



GOBIERNO DE CHILE
MINISTERIO SECRETARÍA GENERAL DE GOBIERNO
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CHILE

NEWS

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President's visits to Germany

For President Michelle Bachelet, Germany is a special country. It is there that she lived in exile, studied medicine, married and gave birth to her first child. Accordingly, the President's State visit – from October 18 to 20 – had personal meaning for her, as well as political and commercial importance.

After meeting with Chancellor Angela Merkel, President Bachelet declared that the two countries face common challenges as they seek “to be integrated with the world, more competitive, but also to respond to the needs of our populations.”

Germany is Chile's third leading trade partner within the European Union and the top destination for Chilean exports to the EU.

The President also emphasized the circumstance that both governments are headed by women: “This fact is important in itself, because it reflects our countries' advance toward more inclusive and egalitarian societies.”

Budget for social protection

Chile's national budget for 2007 will be focused above all on the “concrete needs of the people.” The most expansive of the past 20 years, it will offer a real increase of 8.9% over t2005: a total of some 28 billion dollars. Social outlays will increase by 11.2%, as indicated in the bill presented to Congress on September 30.

The areas of health, employment, pensions, education and housing will receive the bulk of budgetary resources in the coming year.

With the new budget, the government is setting out to implement the four great transformations to which President Michelle Bachelet committed at the start of her term: creating a social protection system which ensures citizens' rights; guaranteeing high-quality education; creating welcoming and safe cities offering housing with dignity to all families; and making Chile an innovative and entrepreneurial country that is highly competitive on the international level.

Concretely, in the area of health care, a great quantity of resources will be injected into the system to improve primary care, expand hospital construction and broaden the number of medical conditions covered by the AUGE Plan, which guarantees access to quality health care on a timely basis with financial protection for patients. In education, initiatives will include the creation of 25,000 new openings in day care centers and 45,000 in preschools, in addition to scholarships and loans for higher education. In addition, 135,000 homes will be constructed, and 100,000 monthly jobs will be generated. A 10% increase in resources will also be aimed at small and mid-sized businesses.

From horror to peace

It became notorious as the DINA's leading detention center under the military dictatorship, where thousands of people suffered torture and abuse. One of them was Michelle Bachelet, today the President of Chile, who was detained in January 1975 together with her mother, Ángela Jeria.



QUOTES FROM PRESIDENT BACHELET

"These are hours of painful associations, minutes of sad memories, moments in which times of terror are revisited. But above all, this is a moment to recover life, liberty, dignity and peace, to recover the central thing that always existed here: this tremendous humanity, this tremendous solidarity among all those who were here."

Villa Grimaldi. October 14, 2006.

"How could it happen? Could we have prevented it? Have we done what is necessary so that it never happens again? Have we become a community founded on the basis of mutual respect?" "We cannot stop asking ourselves. You cannot stop asking yourselves with rigor, with determination, with fairness and with courage."

Referring to the breakdown of democracy in 1973. Santiago, October 10, 2006.

"The money we have in Chile is going to be spent, and we are going to spend it very well: we are going to spend it on the needs of the people."

On the Budgetary Law. Santiago, October 2, 2006.

"I come from a country which is governed today by the rule of law, where the rights of individuals are respected and promoted. A democracy which is growing economically and which in 16 years has lifted millions of Chileans out of poverty."

During her address to the 61st UN General Assembly. New York, September 20, 2006.

On October 14, 2006, the two women paid an emotional visit to the site, now known as the Villa Grimaldi Park for Peace. The President stressed the value of seeing a place once used for repression today "converted into a space for memory, evocation and hope; for serenity, happiness, liberty and peace."



For Bachelet, returning as President of the Republic to the site where she and her mother were held prisoner meant "returning to offer an emotional remembrance and unrestricted support for the great task of guaranteeing that in this country, we will never again repeat the experience of what happened during those years."

During her visit, the President inaugurated the Theater for Life and reiterated her administration's commitment to human rights.

Equity from the cradle

Time and time again, President Bachelet has insisted that one of her government's objectives is to create a social protection system that starts from the cradle. On October 13, she launched a powerful initiative in this area, unprecedented for the varied dimensions and aspects it covers: the program Chile Crece Contigo.

To "ensure that what we dream of so much" is achieved – protection and equitable conditions for development – the program establishes support and protection measures for children and their families starting from the pre-natal period. In addition, it offers free day care and preschool to 60% of children, including all of those from families with incomes in the lower 40%. Health care at clinics will be improved, and more attentive care will be provided during childbirth – including, for example, respect for the customs of indigenous peoples and adjustment of hospital practices to suit their needs. More efforts will be made to promote children's healthy physical, psychological and social development; educational support will be expanded; and a subsidy will be given to all mothers in families from the lower 40% income group, starting in pregnancy and continuing until the child is 18 years old.

With this program, explained the President, "we seek to break the cycle of the transmission of poverty and inequality from generation to generation, and at the same time strengthen the foundations of our collective development." She further noted that the effort represents "an ethical and political imperative" for the Chilean State.



The President at the UN

She spent only two days in New York – September 20 and 21 – but did not waste a minute. The trip's motive was her participation in the 61st United Nations General Assembly, but the President also met with ten Heads of State and Government, along with UN Secretary-General Kofi Annan and U.S. Secretary of State Condoleezza Rice.

FACTS

According to the 2006 Competitiveness Index prepared by the World Economic Forum, Chile is Latin America's most dynamic and competitive economy. Among 125 countries, it placed 27th, the same ranking as in 2005.

Chile is the most sustainable and ethical country in Latin America, according to a study by the company Management & Excellence and the periodical *LatinFinance*, which compared more than 50 economic, social, political, corruption and environmental indicators in the region's eight largest countries.

Oracle, a global software supplier, is opening a center for all of Latin America in Santiago, which will provide consulting, back-office, sales, accounting and telephone support services.

Chile continues to enjoy the highest level of economic freedom in Latin America; it maintained its position at place 20 in the annual international ranking by the Cato Institute of the United States. This year, in a sample of 127 countries, Chile improved its rating over the 2005 figures in two of the five areas used by Cato for the evaluation.

During her address to the General Assembly she called upon the economically advanced countries to work together in the fight against poverty in the less-developed nations. She also reiterated Chile's commitment to multilateralism, which is expressed, among other ways, in the participation of Chilean peacekeeping forces in Haiti's stabilization process and the country's involvement in the Initiative Against Hunger and Poverty, promoted by Brazil in 2005.

The tour also included a visit to the New York Stock Exchange and the inauguration of a new reception room in Chile's diplomatic mission to the UN. The room will bear the name of former Foreign Minister Orlando Letelier, who was assassinated in a terrorist attack by agents of the dictatorship in Washington, in 1976.

Energy seminar

More than 200 investors, fund administrators, Wall Street analysts and specialized journalists attended the first "road show" on Chilean electricity in New York. The aim of the initiative was to encourage investment in energy projects in the country.

Minister of Mining Karen Poniatichik, one of the speakers at the presentation, stated that the idea is to promote electricity generation from both traditional and non-traditional sources.

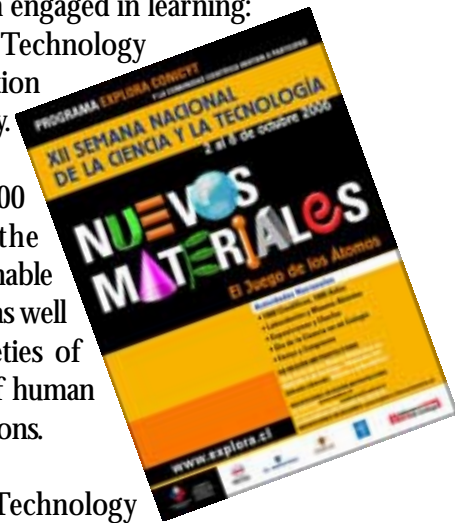


Science within the reach of all

Chilean brains being stretched and children engaged in learning: this was the country's 12th Science and Technology Week, Chile's leading tool for the promotion and dissemination of science and technology.

During the seven-day event, more than 800,000 people, most of them children, had the opportunity to learn about new and sustainable uses of Chilean bamboo – *colihue* and *quila* – as well as scratch-resistant and self-cleaning varieties of concrete, biopolymers for the regeneration of human tissues and organs, and many other innovations.

Organized by the National Science and Technology Commission (Conicyt), the week's main objective was to encourage children, young people, adults, students, teachers and the public in general to enjoy and learn about science and technology. Associated activities included "School Science Day," competitions, open laboratories



OVERHEARD

"I have no doubt that this orientation of the Chilean economy has been a factor in allowing Chile to decrease its poverty rate by 20 points in the past decade and a half ... Is it so hard to learn from foreign experience?"

Oscar Arias, President of Costa Rica.
San José, October 9, 2006.

"I can assure you that many Mexicans voted 'No' on that 5th of October (...) It was a process that brought us back together with an old friend, reestablishing democratic relations with a brother country, which whom we share goals."

Mexican President-elect Felipe Calderón.
Commemorating the 17-year anniversary of the 1988 plebiscite. Santiago, October 5, 2006.

"In Chile there is a solid economy, a stable government, a tradition of business-friendliness, clear labor and tax laws, a functioning justice system and a low level of corruption."

Larry Ellison, founder of Oracle. Woodside, California, October 1, 2006.

"Chile is well-known for its achievements. It is a model for Latin America, and under the current administration of Michelle Bachelet is viewed as a country advancing in a progressive direction."

Harley Shaiken, director of the Latin American Studies Center, University of California at Berkeley. Los Angeles, September 6, 2006.

and museums, question and answer sessions with scientists, exhibitions, fairs and workshops.

This year, the week's official theme was **New Materials: Playing with Atoms**. Numerous activities were carried out to show the public how innovative new materials are made and used.

One of the most notable events was **1,000 Scientists, 1,000 Classrooms**, a program which brought prominent Chilean scientists to a wide range of schools, where they shared their knowledge and experience.

Historical recognition

In 1993, the Indigenous Law officially recognized various original ethnic groups in Chile. A few weeks ago, the Diaguita people were added to this initiative, in what President Bachelet called "an act of historical justice." According to the President, the measure contributes to "overcoming years of assimilation and negation of the fundamental identities of our plural Chile," and "unveiling the forgotten history of one of our original peoples."

The step will permit the inclusion of a thousand indigenous communities in the benefits of the Origenes comprehensive development program.

According to history, the Diaguitas arrived in Chile from Argentina in the late 7th century. They inhabited valleys in the north of the country and developed a complex irrigation system as well as fine ceramic artwork, typified by geometric figures, generally in black, white and red. One of their characteristic designs is the so-called *jarro-pato* or duck-shaped jug.

The Diaguitas' original language was the now-extinct Kakán. The people as such disappeared with the arrival of the Spanish conquistadors, but in Chile's 2002 census, some 300 individuals reported belonging to this ethnic group, even though it was not included in the questionnaire.

In recent months, in cooperation with the government, the descendants of the Diaguitas have assumed responsibility for tourist infrastructure in places such as the Tatio Geysers and the fortresses of Lasana, Quitor and Chiu Chiu, as well as preparations for a Atacama Desert Oasis Heritage Route.



The Tatio geysers, with more than 100 separate springs, are always active.

CHILEANS AROUND THE WORLD

For one month, former President Ricardo Lagos taught the lecture course "Democracy and Development in Latin America" at the University of California at Berkeley in the U.S. During his first class, he was praised by the university's rector, Robert J. Birgenau, who described him as "the architect of the success of the Chilean economy and the conclusion of its transition."

Chile's Director of Investigations, Arturo Herrera, was elected vice president of Interpol for the Americas, which will also make him a member of the organization's Executive Committee.

Chilean Francisco López gained the world title of the International Motorcycling Federation in the 450cc category, after winning the Rally of the Pharaohs in Egypt.

For the second time in her career, Chilean sportswoman Margarita Aldunate was awarded the title of world champion in underwater spearfishing, in Portugal.

AGENDA

- ★ October 4-5: Visit of José María Aznar, former Prime Minister of Spain. Santiago.
- ★ October 5: Visit of the President-elect of Mexico, Felipe Calderón. Santiago.
- ★ October 18-23: Annual convention of the Society of American Travel Writers (SATW). Santiago.
- ★ October 24: Visit of the Foreign Minister of Peru, José Antonio García Belaúnde. Santiago.
- ★ October 25-27: Fifth Ibero-American Conference on Constitutional Justice. Santiago

Olmué gives life

Only two hours from Santiago lies the picturesque town of Olmué. Sights along the way include the Cuesta de La Dormida, which rises more than 1,300 meters above sea level, and the spectacular La Campana Hill, whose summit offers a spectacular view stretching from the Andes mountain peaks to the sea, as British naturalist Charles Darwin found in 1834.



With 13,000 inhabitants, Olmué is famous for its traditional Festival of the Huaso, dedicated to celebrating Chilean music, as well as its classical music events in summer. Another leading attraction is its air quality, which is recommended for those suffering from respiratory

illnesses. Founded in the late 19th century, the town's name derives from the word *gulumué*, which means "land of elms" in the Aymara language.

The 8,000-hectare La Campana National Park, where camping is permitted, is home to 57 species of birds, including the bay-winged hawk and other hawks, the tinamou, eagle, quail, barn owl, great horned owl, pygmy owl, nightjar, giant hummingbird, and thrush. Other wildlife that can



be glimpsed in the park are the culpeo fox and grey fox, quique, chingue, vizcacha, degú and yaca opossum. Notable among the trees are the palqui, arrayán and boldo, and the Ocoa sector includes a forest of Chilean palms – the only native population on mainland Chile – which produce palm honey and edible *coquito* nuts.

PEOPLE OF CHILE

Roller Hockey World Champions

Even in Chile, few knew that this group of women existed – but they spent years working with effort and dedication, never becoming discouraged. And they achieved a well-deserved prize: they were crowned champions in the Women's Roller Hockey World Championship held in Chile in early October. It is the first world title obtained by Chile on the collective level.

After the surprise, the entire country reacted with euphoria to the victory of “las rojitas” (the Little Reds), as they were affectionately called in the press, based on the traditional jersey color of the Chilean national team. President Michelle Bachelet hosted them at La Moneda Palace,

where she offered a public commitment of support.

In addition, each player received an award of just over 21,000 dollars for the triumph. Some of them will dedicate this sum to their university studies, while others will repay their parents, who in some cases “paid out of their own pockets so that they could be here today,” as trainer Rodrigo Quintanilla noted.

The champions' history began in 2002, when the Chilean Hockey Federation decided to create a women's national team. The coach was forced to start from scratch, searching for players in schools, universities and amateur leagues. As a result, team members' ages range from 16 to 34. Three of them are still in secondary school.



The training was hard: eight hours a day, without pay, sacrificing work and study time. The team also had to struggle against the reigning masculine monopoly on playing grounds and equipment.

The group's international debut took place at the 2004 World Championship in Germany. Although they did not earn honors, they demonstrated the attitude for

which they are most celebrated today: they refused to give up. Instead, they set out to improve their performance for the 2006 competition, which would be held in Chile.

And there they demonstrated what they had learned. On the path to the title, they faced teams such as those of Argentina and Spain, which had earned the championship on two and three occasions, respectively. The Chileans won 4-1 against Great Britain, 3-2 against Switzerland, 3-2 against Colombia, 4-3 against Portugal and – in the electrifying final match – 2-1 against Spain, with a “golden goal” in overtime. Their only loss (0-2) was to Argentina.

The challenge now is the 2008 competition in Japan, which the champions are anticipating with a little more tranquility. The enthusiasm for their victory has brought forth economic support, not only from the government but also from private enterprise. Now, they hope that many more young people will become interested in their sport, and that there will be Chilean champions for a long time to come.



EDITOR IN CHIEF: Juan Carvajal, Director Communication Secretariat / **EDITOR:** María Paz del Río, Chief, International Analysis and Press Department / **TEXT:** Aileen Cárcamo, International Analysis and Press Department / **PHOTOGRAPHS:** Presidencia de la República / Annabella Brüning, Sernatur, Explora **TRANSLATION:** Patricia Linderman
COMMUNICATION SECRETARIAT / LA MONEDA PALACE
depreint@msgg.gov.cl / www.segegob.cl / www.gobiernodechile.cl