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Conference on Social Security

**Past Present.
Moments of Social
Security in America**

IMPORTANCE OF SALVADOR ALLENDE GOSSENS IN THE ORGANIZATION OF THE FIRST SOCIAL SECURITY INTER-AMERICAN CONFERENCE

Introduction

Salvador Allende Gossens, the only medical doctor who has been President of Chile, was a fervent supporter of social security and social medicine. Allende was born in the port city of Valparaiso on June 26 1908 and died in 1973. When he was 30 years old, he was appointed Health, Welfare and Social Assistance Minister; in 1970 he was elected president of Chile. His father was Salvador Allende Castro, an attorney at law who worked as a defender of those who could not afford social services; he taught him the social differences, the economic inequalities and the need to maintain the separation between Church and State. The young Salvador, "Chicho" as he was

* Research and compilation by Guillermo Fajardo Ortiz, Consultant of the Director of the CIESS.

known among his friends, learned from his mother Laura Gossens Uribe, values associated to Christianity. When he studied high-school, he met an Italian shoemaker, Juan Demanchi, who professed Anarchism. Allende visited him and often conversed with him. Demanchi lent him the books of Miguel Bakunin, an anarchist, and of socialist authors, and let him know his points of view on the current social problems and those relative to human rights.

In 1926, Allende entered the Medicine School of the University of Chile; his studies were interrupted on different occasions due to the need to perform several part-time jobs and due to the political unrest of the times, and thus he continued to thoroughly acquaint himself with the social problems. In 1927 he headed the Alumni Center of the University of Chile and participated in different struggles against public authorities; he was transitorily expelled from the school.

At the start of the decade of the thirties, the years of the "Great Depression", social problems became acute and poverty, unemployment and hopelessness grew. Allende soon started to give classes to the workers on hygiene matters and spoke to them about aspects of equality and liberty. At the end of his medical studies he continued interested in the unprotected groups and continued providing services to them.

Health, Welfare and Social Assistance Minister

In 1938, the Chileans elected as president Mr. Pedro Aguirre, whose motto was: "To govern is to educate and to offer health to the people". Allende was incorporated to the work team of President Aguirre Cerda, as Health, Welfare and Social Assistance Minister, a position that he held during two and a half years. He assumed his

responsibility as a professional in medicine. He introduced changes, made reforms possible, promoted medical-sanitary laws, created maternal care programs, granted free meals to abandoned children, increased the amounts of widows pensions and propitiated the issuance of laws to protect the social security of factory workers. In 1939, Allende expressed his ideas on the health situation in Chile, and made them public in a book that has become increasingly importance throughout the years: "La realidad medico-social chilena", ("The Chilean medical-social reality") that became, at its time, a transcendental avant-garde document. Allende made a great contribution to the diffusion of medical-social knowledge; he reaffirmed through his own experience and that of his colleges, the interrelationship of health and misery, hunger and education. At the same time he spoke of the need for a good planning for the solution of medical-social problems.

In the book, made up of medical, social, economic, political and historical reflections and conceptualizations, he portrayed the multidimensional reality of the health of the Chilean people. The interpretations described the complexity of medicine, its hues and angles and, particularly, its transcendence on social security. Allende discussed these topics with simplicity, sometimes with ingenuity, but without abandoning the visceral tone; he used as a basis his own experiences and the opinions of his colleges, and probably also recalled narratives on social problems heard from his father Salvador Allende Castro and from his friend of his first years of youth, the anarchist Juan Demanchi.

Allende, in his book underlined the importance of health actions against infectious-contagious illnesses; "The distressing demographic and sanitary panorama of the country, must induce all Chileans to a deep reflection; the rich and the poor; the leftists and the rightists; the

ruling classes and the common people; national health is one of those problems whose consequences affect one and the other. No social class, however biologically defended, can consider itself immunized from epidemics or exempt from paying tribute to infectious-contagious illnesses. Environmental conditions affect all beings. It is true that persons biologically gifted resist better the pathological stimulus of an unhealthy environment; but it is also true that the bacillus, the infectious contact, the transmitting agent, ambush and attack all inhabitants without distinction".

Allende evidenced the medical-social problems, described them and recorded them; he wanted actions: "It is possible that this simple picture of our sanitary reality will cause the stupor of many of our co-citizens; I don't believe there is anyone who has an attitude of indifference before its magnitude. It is possible that some other will react trying to look for the culprits in this kind of invisible tragedy of the people. Not few will be contented with the consolation that other countries suffer similar disasters. We cannot be satisfied with lamenting the sad present reality. It is necessary to put to trial the vitality of the national organization and the capacity of popular masses, with the purpose of recovering the qualities of our race and the right to live as a cultured people. It is necessary that the nation as a whole react mobilizing in the sense of remedying all these errors and lack of foresight, that all the economic, moral and spiritual forces and reserves of the inhabitants push forward and face a joint action to put the country on a sound basis, to establish conditions that will permit the Chilean man to develop his activities within a favorable environment, to initiate a tenacious struggle against the scourges and vices, to bring to the most distant regions the advancements of sanitary engineering and of social medicine. The crudeness with which we have analyzed the national

reality, has the purpose of informing on all the magnitude of the problem, to weight the inheritance that we have received, to measure the projections and to study the most convenient solutions. I know that we are far from those days in which it was considered as anti-political and anti-patriotic that a Minister of State disclosed for his co-citizens the bare truth of the facts. This is not the way of thinking that now prevails on the public mentality, and there is no other way to learn and examine the biological realities of a country. On matters such as this, there cannot be subterfuges, nor simulations. Social hygiene, public health, medicine, do not admit transactions."

He made evaluations on population aspects, he named the population human capital and stated. "Illnesses, malnutrition, alcoholism, endemics, epidemics and ignorance, act and corrode under and inside all aspects of life and are inexorable in their effects. Our country has been the victim of the above and the above has caused that we are facing an alarming medical-social reality. Human capital, which is the fundamental basis of the economic prosperity of a country, has been underestimated and has been abandoned to its own fate. This is principally the reason why our population has increased so scarcely; it must be improved and increased on the basis of the number and of the quality of autochthonous inhabitants; its progressive growth is the primary condition for the prosperity of a country, and it is a result of the health and cultural conditions of its components".

"In historical terms, countries are valued by the quality of their inhabitants and by the volume of their population, rather than by heir material availabilities. Any plan of the Government requires a dense and healthy population, capable of producing and of making industrial and economic development flourish. This is the mission of the human capital".

Organization of the First Inter-American Conference on Social Security

The governments of the nations of the American Continent, imbued with the values recovered from the roots of our occidental culture, favored and promoted the social security institutions, which, sponsored by the International Labor Organization (ILO) constituted at the meeting held in Lima, Peru, the Inter-American Initiatives Committee on the Matter of social Security.

The meeting held in Peru, although being the immediate antecedent of the constitution of the Inter-American Conference on Social Security, is not the only event, because already in 1939 the States that were members of the ILO, assembled in a work conference in the city of Santiago, Chile, had signed a resolution that established the fundamental principles of social security in America, considering that "mandatory social security constitutes the most rational and more effective means to give workers the social security to which they are entitled".

And in the second conference of said States held in Havana, Cuba, in 1939, the principles established in the 1939 Chilean Resolution were ratified and extended.

The fundamental principles of social securities proclaimed in 1936 and ratified in 1939, are summarized as follows:

a) Every State must establish and maintain a legislation of reparation of accidents, inspired on the principle of professional risk that must be applied to all salaried people, whether nationals or foreigners and in this latter case, according to the principle of reciprocity.

- b) The victim of a work accident has the right to the medical-chirurgical benefits, medicines, prostheses, orthopedics, necessary for his recovery, hospitalization and rehabilitation.
- c) In addition to the above, the victim will have the right to a daily or weekly indemnity equivalent at least to two thirds of his basic salary if the temporary disability is total and to the corresponding percentage of that indemnity if it is temporary and partial, which must be paid as from the day following the occurrence of the accident.
- d) If the disability is total and permanent, the victim shall have the right to a rent equivalent to at least two thirds of his salary, and if is permanent and partial, to a rent equivalent to the corresponding percentage.
- e) In case of death, the beneficiaries will have the right to a rent of at least two thirds of the salary of the deceased.
- f) Every State must establish and maintain in force a legislation for a mandatory illness, disability old age and death insurance according to the norms set forth in that resolution.
- g) The Insurance must be administered by public institutions or by institutions created by the interested parties, recognized by the State, whose resources would be provided by the insured themselves and by their employers who would absorb the total or the largest part of the quotas corresponding to workers with a low salary or paid in species.

However, it is necessary to recognize that in certain countries of the American Continent, Mexico, Guatemala and Costa Rica for instance, since the end of the XIX

century and beginning of the XX, some governments had attempted to establish the employers responsibility with respect to occupational risks, and that with respect to certain preventive measures tending to protect the minors, the women and the Indians, the tradition established by the Law of the Indies had introduced in the conscience of Americans the humanistic sense of labor.

In the work conferences held by the American States members of the ILO, referred to in preceding paragraphs, the need had been made evident to adapt the norms agreed upon with that international organization to the geographic peculiarities and to the cultural and economic development of each American State, taking into consideration the level reached on the matter in each country by the year 1940.

This is why, taking advantage of the invitation extended by the President of Peru to the governments of the American States, on the occasion of the inauguration of the Workers Hospital of Lima, the participating institutions established an Inter-American Initiatives Committee on the Matter of Social Security, with the purpose of constituting a study, collaboration, information and theoretical action organization of a permanent nature integrated by the governments and social security institutions of the countries of America.

In the invitation sent to the participants of the Peru meeting, one of the objectives proposed thereat was to integrate, with the participation of the different representatives of the other welfare institutes of the Continent, an Initiatives Committee that would cover akin subjects, that would permit an organized and permanent exchange of reciprocal information and that would, if so deemed convenient, serve as the basis for the

creation in the future of an Inter-American Conference on Social Securities, with cooperation purposes identical to those of the Conference already constituted in Brussels in 1927.

The meeting in the city of Lima, Peru, was held on December 10 and 12 1940, under the chairmanship of Dr. Constantino Carvallo, Public Health, Labor and Social Welfare Minister and Chairman of the Board of Directors of the National Social Security Fund of that country and with the attendance of representatives from Argentina, Bolivia, Brazil, Colombia, Chile, Ecuador, the United States of America, Mexico and Venezuela, as well as representatives of the Social Security Board (U.S.A), of the International Labor Office (ILO), of the Pan American Sanitary Office, of the Insurance and Savings Fund (Bolivia) and of the National Social Security Fund of Peru.

It is important to mention the participation in this meeting of Messrs. Arthur J. Altmeyer, chairman of the Social Security Board of the United States of America; John G. Winant, director of the International Labor Office; Oswald Stein, head of the Social Security Office of this organization; Anthony Donovan, special delegate of the Pan American Sanitary Office; Constantino Carvallo, Public Health, Labor and Social Welfare Minister of Peru; Salvador Allende, Health Minister of Chile; Victor Andrade, manager of the Insurance and Savings Fund of Bolivia; Jorge Fernández Stoll, Labor and Social Welfare Director; Eduardo Rebagliati, managing director of the National Social Security Fund of Peru; Luis Leivas Bastian, business commissioner of the United States of Brazil; Eduardo Restrepo Sáenz, Extraordinary and Plenipotentiary Ambassador of the Republic of Colombia; Moisés Sáenz, Extraordinary and Plenipotentiary Ambassador of the United States of Mexico, and Francisco Beancourt

Aristeguieta, envoy extraordinary and plenipotentiary minister of the United States of Venezuela.

Dr. Jorge Fernández Stoll, who was designated as informer for the first session of the meeting, held on December 10 1940, reported in the historical document which contained the matters discussed and the agreements reached, the objective ends pretended to be achieved through the constitution of the Initiatives Committee, in the following terms:

"The National social Security Fund of Peru, has summoned our friends from all America to constitute an Initiatives Committee on the Matter of Social Security, from which is expected in the first place, the organization of complete, permanent and systematic information on our achievements and experiences, with the auspicious collaboration of the International Labor Office that will ensure the universality of our task and will lend us the technical help that means taking also advantage of the research and of the practice developed in other continents; and that, in the second place, the promotion of a closer relationship among welfare institutes, social security funds and similar entities with a view at the future constitution of an Inter-American Conference on Social Security. Thus the process initiated in Geneva in 1927, during the X International labor Conference is reproduced in America for the benefit of the workers of the entire continent."

During the second session of the above mentioned meeting, that took place on December 12 1940, the participants agreed to issue the three resolutions and the declaration that were set forth in the respective minutes and which are the following:

- a) A resolution, signed by all the delegates representatives of the Social Security Institutes;
- b) A resolution signed by Mr. John Winant, Director of the International Labor Office;
- c) A resolution signed by the guest diplomatic representatives; and
- d) Finally, a declaration signed by Anthony Donovan, special delegate of the Pan American Sanitary Office.

The minutes of the meeting literally read:

"The undersigned, whose capacities and representations are declared upon their signatures, held a meeting at the auditorium of the Workers Hospital of the National Social Security Fund, in Lima, on December 12 nineteen hundred and forty, summoned by the invitation from the Chairman of the Board of Directors of that Fund, the Public health, Labor and Social Welfare Minister of Peru, adopted the following resolutions:

Resolution I

An "Inter-American Initiatives Committee on the Matter of Social Security" is constituted to make possible an organized and permanent exchange of information among the social security institutes of the countries of America, that may serve as the basis for the future constitution of an Inter-American Conference on Social Security.

This Committee will act in relationship with the International Labor Office.

Resolution II

The Committee adopts the principles which are the basis for the resolutions approved with respect to social security by the labor conferences of the American States, members of the International Labor Organization, held in Santiago de Chile in January 1939, and in Havana in December 1939.

Resolution III

The Committee requests the International Labor Office to promote the adherence of the social security institutes not represented in this act.

The Committee also requests that consultations be carried out in due time with respect to the integration of the see of its Secretariat General.

Resolution IV

The Committee will negotiate the preparation by the International Labor Organization, in collaboration with the welfare institutions of the countries of America, of a manual that will contain the best actuarial, statistical, administrative and other standards, for the more effective application of the measures of social security, as well as an analysis of the different resolutions aimed at social security that are or will be applied in the different countries of the world.

TRANSITORY PROVISION:

A Provisional Secretariat of the Committee is constituted, with see in Lima, to handle the negotiation of the matters to be studied until the Secretariat General to which Resolution II refers has been created.

The declarations issued, according to the agreements of the second session of the meeting of December 12 1940, were the following:

Declaration I

The International Labor Office, represented by its Director, Mr. John G. Winant, assisted by Mr. Oswald Stein, Head of the Social Security Section of said Office, applauds the constitution of the "Inter-American Initiatives Committee on the Matter of Social Security", offered his cooperation and expressed that he will render his utmost contribution in the compliance with the purposes of the committee.

Declaration II

The diplomatic representatives of the Republics of the Unites States of Brazil, of Colombia, of the United States of Mexico and of the United States of Venezuela, attending in representation of their Governments the inauguration of the services of the Workers Hospital of Lima, and invited to this act, took note with pleasure of the resolutions relative to the constitution of the "Inter-American Initiatives Committee on the Matter of Social Security" and express that they will report and recommend them to their respective Governments.

Declaration III

The Pan American Sanitary Office, represented by its Special Delegate, Dr. Anthony Donovan, expressed its complacence on the work that the "Inter-American Initiatives Committee on the Matter of Social Security" proposes to perform and offered its cooperation to facilitate the realization of the high objectives pursued.

It should be pointed out that the importance of the Lima meeting in which the social security institutions, with the complacency of the representatives of the governments of the States of the American Continent who participated in the meeting as guests, is due to the fact that the resolutions issued by the States members of the International Labor Organization at the meetings of Santiago de Chile in 1936 and of Havana in 1939 were adopted as the objective of social security in the continent, because this gave a definite orientation to said institutions and set the objectives of what would later on be the Inter-American Conference on Social Security.

The tenacity of the members of the Initiatives committee created in Lima, the decided support of the International Labor Organization and the negotiations carried out by the government of Chile, through its Health Minister, Salvador Allende, made possible that two years after its creation the Initiatives Committee would culminate its work with the summons to the meeting held in 1942 to constitute the Inter-American Conference on Social Security.

Because the invitation of Chile to hold the first meeting of the Inter-American Conference on Social Security in the city of Santiago was received favorably by the social security institutions and by the governments, the Inter-American Initiatives Committee on the Matter of Social Security decided to hold said meeting in that city on September 10 and 16, 1942.

To this effect, the Government of the Republic of Chile, by decree No. 954 dated September 6 of the same year, signed by Salvador Allende, designated an Organizing Commission for that event, headed by Dr. Julio Bustos, then head of the Social Welfare Department of the Health, Welfare and Social Assistance Ministry.

REPUBLIC OF CHILE

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Health, Welfare and Social Assistance Ministry

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No. 954

SANTIAGO, September 6 1941.

The following has been decreed today:

Shortly, an Inter-American Social Welfare Congress will be held in this capital city, for whose organization it is necessary to designate a Commission, to be in charge of the preparation of the programs and details inherent to its most efficient development.

Decree:

The persons mentioned below are designated to prepare the agenda and the programs of the Inter-American social Welfare Congress to be held shortly in this Capital City:

Dr. Julio Bustos A., Head of the Social Welfare Department, who will act as Chairman;

Mr. Moisés Pobrete T., representative of the International Labor Office in Chile;

Dr. Miguel Etchebarne R., Administrator of the Mandatory Workers Insurance Fund;

Mr. Guillermo Labarca H., Director of the National Public Employees and Newspapermen Fund;

Mr. Diego Fernández O., Manager of the Private Employees Fund;

Mr. José Vizcarra, Zonal Medical Supervisor of the Workers Insurance in Valparaíso; and

Dr. Ezequiel González C.

Messrs. Dr. Oscar Avendaño Mondaca and Armando Mallet S., officials of the Social Welfare Department will act as Secretaries.

These designations are of an *ad-honorem* nature.

To be registered, informed and published.

Aguirre Cerda._ Dr. S. Allende G.

Declaration of Santiago de Chile

During the first Inter-American Social Security Conference, Mr. Nelson Rockefeller, Coordinator of Inter-American Affairs, transmitted to the Conference the greetings and wishes of President Roosevelt, great promoter of the social security legislation in the United States. Mr. Rockefeller stressed the need to grant social security to all peoples, within a plan of worldwide reconstruction destined to ensure a permanent peace, and stated that the possibility of social security for any nation depends on the international—and hence Inter-American—cooperation to promote social and economic well being.

The origin of the war was the inability of the financial and industrial organization to distribute among the population the ample benediction of its abundance or to offer safety of employment, savings, health or pensions for the old age. An effective social security presupposes a vast acquisition of food and manufactured goods, but the countries, with rare exceptions, are not self-sufficient and therefore it is urgent to organize an ample international collaboration as planned in the Letter of the Atlantic. Mr. Rockefeller referred to the agreements between the government of the United States and other American countries, to develop a common effort to improve health care, sanitary services and the production of food products, and mentioned as an example, the work developed in Paraguay, Ecuador and Central America which he expects will be extended to other regions. Undoubtedly, the discourse of Mr. Rockefeller expressed the intentions and aspirations of the entire Conference.

Dr. Allende, referring to the discourse of Mr. Rockefeller, stated that his words were the conception of a new policy of economic solidarity and cooperation. With the same purpose and delving deeply into his concept of economic cooperation among

countries, he expressed that economically weak nations seek the support of other nations to strengthen their economy or to supply their armed forces; this is necessary, but it is also necessary that this economic help be translated into credits destined to raise the level of the life of workers, to build housing, to improve their clothing and to carry out the indispensable hygiene works, that is, "to defend the human capital".

In order to give a solemn expression to these cooperation convictions, the Conference adopted the "Santiago de Chile Declaration" that reaffirms the continental solidarity of the Americas in the road towards social security. The Declaration, that was signed by Dr. Allende (Chile), Dr. Migone (Argentina) and Dr. Rebagliati (Peru) and by the Labor and Social Welfare Minister of Mexico, García Téllez, attorney-at-law, was unanimously approved.

The Declaration is made up of several considerations and of four sections entitled respectively "Social Security and the Economy", "Social Security", "A Continental Program" and "A Worldwide Ambition".

Santiago de Chile Declaration

Considering:

- 1) That freedom and dignity are essential and alienable attributes of the human personality;
- 2) That in order to fully enjoy the fundamental freedom of thought, expression and activity, every man and woman must be biologically and economically protected from social and professional risks, by virtue of an organized solidarity;

- 3) That the common aspiration of the American Nations is the constant improvement of the spiritual and material well being of individuals and families.

Declaration:

I. SOCIAL AND ECONOMIC SECURITY

- a) Society must find in the solidary effort of all nations and of all men, a new inspiration to abolish misery and to guarantee the dignified and sufficient conquest of the means of life.
- b) The force of economic and technical resources must be used to satisfy the needs for the existence of the highest number of persons and of all peoples.
- c) The economic objective is not enough in itself to consolidate an open and generous cooperation, if it is not identified with that of a fair social order, in which the yields of production will be equitably distributed.
- d) Each country must create, maintain and increase the intellectual, moral and physical value of its active generations, prepare the road for future generations and support the generations excluded from productive life. This is the sense of Social Security: an authentic and rational economy of human resources and values.
- e) The granting of these basic guaranties stimulates individual effort and initiative and improves the structure of the collectivity by the elimination of the causes of social insecurity.

II. SOCIAL SECURITY

Social Security, as an expression of Social Safety, is called to:

- a) Organize the prevention of risks that deprive workers from their earning capacity and from their means of subsistence;
- b) Reestablish, as soon and as thoroughly possible, the earning capacity lost or reduced as a consequence of an illness or accident;
- c) Procure the necessary means for existence in the event of cessation or interruption of the professional activity as a consequence of an illness or accident, of temporary or permanent disability, of unemployment, of old age or premature death of the head of the family.

III. A CONTINENTAL PROGRAM

- a) A Social Security policy in America must promote the measures destined to increase the possibilities of employment and to maintain them at a high level, to increase production and national income and to distribute them equitably, as well as to improve the health, nourishment, clothing, housing and general and professional education of workers and their families.
- b) The health, the ability and the well being of the workers of an American Nation are also of interest to the other American nations, which imposes a concerted action of the Social Security organizations to support the human capital, a guaranty of the continental integrity and defense.

- c) This action involves the need to build among the Nations of America a common fund of the elements necessary for the continuity of their social action, for the maintenance of their unity and to face in this order all kind of eventualities.
- d) A continental agreement of the social security organizations will establish new solidarity vehicles for the solution of the problems that more deeply affect the destiny and the conscience of the peoples and will strengthen the faith in the future of America.

IV. A WORLDWIDE ASPIRATION

The decisions of America by virtue of the new structure of Social Security, constitute its contribution to the solidarity of the world in the conquest of the well being of the peoples and to the attainment and maintenance of peace.

Its Social Security Concept

During the First Inter-American Social Security Conference, in the session of September 14 1942, Allende said:

"Since many years ago, Chilean doctors have sustained the defense of health, biological resistance, nourishment, clothing, housing and sufficient salaries, that determine the standard of living; and have also sustained that, the better the standard of living, the better the biological defense will be.

We have said, then, that the action of the medical doctor appears to be divided and we limit ourselves to a purely technical point of view; and that the general defense of health is indispensable to improve living conditions.

The Chilean medical society has posed the above as an urgent and imperative need, vis-à-vis our social pathological scene. We have said, also, that it is common among American countries—I refer to the economically weak countries—to search for economic support to develop their industries or to supply their armies and navies. This has seemed to be necessary; but, at the same time, we think it is important to discuss the problem of the credit required to take care of social needs, or in other words, that the less economically gifted peoples find the help of the economically stronger to raise the standard of living of workers, construct housing, make clothing possible and carry out the hygiene works that are indispensable; summing up, to defend the human capital that has been abandoned in our countries. We have been repeating these concepts constantly in the struggle sustained in favor of this noble cause by the Chilean medical doctors association.

The Chilean medical society, that looks after salaried people in our institutions, which in this case are: the Mandatory Workers Insurance Fund, the Occupational Accidents Fund, the Welfare Services and the Sanitary Services, has felt that it is necessary to invoke the governmental action vis-à-vis the terrifying problem of tuberculosis that attacks salaried people and this is why we have propitiated the reform of the 4054 Law, in order to take care not only to the insured, their children up to the age of two years and their wives in the childbirth period, but also to incorporate to the workers insurance protection regime all the sectors that integrate the family.

In the reform of the Workers Insurance Law, implemented on the bases of the work developed and antecedents accumulated by the Welfare Department that were amply analyzed by a Commission headed by the Health Minister, integrated by the author

of the 4054 law itself, Dr. Ezequiel González Cortés, by messrs. Bustos, Vizcara and actuarial technicians, and subsequently reviewed by the International Labor Office, the need has been considered to modify this Law, not only in the medical aspects, but also in the aspect of economic benefits; this is how we incorporated in the reform better subsidies, modified the concept of disability, increased old age pensions and granted orphan and widowhood benefits to protect the nucleus of the family that is the base of society. At the same time, the reform grants medical benefits to the family of the insured; in this manner, from a theoretical viewpoint, we grant biological protection and economic protection; biological indemnity and economic indemnity.

If we would prolong the care of the child, as member of the family of the contributor, up to the age of 16 or 17 years, at this age he would become a contributor and would enjoy not only the benefits of a medical order, but also the benefits of an economic order and all others furnished by the Fund and would end by benefiting from the old age and death insurance.

To achieve this purpose, we have propitiated the unification of medical services that take care of salaried sectors and we have also incorporated occupational accidents to the law, in order to totally transfer this risk to the Mandatory Insurance Fund.

By Supreme Decree, professional illnesses have been incorporated to the occupational accidents risk; in this manner, and precisely in this respect, and to make possible a general attention, we have considered the unification of medical services necessary, in order to permit the utilization of the existing economic mechanism, avoid the dispersion of expense and the administrative bureaucratic load. It will be possible to organize the struggle against important frames that affect the social

physiology, standardizing all of its action. We have already tested in social medicine the central norms with respect to our most serious problems, such as cardiologic care, the anti-venereal fight and the anti-tuberculosis fight. There are, hence, central norms in this policy ending to standardize medical social attention. We have considered it necessary to insist in these concepts to say that it is essential to clarify the ideas involving the concepts presented with respect to preventive or curative medicine. The law known as the Preventive Medicine Law is in this manner incorporated to the Social Security and Occupational Accidents Law, thus separating the field of preventive medicine so that it can be applied to public health. In this manner there would be a parallel action: the preventive action developed by Public Health, integrating the Central Council and the uniform curative action of this unique service of Public Health that would permit the attention to illnesses and to occupational accidents, attending also to the family of the contributor in general. To this effort should be added the need to improve our economic means to furnish the organizations with the general elements required by such a vast plan and that fundamentally needs the availability of technical means and the opportune supply of the necessary medicines, drugs and medical elements.

In our country we have taken care of this aspect installing laboratories with governmental links. We have the Laboratory of Chile that prepares pharmaceutical specialties and the Bacteriological Institute that develops the elaboration of serums and vaccines.

In this manner, a joint action has been planned with all the elements required by the doctor in the application of his technique. But, besides what has been accomplished, there remains the great truth: the pure medical action is a sterile

action that requires the complement of an economic, financial and legislative action in defense of public health. I can centralize the new opinion by saying that it is indispensable to preach for the establishment of the Mandatory Insurance in all countries, extending its attention to the family of the insured and unifying the medical services of the Insurance with the other welfare services in order to offer an effective and efficient health care to all social sectors.⁽¹⁾

In the following decade, in the year 1958, Allende with one of his colleges, Dr. Carlos Montoya, at the Fifth Sessions of the Chilean Health Society, presented the document entitled "Seguridad social y Desarrollo Económico en Chile" ("Social Security and Economic Development in Chile"). The report had three components: The nature of social security, the economic development and the relations between the economic-social development of Chile and social security. An important part of the report were the disclosures made with respect to socio-economic development, including sentences that continue to be valid: "Poverty represents deficiency in a series of supplies required by the mass of inhabitants: housing, food, etc. One of these requirements is medical care, both curative and preventive. This complex of deficiencies in the physical and social environment determines illness. Illness and premature death affect the quantity and the quality of the active labor or population which is, in turn, one of the factors that determine the amount of the total product of the country; it is in turn, the total product that must supply the goods consumed by the popular mass, whose abundance or deficit conditions the health conditions of the population".

"But labor is not the only factor that conditions the total product. Natural resources and the industrial equipment available to exploit them intervene in an

important manner; and it is necessary to determine what and how much is produced. to know what are the sectors that control these resources" ⁽²⁾.

The Re-Composition of Health Services

On August 8 1952, the National Health Service (SNS) was integrated. Its origins dated from the years in which Allende was the Health, Welfare and Social Assistance Minister. The SNS was an avant-garde organization, a result of the unification of the four most important medical assistance organizations of Chile: the National Health Service, the Directorate General for Children Protection, the Welfare and Social Assistance Services and the Medical Department of the Mandatory Insurance Fund, in addition to the Bacteriological Institute of Chile, the Hygiene and Industrial Safety Services of the Directorate General for Safety of the sane Ministry and the Sanitary Medical Services of the Municipalities. The SNS co-existed with liberal medicine and other medical organizations of a governmental nature.

The pillars of the SNS were medical, economic and social:

1. Health and economy are interdependent.
2. Man is a biological unit and a social being, living in communities constituted basically by families and by economic groups.
3. Medicine has man as its fundamental objective (biological-social unit). Its final purpose is to seek the best adaptation of individuals and of the community to their environment so that they may live a healthy and productive life.

4. The medical criterion in a community and the attitude of the doctors are determined basically by the stage of the development of scientific knowledge and the social structure of the population.
5. The biological of health and illness conditions are subject to a multiplicity of factors that in their great majority are created by the environment. These conditions correspond to extreme variations of the oscillating process of adaptation and maladaptation. This makes it necessary to act in an integrated manner before these two problems.

The central idea of the SNS was to offer an integral, rational economic and mainly human medical and sanitary care.

The functions of the SNS were:

1. Health protection and promotion.
2. Recovery of health: complete and free medical care for the insured and their families and for indigent groups.
3. Medical care for the rest of the population, subject to payment of the respective tariffs.
4. Payment of the illness, maternity and nursing period subsidies to social security affiliates.

From an administrative point of view, the SNS was of a public nature with an autonomous administration, with budgets and staff to a certain extent independent from the States. The service was financed mainly by direct fiscal contributions or in an indirect manner through the quotas corresponding to the social securities.

The SNS took care of 70% of the inhabitants of Chile. Theoretically it could take care of the total of the Chilean population of six

million inhabitants. Most of the Chilean doctors worked in that organization.

In 1961, Dr. Hermes Ahumada Pacheco, Social Security and Unionism professor of the University of Chile explained the positive contributions of the SNS with respect to the decrease in the morbidity and mortality figures, due to the care offered⁽³⁾.

In 1962, a small book entitled "Servicio Nacional de Salud. 10 años de labor 1952-1962" ("National Health Service. 10 years of work 1952.1962"); in the introduction of the document, the Director General of the Service, Dr. Gustavo Fricke said: on the other hand it constitutes a clear assertion to the effect that, with the action of the National Health Service, during these 10 years individual and collective health has improved, but we still have ahead a hard and rough road to travel".

"We must make a superhuman effort to reduce children mortality to at least half of the present rates".

Later on Dr. Fricke pointed out the need that the SNS increase its activities with respect to nutrition, control of transmissible illnesses, supply of tap water and elimination of excretions.⁽⁴⁾

Creation of the Medical School of Chile

In 1958, Allende participated in the creation of the Medical School of Chile, a unionized structure of Chilean doctors; he was chairman of this institution promoting and implementing several normative provisions: Law of the Medical School of Chile, fundamental laws of Chilean medicine, Illness Insurance Law and Occupational Accidents Law; with these documents Chilean doctors pretended to reaffirm themselves as a basic link of development.

Allende informed that the foundation and the operation of the Medical School of Chile had as advantages for the doctors:

- To favor the unity of the group.
- To protect professional rights.
- To offer the media to exercise the profession.
- To develop aptitudes.

With the creation of the Medical School of Chile, the relations between the doctors and the employer—the government—were regulated as regards the rights of the doctors, remunerations, fees and contests for admission in labor areas.

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