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Stop the looting in Chile

José Antonio Gutiérrez D.

March 5, 2010

Following the earthquake, Chile is facing a huge, difficult task. It is estimated that the country's reconstruction will cost about US\$30 billion — such a huge figure that President Bachelet has raised the need to seek credit from the World Bank. But before diving into a new vicious cycle of debt to the international finance organizations, where we are likely to end up paying ten times the original amounts borrowed as a result of their exorbitant interest rates, it is imperative we consider whether the country is able to meet these costs itself and avoid the financial bondage we would otherwise be risking. If there is no such capacity, it is essential we study ways to ensure that most of the funds for reconstruction are found within the country, so as to minimize dependence on foreign loans and credit as much as possible.

I believe that it is important in these times of turmoil, to pay attention to the role that copper can play in rebuilding Chile. This mineral has already provided a reserve fund of US\$18 billion which can be used in emergency and reconstruction tasks.

For this reason I enthusiastically join the campaign against looting that, more and more every day, is being stirred up by the media (feeding the collective hysteria of the masses) and

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Retrieved on 22nd December 2021 from www.anarkismo.net

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by the more snobbish members of the local establishment: but instead of all this ado about the looting of supermarkets and shops, what we really should be doing is examining the systematic and multi-million looting of a “cornerstone” of the Chilean economy — copper mining — that is being quietly carried on by the large mining companies.

The contribution to domestic production of copper from CODELCO¹ was only 28% in 2007. Yet this company has contributed over US\$21 billion to the Treasury since 2005. But the contribution from all the other corporations who control the bulk of production, however, goes no higher than a measly US\$5 billion! What is this, if not looting on a grand scale from under the noses of the whole people, with the collusion of businessmen and politicians?

Over the period of the Bachelet government alone, the multinational copper-mining corporations have made off with US\$70 billion thanks to all sorts of tricks to avoid paying duties and only a few years ago were forced to start paying royalties, though the amounts involved are laughable. For decades the Chilean people have had their main resource — copper — stolen without any shame. These are the thieves that worry me and these are the looters who are really screwing the whole country².

But they are not the only ones who are stealing what belongs to the whole people. The army, now posing as guardians of the common good, have been robbing the country for decades through the 10% tax on sales of copper that goes directly to their coffers. This privilege should be done away with as soon as possible so that these funds can be used in ways that benefit the people.

¹ CODELCO (*Corporación Nacional del Cobre de Chile* — National Copper Corporation of Chile) is the State’s copper-mining company. It was founded after foreign-owned companies were nationalized in 1971.

² These figures, and more besides, are available on the website of the *Comité de Defensa del Cobre* (www.defensadelcobre.info).

When you look at these figures, you can see who the real thieves in Chile are. If we stop this looting, the country will have enough money to rebuild without having to borrow from loan-sharks who would then go on plundering the people of Chile through the debt.

For this reason it is important that popular organizations apply pressure on the Chilean State for two pressing measures that the ruling classes in this country will never introduce of their own accord, since they either benefit from this plunder or have no interest in stopping it:

1. Re-nationalize copper
2. Cancel the 10% tax on sales of copper for the benefit of the Armed Forces.

We therefore spread this invitation to stop the shameless looting in Chile. It is a task that involves the whole people.