, such as this one, fearing repressive action.
 - C. Thus far, Government has made several hundred arrests, including Commie-line CUTCH president, Clotario Blest.

35,000 Communists in Chile

79 yrs old

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III. As to 9 Jan strike, early press reports state many unions refusing to join walkout and US Embassy Santiago comments prospects that Ibanez administration will emerge in strong position appear good.

- A. All three major copper properties (US-owned) continuing to operate**
- B. Congress (which resumed 9 Jan) is expected to approve both "siege" and wage-price freeze.**
- C. Although public confidence in Ibanez administration probably at all-time low, due continuing Chilean inflation other economic woes, Ibanez appears able to control strike situation.**