



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

CHILE

NEWS

International Press Department • Communication and Culture Secretariat • June 8, 2005 • No.70



President Ricardo Lagos during his Message to the Nation, National Congress.

DID YOU KNOW?

- ★ On May 29, Chileans came out in great numbers to tour their cities in a celebration of Cultural Heritage Day. The list of options included 200 historic sites, such as indigenous burial grounds in the middle of the desert, saltpeter mining centers, colonial forts and European-influenced buildings and palaces. Museums, universities, churches and even the vaults of the Central Bank were also among the possibilities.
- ★ The coastal area bordering the Atacama Desert, in northern Chile, contains hidden traces of early life. The area offers a rich deposit of fossils between 1.7 and 16 million years old, representing more than 75 marine species. The most notable finds include the enormous jaw of a megalodon, or giant shark, and the skull of South America's largest whale.
- ★ Birds such as the Slender-billed Parakeet, the Moustached Turca, the Diademed Plover, the Chilean Tinamou, the Crag Chilea – which is only found in the high Andes mountains – and the Chilean Mockingbird, which imitates the songs of other birds, are endemic to Chile.

No respite in the fight against inequality

Thunderous and heartfelt applause greeted President Ricardo Lagos both before and after his final Message to the Nation, delivered on May 21 before the National Congress. His announcement of an ambitious legislative package gave evidence of his determination to continue working up to the final day of his administration to decrease social inequality in Chile.

Chile's successes in economic growth have permitted ongoing progress in the fight against poverty, explained the President, allowing the country to move toward greater social justice, broaden opportunities and lay the foundations for a quantum leap in infrastructure. In the 21st century, he asserted, Chile will be "an example of achieved development," since it began the period "with the greatest unfolding of personal liberties in its history: the freedom to think, to express opinions, to be creative and, to decide one's own destiny."

"Improving distribution as the country grows is the only responsible and lasting path toward social progress," stated the President. With this objective in mind, he announced the submission of four bills to the legislature with the highest level of urgency: initiatives to provide relief to low-income households facing higher electric bills; give preferential preschool and elementary education subsidies to children from vulnerable families; compensate public-sector workers for retirement fund losses; and grant the President the power to carry out a series of measures announced days earlier, which will lower or eliminate mortgage debts for more than 262,000 families in public housing.

While announcing the creation of 125,000 government-supported jobs for the winter period, he emphasized the results of the social policies applied by the Concertación coalition administrations over the past 15 years. During that time, the country's poverty rate fell from 38.5% to 18.8%, while indigence declined from 12.9% to 4.7%.

Addressing the ongoing reconciliation process among Chileans, the President pointed to the country's efforts to regain its historical memory. He asserted that the path of progress requires learning the lessons of the past, as well as building the future upon solid moral foundations: "This is a fundamental element of the philosophy which has inspired my administration, and – I say it with pride – also the Armed Forces of Chile in democracy."

"We are constructing a development model based on democracy, liberty, the progressive inclusion of every individual in the benefits of growth, and unrestricted respect for human rights," he stressed. And before the General Assembly Hall of Congress erupted in applause, he addressed the people of Chile directly, thanking them for "having given me a role in the task of affirming your liberty," and for "working together to achieve your rebirth as a nation."

<http://www.presidencyofchile.cl/view/viewMensajePresidencial-I.asp?seccion=Mensaje%20Presidencial>

FACTS

The Chilean economy grew by 5.7% in the first quarter of 2005 compared to the previous year. This result is mainly due to strong growth in domestic demand, especially investments.

After a positive evaluation of the Political and Economic Association Agreement between Chile and the European Union, the Foreign Minister of Luxembourg and President of the EU Council, Jean Asselborn, announced a favorable reception to Chilean Foreign Minister Ignacio Walker for the proposed Horizontal Agreement in the area of Air Transportation. With the accord, Chile would become the first country to sign an open skies treaty with the EU.

The Swiss company Xstrata Coopers – a prominent mining group whose activities include copper, gold, zinc, coal and ferromanganese – has installed its corporate offices for Latin America in Santiago. It has also announced its intention to purchase currently-operating mines or projects under development in Chile.

In the three-month period from February to April, unemployment decreased to 8.2%, the most favorable figure for this period since 1998. More than 200,000 jobs have been created within twelve months, more than half of them held by women.

Chile was elected a full member of the United Nations Commission on Criminal Justice and Crime Prevention, for which it will assume its duties in 2006. The country also became the 47th Member State of the Venice Commission, the Council of Europe's advisory body on constitutional issues.

In Chile, 93.6% of contributors fulfill their tax obligations using the Internet.

Molybdenum is becoming a new star product for Codelco, which covers 19% of the world market for that metal. Sales reached 556 million dollars in the first quarter of this year — a promising figure, considering that the total for 2004 was 1 billion dollars.

Tragedy in the Andes

The voracious “white wind,” an extreme weather phenomenon, claimed the lives of 45 young conscripts who were fulfilling their military service with Regiment 17 of Los Angeles, in southern Chile. On this occasion, an exercise carried out each year on the slopes of the Antuco Volcano turned into the Chilean Army's worst peacetime tragedy.

President Lagos declared three days of national mourning, pledging his assistance to the Armed Forces and, stressing the need to gather information about the incident to ensure that a tragedy of this magnitude does not happen again. After delivering his official Message to the Nation, he traveled to Los Angeles with his wife, Luisa Durán, to support Army Commander in Chief Juan Emilio Cheyre – who coordinated the rescue efforts on the ground, together with Minister of Defense Jaime Ravinet – and to offer his personal condolences to the families of the missing and fallen.

Participating in the search for the young recruits were Armed Forces personnel, civilian mountaineering experts and even glaciologists from the Valdivia Center for Scientific Studies. Responding to a government request, the Martial Court appointed a special judge to determine the responsibility of the three commanding officers in charge of the regiment. It was concluded that they acted with “a lack of judgment and professional skill” in ordering a march that “never should have been undertaken,” as General Cheyre reported.

The tragedy unleashed an intense debate about the country's mandatory military service, although more than 86% of this year's open positions were filled by volunteers. In fact, all of the victims had joined the Armed Forces in this capacity.

To conquer Asia

An enthusiastic delegation of more than 90 Chilean business leaders visited South Korea, Japan and, China, the most dynamic markets in Asia. Foreign Minister Ignacio Walker and the Ministers of Finance and Agriculture, Nicolás Eyzaguirre and Jaime Campos, headed the group during different stages of the tour. The aim: to learn more about these economies, to strengthen political and economic ties and, to showcase Chile's advantages as a business platform.

The mission, which included 30 businesswomen, reflected the level of agreement among the government and the private sector in showing a consistent “face of the country” to the world. Initiated on the request of President Lagos after the last APEC Summit, held in November 2004 in Santiago, the delegation pursued a busy agenda of seminars, business roundtables and visits to companies and industrial facilities.



QUOTATIONS FROM THE PRESIDENT

"We have been following the news, and we have great respect for what President (Carlos) Mesa has done. The fact that he has resigned his position, placing it in the hands of Congress, speaks of his selflessness." (...). "One can only hope that as further measures are taken, they are carried out through democratic procedures, respecting the rights of the citizens of Bolivia."

Regarding the political situation in Bolivia.
June 7, 2005

The aim of the government's symbolic initiatives is to ensure that "these events will never again occur in Chile" and that "every man and woman in Chile understands the gravity of what happened, regardless of the opinions we may hold about the context in which these events occurred."

With respect to the reconsideration of torture cases, including those of 86 children, which will be added to the Report on Political Imprisonment and Torture.
Santiago, June 1, 2005

In research and development, "we still have a long way to go, but the enactment of the law placing a specific tax on mining is a very significant step." (...) "Since these resources cannot be applied to current expenses, but only to science and technology, we are laying the foundation for something very important. Non-renewable resources, such as the products of the mining industry, can be transformed into a highly renewable resource if their proceeds are invested in knowledge, science and technology."

On the law creating a specific tax on mining, enacted on May 27. Valparaíso, May 30, 2005

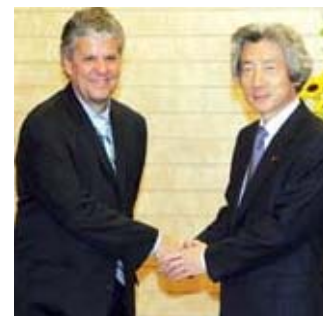
"Today we also agree on the need to seek new structures for a more global and more interdependent world, with fairer rules for all countries, large and small" (...). "After this visit, our bilateral relations will be strengthened, our interchanges will be greater, not only in trade, but also in ideas and values."

After meeting the Governor-General of New Zealand, Dame Silvia Cartwright, during her State Visit to the country.
Santiago. May 26, 2005

There are "very good relations between Algeria and Chile, with common visions and common foreign policy positions." (...). "I believe that President Bouteflika's visit will signify a new stage in our relations, particularly in the area of cooperation."

During the visit of the President of Algeria, Abdelaziz Bouteflika. Santiago. May 16, 2005

A meeting was also held of the Chile-Japan Business Committee, which made progress in preliminary negotiations toward a FTA, with the participation of Prime Minister Junichiro Koizumi. In Beijing, the Chilean-Chinese Business Council was created, also oriented toward achieving an agreement of this type, while an important association was formed between Codelco and Minmetals Corporation, offering resources to the Chilean national copper company to finance a portion of its future investment plan. The two companies will form a partnership with equal ownership shares, which will provide Codelco with 550 million dollars during its first stage, through the prepayment of a long-term copper supply contract.



Minister Eyzaguirre with Japanese Prime Minister Junichiro Koizumi. Tokyo.

With his Korean counterpart, Ban Ki-Moon, Foreign Minister Walker reviewed the first year of operation of the FTA signed by Chile and South Korea – the first of its kind between a South American and an Asian country – which has produced excellent results. While acknowledging the difficulties faced during the negotiations, Ban affirmed that no one in his country today doubted the benefits of the resulting agreement.

During a meeting of the Asia-Pacific Ministers of Trade, Walker announced the signing of the Strategic Economic Association Agreement (known as P4) between Chile, New Zealand, Singapore and, Brunei Darussalam. Starting on January 1, 2006, the trade alliance will eliminate tariffs on more than 90% of the total trade between Chile and these three countries. With this agreement, Chile has taken an important step forward in its quest to serve as a leading platform for Asian investors in Latin America.



Foreign Minister Walker with Minister Jim Sutton of New Zealand, Minister Lim Hong Kiang of Singapore and Princess Hajah Masna of the Sultanate of Brunei. South Korea

A woman on the road to the presidency

For the first time in Chile's history, two women presented themselves as candidates for the Presidency of the Republic, both representing the governing coalition, the Concertación de Partidos por la Democracia. On May 24, in a gesture characterized by President Lagos as one of "generosity and altruism," former Foreign Minister Soledad Alvear withdrew her presidential pre-candidacy in favor of former Defense Minister Michelle Bachelet, to whom she offered her full support. "I will continue to work to ensure that the hope and energy we have generated will lead to a Concertación victory this December," Alvear announced, adding: "I feel proud to contribute to the election of a woman as President of Chile."

The President emphasized that Alvear's withdrawal "serves as yet another demonstration of the level of governability the Concertación has given to the country," while also illustrating the coalition's ability to resolve its internal differences effectively.



OVERHEARD

"We see that the government's agenda in the area of education is appropriate, as well as its direct social policies, its employment policies and its spending on housing and public health. (The government) has a clear and objective path for decreasing the disparity."

Rodrigo de Rato, Managing Director of the International Monetary Fund.
Santiago. May 31, 2005

"The alliance with Codelco will permit Minmetals to receive a stable supply of copper from the world's largest producer. I believe that this partnership will create a situation in which both sides win."

Zhou Zhongshu, president of Minmetals Corporation. Beijing. June 30, 2005

"Chile and Japan are eleven time zones apart; they are separated by a great physical distance, but they are complementary countries."

Junichiro Koizumi, Prime Minister of Japan.
Tokyo. May 30, 2005

Chile "is New Zealand's best friend in this part of the world." "There are many similarities between the two countries; we think the same way, we work together within many international forums, we have much in common. And it is very good to strengthen this relationship."

Dame Silvia Cartwright, Governor-General of New Zealand. Santiago. May 29, 2005

CHILEANS AROUND THE WORLD

On May 26, former Minister of the Interior José Miguel Insulza took office as Secretary General of the Organization of American States (OAS). On May 31, he met with President George W. Bush to discuss details of the organization's General Assembly, held in Fort Lauderdale, Florida.

Choreographer Patricio Bunster was honored with the Danzante award, presented by Mexico for creativity in this discipline. The prize recognized "his life dedicated to the dance and the preservation of Latin America's cultural heritage."

The young tenor Luis Olivares is one of the 25 finalists in the international BBC Cardiff Singer of the World 2005 competition. The winner will be chosen between June 11 and 19 in Cardiff, the capital of Wales.

Thus, the electoral lineup for December 2005 now consists of four candidates: Michelle Bachelet of the Socialist Party, the Concertación coalition's standard-bearer; the two candidates of the right-wing Alianza por Chile: Joaquín Lavín of the Unión Demócrata Independiente (UDI) and, Sebastián Piñera of Renovación Nacional; and the representative of the left-wing coalition Juntos Podemos, Humanist Party member Tomás Hirsch.

New justice for Santiago

After its successful implementation elsewhere in the country, Chile's Criminal Trial Reform will be applied to the Metropolitan Region on June 16. This marks the fifth and final stage of the country's judicial reform process, which began six years ago with the creation of the Public Ministry and the naming of a National Prosecutor, Guillermo Piedrabuena.

The region will have 371 judges dedicated exclusively to criminal cases, who will hear arguments and hand down sentences based on oral proceedings. This figure is far above the previous level of 50 criminal court judges, who were responsible for investigation and indictment as well as sentencing. The Public Ministry will employ 276 public prosecutors, who will now assume the task of investigating crimes, as well as 56 public defenders and 115 legal services attorneys to ensure that low-income defendants receive adequate representation.

The Reform's arrival will also mark a generational change: the average age of the public prosecutors is 31, while that of the defense attorneys is 33.

The greatest advantages of the new system – which features oral trials open to the public, as well as explicit guarantees of individual rights – are its efficiency, speed and, transparency. Under the old system, it took approximately two years to obtain a sentence from the court of first resort, while the average under the Reform is six to twelve months. Ninety percent of the 485,796 cases handled under the new system during 2004 have been successfully brought to a conclusion, with the proclamation of a sentence.

Among its general principles, the Reform establishes the presumption of innocence, the right to legal defense and the protection of crime victims. In one of the most striking departures from the old system, victims are considered "participating" parties, with expressly-recognized rights and an active role in the new criminal trial process. In practical terms, this means that the courts cannot dismiss or shelve a case without first informing the victims and giving them an opportunity to be heard.

For the final stage of the reform, the State is investing more than 240 million dollars, approximately 133 million of which will be dedicated to infrastructure. The new Justice Center in Santiago – a nine-building complex covering a total of 220,000 square meters – will serve as headquarters for the oral trials and criminal court judges, as well as the public prosecutors employed by the Public Ministry. The center, which will also include parking areas, food courts and notarial offices, is the country's most significant public construction project during the past 50 years.



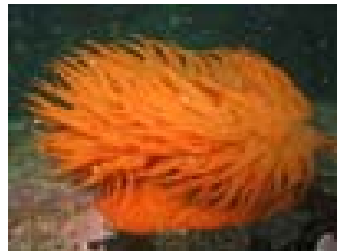
AGENDA

- ★ **May 21 – June 4:** Visit of Minister of Finance Nicolás Eyzaguirre to Japan, China and, Hong Kong.
- ★ **May 23 – June 1:** Asian tour by Chilean business delegation: South Korea, Japan and China.
- ★ **May 25 – 29:** State Visit of the Governor-General of New Zealand, Dame Silvia Cartwright. Santiago.
- ★ **May 26 – 27:** Participation of Foreign Minister Ignacio Walker in the Second Meeting of the Chile-European Union Association Council and the 12th Ministerial Meeting of the Rio Group and the European Union. Luxembourg.
- ★ **May 29 – 31:** Visits by Foreign Minister Ignacio Walker to China and South Korea.
- ★ **June 4 – 7:** Participation of Foreign Minister Ignacio Walker in the Thirty-Fifth General Assembly of the Organization of American States. Miami.
- ★ **June 7-8:** State Visit of the President of South Africa, Thabo Mbeki. Santiago and Valparaíso.

Submerging oneself in Chile

Diving experts and aficionados agree: the country's irregular geography also promises surprises beneath the surface. There is, literally, an ocean of possibilities to choose from along Chile's more than 3,000 kilometers of coastline.

The water temperature approaches 16° Celsius in the far north, gradually declining as one moves southward. The water is clearer in winter, thanks to lower levels of suspended material, but the decrease in sunlight affects its temperature. Although Chilean waters will never be lukewarm like those of the Caribbean, the cold seas offer great rewards. Under the guidance of specialized tour operators, visitors to northern Chile can view white sharks of considerable size, as well as bottlenose dolphins, sea lions, marine turtles, penguins and an enormous variety of fish, mollusks and, crustaceans. The underwater flora also presents a surprising diversity of colors, forms and textures.



Sunken ships lie along nearly the entire coastline. One centuries-old wreck in the bay of Mejillones is the *San Martín*, a Spanish galleon sunk in the 16th century. The armored ship *Blanco Encalada* has rested off the coast of Caldera since 1891. In Cumberland Bay, in the Juan Fernández Archipelago, one can see the anchors of the *Speedwell*, which sank in 1720.

Also in Juan Fernández – off Chile's central coast – is the zone where the waters reach their maximum average transparency: between 20 and 30 meters, although Easter Islanders affirm that their seas also offer one of the world's highest visibility levels, reaching up to 70 meters under favorable conditions.



Divers who have visited an area of volcanic formations called Salspuedes – off Robinson Crusoe Island – report that the experience is like swimming inside a gigantic aquarium. The variety of marine life is extraordinary, including octopus, flounder, yellow jacks, *pampanitos* and, *vidriolas*. Sea lions are numerous, while clusters of sea

urchins color the caves and crevices an intense black. Curious fish approach divers, looking them directly in the eyes, and can even be caught by hand.

Los Molles, with its natural reef, rocky formations and large sea lion colonies, is one of the must-see sites on central Chile's continental coast. Others include the beaches of Algarrobo and Maitencillo, as well as Punta Choros, the chosen habitat since the mid-1990s of a colony of approximately 70 playful dolphins.

HERITAGE OF CHILE

La Moneda Palace

In celebration of its 200-year anniversary, it threw open its doors – and the public took up the invitation as never before. On May 29, a warm, sunny day – unusual a few weeks before the start of winter – greeted the nearly 13,000 people who came to tour its hallways and chambers and to retrace the history forged within its walls, from the time when it served as the Royal Mint through its transformation into the current seat of government.



On that Sunday, national leaders became hosts and guides, including President Ricardo Lagos, Minister of the Interior Francisco Vidal, Secretary General of the Presidency Eduardo Dockendorff and, Secretary General of the Government Osvaldo Puccio. The old-fashioned carriage which had transported the country's Presidents during official ceremonies fascinated visiting children, as did the currently-used vehicle, a Ford Galaxy presented to the country in 1966 by Queen Elizabeth of England. The Carabineros took advantage of the opportunity to unveil the Palace Guard's new uniform, which preserves the traditional olive green color while reintroducing elements from earlier designs.



The activities, which continued through June 2, included a photographic competition aimed at collecting unique images of the building, as well as a scale model and a display of its architectural plans. Chilean artists conversed with visitors to gain diverse views of La Moneda, which will be reflected in works of art in various formats, and a postage stamp was issued to commemorate the anniversary.

More than two centuries passed between the Santiago Cabildo's first request for permission from Spain to mint royal doubloons in Chile, and the authorization, in 1743, to construct a building for that purpose. The current edifice – declared a National Monument in 1951 – was inaugurated in 1805, 35 years after its architect, Italian Joaquin Toesca, prepared the original plans. Its 1.3-meter-thick walls are constructed from brick masonry mortared with lime, and its floors are covered in red stone from San Cristóbal Hill. The heavy wrought-iron railings were imported from Bilbao, Spain. The building's roof was originally covered with tiles, but these were later changed to zinc and then copper plates, while its oak beams were replaced by reinforced concrete.

One of the largest buildings erected by the Spanish Crown in its American colonies during the 18th century, La Moneda's pure neoclassical style represents one of Europe's greatest contributions to the region. Originally 100 meters wide and 125 deep, the structure currently has an area of 21,089 square meters. The Palace suffered its most significant modification after the bombardment of September 11, 1973, when the Armed Forces toppled the government of President Salvador Allende, seriously damaging several sections of the building in the process. The image of La Moneda engulfed in flames circled the globe.



Before that event, history had already roamed La Moneda's halls and courtyards for many years. In 1812, the patriot José Miguel Carrera organized a festive dance to commemorate the Open Cabildo of 1810; the first Chilean flag, featuring blue, white and yellow stripes, was introduced on that occasion. Nearly 180 years later, in March 1990, recently sworn-in President Patricio Aylwin made an appearance on one of its balconies. The multitude cheering him from the Plaza de la Constitución understood the significance of the gesture, which reclaimed a republican tradition interrupted by 17 years of dictatorship.

In 2000, President Lagos ordered La Moneda to be opened to the public. Today, visitors can cross the Patio de Armas, containing the never-fired cannons *Relámpago* and *Furioso*, carried from Peru in 1772. The old fountain in the center of the Patio de los Naranjos (Courtyard of the Orange Trees) is the recipient of hundreds of coins, which are regularly donated to charitable organizations.

The ceremonies in September 2003, commemorating the 30-year anniversary of the coup d'état, included the reopening of the door at Morandé 80, a side entrance to the Palace. The portal, earlier used by Presidents to enter and leave the building as ordinary citizens, had been sealed off by the military government. On the



morning of September 11th, 2003, President Lagos once again passed through the door, in a historic moment charged with solemnity and civic significance.

EDITOR IN CHIEF: Javier Luis Egaña, Director Communication and Culture Secretariat / EDITOR: María Paz del Río, Chief, International Press Department / TEXT: Maureen Schäffer, International Press Department / PHOTOGRAPHS: Presidencia de la República, Dirección de Obras Bicentenario COMMUNICATION AND CULTURE SECRETARIAT / MINISTRY GENERAL GOVERNMENT SECRETARIAT depreint@segegob.cl / www.segegob.cl / www.gobiernodechile.cl