



# CHILE

GOBIERNO DE CHILE  
MINISTERIO SECRETARÍA GENERAL DE GOBIERNO  
SECRETARÍA DE COMUNICACIÓN Y CULTURA

## NEWS

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President Ricardo Lagos at the working breakfast in Santiago with representatives of the Technical Group Against Hunger and Poverty. March 23, La Moneda Palace.

### DID YOU KNOW?

- ★ During the remodeling and expansion of the crypt beneath the Santiago Cathedral, originally constructed in 1748, two previously-unknown tombs were discovered on March 18. After analyzing the finds, archaeologists confirmed with full certainty that one of the tombs contained the remains of minister Diego Portales, who is considered the founder of the Republic. After his assassination by military rebels in 1837, the exact location of his resting place was lost to history.
- ★ Argentine poet Juan Gelman was honored with the 2005 Pablo Neruda Ibero-American Award "for the creation of a personal poetic language of great originality, rigor and conciseness." The jury also recognized his ties to popular culture, especially the tango, among other characteristics of his work. The prize includes a financial award of 30,000 dollars.
- ★ In March, the *Hermanitas de los Pobres* congregation celebrated a century of uninterrupted work in Chile. In their four charitable homes, the nuns provide food and shelter to nearly 5,000 low-income senior citizens. One of the main concerns of this religious order, which arrived from France in 1885, is to provide both affection and personal dignity to the individuals it serves.

### Expected justice

The arrest in Argentina of Paul Schaefer, the former leader of Colonia Dignidad – a controversial German enclave 370 kilometers south of Santiago – concludes years of pursuit and finally paves the way for concrete legal action against him. Schaefer's capture also reflects the efforts of the Concertación coalition administrations to put an end to the atmosphere of impunity that surrounded the colony leader for decades.

Schaefer founded the Sociedad Benefactora y Educacional Dignidad in 1961, after fleeing from Germany, where the first accusations against him for sexual abuse of minors were beginning to emerge. In the Chilean colony, he established a repressive regime, exercising strict control over his followers' lives. Married couples were required to live apart, and children were separated from their parents and prevented from developing affectionate ties.

After 1991, when then-President Patricio Aylwin handed down a presidential decree revoking the colony's corporate charter, efforts to bring Schaefer to justice were intensified. The colony was raided by detectives and Carabineros (uniformed police) on several occasions, and in 1998, the Organized Crime Division of the Investigative Police launched a wide-ranging initiative in cooperation with Interpol Buenos Aires to follow Schaefer's trail in Argentina. The joint effort bore fruit on March 10, when the fugitive was arrested in the community of Tortuguitas, near the federal capital.

After his expulsion from Argentina, the 83-year-old detainee was interned in a special section of the hospital within Santiago's High-Security Prison, where his state of health is being monitored. He has already been interrogated by five judges who are pursuing human rights cases against him. Other judicial officials, who are investigating similar cases, have also announced their intention to interview the prisoner.

Schaefer was indicted for his role in the disappearances of political leaders Alvaro Vallejos and Juan Maino, who were detained during the first years of the military dictatorship and whose trails ended in the German enclave. He also faces charges in 26 cases of sexual abuse against minors.

### Growing confidence

The solidity of Chile's economy and the security it offers to foreign investors was reflected in the expansion of foreign investments carried out in the country during 2004: according to the Foreign Investment Committee (Cinver), these reached 7.148 billion dollars, representing an increase of 172.8% compared to the previous year.

This is the most favorable result of the past five years and the highest since 1999, when foreign direct investment (FDI) totaled 9.874 billion dollars. Of the 2004 total, 70% of the funds were channeled through the investment statute DL 600.



## FACTS

In a telephone poll carried out in March by the Ipsos Chile consulting group, 76.1% of Chileans expressed their approval of President Lagos' leadership. The survey is an early sample of the 2005 Barómetro Iberoamericano study, which measures citizen evaluations of the region's governments. Its results will be released in May.

The final figure for Chile's economic growth during 2004 surpassed all expectations: 6.1%. The percentage, announced by the Central Bank, is the highest since 1997 and nearly double that obtained in 2003 (3.7%). Furthermore, the country started 2005 with the most vigorous expansion in eight years, showing growth of 6.2% in January compared to the same period of 2004.

Fitch Ratings has raised the classification of Chile's long-term government debt in foreign currency from A- to A. The measure was taken based on the country's higher economic growth as well as its fiscal surplus, which will permit the government to pay its debts within the specified conditions and time periods.

Chile's National Copper Corporation (Codelco), the world's largest copper producer, achieved profits of 3.301 billion dollars in 2004, an increase of 444% with respect to 2003. This is the best result in the company's history.

On the 2005 Gold List of specialty magazine *Condé Nast Traveller*, a ranking of the world's best hotels, The Ritz-Carlton Santiago placed first in Chile and second in Latin América. The ranking was based on six categories: rooms, design, service, location, cuisine and activities.

*Machuca* received the only honorable mention at the International Children and Young People's Film Festival in Malmö, Sweden. It will be the first Chilean film distributed on the Swedish market.

In its 2004 Report on Foreign Investment in Latin America and the Caribbean, ECLAC ranked Chile in third place within the region for the volume of foreign capital flowing into the country. Together with Brazil, Chile experienced the region's most significant rises in FDI. The report also described some of the implemented initiatives, such as BHP Billiton's Spence mining project, which involves an investment of 990 million dollars.

Spain accounts for the highest level of direct investment in Chile: 80%, according to Cinver's figures. The majority of this amount stems from the resources injected by Endesa España into its Chilean subsidiaries as well as the acquisition by Spain's Telefónica Móviles of the wireless telephone company Telefónica CTC. The next highest foreign contributors were Canada with 7.3%, and Australia with 2.7%.

Today, 47 multinational companies have chosen Chile as a focal point for their operations in the region, through technological support centers, call centers or shared services operations. Among them are Unilever Bestfoods, Delta Airlines, Citigroup, BHP Billiton, Hewlett-Packard, Nestlé, TNT, and Organon.

### Advancing technology

The development of Information and Communications Technologies (ICT) was one of the objectives announced by President Ricardo Lagos as a key priority for his administration. As he begins his final year in the presidency, the balance of the government's initiatives in this area is highly favorable.

The President is convinced that eliminating the "digital gap" can serve as one of the most effective ways to reduce inequality within society. To achieve this aim, the government set out to modernize public administration and to offer citizens an efficient, flexible, and transparent State ensuring equitable access to the opportunities being opened up by the globalized world.



The aim of making ICT a growth factor to enhance the country's competitiveness was imparted by the President to all of the country's ministries and public offices. "They will give us the advantage we need so that we can move ahead. They will make the difference in allowing us to achieve more rapid growth," he maintained as he appointed the first Governmental Coordinator for Information and Communications Technologies (CIO) in 2003.

Without a doubt, however, the greatest efforts have been those to ensure equitable access for the population, through the implementation of initiatives of great physical and economic scope to assist citizens who lack access to a computer (see <http://www.segob.cl/archivos/ChileReports10.doc>).

The World Economic Forum (WEF) has given recognition to the Chilean government's actions in this area. Its 2004 Global Report on Information Technology, which examined countries' efforts to make ICT a motor of growth and competitiveness, ranked Chile in 35th place within a field of 104 nations. Chile is the highest-ranked Latin American country in the study, followed by Brazil (in 46th place). It even ranks ahead of some developed countries such as Greece and Italy.

### Architecture that dignifies

For more than 30 years, Quinta Monroy, a 0.5-hectare parcel of land in downtown Iquique, offered the depressing view of an assembly of illegal settlements: precarious constructions built from poles, cardboard, and scrap materials, lacking water or sewage systems. Today, the view has changed completely. On

## QUOTATIONS FROM THE PRESIDENT

"I would like to note that it has been very rare for a working group to present so many concrete, feasible initiatives which can be implemented in various ways" (...). "What happens in the next six months will be decisive, because we must present concrete proposals during this time, and we hope that resolutions will be adopted in this area in September, at the United Nations."

**During the Third Meeting of the Technical Group Against Hunger and Poverty. Santiago. March 23, 2005**

"It is a contribution "to Chile's future, so that when the cooper is gone, we will have the scientific development and technological capacity we need to help our country continue to grow, and future generations will have the knowledge and technology to maintain Chile as an active player on the world stage."

**On the bill establishing a royalty payment for mineral extraction. Santiago. March 23, 2005**

"The Concertación has been the most successful political coalition in Chile's history" (...). During these years, "we have succeeded in demonstrating our capacity to understand what is needed to lead the country, and this has allowed us to reach the point where we are today."

**On the agreement to hold national primaries to select the coalition's presidential candidate. Santiago. March 23, 2005**

"Your visit provides an opportune moment to review our shared ideals: our profound belief in democracy, our respect for human rights, our efforts to achieve growth in our countries. Yet we know that growth alone does not bring social justice, without policies clearly aimed at achieving greater social cohesion among our peoples."

**During the visit of the President of Argentina, Néstor Kirchner. Santiago. March 14, 2005**

December 14, the 100 families living in the area were presented with an housing complex which restored the site's attractiveness while renewing the hopes of its inhabitants.

The project represents a new concept in public housing, which, it is hoped, will serve as a model for future constructions. In the past, designs have tended to be flat and repetitive, resulting in constructions that are unattractive for their inhabitants and often poorly-suited to the needs of growing families.

The complex in northern Chile is the first of seven to be constructed around the country by internationally prominent architects. These were selected through the "Elemental Chile" World Architecture Competition, held in 2002 under the auspices of the Catholic University of Chile; Harvard University's Graduate School of Design and its David Rockefeller Center for Latin American Studies; and Chile's Ministry of Housing and Urbanism.

The challenge consisted of designing housing at a very low cost for the poorest fifth of the population, within a budget of not more than 8,000 dollars for each unit. Certain additional requirements also had to be fulfilled, including innovative design and the use of new technologies to reduce costs. This would make it possible to avoid a typical solution in such cases: relocating impoverished families in cheaper lands on the outskirts of cities.

Quinta Monroy serves as a pilot project for the remaining complexes, which will be constructed starting this year, providing more than 1,700 families with a home of their own. The structures are equipped with innovative anti-earthquake features that cost less than those usually used for this type of building, thus allowing more resources to be devoted to the quality of the design as well as the environment in which the homes are placed.

### Footprints in the south

The controversy was great and the skepticism enormous. A full 22 years separated the discovery of the oldest human settlement of the Americas in 1976 and its recognition by the scientific establishment. The site was discovered at Monte Verde, 1,048 kilometers south of Santiago, near Puerto Montt.

The news confirming the find's authenticity, which was announced in specialized journals and quickly attracted attention from the mass media, required the revision of traditional ideas about the human settlement of the Americas. The artifacts from the late Pleistocene period, discovered by U.S. archeologist Tom Dillehay on the banks of a modest stream called Chinchihuapi, challenged the then-reigning Clovis theory, which maintained that humans arrived in the Americas from Siberia, following large animals such as mastodons and bison across the Bering Straits. The now-documented evidence uncovered at Monte Verde establishes a human presence in the area 12,500 years ago – at least 1,200 years earlier than previously-recognized accounts.

And there is more. New finds have been uncovered at the same site as well as another location eight kilometers away, which are estimated by radiocarbon analysis to be 33,000 years old: 20,500 years more ancient than the 1976



Monte Verde

## OVERHEARD

"Governance is another key element of Chile's progress (...). The international organizations classify Chile as the least-corrupt country in Latin America, a leader across all of the standards of governance, and the most competitive in terms of a favorable business climate. Its judicial reforms have strengthened the rule of law, promoted human rights, and created a favorable climate for investment."

Peter DeShazo, director of the Americas Program of the Center for Strategic and International Studies (CSIS).  
*The Miami Herald*. March 11, 2005

"I have always wanted to help put Chile on the map for investors and entrepreneurs in the rest of the world."  
"Chile looks very good today, thanks to the stability of its political system and the rules of the game, and a level of openness which we have not seen in countries such as Argentina, Brazil, and Bolivia."

Arturo Porzecanski, professor at the University of New York and Williams College.  
Santiago. March 9, 2004

"The case of Chile is exemplary, with very dynamic progress. It is the case of a society which has achieved broad consensus on economic policy, which guarantees stability, something other Latin American countries do not have."

Mario Vargas Llosa, Peruvian novelist and essayist. Santiago. March 1, 2005

## CHILEANS AROUND THE WORLD

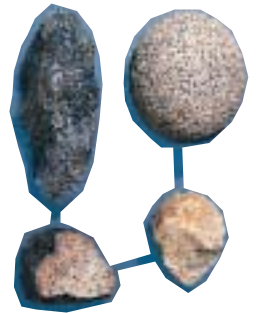
The University of Denver honored Chilean UN Ambassador Heraldo Muñoz, a former student of that institution's School of International Studies, with the Evans Award for his distinguished career.

*Cachimba*, from director Silvio Caiozzi, won the Best Film award at the 45th Independent Film Festival in Washington DC, and obtained the highest number of awards at the Film Festival of Cartagena de Indias. In this competition, the oldest in Latin America, actors Mariana Loyola and Julio Jung were once again chosen as Best Actress and Best Supporting Actor (as at the Huelva Festival in Spain). Miguel Abal was honored with the award for Best Photography.

*El desierto*, by author Carlos Franz, won the 2004-2005 *La Nación*-Sudamericana Prize for the Novel. The competition, organized by the Argentine newspaper and publisher, offers an award of more than 20,000 dollars as well as publication in Spain.

discoveries. According to Dillehay, the new traces stem from a completely different geological period. The more recent excavations uncovered stones foreign to the area, remnants of burned wood, nut fragments, digging sticks, plants, a fire pit, mastodon bones, and stone implements. In addition, analysis of the clay in these locations shows a combination of chemicals that can only be explained as organic wastes.

While it may not yet be possible to prove scientifically that the discovery represents a 33,000-year-old human settlement, it has also not yet been disproved. For Dillehay, the human presence is undeniable – which is no lesser opinion because it comes from the person who has dedicated 30 years of his life to uncovering the secrets of the place.



Stone implements more than 12,000 years old

## The universe in detail

A new pair of eyes is scrutinizing the universe from Chile's arid north, in the Second Region: a set of two mobile auxiliary telescopes, which have added their perspective since the first week of February to the four giants of the Very Large Telescope (VLT) array, operated by the European Southern Observatory (ESO), at Cerro Paranal, 2,600 meters above sea level.

The new telescopes, which will be joined by two more identical units in early 2006, are considerably smaller than those of the VLT (8.2 meters in diameter each). However, they promise a new era of astronomical discovery, thanks to a technique known as interferometry, which permits them to achieve a high level of detail and greater sharpness in their images of celestial bodies. Together, the telescopes will provide resolution equivalent to the observation of an astronaut walking on the moon.



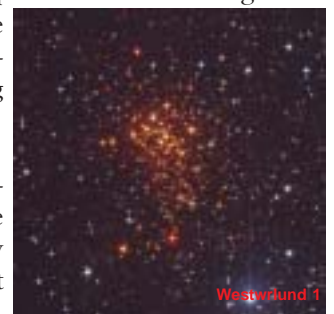
Astronomical platform at Cerro Paranal

This is made possible because the devices are designed to capture light from the same object and then to combine it in a single focal point, increasing the sharpness of the image. Later, a complex system of reflecting mirrors collects and concentrates the rays of light, while a powerful computer picks out each luminous point.

The level of resolution depends on the two telescopes' location and the distance between them. At their maximum separation – 200 meters – they can achieve twice the sharpness of the VLT. Rails installed on the observatory platform will permit the telescopes to be moved to 30 distinct positions and thus to achieve a large number of configurations for observations in the visible and infrared ranges.

The recent discovery of the galaxy's greatest concentration of stars, observed from the La Silla Observatory in the Fourth Region, could provide an outstanding debut opportunity for the mobile telescopes. The proximity of the new cluster, named Westerlund 1, makes it possible to use high-resolution cameras to analyze each star individually, investigating their structures, birth, and eventual death.

Westerlund 1 – located in the Ara constellation, some 10,000 light-years from Earth — contains approximately half a million mature stars, some of which are 2,000 times larger than the sun and nearly a million times brighter. The cluster was first identified in 1961, but only now has it become possible to uncover its true nature.



Westerlund 1

# CELEBRATIONS IN CHILE

## The grape harvest

March and April are harvest months in the central valleys of Chile. Grape pickers and winemakers prepare themselves for long workdays, which require concentration and good physical condition. Once the harvest begins, the process cannot

be interrupted for more than a week, or the condition of the grapes will deteriorate.

The work begins early, at dawn, and does not stop until after seven in the evening. Pickers line up at one end of the long rows of grapevines, which stretch out of sight to the other end of the vineyard or rise up the slopes of the surrounding hills. Carrying poles, rakes and clippers, the workers begin to fill baskets or *gamelas* – metal basins – with clusters of grapes, whose color reveals their variety: dark purple for the red wines, yellow for the whites.

In Chile, numerous grape varieties are cultivated to produce red wine, including Cabernet Sauvignon, Merlot, Syrah, Malbec, and Carménère, a variety that disappeared from France in 1860, destroyed by a plague of phylloxera. Since the mid-1990s, it has

been revived in Chile. For white wines, the Chardonnay, Semillón, Sauvignon Blanc and Viognier varieties are grown.

The work passes from the fields to the wineries. The grapes seem to travel at high velocity on the selection belt, while the workers, scissors in hand, must ensure that no leaf escapes them, and also remove any grapes that appear to be affected by Botrytis, or bunch rot – a fungus that lives in the soil of vineyards and grows on the grapes' skin – or any other impurity which the machinery cannot remove. Finally, kilo after kilo of fruit is deposited into stainless steel vats, cement troughs or wooden barrels. Then, the transformation of grape juice into wine – and a well-deserved rest for the harvesters' legs and backs – can begin.

But the harvest period is not all work. It is also synonymous with celebration in both the countryside and the cities. Although in the past only the owners and workers celebrated the end of the grape harvest, an increasing number of public festivals focused on wine have arisen in recent years. The idea is to take advantage of the occasion to publicize the various wine varieties and the preparation process for each one. Above all, it is a time to celebrate the completion of the harvest and the end

of the uncertainty produced by the weather – and at times, by less-than-optimal decisions.

This year, more than a dozen wine

harvest festivals were held in the country's north and south. They included both rural and urban, elegant and informal celebrations – but at all of them, winemakers sought to show off the best of their production, accompanied by typical activities of the countryside and games derived from the harvest. These included races with *gamelas* full of grapes, grape-treading competitions, carriage rides, the enjoyment of typical Chilean cuisine, the weighing of the harvest queen with wine bottles, and the traditional blessing of the first juice.

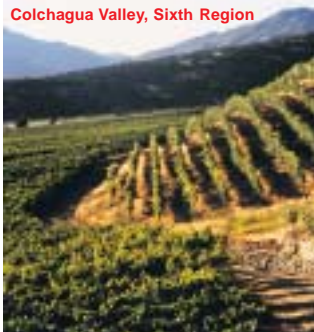
By late March, the harvest of the grapes that will produce white wines is nearly 90% completed,

while that of the red wine grapes has just begun. The country's 13,000 grape producers agree that this year appears to be an auspicious one. In 2004, Chilean wine exports reached 835.2 million dollars, and that figure is expected to surpass 900 million in 2005.



Grape selection belt

Colchagua Valley, Sixth Region



Grape trampling competition



## AGENDA

- ★ March 18: Participation of Foreign Minister Ignacio Walker in the International Meeting for Cooperation on Haiti. Cayenne, French Guiana.
- ★ March 17-18: Visit of the Director General of the World Health Organization (WHO), Lee Jong-Wook. Santiago.
- ★ March 18: Participation of President Ricardo Lagos in the official launch of the Commission on Social Determinants of Health. ECLAC, Santiago.
- ★ March 22-23: Participation of President Lagos in the Meeting of the Technical Group of the Forum Against Hunger and Poverty. Santiago.
- ★ March 25-30: Official visits of Foreign Minister Ignacio Walker to Morocco, Israel and Palestine.
- ★ April 1-3: Participation of Mrs. Luisa Durán de Lagos in the 200-year anniversary celebration of the birth of Hans Christian Andersen, for whose Foundation she serves as ambassador. Copenhagen.
- ★ April 4-8: State Visits of President Lagos to the Netherlands, Norway, Sweden and Spain (Salamanca).

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