



# CHILE

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

## NEWS

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Presidents Ricardo Lagos and Luiz Inácio Lula da Silva during a joint press conference after their meeting in Sao Paulo. April 18, 2005.

### DID YOU KNOW?

- ★ In his capacity as Protodeacon of the College of Cardinals, an office to which he was named by Pope John Paul II, 79-year-old Chilean Jorge Medina was responsible for announcing the name of Joseph Ratzinger to the world as the new Pontiff of the Catholic Church. Born in Santiago, Cardinal Medina is prefect emeritus of the Congregation for Divine Worship and the Discipline of the Sacraments.
- ★ The reputation of the Futaleufú River, in southern Chile, continues to attract famous visitors. The most recent group was made up of prominent figures linked to the cause of environmental protection. Attorney Robert Kennedy Jr. led the expedition, which also included actors Dan Ackroyd (*Ghostbusters*) and Julia Louis Dreyfuss (*Seinfeld*), in addition to former world tennis champion John McEnroe. During their six-day tour, the party braved the river's dangerous rapids, descended cliffs, climbed rocky peaks, rode horses and even slept in the trees.
- ★ Off the northeast tip of Chiloé Island, groups of blue whales have been sighted with increasing frequency. This is a unique privilege, according to researchers from the Chilean Center for Cetacean Conservation, who assert that there is currently no other place in the world where these huge mammals can be seen from the coast.

### Chile's solid proposal

Convinced of the strength of its proposal, Chile reconfirmed its support for the candidacy of its Interior Minister, José Miguel Insulza, for the position of Secretary-General of the OAS. This comes after the April 11 stalemate, after five voting rounds, against Mexican Foreign Minister Luis Ernesto Derbez. The new vote will be held on May 2.

The Chilean government was gratified to note that support for Minister Insulza's candidacy did not decline, in spite of intense lobbying in favor of the Mexican Foreign Minister. The push increased in force after the withdrawal of the third candidate, Francisco Flores, former President of El Salvador, who was supported by the United States.

"It is not the size of the country that matters; what is important is the dignity of its people and its government," stated Minister Insulza with respect to the support for his candidacy. Further, he added that "many of the small countries which have supported us are very proud to have done so."

Chile's candidacy – supported across the country's political spectrum – takes as its starting point the challenge of restructuring the organization in order to promote and strengthen hemispheric cooperation. One of the proposal's main elements is the development of multilateralism, which is seen as indispensable for competition on equal terms with the rest of the world. Other key areas include the protection and promotion of democracy and governability; human, civil, social, and indigenous rights; and closer economic cooperation.

"The OAS is worth the effort. I want people to talk about it much more, because of the relevance of the things it does. And when one speaks of democracy, security or development – which are the three pillars of the organization's activity – this must be translated into concrete actions in reality and in practice," explained Insulza. Similarly, President Lagos affirmed that the OAS should be "the place where not only the region's problems are discussed, but also global problems from the region's perspective."

### A grateful country

In Chile, he was called "Messenger of Life, Pilgrim of Peace," a designation which precisely described the role played by Pope John Paul II in April 1987, during his only visit to a country then radically different from today's.

His trip marked a highly significant milestone in the events leading to the recovery of democracy in 1990. Although it came only three years before the end of Augusto Pinochet's dictatorship, repression in the country continued in force, and the population was sharply divided between those who supported the regime and the vast majority who opposed it and denounced its human rights abuses.



## FACTS

The International Monetary Fund (IMF) has substantially raised its economic forecast for Chile: from 4.7% to 6.1%, the highest estimate in the region. In its World Economic Outlook report, the organization praised the country's economic performance and emphasized "the robust expansion of the economy," stimulated by the vigorous growth of exports and private investment.

The National Copper Corporation (Codelco) has doubled its value in five years, reaching 20.986 billion dollars.

One year after the entry into force of the Free Trade Agreement with South Korea, in April 2004, Chilean exports to that country have increased by 78%. In comparison with 2003, imports expanded by 29% and non-traditional exports by 60.5%.

On April 8, the IPSA, Chile's leading stock index, broke the 2,000-point barrier for the first time since its creation in 1977.

Three Chilean olive oils received special honors at the 39th annual international trade fair for food and wine, Vinitaly 2005, held in Verona. The oils were Petralia 2004, from TerraMater; Orgánico Cosecha 2004, from Olave; and the variety Blend 2004, from Kardamili, which received Gran Menzione awards in the "light fruity" category. In addition, the National Association of Olive Oil Producers was awarded a special prize in Rome for their 2005 *Guide to the Best Quality Olive Oils of the World*, reflecting the high level achieved by this industry in Chile.

On April 13, Costanera Norte, the second of four modern urban highways to incorporate a free-flow automatic toll system, was placed in operation. The divided six-lane highway, 41.75 kilometers in length, will shorten the journey through 11 city townships by approximately 45 minutes. Built with high safety standards and state-of-the-art infrastructure, the roadway required an investment of more than 500 million dollars.

Thousands of people came out into the streets, congregating to hear the words of the Pontiff, who called forcefully for liberty, love, and unity among Chileans. The messages he communicated during his visit were powerful: "Love is stronger!" he told young people. "The poor cannot wait!" "Chile is called to understanding, not confrontation!"



But Chile's appreciation and gratitude toward the Pope goes back even further. In 1978, his intervention played a key role in preventing an imminent war with Argentina, over sovereignty over the southern islands of Nueva, Picton and Lennox, in the Beagle Channel. His mediation, through his special envoy Cardinal Antonio Samoré, averted the confrontation only a few hours before it was expected to begin.

Thus, Chileans received the announcement of the Pope's passing with spiritual absorption and emotion. The churches opened their doors, welcoming hundreds of the faithful as well as a large number of non-Catholics wishing to pay homage to the Pope. The nation's capital bade farewell to him with a crowded Mass on the Plaza de Armas, in front of the Santiago Cathedral, led by the city's Archbishop, Cardinal Francisco Javier Errázuriz.



President Lagos emphasized that John Paul II "made himself part of our memory," and his philosophy of tireless striving for peace, liberty, dignity, and human rights "will continue to serve as a constant inspiration for the construction of a more just Chile, and above all, a world that is more at peace."

### Credit to move ahead

"How marvelous this is, what you are doing!" exclaimed Queen Sofia of Spain with enthusiasm, watching the work of potter Luis Vidal, a Chilean microentrepreneur who creates pots and decorative items in the small town of Pomaire, 80 kilometers east of Santiago, recognized for its artisanry in clay as well as its delicious half-kilo empanadas. She was even more impressed when she realized that it only took Vidal one minute to make three creations.



The Queen arrived in Pomaire together with the wife of Chile's President, Luisa Durán, and Muhammad Yunuz, president of the Graneen Bank, known as the "bank of the poor." The excursion was part of the agenda of the Regional Microcredit Summit for Latin America and the Caribbean, in which the visitors were participating.

The goal of the Summit is to see that loans are granted to 100 million poor families around the world during 2005. In keeping with this aim, the UN declared 2005 the International Year of Microcredit.

Javier Etcheberry, the president of Banco Estado, the financial institution which covers 58% of the microcredit market in the country, explained that these loans have become an effective tool for small businesses. The amounts – ranging from approximately 100 to 1,000 dollars, in most cases – have allowed small entrepreneurs to increase their annual sales by up to 20%. In

## QUOTATIONS FROM THE PRESIDENT

Microfinancing "is a way to give equal opportunities to all, not just to a few. Access to credit is just as important as access to education or training, or access to health care with dignity, or access to an educational system which allows us to make progress."

**During the closing ceremony of the Regional Microcredit Summit for Latin America and the Caribbean. Santiago, April 22, 2005**

"In this manner we are constructing a new hemispheric reality. In the 21st century, the relations among States and peoples will be marked by respect for the diversity of the various development models followed by each country. A region that is integrated in its diversity demands mutual appreciation and respect, regardless of the size and power of each nation."

**After signing memoranda of understanding with Venezuelan President Hugo Chávez. Caracas, April 20, 2005**

The rapid election of Cardinal Joseph Ratzinger as the new Pope "reflects a tremendous convergence of vision and unity within the Catholic Church" (...). "I believe that the election of someone who worked closely with John Paul II throughout his long tenure as Pope speaks of a continuity of intentions" (...). Also, that "the very close relations which John Paul II always maintained with Chile. Our wishes and desires are for all success to Benedict XVI in his Pontificate."

**Sao Paulo, April 19, 2005**

"Just as today's Security Council is a reflection of the world of 1945 and not of 2005, we also want an Organization of American States which is not an expression of the Cold War, but the expression of a hemisphere which is striving for globalization with a more human face and fairer rules for competition."

**On the candidacy of Minister of the Interior José Miguel Insulza. Sao Paulo, April 18, 2005**

The Concertación (governing coalition) "remains united by a vision of the society we want to create: one with more democracy and higher growth, but also with more social cohesion, and this last is fundamental, because it requires appropriate public policies."

**Interview with *Nederland Radio*. Santiago, April 4, 2005**

addition, they have helped raise the training rates among these workers by 45% and their access to technology and communications by 500%.

In fact, it was a loan of just over 1,000 dollars that permitted Luis Vidal to construct the wooden shed where he works, equipped with rough tables and a few potters' wheels. "For me, being a microentrepreneur has been the greatest. I have had things I wouldn't have had otherwise," he told Queen Sofia.

One of the issues marking the Summit's agenda was the need for specialized banks to grant this type of loan, such as the Banco Estado, which created a branch with an exclusive focus on this type of credit. The bank's plan for 2005 is to expand the number of microentrepreneurs it serves from 143,000 to over 200,000. A similar expansion will be seen in its loan portfolio, which today totals 135 million dollars.

Microenterprises make up 81% of the total number of productive companies in Chile, and they provide employment to approximately two million people, nearly 40% of the labor force.

### The value of reducing pollution

Four Chilean companies have decided to enter the carbon trading market, which has required them to incorporate state-of-the-art technology into their production processes. An additional 35 proposals are also in the works to sell credits to developed countries.

To fulfill the gas emission reduction goals imposed by the Kyoto Protocols, developed nations have the option to purchase pollution reduction credits from firms in countries not bound by this commitment. This situation favors Chile — which ratified the Protocol in 2002 —, since it allows private businesses to carry out investment projects which would otherwise be unprofitable, incorporate state-of-the-art technologies, and fulfill environmental protection standards without incurring elevated costs.

The Chacabuquito hydroelectric plant, on the central coast, has become the first of its kind in the world to certify and sell greenhouse gases reduction credits under the Clean Development Mechanism (CDM) of the Kyoto Protocols. This project has already reduced the equivalent of 250,000 tons of CO<sub>2</sub>. It was followed by AgroSuper, the first ranching enterprise of its kind on the world level to offer pollution reduction credits, and Nestlé, which chose one of its factories in Chile to carry out the first project of this type.



Metrogas has acted as an intermediary in emissions reduction projects, participating, for example, in the creation of a cogeneration plant for Watt's Foods, which simultaneously produces electricity, steam, and hot water using a natural gas system. The result is greater efficiency and lower emissions compared to the separate generation of each of these energy forms.

According to some specialized publications, Chile is the third country to offer carbon trading credits on the international level, and the second most reliable for this type of transaction.

### Mistral's anniversary

Sixty years ago, Lucila Godoy Alcayaga, the Chilean poet who "capriciously" gave herself the name of Gabriela Mistral, won the first Nobel Prize for both Chile and Latin America. On April 7, which marked the 116th anniversary of her birth, a wide range of celebrations were initiated.

## OVERHEARD

"We Brazilians support the Chilean, our friend Insulza, who would surely exercise great leadership at the OAS" (...). "Now we are going to go to the floor with our desire to win this dispute." The government of Brazil "will do everything possible to see if we can add more votes, so that our candidate will be chosen for the OAS. And we are going to talk to many people, in a political debate, in a greater effort to support our friend Insulza."

President Luiz Inácio Lula da Silva.  
Sao Paulo, April 18, 2005

"Under the government of Ricardo Lagos, the country has become more democratic and more economically flexible" (...). "Chile has the best risk classification in Latin America, its public debt remains at only 12% of GDP, and – in contrast to its neighbors – the government was able to temper the recession by increasing spending, without throwing the financial markets into disarray."

*The Economist*, March 31, 2005

"We feel very good about what we see in Chile. There is a functioning political system, stability in the government, a solid economy. Frankly, we feel very comfortable with the way the country works" (...). "We are ready to see our business operations grow in Chile (...), because we think that the country's long-term perspectives are fantastic, and we want to be a part of that."

John Rice, president and CEO of General Electric's energy subsidiary.  
Santiago, March 21, 2005

## CHILEANS AROUND THE WORLD

Soprano Cristina Gallardo-Dômas received an ovation at the Royal Opera House at Covent Garden, London, for her interpretation of Cio-Cio San in Puccini's *Madame Butterfly*. Two years after she received the Sir Laurence Olivier Award, the *EFE* agency affirmed that "her interpretation removes any doubt: she is *Madame Butterfly*."

Ana Novik Assael, counselor to the Chilean mission to the World Trade Organization (WTO), has been elected president of that body's Safeguards Committee.

Violinist Roberto Díaz was named as the new president and director of Philadelphia's Curtis Institute of Music, a prestigious U.S. conservatory which trains gifted young musicians free of charge.

The National Council for Culture and the Arts, together with the Municipality of La Serena – a city to which the poet was strongly linked –, declared 2005 to be the Year of Gabriela Mistral. In addition, the Council announced the creation of an Ibero-American Poetry Prize bearing her name.



Activities are planned throughout the country, including music recitals, poetry readings, photography and manuscript exhibitions, seminars, and new editions of her biography and works. Santiago's Metro system will make an innovative contribution: a subway car that transports passengers into Mistral's life. Graphics and text covering its walls, ceiling and windows will help them get to know this rural teacher and to appreciate the intense and immensely humanistic woman she was.

In October, an Ibero-American Poetry Encounter will be held in Santiago and the Elqui Valley – the site of Vicuña, her native village – featuring young poets from countries with which she had close ties, including Ecuador, Colombia, Panama, Costa Rica, and Mexico, as well as Spain and Portugal.

## Nomads of the south

The southern tip of the continent, where the land begins to break up into innumerable islands separated by fjords and channels, was the ancestral territory of one of Chile's indigenous peoples, the Alacaluf or Kaweshkar. Their descendents still assert that they are intimately familiar with every corner of what used to be their extensive dominion, between the Gulf of Sorrows and the Magellan Straits. It is a world of knowledge that is closed to Western people, surviving through the language of a people threatened with extinction.

The first accounts of these nomads and skilled seafarers, which go back to the early 1600s, describe them as a numerous people, but by the 1930s, their population had already been reduced to some 1,000 individuals. Today, the Corporación de Desarrollo Indígena (Conadi) – the Indigenous Development Corporation – and international NGOs are working to protect the 101 descendents of this ethnic group.

The first step was taken with the enactment of the Indigenous Law in 1992, which recognized this people as a community and established programs and policies which have brought concrete benefits, promoted a change in attitude, and strengthened identification with their culture and traditions. Today, the group is divided among Punta Arenas, Puerto Natales, and Puerto Edén, where the last seven direct or "pure" Kaweshkar descendents reside.



Puerto Edén is a small inlet on Wellington Island. Paákxa (or Gabriela Paterito, her Western name) and C' Akuol (Carlos Renchi) are the oldest community members. Paákxa believes she is 65 years old, because she is younger than Akuol. Anthropologist Nelson Aguilera, the head of Conadi in Punta Arenas, explains that the Kaweshkar worldview does not recognize dates: "They are a hunting and gathering people, whose daily life was linked to the search for food and constant movement through the channels, which influenced the fact that they do not have a concept of the future."

It is surprising that they conserve their language in all its purity. Aguilera maintains that "it is a heritage passed from generation to generation, through a code of thousands of meanings revealing knowledge and skills that Western people do not have and never will have."

## Villages of the north

The altiplano shares with the desert the grandiose nature of the landscape, but not its monotony. It is a land of volcanoes, valleys and gorges, covered by vegetation with changing textures and forms; a land of blue lakes and extensive salars, whose thick, wrinkled white crust is broken by lagoons which have been dormant for centuries.

Scattered in apparent disorder over this landscape are small villages constructed from adobe, stone, paving blocks, and straw.

There are approximately 30 of them, nestled in the foothills or on the high plains of Chile's First and Second Regions. Most were constructed over the remnants of pre-Hispanic settlements. The largest are still inhabited and possess a school, hospital and other public services. In the rest, the houses remain empty for most of the year, only coming to life for Aymara and Atacameña religious festivals and celebrations.

A meandering path winds through the Lluta river valley, in Arica, toward the heights of the Andes. As it rises, cactus, hardy grasses, and *llaretas* – plants which can live up to 500 years – begin to blanket the desert's rocky landscape. Llamas, alpacas, and guanacos appear more frequently.

Putre, which means "Murmur of the Waters" in the Aymara language, is the capital of Parinacota



Religious festival in San Pedro de Atacama

province, 3,500 meters above sea level. Founded by the Spanish in 1580, it is viewed, with good reason, as one of the most beautiful of the villages. For years, it was used by groups of traveling conquistadors as a rest and supply stop, thanks to its position on the route between Potosí and Arica. Its first chapel was constructed in 1600, but destroyed by an earthquake 60 years later. In 1670, the church was rebuilt and reports from the period state that it was covered with rich murals in silver and gold. The town's houses and gardens extend over various levels. Many still preserve door and window frames from the 17th century, made from carved stone.



Putre

Only a few kilometers away lies Parinacota, declared typical zone, has approximately 50 thatched-roof houses built from stone mortared with clay. Smaller in size, Belén conserves its colonial outline of ordered streets, some paved with stone and having a central channel, much like those of Cusco, Peru. Its plaza is terraced, and its church, Nuestra Señora de Belén, is one of the smallest and oldest which is still standing.

Codpa arose over an indigenous settlement which served as the residence of the Arica Heights cacique, the ruler of the Socoroma, Putre, Parinacota, Livilcar, and Tignamar tribes. To reach Livilcar, visitors must ride on horseback for more than seven hours through a lonely gorge of the San José River, but the effort is rewarded: the village church, one of the region's most



Parinacota's church

fascinating, still conserves its gold-leaf altarpiece. Livilcar comes back to life during Holy Week and on August 24 each year, for the festival of its patron saint, Bartholomew.

Toward the south, between Tocopilla and Antofagasta, lies another handful of Andean villages. San Pedro de Atacama is the best known and the largest, with a population approaching 2,500. A center of the Atacameña culture, the village is also a rich archeological destination, since the area has been inhabited for at least 11,000 years. The museum created by Father Le Peige – a Belgian Jesuit priest who dedicated his life to collecting relics – displays some 4,000 pots, weapons, mummies, and skulls. The terraces at the foot of the hills, artificially irrigated and fertilized with the dung of alpacas and llamas, indicate that the Atacameños were the first in the area to develop agriculture.

Not far from the town lie the pukarás, or fortified villages, of Quitor, Lasana, and Turi, constructed from stone. From Toconao, one can observe the imposing Atacama Salar or visit strange, gigantic petroglyphs in the nearby Jerez Valley.

Like San Pedro de Atacama, Chiu-Chiu lay along the pathway of the Inca Trail. Its inhabitants were converted early to Christianity by the Spanish, and it became the Loa River valley's leading mission center. Its church has the form of a Latin cross, and its roof is framed with cactus and the wood of carob and *chañar* trees. Instead of nails, it is supported with strips of leather.

## AGENDA

- ★ April 5-7: Twenty-Third International Drug Enforcement Conference (IDEC). Santiago.
- ★ April 13: Fourth World Copper Conference of the CRU (Commodities Research Unit). Santiago.
- ★ April 18-20: Tour by President Lagos to Brazil, Venezuela, and Colombia.

- ★ April 18-20: Private visit by Queen Sofía of Spain. Santiago and Pomaire.
- ★ April 19-22: Latin America and Caribbean Region Microcredit Summit. Santiago.
- ★ April 28-30: Third Ministerial Conference of the Community of Democracies. Santiago.

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