



GOBIERNO DE CHILE

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President Michelle Bachelet at the Plenary Meeting of the 64th United Nations General Assembly.

DID YOU KNOW?

- ★ Some 20% of the genetic heritage of Chile's flora is being conserved at the Seed Bank of the Institute for Agricultural Research in the Valparaíso Region. The bank includes 6,000 native and foreign species, maintained with the support of the United Kingdom's Royal Botanical Garden.
- ★ The collection of *locomóviles* (traditional steam vehicles used in agriculture and forestry) of the township of Carahue, in the Araucanía Region, has been declared a National Monument. The local museum displays 32 machines built in the late 19th century and mainly used between 1880 and 1930.
- ★ Starting in September, Chile's paper currency will offer a new look, a different texture and higher security standards. The first bill to be modified was the 5,000-peso note, which displays a new image of the poet Gabriela Mistral, a *copihue* (the national flower), and the *antú*, a Mapuche symbol representing fertility and the sun. The reverse side features images of La Campana National Park and a great horned owl, a bird of prey which ranges from Tarapacá to Tierra del Fuego.

Ready for 2010

President Michelle Bachelet has unveiled the 2010 national budget, the last during her presidency and that will be implemented by the next administration. Its key goal is to support the country's economic recovery and strengthen social protection, with a 5.8% increase in social spending. "This budget was prepared with a focus on people, their needs and desires," emphasized the President.

For the third consecutive year, the largest share of expenditures – over 8 billion dollars – will be dedicated to education. The number of computers presented to high-achieving elementary school students will be doubled, to 60,000; the intensive English language program for young people will be extended; 850 scholarships will be financed for technical and professional students, along with 2,500 scholarships for postgraduate study abroad; and subsidies will be offered for the hiring of 100,000 young people, to help "reenergize employment." Total spending on public investment will reach 7.8 billion.



The budget also includes 5.9 billion dollars for the health sector. Of that amount, 345 million will finance new infrastructure – including 31 new clinics, fulfilling the President's commitment to create a total of 90 during her administration. In the area of housing, 1.94 billion dollars are budgeted, and more than 134,000 new units will be built. Spending on innovation will expand by 20%, with a focus on science and technology.

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Praise for Chile

While attending the 64th Session of the United Nations General Assembly in New York, held on September 22 and 23, President Bachelet undertook a series of activities.

QUOTES FROM PRESIDENT BACHELET

"The 5th of October symbolizes the recovery of democracy, the day when Chile freely chose to leave behind the shackles of a dark period in our history – one which we do not wish to repeat, but which, at the same time, we must never forget. As President of all Chileans, it is my duty to celebrate the 21st anniversary of the 5th of October, because countries must cultivate their civic memory."

**Celebrating the 21st anniversary of the No victory in the 1988 plebiscite.
Santiago, October 5, 2009.**

"I believe that this dialogue between Chilean art and that of our sister countries symbolizes the spirit of harmony and creative cooperation which we want to prevail in our region."

**Inaugurating the 2009 Chilean Triennial.
Santiago, October 5, 2009.**

"We, too, have made social protection the main issue on our agenda, working to construct a social protection system in Chile that is fair, modern and effective – the most essential task in the establishment of a social and democratic State under the rule of law."

**At the launch of the Inter-American Social Protection Network.
New York, September 22, 2009.**

"Today, 36 years later, Chileans have achieved a much more genuine and more truthful civic dialogue, which began from the starting point of 'never again,' continued with the search for justice, and arrived at the conviction shared by all segments of society in support of democracy and respect for human rights."

**At the ceremony commemorating September 11, 1973, in memory of President Salvador Allende.
Santiago, September 11, 2009.**

She participated in the launch of the Inter-American Social Protection Network, linked to the Summit of the Americas, which she called "very good news for the hemisphere." During the event, she described the model applied through the Chile Solidario system, which has been praised by U.S. Secretary of State Hillary Clinton. Thanks to this initiative, Chile has been able to reduce its poverty rate to 13.7% and indigence to 3.2%. Later, the President attended the opening ceremony of the High-Level Meeting on Climate Change, presided over by UN Secretary-General Ban Ki-moon.



At the Fifth Annual Assembly of the Clinton Global Initiative, former U.S. President Bill Clinton introduced President Bachelet as "the President of the first country in Latin America to successfully confront the economic crisis." During her speech, Bachelet emphasized the health reform carried out in Chile and pointed to the need for anti-cyclical policies, both in the economic and social spheres.

Delivering her final address as President before the full United Nations, she called upon member countries not to reduce their efforts to combat poverty and hunger. On the topic of the international economic crisis, she explained Chile's approach to economic management, which drew lessons from previous crises and confronted the current situation with a solid macroeconomic foundation.

The President ended her stay with an event at the Council of the Americas, which brings together opinion leaders to exchange ideas and develop solutions. There, she was presented with the "Gold Insigne" award in recognition of her efforts during her time as Head of State.



During her visit to New York, President Bachelet presented artist Yoko Ono with the Bernardo O'Higgins Order of Merit for her contributions to peace and commitment to humanitarian values such as tolerance and gender equality. She also honored philanthropist George Soros with the same award, for what she described as his "unbreakable commitment" to democracy and open societies, as well as his support for multilateralism and progressive causes.

Presidential elections

With the drawing to determine the order of the candidates' names on the ballot, the campaign to elect the next President of Chile, on December 13, has officially been launched. A total of 8,285,186 citizens are registered to vote, and they will also be tasked with replacing part of the National Congress: 18 senators and 120 deputies.



The four presidential candidates are Jorge Arrate, former minister of State and representative of the Juntos Podemos Más (Together We Can Do More) coalition; Marco Enríquez-Ominami, a current deputy and independent candidate; Sebastián Piñera, a former senator and representative of the right-of-center Coalition for Change; and current senator and former President of the Republic Eduardo Frei, the candidate of the governing Concertación coalition (Concertación de Partidos por la Democracia).

Based on current opinion polls, the election is not expected to be decided in the first round, since the Constitution requires the winner to obtain 50% +1 of valid votes. The second round is scheduled for January 17.

FACTS

Chile leads Latin America in the Human Development Index, according to the annual report from the United Nations Development Programme (UNDP). The study measures factors such as life expectancy, education and income.

Chile and Australia have signed a Memorandum of Understanding on cooperation in agriculture and forestry, which seeks to facilitate and strengthen bilateral trade through the establishment of a strategic alliance.

Four Chilean wines took honors at the Decanter Wine Awards held in London, whose results were announced in September. The prizewinning vintages were from the Undurraga, Indómita, Conosur and Santa Helena wineries.

With 41,600 tons of blueberries exported in the most recent season – a 37% increase– Chile became the world's second leading producer of this fruit, surpassed only by the United States.

Chile's Catholic University placed second in a ranking entitled "Best Business Schools of Latin America 2009," prepared by the regional periodical *América Economía*. Two other Chilean institutions placed among the top ten out of a total of 48 institutions: Adolfo Ibáñez University (6) and the University of Chile (10).

Chile offers the best environment in the region for the development of concession projects, with 64.3 points out of a maximum of 100, according to the "infrascope" report prepared by *The Economist*. The study analyzed the infrastructural systems of 19 countries.



Competitiveness forum



Together with Guatemalan President Alvaro Colom, who was visiting Santiago, President Bachelet inaugurated the Third Americas Competitiveness Forum, held for the first time outside the United States, from September 27 to 29. Under the motto "Competitiveness in Times of Crisis," public officials, businesspeople, representatives of multilateral organizations and high-level experts from the region's 34 countries gathered to discuss strategies for boosting competitiveness and revitalizing the economic environment.

President Bachelet stressed the need to focus on innovation and to redouble regional efforts to work together on economic recovery, to avoid being left behind.

After the event's inauguration, the President held a working meeting with her Guatemalan counterpart. There, she reiterated Chile's interest in strengthening cooperative ties with that country, particularly in the social and humanitarian spheres, in light of Guatemala's current agricultural and food crisis.



Reforming the economy

To promote competition, liquidity, innovation and the exportation of financial services, Minister of Finance Andrés Velasco and Minister of Economy Hugo Lavados unveiled a bill aimed at reforming Chile's capital market.

The initiative includes four general lines of action, which emerged from the suggestions of key financial industry players, represented on the Capital Market Consultative Council. The strategies are: increasing competition among banks through universal lending standards; expanding liquidity and the depth of the market, through measures to provide increased flexibility in investments; broadening the financial market, in order to allow greater flexibility for risk capital investment funds; and promoting international integration, through incentives for foreign investors, elimination of tax rules which hinder their entry, and efforts to internationalize the Chilean peso.

With these innovations, Chile will be able to position itself as a financial marketplace on the regional level, thanks to its comparative advantages in areas such as institutional infrastructure, economic stability and the administration of financial assets. "We are working to create conditions for competitiveness and growth in the post-crisis world, so that we can emerge from this difficult situation with powerful momentum and an economy endowed with dynamic sectors that can compete in a more demanding world. This plan will help Chile become a global platform for financial services moving to and from the region," stressed Velasco.

Overheard

"Vietnam has experienced many years of war. During those very difficult years, we received international support, including support from the people of Chile and the President herself. Because of this, Vietnam's strength was not merely its own, but included the force of the international community. On this occasion, I would like to express our profound and sincere appreciation to the people of Chile."

Nguyen Minh Triet, President of Vietnam.
Santiago, October 30, 2009.

"We can develop strategies and work together (...). The foreign policy issues are framed within the structure of The Hague. Both of our countries are institutionalists; we respect institutional mechanisms."

Mercedes Araoz, Minister of Production of Peru.
Santiago, September 28, 2009.

"(The U.S.-Chile FTA) is the most successful agreement. During the first five years, our trade has increased by 340%, and the results have been incredible. Today, Chile is a much more important trading partner for the United States than it was five or ten years ago."

Walter Bastian, U.S. Deputy Assistant Secretary of Commerce for the Western Hemisphere.
Washington, September 24, 2009.

"Chile is a prime example of what we're trying to achieve in social development."

Hillary Clinton, U.S. Secretary of State.
New York, September 22, 2009.

"Political cooperation (from Chile in Haiti) and the contribution of troops have been vital, as have technical assistance for the implementation of civil and electoral registries and the construction of the Haitian police force. In our quest to escape from poverty, Chile serves as an example, and its lessons are more important than economic aid."

Jean Max Bellerive, Haitian Minister of Planning.
Santiago, September 10, 2009.



When spring arrives, in September, a remarkable phenomenon occurs in the northern Chilean desert. Thousands of plant species burst into bloom thanks to increased rainfall, especially in years affected by "El Niño." Native flowers, bushes, cactus and herbs suddenly spring to life, splashing the dry earth with color and fragrance.

Well-administered resources

Chile's Copper Reserve Law, enacted under the military regime, directed some of the proceeds from copper sales to the country's Armed Forces. It will now undergo significant changes, thanks to a new bill signed by the President. The measure establishes new financing system for national defense and requires complete transparency within the government for the military's financial management. It incorporates spending on military equipment and associated costs into the General State System; these will now be charged to the resources allocated annually for defense in the national budget.

The President stressed that the bill seeks to establish a rational and logical foundation for the military budget, "because it will require the government to explain to Congress the reasons for proposing one purchase or another; and these reasons will derive from strategic planning, both for the Armed Forces as a whole and for each branch. And this, in turn, will derive its orientation from our overall defense policy."

Green solutions

Chile's unique geographical and climate conditions have inspired the National Energy Commission, together with the Economic Development Agency (Corfo), to create a Center for Renewable and Non-Conventional Energy Sources (CER), which will focus on geothermic, solar and wind energy, among others. The CER will specialize in researching, developing and promoting these energy sources, while serving as a central hub for information and support for investment and technology transfer.



The CER's functions include studying the history and development of renewable and non-conventional energy sources (RNES) and their feasibility in Chile; promoting and developing a network of agreements with Chilean and international centers and institutions currently working on RNES; serving as an information and orientation center for government institutions, investors, project managers and academic researchers; generating registries of natural resources for the development of RNES; and ensuring quality in the competition for human resources as well as the certification of RNES-related products and services.

The Center has already concluded international agreements for information exchange, and specific projects have been planned with the United States and France. In addition, the CER will collaborate on an ongoing basis with the German government and the Inter-American Development Bank.

President Bachelet's administration has undertaken a range of initiatives in this area, including modifications to laws and regulations; tax incentives; and the expenditure of over 500 million dollars on initiatives to promote and develop RNES.

CHILEANS AROUND THE WORLD

Chile's national soccer team has qualified to compete in the World Cup, which will be held in South Africa in 2010.

Journalist and author Elizabeth Subercaseaux won the "LiBeraturpreis" award, presented by the Ecumenical Center of the Church of Christ in Frankfurt to writers from Latin America, Asia and Africa, for her novel *Una semana de octubre*. She is the first Chilean to receive the award.



The novel *The Savage Detectives* by deceased author Roberto Bolaño has been translated into Mandarin and will soon be available in Chinese bookstores. His works have won numerous

honors, including the Rómulo Gallegos Award, the Heralde and the National Book Critics' Circle Award.

Cristóbal Conde is an astrophysicist who also serves as chief executive officer of the SunGard company, an information technology business which handles 70% of transactions on the NASDAQ exchange in New York. The company he manages is the largest in its field.

Motorcyclist Vicente Leguina won the third annual National Superbikes Championship in Peru. He is also the five-time national champion in Chile.

The film *Mandrill* took the awards for best picture and best actor (Marko Zaror) at the Fantastic Fest in Austin, Texas. The event features the most outstanding films in the action, horror and science fiction categories.

AGENDA

- ★ **October 5:** Seminar "10 Years of the Strategic EU-Latin America and Caribbean Association: Evaluation and Analysis of Future Prospects." Santiago.
- ★ **October 5 – December 5:** Chilean Triennial 2009. Santiago.
- ★ **October 13:** Visit of the Minister of Foreign Affairs of the United Arab Emirates, Sheikh Abdullah Bin Zayed Al Nahyan. Santiago.
- ★ **October 15-20:** Valdivia International Film Festival. Valdivia.

The Valdivian coast

In Los Rios region, nestled amid forests, rivers and the Pacific shore, lies a place of enchantment: Niebla, a beach settlement with abundant plant and animal life and a long and eventful history.

Antaño was an important fortification in the Spanish defensive system around Valdivia. The Niebla Fort (called the "Castle of the Immaculate and Pure Conception of Manforte de Lemus") was built in the 17th century by the armada sent by the Viceregent of Peru to reestablish the city. Across the bay lies another fort, the San Sebastián de la Cruz Castle, constructed in 1764, is in Corral. Both have been declared National Monuments. In 1960, the two sites were ravaged by an earthquake measuring 9.5 on the Richter scale – the strongest ever recorded – which generated 12-meter waves along the shore.



There are two ways to reach Niebla: by river, in boats departing from the Schuster wharf in the city of Valdivia, or in a 15-minute drive on the paved road running parallel to the Valdivia River. Along the way, after passing the 484-meter Cruces bridge and the Kunstmann brewery (typical of the area and constructed by descendants of

German colonists), travelers can appreciate the panoramic beauty of the place, dominated by the bay, the port of Corral and Mancera Island.

Today, hundreds of tourists arrive each summer to enjoy the region's attractions. February brings the annual Folklore Festival, which has delighted visitors for over 20 years with stands offering typical foods, local games and demonstrations of regional traditions. Valdivia's "Raid Costero" is a race featuring more than 100 motorcyclists who gather for an adrenaline-filled adventure.

According to the locals, "if it's sunny in Valdivia, fog reigns on the coast." In fact, the fog (*niebla* in Spanish) gave the area its name. The town has 2,736 inhabitants, including numerous scientists, poets, writers, artists, academics, students and fishers seeking a tranquil place to live. Many make their homes along the area's beautiful beaches: Little Beach, Big Beach, and Lovers' Beach. Some live farther north, in the settlements of Los Molinos, Caleta Bonifacio, Pilolcura, San Ignacio, Playa Rosada, La Misión, Calfuco, Curiñanco or Los Pellines.



CHARACTERS OF CHILE

Traditional occupations that endure

The coming of spring in Chile not only brings new patterns of light, color and weather; it also calls forth traditional characters who seem to have little to do with modern culture and society. One is the knife sharpener, who wanders through the streets playing his characteristic flute, inviting customers to sharpen their knives, scissors and even pruning shears on his grindstone.



As the temperature rises, vendors emerge selling *mote con huesillos*, a refreshing beverage made from sweetened juice, cooked dried peaches and boiled and peeled wheat grains. It is served well chilled.

Perhaps the most characteristic figures of the Chilean springtime, however, are the *organillero* and the *chinchinero*, who convert ordinary streets and plazas into an outdoor stage.



The *organillero*, or organ grinder, is a living legacy of Chilean folklore and cultural heritage. He carries an *organillo* or barrel organ, a musical instrument brought from Germany in the mid-19th century. Thanks to a complex system including cylinders, spikes and a crank, the organ plays old Spanish and Mexican melodies, tangos and traditional Chilean *cuecas*. The organ grinder is usually accompanied by a parrot who picks out little pieces of paper to give customers their fortunes.



The organ grinders have their own union, with 29 representatives, traditionally men. There are only two female organ grinders in all of Chile.



Often, the *organillero* is accompanied by a partner: the *chinchinero*, who dances, jumps and spins unceasingly while using his hands and feet to play a drum and cymbals carried on his back – the “chin chin” – without losing his balance. At the end of the show, he passes his hat for donations.

One family who knows these professions well is that of Héctor Lizana, whose career began in the 1930s. He is a well-known *organillero* as well as the only manufacturer and repairer of the instrument in Chile. Thanks to an initiative by Fondart (the Fund for Development of the Arts) the Lizana family works to maintain the 18 original barrel organs still existing in Chile. Héctor's son Manuel (also an *organillero*) and two grandchildren who are *chinchineros* carry on the family's legacy.



The Lizanas have also gained recognition abroad. Through the Cultural Affairs Agency, the Chilean Foreign Ministry sent this family of artists to the Havana International Book Fair (in February 2009) and the Winter Carnival in Québec (2007). At both events, where Chile was featured as a guest of honor, the Lizanas contributed to a festive atmosphere which captivated children and adults alike.

In 2008, five Chilean *organilleros* participated in the Eighth Barrel Organ Festival in Waldkirch, Germany. As it turns out, however, the real novelty for the attendees was the *chinchinero*. Representatives of associations for the restoration of musical instruments, as well as the European manufacturers attending the Festival, were greatly impressed by the show: for them, the “chin chin” is considered a museum piece, an artifact that is nearly extinct.



EDITOR IN CHIEF: Juan Carvajal, Director Communication Secretariat / **EDITOR:** María Paz del Río, Chief, International Analysis and Press Department / **TEXT:** International Analysis and Press Department / **PHOTOGRAPHS:** Presidencia de la República
TRANSLATION: Patricia Linderman
COMMUNICATION SECRETARIAT / LA MONEDA PALACE
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