

Withdrawal/Redaction Sheet

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DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001. report	re: Chile (1 page)	n.d.	P1/b(1)

COLLECTION:

Clinton Presidential Records
First Lady's Office
Christine Macy
OA/Box Number: 17205

FOLDER TITLE:

Chile 1995/HRC [2]

2013-0936-S

re1321

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

P1 National Security Classified Information [(a)(1) of the PRA]
P2 Relating to the appointment to Federal office [(a)(2) of the PRA]
P3 Release would violate a Federal statute [(a)(3) of the PRA]
P4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]
P5 Release would disclose confidential advice between the President and his advisors, or between such advisors [(a)(5) of the PRA]
P6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]

C. Closed in accordance with restrictions contained in donor's deed of gift.

PRM. Personal record misfile defined in accordance with 44 U.S.C. 2201(3).

RR. Document will be reviewed upon request.

Freedom of Information Act - [5 U.S.C. 552(b)]

b(1) National security classified information [(b)(1) of the FOIA]
b(2) Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]
b(3) Release would violate a Federal statute [(b)(3) of the FOIA]
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b(7) Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]
b(8) Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
b(9) Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

CHILE: Press Material

Q. What is the purpose of your visit to Chile?

A. Among the many values and ideals that Chile and the United States share, none is more important than our countries' common commitment to promote the economic and social welfare of our citizens, particularly through assisting the poor and disadvantaged.

I look forward to meeting again with Mrs. Frei and continuing our discussion of these issues. During my stay here, I will also be meeting with government and private sector leaders who are working to develop programs in these areas.

CHILE: Press Material

Q. Can you tell us if you have brought some special message from President Clinton regarding the present state of US-Chilean relations?

A. President Clinton is committed to building on what is already a close and mutually beneficial relationship between the US and Chile. This excellent bilateral relationship is rooted in our shared democratic values and common economic goals. The President is also committed to a strong trade agenda that includes successfully negotiating Chile's accession to the NAFTA and building the Free Trade Area of the Americas discussed during the Summit of the Americas in Miami last December.

Q. In the latter regard, what are the prospects for Chile's obtaining "fast-track" authorization and entering NAFTA this year?

A. The Administration is continuing to work with the Congress to develop an acceptable fast-track trade negotiating authority.

The President looks forward to continuing discussions with Chile and our NAFTA partners regarding Chile's accession to the NAFTA and believes that now is not the time to stop or slow down those efforts.

CHILE: Press Material

Q. What is your view of the delays here in carrying out the Supreme Court-ordered sentences against General Contreras and Brigadier Espinoza in the Letelier case? Does the United States still consider that justice has been done?

A. We continue to applaud the successful efforts of the Chilean Government to investigate and prosecute the 1976 assassinations in Washington of Orlando Letelier and his American citizen aide, Ronni Moffitt. We are gratified that justice has prevailed. The Chilean justice system is taking the appropriate legal steps in applying these sentences.

Q. Nevertheless, don't you think Chile's image in the United States has been tarnished by delays in carrying out the sentences?

A. Chile has a strong and positive international image. The Government of Chile is to be applauded for its steadfast commitment to prosecuting and carrying out the sentences in the Letelier/Moffitt case.

CHILE: Press Material

Q. You recently attended the United Nations Fourth World Conference on Women. In your view, what did the conference accomplish?

A. The Beijing conference focused world-wide attention on the status of women and the challenges and burdens they face in trying to improve their own lives and those of their children and families. For the first time, a significant portion of a United Nations document underscored the need to end violence against women. The conference's "platform for action" which the United States signed proposes concrete and important steps to improve women's lives.

CHILE: Press Material

Q. How would you respond to those in Chile, including the Catholic Church, who charge the Beijing Conference's definition of gender undermines the family?

A. The Beijing Conference considered issues related to education, health care, economic opportunity and political freedom because these are the essentials for keeping families strong and secure. As I have said before, if women and girls don't flourish, families won't flourish. And if families don't flourish, communities and nations won't flourish.

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November 1994



Official Name:
Republic of Chile

TLE

Geography

Area: 756,945 sq. km. (302,778 sq. mi.); nearly twice the size of California.
Cities: *Capital*—Santiago (metropolitan area est. 5.2 million). *Other cities*—Concepcion-Talcahuano (840,000); Vina del Mar-Valparaiso (800,000); Antofagasta (245,000); Temuco (230,000).
Terrain: Desert in north; fertile central valley; volcanoes and lakes toward the south, giving way to rugged and complex coastline; Andes Mountains on the eastern border.
Climate: Arid in north, like the Mediterranean in center, cool and damp in south.

People

Nationality: *Noun and adjective*—Chilean(s).
Population (1994): 13.8 million.
Annual growth rate: 1.6%.
Ethnic groups: Spanish-Indian (*mestizo*), European, Indian.
Religions: Roman Catholic 80%; Protestant 16%.
Language: Spanish.
Education: *Years compulsory*—8.
Attendance—3 million. *Adult literacy rate*—94%.
Health: *Infant mortality rate*—17/1,000.
Life expectancy of newborns—72 years.
Work force (5.2 million): *Services and government*—36%. *Industry and commerce*—34%. *Agriculture, forestry, and fishing*—14%. *Construction*—7%. *Mining*—2%.

Government

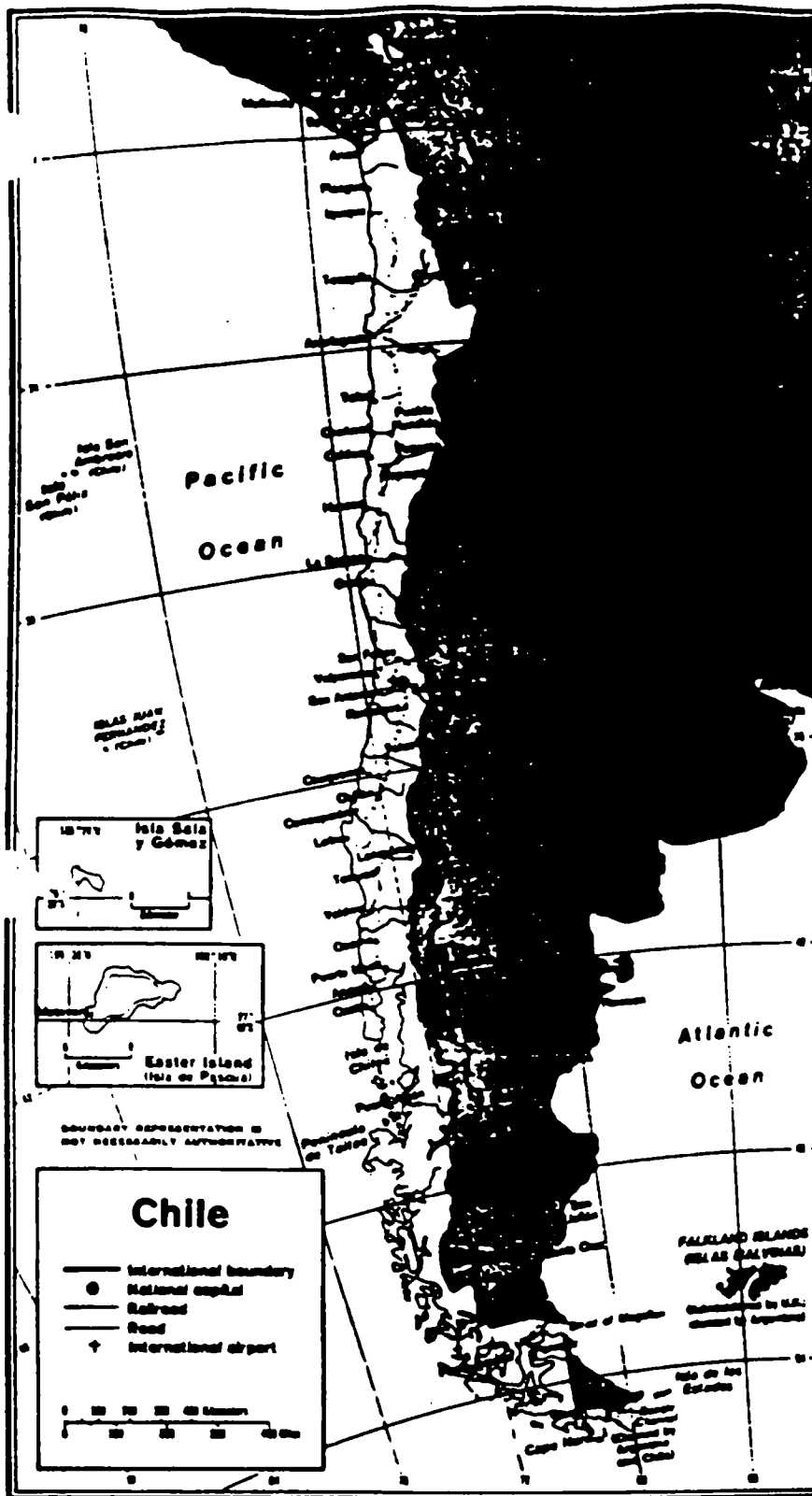
Type: Republic.
Independence: September 18, 1810.
Constitution: Approved in a 1980 national referendum.
Branches: *Executive*—president. *Legislative*—bicameral legislature. *Judicial*—Supreme Court, courts of appeal, military courts.
Administrative subdivisions: 12 numbered regions, plus Santiago metropolitan region, administered by *intendentes*; regions are divided into provinces, administered by governors; provinces are divided into municipalities administered by *mayors*.

Political parties: Major parties include the Christian Democrat Party, the National Renewal Party, the Party for Democracy, the Radical Party, and the Socialist Party. In 1993, the Communist Party did not win a seat.
Suffrage: Universal at 18, including foreigners legally resident for more than five years.

Economy (1993)

GDP: \$43.6 billion.
Annual real growth rate: 6%.
Per capita GDP: \$3,200.
Natural resources: Copper, timber, fish, iron ore, nitrates, precious metals, and molybdenum.
Agriculture and fisheries (8% of GDP): *Products*—wheat, potatoes, corn, sugar beets, onions, beans, fruits, livestock, fish.
Industry (17% of GDP): *Types*—mineral refining, metal manufacturing, food processing, fish processing, paper and wood products, finished textiles.
Trade: *Exports*—\$9.4 billion: copper, fishmeal, fruits, wood products, paper products. *Major markets*—U.S. 18%, Japan 16%, Argentina 6%, U.K. 6%, Germany 5%, Brazil 4%. *Imports*—\$10.7 billion: petroleum, chemical products, capital goods, vehicles, electronic equipment, consumer durables, machinery. *Major suppliers*—U.S. 23%, Brazil 10%, Japan 8%, Germany 6%, Argentina 5%, Nigeria 4%.
Exchange rate: 420 pesos-U.S.\$1. ■





PEOPLE

About 85% of Chile's population live in urban centers; 40% live in greater Santiago. Most have Spanish ancestry, but a small, yet influential, number of Irish and English immigrants came to Chile during the colonial period. German immigration began in 1848 and lasted for 80 years; the southern provinces of Valdivia, Llanquihue, and Osorno show a strong German influence. Other significant immigrant groups are Italian, Yugoslav, French, and Arab. About 400,000 persons of predominantly aboriginal descent, mostly of the Mapuche tribe, reside in the south-central area, around Temuco.

The northern Chilean desert contains great mineral wealth, primarily copper and nitrates. The relatively small central area dominates the country in terms of population and agricultural resources. This is also the historical center from which Chile expanded until the late 19th century, when it incorporated its northern and southern regions. Southern Chile is rich in forests and grazing lands and features a string of volcanoes and lakes. The southern coast is a labyrinth of fjords, inlets, canals, twisting peninsulas, and islands. It also has small, rapidly declining petroleum reserves, which supplied about 10% of Chile's domestic requirements during 1993.

HISTORY

About 10,000 years ago, migrating Indians followed the line of the Andes and settled in fertile valleys and along the coast of what is now Chile. The Incas briefly extended their empire into the north, but the area's remoteness prevented extensive settlement.

In 1541, the Spanish, under Pedro de Valdivia, encountered about 1 million Indians from various cultures who supported themselves principally through slash-and-burn agriculture and hunting. Although the Spanish did not find the gold and silver they sought there, they recognized the agricultural potential of Chile's central valley, and Chile became part of the Viceroyalty of Peru.

The drive for independence from Spain was precipitated by usurpation of the Spanish throne by Napoleon's brother Joseph. A national junta in the name of Ferdinand—the heir to the deposed king—was formed on September 18, 1810. Spanish attempts to reimpose arbitrary rule during what was called the Reconquista led to a prolonged struggle under Bernardo O'Higgins, Chile's most renowned patriot. Chilean independence was formally proclaimed on February 12, 1818.

The political revolution brought little social change, however, and 19th-century Chilean society preserved the essence of the stratified colonial social structure, family politics, and the influence of the Roman Catholic Church. The system of presidential absolutism eventually predominated, but wealthy landowners continued to control Chile.

Toward the end of the 19th century, Chile consolidated its position in the south by ruthlessly suppressing the Mapuche Indians. In 1881, it signed a treaty with Argentina confirming Chilean sovereignty over the Strait of Magellan. As a result of the War of the Pacific against Peru and Bolivia (1879-1883), Chile expanded its territory northward by almost one-third and acquired vast nitrate deposits, the exploitable wealth which led to an era of national affluence.

Although Chile established a representative democracy in the early 20th century, it soon became unstable and degenerated into a system protecting the interests of the ruling oligarchy. By the 1920s, the emerging middle and working classes were powerful enough to elect a reformist president, whose program was frustrated by a conservative congress. Continuing political and economic instability resulted in the quasi-dictatorial rule of Gen. Carlos Ibañez (1924-32).

When constitutional rule was restored in 1932, a strong middle-class party, the Radicals, emerged. It became the key force in coalition governments for the next 20 years. In the 1920s, Marxist groups with strong popular support developed. During the period of

Radical Party dominance (1932-52), the state increased its role in the economy. Despite these tendencies, presidents generally were more conservative than the parties supporting them, and conservative political elements continued to exert considerable power over the economy.

The 1964 presidential election of Christian Democrat Eduardo Frei by an absolute majority initiated a period of major reform. Under the slogan "Revolution in Liberty," the Frei Administration—the first Christian Democratic government in Latin America—embarked on far-reaching social and economic programs, particularly in education, housing, and agrarian reform, including rural unionization of agricultural workers. By 1967, however, Frei encountered increasing opposition from leftists, who charged that his reforms were inadequate, and from conservatives, who found them excessive. At its term's end, the Frei Administration had noteworthy accomplishments but did not achieve the party's ambitious goals.

The 1970 presidential election was won narrowly by Dr. Salvador Allende, a Marxist and member of Chile's Socialist Party, who headed the "Popular Unity" (UP) coalition of socialists, communists, radicals, and dissident Christian Democrats. His program included the takeover of much of Chile's remaining private industries and banks, massive land expropriation and collectivization, and the nationalization of U.S. interests in Chile's major copper mines.

Elected with only 36% of the vote and by a plurality of only 36,000 votes, Allende never enjoyed majority support in the Chilean Congress or broad popular support. By 1973, most domestic production had declined, and severe shortages of consumer goods, food, and manufactured products were widespread. Inflation reached 1,000%, and a general collapse of the economy seemed inevitable to many. There were mass demonstrations against the government, recurring strikes, violence by both government supporters and opponents, and widespread rural unrest. Chilean society split into hostile camps.

These factors, plus censure of the Allende Government by the Chilean Congress, judiciary, and comptroller general for many abuses—including violations of the constitution—helped produce a military coup that overthrew Allende on September 11, 1973, after armed forces bombarded and attacked the presidential palace. Allende did not survive the coup. His death was reported officially as a suicide.

The new military regime, led by Augusto Pinochet, severely repressed perceived opponents, especially those believed to be Marxists. Congress was abolished, and all political parties banned. Thousands of Chileans were imprisoned or expelled from the country. About 700 others disappeared after arrest by security forces and are presumed dead.

During its 16 years in power, the military moved Chile away from economic statism toward a largely free-market economy, fostering an increase in domestic and foreign private investment. After years of repression, the regime began to reinstitutionalize political life and permit broad freedom of assembly, speech, and association, including trade union activity.

General Pinochet was denied another eight-year term as President in a national plebiscite on October 5, 1988. On December 14, 1989, Christian Democrat Patricio Aylwin, running as the candidate of a 17-party coalition, was elected President. After a four-year transition period, former President Frei was elected President of the Republic for a six-year term and took office in March 1994.

In the Senate races, the ruling coalition of four center-left parties won 54% of the vote (and took half the seats), while the opposition right won 30% of the vote (and took the other half). The Senate contains 21 members from the governing coalition, 17 from the rightist opposition, and 8 senators designated in 1989 by the Pinochet Government for eight-year terms. In the race for the Chamber of Deputies, the ruling coalition won 58% of the vote and 58% of the seats.

The constitution was approved in a September 1980 national plebiscite by a two-thirds majority. It entered into force in March 1981. Following discussions between the minister of interior, the leader of the coalition parties opposing Pinochet, and the president of the center-right National Renewal Party, a list of amendments to the constitution was submitted to a plebiscite and endorsed by more than 85% of the electorate. The reforms eased provisions for amending the constitution, increased the number of senators, diminished the role of the national security council, and equalized the number of civilian and military members. A 1994 amendment set the presidential term at six years.

Senators serve for eight years with staggered terms; deputies are elected every four years. The Congress is located in the port city of Valparaíso, about 140 kilometers (84 mi.) west of the capital, Santiago.

Chile's congressional elections are governed by a unique binomial system that inevitably rewards large coalition slates and punishes small independent parties. Each coalition can run two candidates for the two Senate and Chamber seats apportioned to each type of electoral district. Typically, the two largest coalitions split the seats in a district. Only if the leading slate outpolls the second place finisher by a margin of more than 2 to 1 does the winner gain both seats.

The political parties with the largest representation in the Chilean Congress are the centrist Christian Democrat Party and the center-right National Renewal Party. The Communist Party and two green (ecological) parties failed to gain a seat.

National Security

The armed forces are subject to civilian control exercised by the president through the minister of defense. However, each service is headed by a commander-in-chief.

Army: 55,000 troops under Augusto Pinochet. The army is organized into six divisions, one separate brigade, and an air wing.

Navy: Adm. Jorge Martínez Bosch directs the 29,000 person navy, including 5,200 marines. The fleet of 11 surface vessels and four submarines is based in Valparaíso. The navy operates its own aircraft.

Air Force: Air General Ramon Vega Hidalgo heads a force of 12,000. Air assets are distributed among four air brigades headquartered in Iquique, Santiago, Puerto Montt, and Punta Arenas. The air force also operates an airbase on King George Island, Antarctica.

After the military coup in September 1973, the Chilean national police were incorporated into the defense ministry. With the return of democratic government, the police were placed under the operational control of the interior ministry. They are led by General Stange, who directs a paramilitary force of 27,000 engaged in law enforcement, traffic management, narcotics suppression, border control, and counter-terrorism throughout Chile.

Principal Government Officials

President—Eduardo Frei Ruiz-Tagle
Foreign Affairs—

Jose Miguel Insulza
Ambassador to the United States—

John Biehl Del Rio
Ambassador to the Organization of American States (OAS)—

Edmundo Vargas Carreno
Ambassador to the United Nations—
Juan Somavia Altamirano

Chile maintains an embassy in the United States at 1732 Massachusetts Avenue NW, Washington, DC 20036 (tel. 202-785-1746).

ECONOMY

Chile has a diversified free market economy and one of the most educated work forces in Latin America. The economy rests on exports of natural resources and primary products, with copper, fishmeal, fresh fruit, and woodpulp as the principal export products. Chile is the world's largest producer and exporter of copper, with reserves estimated at 20% of the world total. Rapid growth in non-copper exports during the last decade has reduced copper's share of total exports

to around 40%. International copper prices continue to have a major effect on overall economic performance, however, as each 1%-per-pound increase in annual copper prices adds about \$44 million to export revenues.

Under the democratic government which took office in 1990, the pursuit of macroeconomic stability within the framework of a market economy became a national goal. This newly elected government responded to the danger of an overheating economy with an adjustment plan that reduced GDP growth to 2% in 1990. Growth rose to 6% in 1991 and reached 10% in 1992, well above the estimated medium-term rate of 5%-6%. The central bank raised interest rates in 1992 to reduce the risk of inflation. This, and a rapid fall in the prices of Chile's principal export products led to a slowdown in growth rates in 1993 and early 1994. GDP growth was 6% in 1993 and expected to reach 4%-4.5% in 1994 before rising in 1995.

Although growth slowed in 1993, overall economic activity was healthy. Inflation fell slightly. Unemployment reached a 20-year low—4.6%—for the year, and employment growth was well above population growth, as women continued to enter the labor force in record numbers. A decline in exports to \$9.4 billion and an increase in imports to \$10.7 billion led to the first trade deficit in a decade and a current account deficit of almost 5% of GDP. Continuing capital inflows more than balanced the current account deficit, however, and net international reserves rose by 8%, to \$9.8 billion, during the year. The slowdown in growth rates appeared to have ended by mid-1994, with higher export prices and continuing export growth signaling renewed dynamism in that sector.

In recent years, Chile has taken several steps to open both domestic and foreign markets. It lowered tariffs on nearly all imports from 15% to 11% in 1991. Since 1991, the country has signed free trade agreements with Mexico, Colombia, and Venezuela, continued negotiating an agreement with Ecuador, and is expected to begin negotiations on a trade-liberalizing agreement with the four-member Southern Cone Common Market. Chile also has signed invest-

ment protection agreements with about 12 European, Latin American, and Asian nations. Chile is expected to be the next nation to enter into a free trade agreement with the U.S.

In recent years, Chile also has become much more integrated with world financial markets. The country's foreign debt is below 50% of annual GDP, and private firms have increasingly raised capital in international markets via borrowing or issuing bonds. Over a dozen firms have sold stock overseas. Both domestic and foreign investment have reached record levels, and the economy has registered large capital account surpluses. Investment inflows have been so strong that the government has felt obliged to impose non-interest-bearing reserve requirements on foreign borrowing to discourage inflows of short-term capital attracted by high Chilean interest rates.

In June 1991, the U.S. and Chile signed an agreement to forgive a portion of Chile's PL 480 (Food for Peace) debt to the U.S. under the Enterprise for the Americas Initiative. Chile and the U.S. signed in 1993 an environmental framework agreement under which Chilean payments on aid loans will be used for domestic environmental projects.

Agriculture

The agricultural sector plays a key role in Chile's export-led economy. Agricultural output has benefited from policy reforms which have significantly reduced government involvement in agriculture. These reforms, combined with natural resource advantages, use of advanced production technology, and improved marketing, have doubled Chile's agricultural production since 1980. Government involvement in agriculture is now principally limited to import protection for wheat, sugar beet, and oilseed producers.

Because much of the country is unsuitable for farming, cultivated land accounts for only about 3% of Chile's total area. Most farming occurs in the rich central valley, which extends from the area north of Santiago to Puerto Montt, 1,000 kilometers (600 miles) south of the capital. Agricultural production in the northern half of the country is

principally irrigated; in the southern half, rainfall is plentiful and furnishes ample water for both crops and pastureland. Although land devoted to export crops has increased over the last two decades, traditional crops (grains, oilseeds, sugar beets, etc.) still play an important role in the agricultural economy. Of Chile's 300,000 farms, about 50% produce wheat. Chile also possesses a significant livestock sector.

Chile is a net agricultural exporter, with exports more than two times greater than imports. Fresh and processed fruits and vegetables account for more than 70% of total farm exports. Principal imports include wheat, beef, vegetable oils, corn, and dry milk. The entire agricultural sector (including forestry and farmed fish) now accounts for more than 35% of Chile's total export earnings. The country is the southern hemisphere's top fresh fruit exporter and the world's second-largest producer and exporter of farmed salmon.

The growth in Chile's forestry sector has been equally impressive, both as a result of natural advantages and government incentives to commercial forestry planting. Over the past two decades, forest plantings have increased around tenfold, while exports of forest products jumped almost 20 times in volume.

The United States is Chile's principal agricultural trading partner. Although Chile's agricultural exports to the U.S. greatly exceed U.S. farm sales to Chile, the margin has narrowed in recent years. In 1993, Chile exported \$610 million of fresh fruits and other agricultural products to the U.S. Chile imported \$121 million in agricultural products from the U.S., a 33% increase over the previous year's total.

Minerals and Mining

Mining continues to play a critical role in Chile's economy, despite increasing diversification. For 1994, minerals are expected to account for 46% of Chile's exports, with a value of \$4.8 billion. Copper exports alone will account for more than 75% of that total. In addition to copper, Chile is an important exporter of gold, silver, molybdenum, iron ore, and non-metallic minerals such as lithium and iodine.

Chile is enjoying a major boom in direct foreign investment in its mineral sector based upon its strong geological base and the favorable investment regime which the democratic government has maintained. Major U.S., Canadian, U.K., and Japanese natural resource firms have invested in large, new copper and gold mines. Several important new projects are planned. At the same time, CODELCO, the state copper enterprise and the world's largest copper producer, plans to carry out major investments in coming years to make up for declining production at its existing mines.

Bituminous coal is mined in the O'Higgins region, south of Concepcion, and in the area around Valdivia. These aging, underground mines are facing painful retrenchment. A modern, low-cost, open-pit coal mine exists north of the Strait of Magellan. Chilean coal faces competition from coal imported from Colombia and Venezuela, however.

All of Chile's domestic petroleum production is from the Strait of Magellan and the island of Tierra del Fuego at the southern tip of the country. The state-owned petroleum company, ENAP, is the country's only producer of crude oil and natural gas, although several foreign petroleum firms have been granted exploration contracts. Domestic petroleum production provided about 10% of domestic petroleum consumption in the first quarter of 1994.

FOREIGN RELATIONS

With the transition to democracy complete, Chile has become an active participant in the international political arena. It is an active member of the Rio Group, and it rejoined the Non-Aligned Movement. Chile is a driving force in the world summit for social development to be held in Copenhagen in March 1995. The Chilean Government has reestablished diplomatic relations with most of the countries that broke them during the military regime but maintains only consular relations with Bolivia and Cuba. Often driven by economic interests, relations between Chile and its other Latin American neighbors have significantly improved. Relations with

Argentina and Bolivia, although at times still strained by controversy over border issues, are improving.

The loss of territory by Peru and via to Chile during the war of the Pacific (1879-83) continues to influence some of its neighbors' national attitudes and policies. Bolivia seeks an outlet to the sea and severed relations with Chile in 1978, following a breakdown in negotiations. By treaty, any Bolivian-Chilean agreement involving former Peruvian territory also would require Peru's agreement. However, Peru maintains an embassy in Chile, and recent high level trips by Bolivian leaders to Chile suggest improved relations. While politics frame current Chilean foreign relations, economic integration with its neighbors has become a driving force in Chilean foreign policy.

U.S.-Chilean Relations

Relations between the two countries are better than at any other time in history. Many members of the Chilean Government were active in the opposition to the military regime and appreciate the role played by the United States in Chile's democratic transition.

A 1976 car bomb assassination in Washington, DC, of Orlando Letelier, a former Chilean ambassador to the United States and a member of President Allende's cabinet, and Ronni Moffitt, a U.S. citizen, caused a sharp deterioration in relations and led the U.S. Congress to ban security assistance and arms sales to Chile.

In 1981, Congress banned all military sales to Chile until the President determined that Chile had made significant human rights progress, was not aiding international terrorism, and had taken appropriate steps to cooperate in bringing to justice those indicted by a U.S. grand jury in connection with the assassination.

Responding to the Aylwin Government's commitment to bring the case to justice in the Chilean judicial system, President Bush issued a finding in late 1990 that removed the sanctions. The United States continued to press for justice in the Letelier/Moffitt case. The Chilean special investigating judge found

Travel Information

The U.S. Department of State's Consular Information Program provides Travel Warnings and Consular Information Sheets. They can be obtained by telephone at (202) 647-5225 or by fax at (202) 647-3000; to access the Consular Affairs Bulletin Board by computer modem, dial (202) 647-5225. Travel Warnings are issued when the Department recommends that Americans avoid travel to a certain country. Consular Information Sheets exist for all countries and include information on immigration practices, currency regulations, health conditions, areas of instability, crime and security information, political disturbances, and the addresses of the U.S. embassies and consulates in the subject country.

Travelers can check the latest information on health requirements and conditions with the U.S. Centers for Disease Control and Prevention in Atlanta, Georgia. A hotline at (404) 332-4559 provides telephonic or fax information on the most recent health advisories, immunization recommendations or requirements, and advice on food and drinking water safety for regions and countries. A booklet entitled *Health Information for International Travel* (HHS publication number CDC-94-8280, price \$7.00) is available from the Superintendent of Documents, U.S. Government Printing Office, Washington, DC 20402, tel. (202) 512-1800.

Information on travel also may be obtained from this country's embassy and/or consulates in the U.S. (see "Principal Government Officials"). □

that a commander and an operations officer in the Pinochet-era secret police had ordered the assassination and sentenced them to prison. The Chilean Government has made an ex gratia payment to the victims of the families.

President Aylwin's state visit to the United States in May 1992 was the first in more than 40 years. President Eduardo Frei's working visit to the United States in June 1994 was his first trip outside of South America as head of state.

Chile is currently the only country that the Clinton Administration has identified as meeting NAFTA criteria to negotiate a free trade agreement. The

Frei Government has sought a "special relationship" with the United States. President Clinton and President Frei agreed to a consultative framework to increase the scope and frequency of consultations on issues of common concern.

Principal U.S. Embassy Officials

Ambassador—

Gabriel Guerra Mondragon

Deputy Chief of Mission—

Michael W. Cotter

Public Affairs Officer—

Barbara C. Moore

Political Counselor—Phillip T. Chicola

Economic Counselor—

Anthony J. Interlandi

Administrative Counselor—

F. Coleman Parrott

Chief, Consular Section—

Richard S. Mann

Commercial Attache—Carlos F. Poza

Defense Attache—

Capt. (USN) Thomas L. Breittinger

Chief, U.S. Military Group—

Col. (USAF) Steven E. Cady

Agricultural Attache—Richard B. Helm

Labor Attache—Joseph G. McLean

U.S.AID Representative—

Thomas Nicastro

Peace Corps Director—

David Valenzuela

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Published by the U.S. Department of State
Bureau of Public Affairs • Office of Public
Communication • Washington, DC
November 1994 • Managing Editor:
Peter A. Knecht

Department of State Publication 7998
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For sale by the Superintendent of Documents,
U.S. Government Printing Office, Washington,
DC 20402.

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**Address by First Lady Hillary Rodham Clinton
at the University of Chile
Santiago, Chile
October 13, 1995**

It is a great pleasure to be here in Chile today and to join you at this great university.

The University of Chile is one of Latin America's premier institutions of higher learning, forged in the last century by Chileans with the participation of some of the world's leading scholars, like its founders, Andres Bello from Venezuela, educator Ignacio Domeyko from Poland, physician Laurence Sazie from France, naturalist Rudolph Philippi from Germany, and jurist Eugenio Maria de Hostos from Puerto Rico.

From the beginning, your university has been a center of international thought, bringing students and faculty into intellectual contact and debate with the world outside. This university can rightfully boast that all but two of this country's democratically elected Presidents are alumni. You suffered along with others the years of intervention; but you have recovered the right to free inquiry that is the essence of education and liberty.

Chile and the United States have a close and firm relationship built on common ideals and shared commitment to democracy, social justice and equality of opportunity. We have worked together for many decades. I am pleased that we also have been partners with you here at the University of Chile, at the creation of the School of Geology and the Labor and Organization Department, sending faculty to Cornell's MA and Phd program in Labor studies, and benefitting from joint scientific research.

Like the great poet Ruben Dario, who came here a century ago from his native Nicaragua to learn and to write, I also have come here from Nicaragua.

Chile already has passed perhaps the most crucial hurdle in the restoration of democratic institutions -- the transfer of the mantle of the presidency from one democratically elected President, don Patricio Aylwin, to a second, President Eduardo Frei. Nicaragua is poised to overcome that second hurdle next year with the election of a successor to President Violeta Barrios de Chamorro.

During one of his long periods of exile, your Nobel laureate Pablo Neruda wrote a famous poem, "When":

"Oh, Chile, long petal
of sea and wine and snow,
oh when oh when and when

will I be home again? ...

"Oh when, patria, at election time
will I go from house to house
leading timid freedom by the hand
to shout in the middle of the street?"

For Chile, the question of "when" was answered in with the unceasing march of the people to restore the rule of law, to achieve respect for human rights, and to guarantee open, free and fair elections. It was answered in the countless struggles for human rights over so many long years. It was answered in the triumph of the "No" campaign in the plebescite and in the victory of the Concertacion and President Aylwin.

It was answered by President Frei placing over his head the Presidential sash his father once wore, so powerfully symbolizing the linkage to Chile's democratic heritage.

It was answered by everyone of you here, and the answer is NOW-AND FOREVER.

During these past five years, the people of Chile have done far more than restore democratic institutions. You have maintained a strong, political coalition, fostered a vigorous debate with the political opposition and produced a growing

national consensus that strong market-led growth without inflation can be maintained under democratic governance.

Your economic growth was built in large part on expanding your markets abroad. Chile, like the United States, continues to see its economy grow through rising trade with the rest of the hemisphere and the world at large. The United States already exports more to Chile with your 14 million people than to India with its 920 million. The Administration of President Clinton remains fully committed to hemisphere economic integration, and I am personally convinced that Chile will become a partner with us in NAFTA. Together we will help create the largest Free Trade Area in the history of the world by the year 2005.

Your economic statistics deserve to be cited: an average of 7.3% GDP growth since 1991, more than 6% for a decade; inflation declining from 26% in 1990 every single year to 11.4% last year and today to 7.4%; unemployment at a low of 5.3%.

But most significant is the fact that 1.3 million fewer people are living in poverty today than in 1990. In fact, from 1990 to 1994, there was a 30% drop in the portion of the population living in poverty (40.1% to 28.5%).

You have shown the way across the continent to those who questioned whether your democracy could maintain steady economic

reform and also produce a public-private partnership that included the poor.

When people ask where can we see the recovery of democracy, I say, "Look to Chile."

When people ask where can we see democracy and sustainable economic growth, I say "Look to Chile."

When people ask where can we see democracy, sustainable growth and poverty reduction, I say, "Look to Chile."

Democracy, sustainable economic growth and investing in people--those are critical tests for any society, and the government of Chile, the private sector of Chile, and the people of Chile are meeting that test.

President Frei has maintained the high priority of your democratic government on social development. That focus on human capital investment, investing in people, constitutes the full expression of the Partnership for Prosperity and Development announced at the Summit of the Americas in Miami last year.

Your democratic resurgence also has carried with it another key element of the Summit commitment. It has unleashed an explosion of civic organizations in every sphere of society.

Civil society has become a vigorous partner alongside government in environment, public advocacy, health, education and legal assistance.

Groups like Participa, CDU (Corporation for University Promotion), CIDE (Center for Educational Development), and Aprofa, are part of the democratic awakening and I am pleased that USAID has been able to support those groups in working for change and development.

Your First Lady, Mrs. Frei also is engaged directly with many of the groups on the front lines of concerns with education and women, like Integra with its focus on early childhood education, PRODEMU working on vocational education for adult women and the Foundation for the Family which recognizes and supports families.

The development of Chile's institutions stems from the resilience, courage and special talent of the Chilean people. We have worked closely with you as a partner as you have laid the foundations for broad-based economic growth here.

Democracy, broad-based economic growth, poverty reduction, and environmental protection were the themes of the Summit of the Americas. They are the basis for our belief that the coming century can be one of prosperity for every nation of the

Americas. And, each of those pillars of the Summit, to a considerable degree, revolves around one fundamental source of energy and purpose--the education of our peoples.

Chile and the United States have long recognized the critical importance of education in the process of democratic change. We can see that one of the dominant themes of modern democratic governments in this country, as in my own, has been the importance of education and the importance of insuring that women have full access to learning.

Thomas Jefferson, one of our founders, wrote: "I know of no safe depository of the ultimate powers of the society but the people themselves; and if we think them not enlightened enough to exercise their control with a wholesome discretion, the remedy is not to take it from them, but to inform their discretion by education."

Both of our nations have understood that education is the stairway that offers every child the hope of reaching his or her dreams.

In 1964, when President Eduardo Frei came to office he said, "I am here to give education to all the children of Chile, and to open to them all the opportunities, without another limit than

their own capacity, in the certainty that a people that overcomes ignorance inevitably defeats misery and servitude."

His campaign identified 186,000 out-of-school youngsters and turned storerooms and offices into classrooms.

To appreciate the educational advances of Chile and your fulfillment of the rhetoric of equality of education opportunity, one can look at a single fact: In 1970, nearly 16 per cent of the women employed in Chile were in technical or professional positions when the comparable figure for the United States was 14 per cent.

That same Chilean commitment to education continues today and has yielded impressive rates of progress. Chile has achieved 95% literacy, almost 100 per cent elementary school coverage, 76% secondary school coverage and a major commitment to decentralization.

Chile is one of the leaders in the education reform revolution taking place in the hemisphere. And it is that revolution and the challenge of education that I would like to discuss with you today.

That challenge extends beyond Chile to every country in the hemisphere including my own.

At the Summit of the Americas, the plan of action stated, "Universal literacy and access to education at all levels, without distinction by race, national origin or gender, are an indispensable basic for sustainable social and cultural development, economic growth and democratic stability.

Fundamentally, education must fulfill its multiple roles: as a source of democratic citizenship and civic participation, as a creator of human capital and international competitiveness, and as an equalizing mechanism of social opportunity.

Those objectives are as relevant for the United States as they are for any country in the hemisphere. It is why President Clinton viewed investing in people as the core of his social agenda when he was elected. It is why we expanded Head Start programs to pre-school children and sought to make direct loans available to college students.

We depend on today's students to build our economies tomorrow, to unravel the mysteries of untold scientific endeavors and to learn more about human needs and human institutions and how to make them work effectively.

The consensus Summit goal was to attain by the year 2010, a primary completion rate of 100% and a secondary enrollment rate

of at least 75% and to prepare programs to eradicate illiteracy, prevent truancy and improve human resources training.

To meet those goals, education reform in the Americas demands that we address together the challenges of access, equity, and quality. They must be addressed together because they are closely and intricately bound together.

Most of the region of the Americas offers access at the initial school level to children 6 to 11 years of age. The average is nearly 86%, not as good as Chile, but still far higher than other developing regions of the world.

But, barely half of children finishing elementary school have access to further education. In more than a half dozen countries, that rate hovers around 30%.

The level of access for women in countries with high indigenous populations continues to be unacceptably low, particularly for high school.

The issue of quality of education is clear when we look at what happens to children once they get to school. It is estimated

that 20% of children enter school late, 42% repeat the first grade, and barely 50% ever graduate from elementary school. Estimates are that \$4 billion is spent each year on teaching primary school repeaters.

Statistics for indigenous populations in several countries show average completion rates of less than four years of school for boys and even less for girls. Part of the reason is the lack of adequate facilities; part of the reason is the lack of adequate teaching techniques; and part of the reason is the lack of political will.

How can nations build vigorous economies when half of the potential work force never achieves a primary school education. Some of the countries in the hemisphere with per capita income even higher than in Chile still have three out of every four entering children failing to complete elementary school.

The Summit plan of action defined a fundamental strategy for responding to these challenges:

First, it called for adequate funding for decentralization of elementary and secondary education to expand access of opportunity and the quality of what is taught in the schools

through broad participation and engagement of parents, educators, and community and government leaders.

Here in Chile the government's decision last year to increase public expenditure on education from 4.5% of GDP to 7% of GDP by 1999 sends a strong message to the entire region regarding the importance of education to Chile's plans for economic growth and social advance.

Second, the Summit called for improved human resource training and technical, vocational, professional and teacher training as part of pursuit of an educated work force equal to the demands of international competition. It specifically charged business and the international financial institutions with making worker education more relevant to the marketplace.

Again in Chile, we can see in the program I just visited at the _____ school, evidence of what can be done. Competency-based teaching innovations managed by a the Chilean NGO, CIDE, and supported by USAID have helped students from lower income backgrounds obtain the jobs skills needed for upward mobility. In the process, a public-private sector partnership in education has begun.

Third, the Summit directed a focus on the education of indigenous children and particularly girls and women as is essential in several countries in the Americas. Nations cannot afford to open the doors of learning to only half of their people.

Finally, universities must continue to be centers of learning and intellectual expansion even as they provide the critical level of preparation for our Nation's business, professional and political leaders.

However, there must be a careful examination to insure that government subsidies for those who can easily pay for the highest levels of education do not absorb the resources necessary to assure access for the poor to the most basic levels of education. Surely as we enter the 21st century, we can do better.

In assuring access, equity and quality there are unique and exciting experiments in learning taking place in the Americas.

Here in Chile, the 900 Schools Program is one of those, targeting primary schools in poverty areas and concentrating on five fundamental areas of action: improving infrastructure; focusing on the child's world and awakening teacher awareness to

the cultural backgrounds of students; distributing textbooks; creating a desire to read; and involving the community.

A democratic perspective was woven throughout the program by calling on students, teachers, directors, supervisors, families and community to reward personal initiative, participation and responsibility and to break the vicious circle of poor achievement in school.

In other countries, including my own and Canada, there are innovations in learning that we can share with each other.

One of the initiatives of the Summit was the commitment to create a hemispheric Partnership for Education Revitalization in the Americas (PERA in English, PREA in Spanish).

Its purpose is to help countries adopt and implement effective education reform policies. PERA will spread across the hemisphere the best examples of how countries meet the challenges of access, equity and quality in basic education for all children.

PERA will be a consultative forum for governments, NGOs, and international organizations. It will identify and showcase the best programs and then disseminate and help countries replicate those innovative programs, adapting them to each individual national reality.

I am pleased to announced that the United States will provide some \$3.75 million over the next five years to help fund that hemispheric partnership with education leaders across the Americas to identify the most innovative policies and programs in girls and women's education, educational quality; school finance; decentralization; and school performance evaluation. The PERA forum will identify those programs, work to disseminate them and to help nations replicate them.

An American poet, Robert Frost, once wrote of someone's death,

"And nothing to look backward to with pride,

"And nothing to look forward to with hope."

We have the chance as we approach the 21st century to look backward with pride on what we have done to open educational opportunity to all Americans. We have the chance to insure that every child can look forward with hope and in so doing we will strengthen our democracies, build our mutual prosperity and move us closer to just societies.

Frieberg # 812

Meet at 8 am
in

126

Breakfast to be served
there.

draft #1

**FIRST LADY HILLARY RODHAM CLINTON
REMARKS AT THE UNIVERSITY OF CHILE
SANTIAGO, CHILE
OCTOBER 13, 1995**

It is a great honor for me to be with you here in Santiago. This is my first trip to South America, and I am delighted to have the chance to spend time in your country, which represents so much hope and promise for democracy and prosperity in our region of the world.

For me, it is always a special pleasure to visit a University, and I am particularly delighted to visit the University of Chile. I once heard someone say that "Chile's greatest export is its ideas." It was a reference not only to this country's many great writers, poets, ^{artists, musicians,} philosophers and teachers, but to an approach to political and economic reforms that has become a model for many nations on this continent.

Today, far too many nations around the world waste precious resources on building weapons of mass destruction, staging wars, and doing violence to basic human rights. Too often, natural resources are destroyed, and human ones

exploited through socially irresponsible behavior. Today, too much time is spent in pursuit of power instead of in pursuit of peace and prosperity.

What we see occurring in Chile, however, is the kind of progress that can be achieved when there is a genuine commitment to investing in people -- and that means investing in education and training, health care, and jobs and respecting the rights of every citizen, including women, to participate fully in the political life of their country.

Chile and the United States share a commitment to democracy, social justice and equality of opportunity. We have worked together for many decades. I am pleased that we also have been partners with you here at the University of Chile, at the creation of the School of Geology and the Labor and Organization Department and in faculty exchanges that have resulted in joint scientific research.

Improving the quality of teaching and schooling has been a principal focus of investment in both of our countries. That makes sense because education, universally, is a cornerstone of any strong and lasting democracy.

I feel particularly keenly about this issue, not only because education has played such an important role in my own life as well as my husband's, but because around the world we have seen how the acquisition of knowledge and

skills can lift whole groups of people out of poverty and dependence and into self-reliance and prosperity.

I learned about this firsthand when my husband was governor of Arkansas, one of the poorest states in the United States. At the time he was first elected in 1978, Arkansas ranked almost at the bottom in national measures of education. For decades, there had been very little public support for the schools. And there were very few resources available with which to initiate reforms.

I became chair of his education task force and I spent days and weeks and months traversing the state, talking to parents, teachers, community and business leaders. And an extraordinary thing happened in Arkansas: business leaders joined together to lobby the state legislature in support of a special tax to raise money for education. It was unheard of to ask for any kind of tax, let alone one for the public schools.

But businesses, whose successes depended so heavily on the availability of an educated and skilled workforce, understood that better schools would mean better workers. And better workers would mean greater prosperity for individual families, communities, and for the state as a whole.

Within a few years of the reform measure being approved, the quality of teachers and schools had improved, as had the standard of living of many people living in our state.

I tell you this long story because it mirrors so much of what you have experienced here in Chile. Could Chile have succeeded in its transition to democracy, or in the achievement of lasting economic growth, or in the alleviation of poverty, without a commitment to education?

Would the United States have endured as the longest living democracy without an education tradition that began with one-room schoolhouses on the western frontier and extended to a nationwide system of public universities?

Throughout our hemisphere, we will continue to depend on today's students to build the economies of tomorrow and to afford working people the dream of middle-class life.

Increasingly, the nations of our hemisphere are recognizing that education is central to our goals for the 21st century. For that reason, government leaders participating in the Summit of the Americas in Miami last year agreed to create a hemispheric Partnership for Education Reform Alternative. PERA will create a network of public and private institutions working in concert to assure that

children throughout Latin America not only receive schooling but are trained to compete in the modern global economy.

I am pleased to announce that the United States will provide some \$3.75 million over the next five years to help fund that hemispheric partnership with education leaders across the Americas to identify the most innovative policies and programs in girls and women's education, educational quality; school finance; decentralization; and school performance evaluation. The PERA forum will identify those programs, work to disseminate them and to help nations replicate them.

Of course, education alone will not guarantee social and political progress. As was made clear at last year's Miami Summit -- and made clear again at the international women's conference in Beijing -- democracy, prosperity and social progress cannot be sustained in countries where women and girls are not valued as full and equal partners in society.

Some of you, like me, had the privilege of attending the United Nations Fourth World Conference on Women last month. It was an extraordinary coming together that succeeded in focusing world attention on the issues that matter most to the lives of women and children.

There were some -- even in my country -- who doubted that the conference would result in any call to action or change. But the conference achieved a remarkable consensus about what is needed to improve the lives of women around the world. More than 180 nations endorsed a document that reflects a new understanding that improving the lives of women makes for strong, healthy, and loving families -- and that, in turn, if families are strong, communities and nations will be strong too.

As I said in Beijing, the single most important message echoing forth from that conference is that human rights are women's rights -- and women's rights are human rights.

Now we must take the consensus of Miami and Beijing and move our hemisphere forward by ensuring that women and girls have the opportunity to fulfill their God-given potential in their homes, schools, communities and workplaces.

Just yesterday, on my way here, I stopped in Nicaragua, a nation that has started down the path to democracy and a market economy. The transition has been difficult and about half the population continues to live in poverty. The first stop I made was at a tiny bank in a barrio in Managua. It is run by 30 poor women who borrow modest amounts of money to invest in their own

businesses. One woman told me she had started a bakery; another made mosquito netting; a third was a seamstress. Not only had these women organized themselves to improve their own circumstances, they were also improving the circumstances of their families and communities. They were taking control of their lives and their futures. One sign of their new self-esteem and determination was that they have a loan repayment rate of 100 percent.

Small and seemingly insignificant initiatives such as these are changing lives and changing nations. And they are sprouting up all over the globe. In fact, one of the women at the bank in Managua asked me about my trip to India last spring, because she knew I had visited a similar bank there.

Earlier today, I had the opportunity to visit Prodemu with your First Lady. Here again is a wonderful example of how we can reach out to women -- through public and private institutions -- and help them secure training and skills that enable them to get jobs and earn decent wages; the comprehensive health services they need throughout their lives; and develop networks like those offer them more opportunities to build better lives with scarce resources.

We have the chance as we approach the 21st century to look backward with pride on what we have done to open educational opportunity to all Americans. We have the chance to insure that every child can look forward with hope and in so doing we will strengthen our democracies, build our mutual prosperity and move us closer to just societies.