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a natural fortress. But the Swiss have improved upon nature. Dug into the rock are thousands of artillery pieces (many loaded and manned full-time) trained on railroads and highways that invaders would likely use. Important bridges are rigged with explosives placed by their designers, ready to self-destruct on command. Mountains are honey-combed with airplane hangars, tunnels full of food and munitions, and command posts. Shelters against nuclear attack are everywhere; one alpine highway tunnel is fitted with five-foot-thick concrete doors at either end, making it "the biggest bomb shelter in the world."

Almost all able-bodied Swiss men are drafted into the Army (it has only some 30,000 professional soldiers) for 30 years of part-time service. Some 600,000 Swiss citizen-soldiers keep their rifles and ammunition at home, ready for instant mobilization. Enlisted men serve roughly two weeks of active duty annually, officers more, and their employers are only partially reimbursed for the salaries they must continue to pay. Almost every day a mock battle, staged with live ammunition, rages somewhere in Switzerland.

The nation has a fierce military tradition. Neutrality was adopted in 1515 after a defeat at the hands of the French. ("I have conquered those whom only Caesar managed to conquer before me," declared King François I.) Thereafter, many Swiss served as mercenaries; their earnings launched several of the nation's famous banks. Napoleon's assessment was simply, "The best troops . . . are the Swiss." To this day, the Pope retains 90 Swiss Guards at the Vatican.

During World War II, the Swiss mobilized several times to deter threatened attacks from Nazi Germany. In a few cases, they probably had to compromise their own neutrality to save it. Hitler, for example, demanded and seems to have won the right to send German trains carrying war materiel through Switzerland on their way to Italy.

The Soviets, the officially unacknowledged foe of today's Swiss Army, seem to view Switzerland "as a kind of capitalist Alamo," notes McPhee. Indeed, if Swiss forward defenses did not hold, the Army would probably retreat into the mountains and dare the enemy to follow. As the Swiss say, "Switzerland does not have an army. Switzerland is an army."

A Free Market Flop in Chile?

"The Rise and Fall of the Chicago Boys in Chile" by Paul E. Sigmund, in *The SAIS Review* (Summer/Fall 1983), 1740 Massachusetts Ave. N.W., Washington, D.C. 20036.

Chile's nine-year-long experiment with Milton Friedman's brand of monetarist free-market economics came to an unhappy end in 1983. Sigmund, a Princeton political scientist, recalls the promising start of the test and asks what went wrong.

A Chilean corps of University of Chicago-trained Friedman disciples took over the nation's inflationary, government-run economy when a military junta headed by Augusto Pinochet replaced Marxist Salvador Allende in 1973. They quickly ended controls on prices and interest

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rates, sliced tariffs, and encouraged foreign investment in Chile. It was not enough. In 1975, Friedman himself prescribed "shock treatment."

Finance minister Jorge Cauas promptly cut the government budget (by 15–25 percent) and slashed the public payroll (by 50 percent between 1973 and '77), boosted taxes, and slowed money supply growth. During the next three years, inflation plunged from 340 percent to 30 percent annually. Economic growth accelerated to a 7.3 percent annual rate in 1978. Some economists began talking about a "Chilean economic miracle."

By early 1982, however, that talk had been silenced. Industrial output fell sharply, unemployment climbed to 23 percent, and bankruptcies in the textile industry alone cost 40,000 jobs. Why? Sigmund lays part of the blame on the 1979 OPEC price hike and on the decline of the world price of copper, Chile's chief export, from \$1.33 per pound in 1980 to 59 cents two years later. But the Chicago boys' inflexibility was chiefly responsible, he believes.

Fixed foreign exchange rates (not a monetarist doctrine) led to an overvalued Chilean peso, making exports too dear for foreign buyers and imports too costly. Low tariffs (10 percent across the board after 1979 compared to up to 500 percent in 1973) abetted a flood of cheap imports that drove Chilean firms out of business. Even Chile's chicken farmers were undersold—by Taiwanese competitors. The Chicago boys kept a tight lid on the government's overseas borrowing but refused on principle to regulate private sector foreign transactions. The result: heavy foreign debt and a \$4 billion balance-of-trade deficit in 1981. Finally, tight money policies produced high interest rates.

By early 1983, Pinochet had had enough. He jettisoned the last of his doctrinaire economic experts and installed more moderate policy-makers. What the Chilean experience shows is not that free-market experiments won't work in the Third World, Sigmund maintains, but that they can't work without "the self-correcting mechanisms of representative government" that curb the excesses of economic planners.

Slavery's Impact On Africa

"Contours in Slavery and Social Change in Africa" by Patrick Manning, in *The American Historical Review* (Oct. 1983), 400 A St. S.E., Washington, D.C. 20003.

Historians have debated for years whether the centuries-long slave trade with Europe, America, and the Middle East overwhelmed static African societies or was largely absorbed by an Africa that was already changing. Manning, a Bryn Mawr College historian, argues that the effects varied with place and time.

Portuguese sailors' reports from Africa during the 15th century indicated that slavery was by then a well-established institution there. But slaves were generally captives taken in battles waged for political, not economic, ends. With the advent of lucrative large-scale slave exports after 1650 (prompted by the growing demand for labor on sugar plantations in Brazil, Barbados, Jamaica, and other New World colonies),