

could just get away with such profligacy. It can no longer. Two strong currents in economic life are running in favour of countries with big and competitive domestic markets. One is the increased importance of a wide range of small entrepreneurial businesses, which need a large and demanding and quickly definable home market to bring them out and let them grow fast.

The other is the rise in the cost of developing new products, which can be recouped only over a large market. Unlike America and Japan, Balkanised Europe can take advantage of neither trend. The means exist that would let it do so. Western Europe must summon the will to create the common market that the EEC was founded to produce, but never has.

Pinochet won't go

Unless Chile's politicians create a workable alternative

If Chilean democrats really want President Augusto Pinochet to end 11 years of military rule, they are going the wrong way about it. They are violently demonstrating for his departure. They are not demonstrating that they can produce the sort of alternative government that might persuade him to depart. General Pinochet is a stubborn man, and still commands the instruments of power in Chile. He will not make way for a vacuum. And the people around him who might be urging him to give way will not do so until a democratic alternative has taken shape.

The opposition's technique is to organise a series of "days of national protest", the next of which are due on November 27th and 28th. These days of protest have been increasingly destructive. They have led to bomb explosions and attacks on electricity pylons. A state of siege was imposed this month. The police rounded up thousands of slum-dwellers, arresting 227 of those with police or terrorist records and banishing another 40 to mountain villages for three months. Chile's bishops have held a day of fasting and prayer to "pacify spirits and pray for a consensus that will allow us to rebuild society".

That consensus is still missing. Without it, unlike some other Latin American dictatorships, the Pinochet regime has no incentive to budge. Unlike the Argentine generals, President Pinochet is not retreating headlong from a Falklands defeat. Unlike Brazil's General Figueiredo, he does not see himself as the midwife who will bring about a rebirth of democracy; he is an anti-democrat on principle, not just because democracy did not work last time. Unlike most Latin American military presidents, General Pinochet is still on active service as the army's commander. And, unlike most military bosses, he has a claim, of sorts, to legitimacy: a referendum in 1979 brought in a constitution which entitles him to remain in office until 1989.

None of this would necessarily prevent political change if General Pinochet's advisers, who are worried by the growing violence in the country, could tell him that a return to democracy would not mean the collapse of society he claims to fear. In Argentina, the generals knew they would hand over power to the candidate either of the Radical party (Mr Raul Alfonsin, who got it) or of the Peronists. Brazil's generals know they will hand over the presidency next year either to their own

man or to the opposition candidate, whom some of them privately prefer. All the possible contenders in those countries are middle-of-the-roaders. That is why re-democratisation is possible.

In Chile, the Christian Democratic party—probably the country's biggest—is divided between men who are prepared to talk about the future with the friends of the regime and those who want to rival the Communists for control of street demonstrations. The conservative National party is split in two. The Socialists, who under the late President Allende were to the left of the Communists, have splintered into several factions.

Look back to 1964

Can Chile put together a workable alternative of the centre? Well, it did in 1964. Then, as now, Chile was divided into three: the National party, the Christian Democrats and the Marxist left. To stop the left's Allende winning that year's election, the National party backed the Christian Democratic candidate, Eduardo Frei, who then gave Chile six years of modest economic growth and continuing freedom. At the next election, in 1970, the National party and the Christian Democrats went their separate ways; Allende scraped home with 36% of the vote, and the sequence of events that led to the Pinochet regime began.

The necessary condition for a return to democracy is an understanding between the National party and the Christian Democrats. That requires both parties to pull themselves together under leaders who will collaborate to produce a coherent programme of government: who will, in short, rebuild the centre. The two parties could then issue a joint call for the election, in early 1986, of a congress which could amend the Pinochet constitution. This would be welcomed by many present supporters of the Pinochet regime. A lot of Chileans, who accepted military dictatorship after the Allende experience, nevertheless want to see democracy restored. General Pinochet would presumably stay on as president, but he would have to coexist with a congress pressing him to step down, sooner or later, in favour of a civilian.

It is always a temptation for men trapped in powerless opposition to squabble interminably among themselves; that is why many dictatorships last longer than they need. Chile has to produce an opposition that shows it can also be a responsible government.

