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Labor Minister Ricardo Solari, President Ricardo Lagos and the Minister of the National Women's Service, Cecilia Pérez, at the promulgation of the law against sexual harassment. March 8, La Moneda Palace.

DID YOU KNOW?

- ★ *Mar Adentro*, from Chilean-Spanish director Alejandro Amenábar, continues to collect awards. It has now added the Oscar for Best Foreign Film to its 14 Goya prizes, including those for best director, actor, actress and original screenplay.
- ★ Near Puerto Velero, some 400 kilometers north of Santiago, the Casanueva Winery has created the first underwater wine cellar. In enormous, dim caves, "treasure chests" protect bottles of Cabernet Sauvignon, Merlot, Sauvignon Blanc, and the winery's star product: the 2003 Moscatel-Chardonnay blend from the Itata Valley, aged for six months. "The idea is to turn the underwater wine cellars into a new tourist attraction for visitors who enjoy diving."
- ★ The construction of the coastal road between the Third and Fourth Regions, parallel to Chile's "spinal cord," Ruta 5, opened up undiscovered beaches of great beauty. Nearly virgin places, they feature white sands and turquoise waters.

Priorities for 2005

President Ricardo Lagos does not slow the pace of his work even when he is on vacation, and his ministers know it. This characteristic is reflected in the style he has imparted to his administration, which enters its sixth and final period on March 11: its goals are expected to be fulfilled quickly and efficiently.

Thus, the government's agenda for 2005 is just as full as in previous years, including legislative initiatives in the fields covered by each Ministry. The fight against poverty and unemployment is a high priority, along with the approval of the constitutional reforms agreed upon by the government and the opposition in October 2004. The modifications include changes to the National Security Council and the Constitutional Court, empowerment of the president to dismiss the commanders-in-chief of the Armed Forces, elimination of the designated and life senators, and reduction of the presidential term from six years to four. The government further hopes to consolidate the foundations of the New Deal Policy through the constitutional recognition of the country's indigenous peoples.

In the economic sphere, the administration will continue to pursue its pro-growth agenda. The second Capital Markets bill is currently making progress in Congress, and another will soon be submitted that places a specific tax on mining activities. In the area of government transparency, relevant initiatives include the lobbying law as well as the requirement that public authorities disclose information about their personal finances.

The Health and Education Reforms will also account for a significant proportion of the government's efforts in Congress; among the most important bills are those addressing the Isapres (private health plans) and financial aid for low-income university students. The administration is also working for the full entry into force of the Chile Solidarity social protection system, aimed at eradicating extreme poverty.

On January 2, the Superintendency of Health made its debut, with the mission of ensuring that public and private health institutions comply with the care guarantees for 25 medical conditions mandated by the AUGE Plan (see *Chile News N°59*). Meanwhile, investments in health care infrastructure and equipment were doubled, with construction beginning on 38 clinics and 18 hospitals.

The Criminal Trial Reform, which is already operational in the remainder of the country, should be implemented in the Metropolitan Region starting in June, followed by the start of operations of the Family Courts in October. August will be the month of Transantiago, the city's new public transportation network, which will place 511 high-technology buses on the roads, initiating the renewal of the current fleet.

In the area of environmental protection, the passage of a bill protecting native forests and granting increased oversight powers to the relevant authorities is the most important objective.

Community safety will be strengthened with programs that have shown positive results in crime prevention: the Safe Township and Neighborhood Block plans. Efforts will also be made to advance the proposed gun control and juvenile

FACTS

In 2004, Chile registered the second-greatest budget surplus of its history: 2.2%, surpassed only by the 4.4% achieved in 1988.

Last year, the country's trade balance reached 9.044 billion dollars, according to figures from the Central Bank. This level, which tripled the figure from the previous year, is considered a record.

Chile's country risk declined to a new historic low on March 7: 57 base points, according to JP Morgan.

In December 2004, the economy grew by 7.7%, for an annual growth rate of 5.9%. This is the highest figure since 1997, the year before the Asian financial crisis.

Exports during the past year reached a record sum of 32 billion dollars, with 66% of the total shipped to countries with which Chile has signed trade agreements. This reflects an expansion of 48.2% compared to the same period of 2003.

Chile has exceeded its stated objective of one million dollars in aid for the victims of the natural disaster in Southeast Asia. According to UNICEF, the country's contribution is the most significant from Latin America.

Direct foreign investment in Chile expanded by 172.8% in 2004, reaching 7.148 billion dollars. Spain headed the list of source countries, followed by Canada, Mexico, and Australia.

In February, the price of copper on the London Metal Exchange reached a level not seen since 1989: 154 U.S. cents per pound.



crime bills. The creation of the National Human Rights Institute, announced by the President last year, rounds out the administration's endeavors in this area.

Farewell to a fighter

It doesn't matter whether you shared her political convictions. In fact, many of those now mourning her passing were her bitter rivals. It is Gladys Marín's tenacity, courage, and integrity that Chileans will miss. The consistency with which she defended her ideals earned her respect from across the political spectrum. The outpouring of sorrow at her death – on March 6, at the age of 63, from an invasive brain tumor – confirmed the widespread admiration of a woman who selflessly dedicated her life to politics, without thoughts of personal gain.



President of the Communist Party, three-time member of the Chamber of Deputies, and a ferocious defender of her cause, Gladys Marín seemed to have combat in her blood. She fought with conviction for the recovery of democracy, and afterward for the rights of minorities and the poor. She also fought against forgetfulness, becoming the first person to present a criminal complaint against Augusto Pinochet, which in 2001 resulted in the first judgment against the country's former dictator.

She suffered personally from the dictatorship's repression. Her husband, mining engineer Jorge Muñoz, is among the list of 1,200 disappeared persons; she reluctantly fled into exile, forced to leave her two small children in the country. For 12 years, she lived underground. After her party was reconstituted, she ran for President in 1999, receiving a much higher percentage of the vote than that usually obtained by the Communist Party.

Wearing red carnations and roses, some 500,000 people filed through the former National Congress building's Hall of Honor, where she lay in state, surrounded by her family, friends, and fellow party members. President Lagos decreed two days of official mourning: "It is an expression of our respect for what she embodied, and for the thousands upon thousands who followed her in democracy. I believe that today, rather than the banner of any particular group, we are honoring the flag of Chile, the better Chile Gladys Marín fought for."

There were no age distinctions in the crowd that came to bid farewell to her, because her example inspired more than one generation. Among them were legislators from various parts of the political spectrum, ministers of State, Catholic priests, Protestant ministers, businesspeople, artists, and representatives of indigenous groups. Messages of sympathy arrived from political parties and social organizations in 44 countries.



For her funeral, thousands of people gathered on the streets of the city center.

Coordination and shared plans

When Heads of State visit Chile, the President likes to invite them for informal breakfasts at his home. On January 27, two important guests were received in this manner: Spanish Prime Minister José Luis Rodríguez Zapatero and then-President-elect of Uruguay, Tabaré Vázquez.

The need to strengthen Mercosur and broaden its role beyond the economic sphere occupied a great part of the conversation. The President noted that the leaders agreed about "deepening an alliance with characteristics of political integration,"

QUOTATIONS FROM THE PRESIDENT

"A new set of laws related to the family, addressing important issues such as filiation, marriage, the opportunity to dissolve the matrimonial bond when it fails, and improved juvenile justice, are all legislative achievements of which we can feel proud. An open society, in which no one has the right to impose his or her own views on others."

During the celebration of International Women's Day. La Moneda Palace. March 8, 2005

"We must understand that an energy agreement which benefits the 'haves' more than the 'have nots' is a profound error. We all have something to share (...). Chile is absolutely available for a serious energy agreement, an agreement that addresses 21st century issues."

On the idea of a regional energy policy. Montevideo. March 1, 2005

"We must be very proud to learn that on October 23, proceedings will be held to canonize Father Hurtado. I believe that it must be a moment of profound reflection for all Chileans: about what Father Hurtado meant to us, the message he left us and how we can make our lives an homage to him. How do we act in solidarity with each other, how do we present a more human face to our fellow citizens."

Regarding the date set by the Vatican for the canonization of Father Alberto Hurtado. Valparaíso. February 24, 2005

"What interests us, from our point of view as a country, and from the perspective of the countries of the Americas, is a strengthened Organization of American States that plays a fundamental role in the great issues. We must make the OAS the body in which we Latin Americans discuss these fundamental issues, also with the United States, on the regional level."

Before his official visit to the Caribbean. Santiago, February 18, 2005

in order to "coordinate common positions with respect to all international negotiations, as a South American bloc made up of the Mercosur countries."

During the meeting with Rodríguez Zapatero, the discussion focused on the Initiative Against Hunger and Poverty, the Third Conference of the Community of Democracies, and the situations in Haiti and Iran. With regard to Haiti, President Lagos stated that both countries would remain involved, "as an expression of an Ibero-American community which must make its mark on today's world."

The leaders also emphasized their agreement about the need for an effective multilateral system, the deepening of democracy, and the integration of all groups within society, especially the most vulnerable.

The affinity between the two Presidents and the close cultural and economic relationships between Spaniards and Chileans were celebrated with a gala dinner at La Moneda, attended by more than 800 guests. "You are working in this modern Chile, this open and democratic country, which is making progress and serving as a model within Latin America," affirmed Rodríguez Zapatero to the Spanish community resident in Chile.



A positive balance

February 1 marked the second anniversary of an auspicious trade relationship: the Political, Economic and Cooperation Association Agreement between Chile and the European Union (EU). Chilean exports to that market have shown impressive gains during that period.

In 2002, trade exchanges were 7.283 billion dollars, a figure which rose to 11.295 billion dollars in 2004, for an increase of 55%. Shipments from Chile to this market were the most dynamic aspect of the flow, increasing from 4.255 billion dollars in 2002 to 7.715 billion last year: a growth rate of 81%.



The leading Chilean export to the EU is copper, accounting for 63% of shipments. However, non-traditional exports, led by wine, molybdenum, potassium nitrate, hake, and salmon filets, expanded by 37%, reaching a level of 2.1 billion dollars. More than half of the companies selling products to the EU are small and medium-sized enterprises, with shipments valued between 60,000 and 7.5 million dollars.



The EU countries are the main source of foreign investment in Chile, with a total of more than 25 billion dollars.

Two years since the entry into force of the Agreement's trade provisions, and after its ratification by all of the Community's countries, the accord is now beginning to apply in full. This means that the provisions related to cooperative activities, political dialogue, financial services, payments, capital movement, and intellectual property, among others, will now be comprehensively implemented.

"Hi, I'm from Chile!"

As participants in Latin America's most open economy, Chileans enjoy increasing access to international markets. As the country's trade agreements open up a world of new opportunities, the government has launched an ambitious plan to

OVERHEARD

"Chilean society has pursued development strategies which reflect the maturity of its economic and political actors in the management of the great questions of development. In a range of spheres, its capacity for innovation is unequivocally evident."

Bismarck Maia, Federal Deputy for Ceará, Brazil. March 1, 2005

"On the bilateral level, I would like to suggest that Barbados and Chile represent two of the best examples in the hemisphere of societies that are approaching development."

Prime Minister Owen Arthur, Barbados. February 20, 2005

"Everyone in North America, Europe, and Japan is fascinated by the Chilean (pension) model."

Olivia Mitchell, advisor to President George Bush. February 11, 2005

"Chile is a country that people respect and listen to, and therefore I am very happy that it is among the countries supporting my candidacy."

Carlos Pérez del Castillo, Uruguayan candidate for director-general of the World Trade Organization. Montevideo. January 26, 2005

"Chile presents an example of stability, political and economic democracy; it has a significant level of business development; and it has demonstrated in these years, together with Brazil, that it is a solid country."

Adolfo Urso, Italy's deputy minister for foreign trade. Santiago. January 25, 2005

CHILEANS AROUND THE WORLD

Undersecretary for Telecommunications Christian Nicolai was elected to the Latin American Board of Directors for Evaluamos.com, a specialized online periodical offering information related to technology and the Internet. He was recognized for his work in promoting connectivity in Chile as well as his policies and initiatives to improve citizens' access to information technologies.

According to an evaluation sponsored by the Economics Department of the University of Connecticut, Sebastián Edwards and Ricardo Caballero are among the top 5% of economists worldwide. Another study, by the University of Brussels, placed Andrés Velasco, José De Gregorio, Eduardo Schwartz and Eduardo Engel among the world's most productive economists.

help more people take advantage of these opportunities without being hindered by language barriers.

The idea is to undertake a comprehensive, long-term effort to make Chile a bilingual country. Chileans are to speak fluent English within a generation: "In Sweden, it took 40 years to reach this point. It will also take decades for us, but we are on the right path," asserts Minister of Education Sergio Bitar.



In keeping with this aim, the country has implemented a program called "English Opens Doors," which is designed to prepare elementary and secondary school students to take a standardized oral and written comprehension test within a decade. The program serves as an instrument of equity, offering all Chilean children the chance to prosper within an increasingly demanding and competitive world.

To support this process, 15 young professionals have already arrived from the United States to participate in the 2005 English Volunteers Program, repeating a successful pilot experience which was carried out for the first time in 2004.

This month, when the new school year begins, the Ministry of Education will supply 1,689,303 English textbooks to teachers and students at State-supported schools throughout the country. Seven hundred teacher training positions will be opened up, and in July, 80 teachers will travel for a month to England's College of St Mark & St John; the Australian TESOL Training Center; or Pennsylvania State University and Nova Southeastern University in the United States.

The call of the fish

It is a ritual followed meticulously by fly fishing enthusiasts: the selection of the lure, the cast, the struggle with the salmon or trout, the landing, and finally, the release of the fish back into the water. All of it takes place within an imperturbable silence, broken only by the rushing of the water and the sound of the lure as it settles onto the surface.

For devotees of this sport, southern Chile offers transparent lakes and rivers, along with hundreds of streams and pools known to elicit exclamations of joy among fishermen. There, forests carpet the mountainsides and boldly sink their roots into the water, and the dense, green vegetation is relentless in its ardor to cover the landscape.

The country's three southernmost regions contain some 20 exclusive lodges, whose owners eagerly compete to provide the best service to their guests. Visitors are assured of a cozy fireplace, world-class cuisine – including local specialties – , views of unsurpassed beauty, and the heights of comfort. Some lodges are nestled beside lakes, while others lie near rivers or even on private islands.



And just as it is a priority for lodge owners to offer their guests well-earned relaxation after a long day, it is also important for them to ensure that their clients are satisfied with their experiences. Most owners personally guide their visitors to places where the fish are known to be biting, as well as to more "secret" places where the best fishing can be assured.

PEOPLE OF CHILE

The rapanui

On Easter Island, the “navel of the world” — Te Pito o Te Henua in the local language – an important festival was celebrated from January 28 to February 13: Tapati. The event is an Easter Island-style carnival, featuring *Pora* competitions, in



which participants swim with a flotation device made of reeds; the *Haka Pei* contest, where young men slide

down a hill on the trunks of banana plants; body painting, or *Takona*; weaving with *Mahute*, a vegetable fiber; the crafting of shell necklaces; typical foods and the election of a queen. The idea is to celebrate the energetic and joyful essence of the rapanui spirit.

The carnival is organized in the form of a traditional competition, in order to remind participants of their ancestors’ warlike nature, but in a spirit of play and brotherhood.

The history of the rapanui culture remains a mystery, since



many accounts of known events are mixed with the myth of the arrival of King Hotu Matua and his people, originating from the legendary Hiva, around 500 A.D. The island represents one of the most fascinating cases of completely isolated cultural evolution in Polynesia. Its people developed a unique way of life, experiencing wars, periods of wealth and success, and times of poverty and failure, all accompanied by numerous rites and ceremonies which are now being rediscovered.

The island has been Chilean territory for 117 years. While maintaining their enormous respect for the history of their people, the Easter Islanders have also been able to integrate the advantages of the mainland world into their culture. While they still maintain a Council of Elders — in operation since the time of the 12 ancient tribes — the people also vote for a mayor in free elections. They speak both rapanui and Spanish, and soccer has gained many enthusiasts, as in mainland Chile, where it is the most popular sport. Matches between the Hanga Roa and Moe Roa teams bring together the great majority of the island’s inhabitants.

Most rapanui live from tourism or trade in handicrafts, especially figures carved from wood and volcanic rock. Many also dedicate themselves to fishing and diving: some 126 species of fish can be taken

from the area’s crystalline waters, including yellowfin tuna, cod, and sawfish.

Although work is an important part of their lives, it is not their main concern, because one of the advantages presented by island life is its freedom from big-city demands. This is an area in which the islanders do not compromise; they highly value their liberty and the absence of strict routines.

Increasing numbers of tourists cross the 3,700 kilometers separating Easter Island from mainland Chile, attracted by the mysterious call of the hundreds of colossal stone *moais* and petroglyphs scattered around the island. Rapanui National Park, which occupies 40% of the land area, was declared a World Heritage Site by UNESCO in 1995. To the archeological legacy are added rolling green hillsides, rocky coasts, volcanic craters, white sand beaches, waters of great transparency, and wild horses who make the land their own.

The welcoming and cheerful nature of the inhabitants is no lesser characteristic. Proud of their culture, they are happy to teach visitors their language and traditions, while offering a generous share of courtesy and charm.



AGENDA

- ★ February 18: Visit of President Lagos to Guyana.
- ★ February 20: Visit of President Lagos to Barbados.
- ★ February 22: Official visit of President Lagos to Trinidad and Tobago.
- ★ March 1: Attendance of President Lagos at the presidential inauguration ceremonies in Uruguay.
- ★ March 2-3: Official visit of Prince Edward of England. Santiago.
- ★ March 14: Official visit of the President of Argentina, Néstor Kirchner. Santiago.

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