Please let us know what I do wish the U.N. should be consistent

Foreign and Commonwealth Office

London SW1A 2AH

Prime Minister
Agree that we should again vote in favour of a UN resolution critical of Chile on human rights?
I fear it is justified, even though harping on Chile and ignoring others just as bad is distasteful.
CDP 5/xi

4 December 1985

Dear Charles,

Chile at the UN

In your letter of 11 March, agreeing that we should vote in favour of a resolution critical of Chile at the UN Commission for Human Rights, you indicated that the Prime Minister would wish to be consulted again about the position we should take at the UN General Assembly.

The vote on this year's UN General Assembly Resolution on human rights in Chile is likely to take place on 6 December, although it could be brought forward to 5 December. The text (which has only just become available) is toughly worded. It reflects the many abuses recorded over the past year, detailed inter alia in the recent reports of the UN Special Rapporteur and the EC Ambassadors in Santiago. The Special Rapporteur has emphasised in his oral report to the Third Committee that there has been no improvement in the Chilean Government's record, in spite of their attempts to improve their image. In the light of this we recommend a vote in favour of the UNGA resolution, with a balancing Explanation of Vote (EOV).

A vote in favour would be consistent with our vote in favour of the 1984 UNGA resolution which was equally toughly worded and with our positive vote this year at the Commission on Human Rights. All our EC partners and all other Western delegations intend to support the resolution, except the Americans who will probably abstain as they did last year. Eight of the EC countries have already agreed to co-sponsor it. In the EOV, we would emphasise our continued concern at the selective treatment of Chile at the UN and the lack of reference in the text to the continuing terrorist violence; and we would express our constructive support for the Chilean Government's decision to cooperate this year with the UN Special Rapporteur.

Abstention would be likely to lead to widespread criticism in Parliament, in the media and more widely on the grounds that we had failed adequately to condemn Chile's

/human

human rights record, which is indisputably bad and has not improved since last year. We need to continue to demonstrate to the Chileans that the international community cannot condone their human rights record.

The Chileans will be disappointed, but not surprised if we vote in favour. The Chilean Ambassador and his staff have lobbied FCO officials on three occasions to ask us to help obtain a positive reference in the resolution to their Government's decision to cooperate this year with the UN Special Rapporteur: as a result of our lobbying in New York, the draft resolution now recognises that cooperation has been offered. We have always made clear that we would take all relevant factors into account in deciding how to vote. There are no indications of which we are aware that the Chileans will do anything more than express mild concern to us at a vote in favour; and if they did, we could if necessary remind them of Chile's vote for the Argentine resolution on the Falklands.

I have not been able, in the time available, to show this letter to the Foreign Secretary. I shall show him a copy overnight, but given the need to instruct our Mission in New York, I thought it better to write to you this evening.

Yours ever,

Peter Ricketts

(P F Ricketts)
Private Secretary

C D Powell Esq
10 Downing Street

DRAFT UNGA RESOLUTION: SITUATION OF HUMAN RIGHTS IN CHILE

1. Takes note of the provisional report prepared by the Special Rapporteur on the situation of human rights in Chile, presented according to resolution 1985/47 of the Commission of Human Rights.

2. Once again expresses its dismay at the suppression in Chile of the traditional democratic legal order and its institutions and their replacement by a Constitution which does not reflect the will of the people freely expressed and whose provisions considerably reduce the enjoyment and exercise of human rights and fundamental freedoms through the institutionalization and consolidation of states of emergency and the extension of the jurisdiction of the military tribunals, all of which amounts to an integrated system negating civil and political rights and freedoms.

3. Expresses its indignation at the persistance of grave and systematic violations of human rights in Chile, in particular at the repression of acts of social protest which have caused a considerable number of wounded and dead and individual and massive detentions, at the intimidation of national human rights organizations, as well as at frequent denunciations of torture and ill-treatment, and heinous crimes in which the police forces are judicially incriminated.

4. Reiterates its dismay at the impunity generally enjoyed by state organs of police and security with respect to their abusive and arbitrary actions.

/5.

5 Reiterates its concern about the ineffectiveness of the remedies of habaes corpus or amparo and of protection, owing to the fact that the judiciary, despite some positive steps in this field, does not exercise its power of investigation, monitoring, and supervision in this respect, and abides by severe restrictions which prejudice its independence;

6 Insists in its demand that the Chilean authorities restore and respect human rights in accordance with the obligations they have assumed under various international instruments, and re-establish the principle of legality, democratic institutions and the effective enjoyment and exercise of civil and political rights and fundamental freedoms, and in particular:

6a Put an end not only to the State of Siege, as was done in June 1985, but also to lift the regime of exception and especially the practice of declaring States of Emergency, under which serious and continuing violations of human rights are committed;

6b Investigate and clarify without delay the fate of persons who were arrested for political reasons and later disappeared, to assist in telling their families of the results of such investigation and to bring to trial and punish those responsible for their disappearance;

6c Respect the right to life and to physical and moral integrity, halting the practice of torture and other forms of cruel, inhuman and degrading treatment, and to put an immediate end to intimidation and persecution, as well as to arbitrary and unlawful arrests and imprisonment in secret places;

6d Respect the right of Chilean nationals to live in and freely enter and leave their country, without arbitrary restrictions or conditions and to cease the practices of relegacion (asignment to forced residence) and forced exile;

6e Restore the full enjoyment and exercise of labor rights, in particular the right to organize trade unions, the right to collective bargaining and the right to strike, and to put an end to the repression of activities of trade union leaders and their organizations and fulfil the international covenants of the International Organization of Labor to which Chile is a party;

f) Respect, and where necessary, restore economic, social and cultural rights, in particular the rights intended to preserve the cultural identity and improve the economic and social status of the indigenous populations, including the right to their land;

7 Concludes, on the basis of the provisional report of the Special Rapporteur and other information at its disposal, that it is necessary to keep under consideration the situation of human rights in Chile;

8 Expresses its conviction that an unrestricted investigation, in situ, of the situation of human rights must assure that the Special Rapporteur, in fulfillment of his mandate, receives all the information and elements that may be given by persons and organisations interested in the fate of human rights in Chile;

9 Call again on the Chilean authorities to intensify the cooperation offered to the Special Rapporteur and to submit their comments on his report to the Commission on Human Rights at its forty-second session;

10 Invites the Commission on Human Rights at its forty-second session to study thoroughly the report of the Special Rapporteur and, with the merit of all the relevant information at its disposal, adopt the most appropriate steps for the effective restoration of human rights and fundamental freedom in Chile, including the maintenance of the Special Rapporteur, and requests that the Commission report, through the Economic and Social Council, to the General Assembly at its forty-first session.

CHILE

RELATIONS

SEPT 79

JCVC

10 DOWNING STREET

From the Private Secretary

9 December 1985

Chile at the UN

Thank you for your letter of 4 December. We agreed on the telephone that we should vote in favour of the UNGA Resolution.

(CHARLES POWELL)

P.F. Ricketts, Esq.,
Foreign and Commonwealth Office.

Chilean News.....

OCTOBER/NOVEMBER/DECEMBER 1985

No. 12

ECONOMY

IMF Support for the Chilean Programme

With strong support from the International Monetary Fund and the world financial community, the Chilean Government is concluding a financial package to support its balance of payments for 1985-1986 and to stimulate the economy, according to a report from the IMF.

The package includes, 1,385 million dollars from commercial banks; 400 million in structural adjustment loans to be approved by the World Bank and 170 million in the restructuring of payments for credits corresponding to official loans. The organisation has already contributed around 800 million with credits and compensations for the fall in exports.

The funds will assist Chile in her effort to reduce her foreign deficit; to achieve moderate growth and to reduce inflation, the Fund indicated in its most recent "Survey", in which it analyses in detail the development of the Chilean economy since 1983.

"The agreement on the portion from commercial banks for the refinancing was achieved with the Advisory Committee, head by 'Manufacturers Hanover Trust'. Bilateral negotiations between Chile and individual banks are in progress; a respite for repayments is also in force until 31 December 1985 and pending the completion of rescheduling arrangements for loans becoming due in 1985-86".

Chile also asked the World Bank for help in the form of structural adjustment loans, the IMF indicated.

Development

In describing Chile's development, the Fund indicated that "many of the problems faced by the Chilean economy in 1982, including an overvalued exchange rate and a heavy deterioration of trade terms, reappeared in 1985, though less severe".

"In 1982, however, the economy was burdened by an additional obstacle to growth: a heavy foreign and domestic indebtedness".

Contents

After the progress achieved in 1983 with regard to external adjustment, reduction of inflation and the restoration of conditions for growth (with the aid of contingent credit from the IMF for 500 million in special drawing rights (SDR), equivalent to a similar amount in dollars, and credits from private banks), Chilean Gross National Product increased by 6.3% in 1984, the Fund indicated.

But as 1984 advanced, Chile faced a deterioration of its "external position" and in September the Government devalued the peso by 19 per cent and raised tariff rates from 20 to 35 per cent. In addition, it had to draw up a medium-term programme, which is now supported by the IMF by an extended package of 750 million SDR and 70 million SDR from the compensation facility for the fall in exports, made available in August 1985.

Foreign Support

In the face of these difficulties, the Chilean authorities "have responded with a vigorous and coherent medium-term programme which has won the support of its foreign creditors", the IMF's report affirmed.

"A reduction was projected of the deficit in the external current account to 1,000 million dollars, 4.5 per cent of GNP, in 1987, as the result of flexible handling of the exchange rate and an adjustment of fiscal and monetary policies", the IMF said. "A real growth in gross domestic product to 3 per cent is expected and we are aiming for a fall in inflation from an annual average of 34 per cent in the first half of 1984, to 15 per cent in 1987".

("UPI", Washington, 26.9.85)

THE VATICAN

A Papal Visit is Announced

A visit by Pope John Paul II to Chile and Argentina in the first half of 1987 was announced in Santiago by the Papal Nuncio, Angelo Sodano.

In a brief press communiqué, read out on 20 October, Sodano said: "The two sister nations, who owe so much to the Pope for his unstinting work carried out during the mediation process, will in the very near future be able to give tangible expression to their great appreciation for the paternal compassion demonstrated at the time in so many ways."

"The objectives sought in the apostolic visits of the Supreme Pontiff to the various countries of the world are directed fundamentally at confirming the faith of Catholics and offering help to all men of good will in the search for new paths towards reconciliation and peace."

The Pope's Programme

Monseigneur Angelo Sodano said that "in Chile there will be a visit to the north, to the world of the miners, and one to the south, to the world of the farmers and a joint ceremony with Argentina, to underline the happy conclusion of the Mediation."

The Nuncio said that he did not know all the reasons which led the Pope to choose this date, but next February Pope John Paul II is going to India for ten days and in June or July he has another trip planned, which has not yet been announced. Next November there is going to be a Synod of Bishops devoted to the apostleship of the laity.

As to the readiness of the Chileans to receive John Paul II, the Nuncio commented that "There is a tremendous scope for work; Chile is a sisterly nation, and this trip will consolidate the international peace. Her people are seeking national peace, which is also another aspect of the visit of the Pope, the Vicar of the Prince of Peace, which will certainly help us to feel more neighbourly."

("La Segunda", 21.10.85)

NATIONAL BUDGET

Emphasis on social expenditure

The Nation's budget for the year 1986 maintains emphasis on social expenditure, but does not include significant variations in sectors compared with this year, according to Jorge Selume, the Budget Director.

He reported that expenditure in the public sector is calculated on the basis of a copper price of 70 cents a pound. A price of 65 cents was considered for the purpose of income.

He explained that the use of two budgets is to avoid a sudden adjustment of the economy in the face of fluctuations in the price of the red metal. Thus, any price of copper over 65 cents is going to mean a smaller debt in the public sector.

In Selume's opinion, the present quotation of copper on the international market, which is around 60 to 62 cents a pound, is unstable. Its equilibrium price should be of the order of 70 cents.

Answering various questions about the 1986 budget, Selume said that "we are contemplating maintaining the "Minimum Employment Plan" and the "Employment Programme for Heads of Households"." Both correspond to state subsidies for persons of limited resources.

He added that in recent years all sectors have suffered a reduction in their budget resources compared with the 1981 increase, due to a generalised fall which occurred throughout the economy. He recalled that at the beginning of this year a five per cent reduction was applied to expenditure for all services.

Growth with austerity

Selume indicated that economic growth with austerity means that to maintain Gross Domestic Product rates between three and five per cent in the next few years, it is necessary to increase domestic savings and investment.

"Therefore, this indicates that we are going to have a greater level of activity, employment and income in the economy, but this income will be directed towards savings and investment, instead of being spent on consumption."

It is up to the public sector to transform the country into an exporting nation, carrying out action which will allow an increase of savings through the reducing of current expenditures and increasing expenditures in investment.

He added that the Treasury is increasing public saving, so that the country can maintain a reasonable growth in the future. At the same time it is expected that this will generate sufficient resources so that the public sector will be able to expand into activities of importance to the country, such as public works, copper mining and other invesments.

Public deficit

Concerning how the public sector should behave with regard to the future, Selume said that there is awareness of the need for an economy with a balanced budget. He said: "It is not desirable to maintain big public deficits permanently and for long periods, because future generations will end up paying for the greater expenditure of present generations."

He added: "We are aware of the impossibility of obtaining a balanced budget rapidly. The process must be gradual until the country's economic situation and external conditions permit this to occur". Finally, he stated that public expenditure must not replace the private sector, as happened in the last quarter of 1984.

("El Mercurio", 9.10.85)

BANKS

Normalisation of the financial system

The Superintendent of Banks and Financial Institutions, Guillermo Ramirez, said that the years 1985 and 1986 will be a period of transition for the financial system. Policies of greater stability will continue to be applied to complete the normalisation of these institutions.

He emphasised that various strengthening measures will be observed during this period, including: strict financial standards to avoid surprise insolvencies; bank surpluses will be severly measured and will be used to continue cleaning and strengthening the position of assets. At the same time efforts for greater availability of information will begin to be carried out.

He indicated that a transitory extension of the State guarantee for bank deposits is contemplated, to reduce short-term costs. During this stage consideration is being given to promoting bank capitalisations by means of preference shares, capitalisation of foreign government bonds and other measures. Along with all this, a policy of bank mergers will be applied.

In the long-term, 1987 should start with a position of reconstituted assets and with the replacement or elimination of the unrestricted state guarantee of desposits.

In addition, he recalled that a number of legislative amendments are being examined. There will be a revised Banking Law which will create a context of much greater banking stability.

The position of assets

It is planned to reduce the percentage of losses which endanger the system's assets, from 157 per cent in 1983, to a level not exceeding 10 per cent in 1986.

Policies adopted in the past two or three years are allowing a considerable recovery of financial institutions.

In December 1983, all the entities supervised by the State committed 500 per cent of their capital and reserves, a percentage that was reduced to 130 per cent in June 1985. It will reach 85 per cent towards the end of the year, and zero in 1986.

In the case of supervised banks, potential losses (which were 150 per cent in 1983), went down to 80 per cent in December 1984, and 70 per cent in June 1985. It is hoped that this figure will be down to 50 per cent by the end of this year. By December 1986 commitments of assets will not extend beyond 10 per cent. It is desirable that the "Banco de Chile" and "Banco de Santiago" can obtain moderate profits by the end of 1985. This will permit the payment of dividends to investors in the new share issue.

In the case of non-supervised institutions, the projections of profits this year are estimated at 28 thousand million pesos, of which 25 thousand million will be directed towards the cleaning up of assets (provisions, write-offs, absorbing of losses of previous financial years); around 1,500 million for repurchase of the portfolio from the Central Bank and nearly a thousand million would be net profits. After taxes, they will generate a final profit of between 500 and 600 million pesos. A similar situation is expected in 1986.

Sale of supervised Banks

Next January financial restoration will probably take place for the "Banco Continental" and it will probably be handed to Nicolás Yarur.

As to "Banco Concepcion", talks are progressing with the National Mining

Corporation (SONAMI). The bases with that association will be established during the next few months. It is possible that some time in the first quarter of 1986 this bank will have a new private administration.

Likewise it is expected that agreement will be reached for the sale of "Banco Internacional" to a group of Israeli businessmen. Transfer to the private sector will take place next summer (January/February).

In the case of "Banco Colocadora Nacional de Valores", there are around seven national and foreign investors interested. In what remains of the year, it will be possible to reach a solution for this bank. Possibly some time in the first half of 1986 the institution will have private ownership and administration.

To sum up, the Superintendent maintained that along with progress already achieved in the case of people's capitalism, with regard to the "Banco de Chile" and "Banco de Santiago", and the above mentioned negotiations, normalisation of supervised banks will be definitely restored in 1986, from the point of view of solvency, ownership and private management.

("El Mercurio", 12.10.85)

INDICATORS

New Trends

Information currently available suggests a change in the trend of the economy, from a period more of recession and confused expectations, to one characterised by a recovery starting in an atmosphere of improved expectations and greater stability.

The figures available are generally few, but they allow us to realise that a more positive situation is beginning to appear, which tends to corroborate official forecasts and those of international bodies.

Therefore, the fact that the rate of inflation has returned to acceptable figures should be pointed out as an encouraging fact, after a long period of upward percentages that were dangerous and which created the usual problems for those with debts in readjustable terms, wage earners and pensioners, as well as for entrepreneurs who tend to be confused with regard to decision-making and in the end refrain from doing so because of the element of doubt.

The balance of payments situation is well-known and is beginning to stabilise in harmony with the official programme agreed with the International Monetary Fund. Reserves decreased, as predicted, and though it is true that they reached low levels, it is known that the picture will reverse when the foreign credits agreed with creditors come in.

The position of international prices and interest rates continues to be disturbing, but the country has already made the necessary adjustment, so that development of economic activity will not be negative in the future.

Parallel with this the dollar has also developed favourably and has gone down in recent days. It is possible that this trend will persist because of the reduction of authorised rates for banks by the issuing institute in order that they operate on the market dealing with promissory notes for the foreign debt. In fact, transactions on the parallel market are of quite little significance and the rises that occur at times only reflect marginal changes. However, they affect expectations, as a result of which it is best that this value of the dollar

should not deviate too much from the official one.

Other encouraging news arises from the increase observed on the Stock Exchange, undoubtedly a sign of greater confidence, and the achieving by the country of the goal agreed for September with the IMF. Though it appears that the one relating to the tax deficit was achieved with difficulty, the important thing is that the economic programme continues forward, and this increases the credibility of productive agents.

There are still some figures that give rise to concern, such as the fall in real salaries and a slight increase in unemployment. The fall in the first forms part of the economic adjustment that the country had to carry out and should end to the extent that inflation continues to fall. The rate of unemployment fell slightly, but this is more of a seasonal situation, which should reverse in the coming months.

As a final point in this list of current information, it is necessary to mention the rise observed in money holdings in the month of September, which also points in the direction of greater confidence, and the higher consumption of electric energy, which could be indicating some recovery, or at least a stabilisation in the rate of expansion of the economy.

Consequently, everything seems to indicate that the economic situation is beginning to demonstrate a healthier aspect. There is undoubtedly greater confidence and the trend towards recession is probably reaching an end, creating the possibility of a significant change for the future.

(Editorial, "El Mercurio", 5.10.85)

FOREIGN INVESTMENT

Amendment of Statutes

The legislative authority has begun to analyse a draft law proposing some amendments in Decree Law 600, better known as the "Foreign Investment Statute". The initiative is directed towards ensuring the stability of tax and exchange regulations that will be applied to projects participated in by foreign investors, and whose development, because of the nature of extent of the works, is important for the country.

With regard to the tax aspect, the need to establish regulations that accurately spell out the basis on which income tax will be applied, as well as the machinery permitting a determination of taxable income for reasonable periods, is being considered.

This is aimed at trying to obtain greater accuracy in determining the flow of recources that will generate the investments needed to meet the payment for credits acquired to develop a project, to secure recovery of capital invested directly and to share the profits resulting from the same.

With regard to the exchange aspect, the legal initiative is fixing norms to ensure that the foreign currency that each project may possibly generate is used as a matter of priority in the paying off of foreign obligations associated with the investment, independent of the general foreign currency flow of the country.

To sum up, the reforms being examined aspire to establish a well-defined framework in which uncertainty is eliminated concerning some aspects of the treatment of foreign investment. Such uncertainty is delaying the carrying out of projects in which the interest of foreign investors is obvious for our country. The only thing missing is the defining of just

those aspects related to tax regulations and access to the foreign currency market, situations which would be overcome when approval takes place of the proposed corrections.

("El Mercurio", 4.10.85)

LEGISLATION

Regional Electoral Tribunals

The Commission of Studies or Organic Constitutional Laws, headed by Sr. Sergio Fernandez, sent a draft law for the consideration of the President of the Republic which creates Regional Electoral Tribunals, whose function will be to assess the "genuine nature and legality" of elections carried out for intermediate bodies of the community, alongside political elections.

The law excludes the process of assessment of elections carried out by civil and commercial companies, since they are governed by the Civil and Commercial Codes.

The Chairman of the Commission on Studies of Organic Constitutional Laws, Sergio Fernández, said that the bill "consolidates the bases of democracy, by establishing a machinery ensuring the freedom and genuine nature of elections of the greatest importance to society, considering the role that the Constitution gives to intermediate bodies". (By intermediate bodies are understood trade unions, guilds, local and professional associations).

The Regional Electoral Tribunals are legalised for the first time in our institutional code and their objective is to make effective and protect the true independence and autonomy of intermediate groups of the community that the State recognises as such."

Structure

The bill establishes its formation by a Judge of the Court of Appeals, elected by the latter, and two lawyers appointed by the Electoral Assessment Tribunal, who will remain in office for four years, and may be re-elected.

Concerning its structure, it is pointed out that each region of the country will have an Electoral Tribunal, with its headquarters in the capital of the same, except for Santiago, where there will be two. It is thought necessary to have a larger number of Tribunals in each region, which will take place in the near future.

Its decisions will be adopted by an absolute majority of votes and with a minimum quorum of three members.

Disqualifications

With regard to disqualifications, the draft law of the Commission recommended that "maintaining the guiding principle of the Constitution of separating the political function from the trade union function", the following would be disqualified from being appointed a member of these Tribunals: Deputies and Senators; Ministers of State; intendants; governors; mayors; national or regional heads of political parties and candidates for popularly elected positions.

It establishes that a person cannot simultaneously be on two or more electoral tribunals, nor can anyone serve on them who is a member of the Electoral Assessment Tribunal.

Finally, a rule is proposed which prohibits trade union heads from carrying out political party activities, whether or not they carry out these functions while they hold such positions. Neither can they invoke the representation, support or aid of a political movement or party for their respective candidacy. Violation of this provision will be punished by the loss of position of leader and

with an abolute disqualification from carrying out duties of this nature for five years.

("La Tercera", 6.10.85)

UNITED NATIONS

Chilean Foreign Minister condemned disinformation campaign

Foreign Minister Jaime del Valle energetically condemned the campaign of disinformation of which Chile has been a victim when he spoke to the General Assembly of the United Nations Organisation.

"Chile, who in recent years has experienced difficult times in her effort to consolidate the freedom that she almost finally lost in the political process of 1970-1973," the Minister said, "has very often been affected by clear intervention in her internal affairs".

"Countries which are not familar with our true position have always been ready to regard our actions negatively, but we have also been victims of one of the most subtle forms of intervention, as represented by the campaign of disinformation that has been mounted politically on an international scale, directed towards distorting our foreign image in the face of world public opinion."

Foreign Debt

Del Valle was the second speaker at the meeting of the Assembly and in his speech, he analysed the basic principles of the United Nations and declared that it "can be considered as the most important and significant landmark in the history of the struggle to submit international relations to the rule of law".

The Chilean Foreign Affairs Minister also referred to the acute international economic crisis. "Foreign debt servicing," he stressed, "is too great a burden, accompanied by a profound worsening of our terms of trade".

"But the most serious matter," he added, "is the enormous asymmetry existing in the process of adjustment of the world economy. While the developing countries have a profound adjustment imposed on us with great social costs, other countries, which carry decisive weight in the international economy, limit the inevitable transformations of their economies by means of a resorting to increasing protectionism".

Finally del Valle pointed out that this crisis is not going to be resolved "only by means of the economic recovery of the industrialised countries and the free play of market forces. It also requires concerted political action based on the principle of mutual joint responsibility between creditors and debtors".

Disarmament

After stressing the lack of progress in the area of disarmament, Del Valle declared that Chile "is prepared to support international efforts directed towards the securing of general and complete disarmament, under effective international control".

Within this framework, he emphasised the support given by President Pinochet to the appeal from the President of Peru for the South American countries to refrain from acquiring further weapons of war.

Tackling the subject of terrorism, Del Valle said: "My country supports efforts directed towards seeking a global solution to this social evil, through the drawing up of clear legal regulations which proscribe terrorist behaviour wherever it occurs, and which punish those involved in the same in any form whatsoever, whether under the auspices of this organisation or within the framework of a special conference".

The Foreign Minister pointed out that there is profound concern over the continuation of French nuclear explosions taking place in Mururoa Atoll.

"The Permanent Commission for the South Pacific, which we are members of along with Peru, Ecuador and Colombia, has repeatedly expressed its condemnation of such nuclear tests, which represent a grave risk to people, the environment and natural resources", he declared.

The Chancellor ended his speech, sending a special message from the President of the Republic, on the occasion of the fortieth anniversary of the Organisation.

("La Tercera"; Rigoberto Diaz, special correspondent at the U.N.; 2.10.85)

REGIONAL DISARMAMENT

Chile and Peru restrict the purchase of arms

The Vice-President of Peru, Luis Alberto Sanchez, declared from Lima to "El Mercurio" that the support which his country and Chile have given to gradual disarmament in the region is an example to the rest of America.

In a telephone conversation with the paper, he said that both the Peruvian initiative and the favourable response from Chile represent the first countries to support regional disarmament.

Sanchez declared his hope that the rest of the Latin American nations would speak out positively "because of the actual need to concentrate expenditure on the social requirements of their peoples".

"The Armed Forces themselves are ready to make this contribution, in favour of their own people, not because they are forced to, but for the development of communities which are suffering the consequences of a crisis which is not of their making, but of the creditors who supplied the means", he said.

Concerning the meeting that is to take place soon in Arica of the Foreign Ministers of Chile and Peru, Jaime del Valle and Allan Wagner, he maintained that this is a legal consequence of the decisions adopted in the 1929 Peace Treaty, signed by both countries, where there are still some important clauses which have not been fulfilled.

He wished the meeting good luck, emphasising the favourable environment existing in both countries, "which could finally achieve an approchement within the scope of justice, peace and law of the two nations".

The Peruvian Vice-President indicated that the subject of disarmament, or rather, the rationalisation of weapons, would be on the agenda on that occasion. "This not only contributes to a drawing together, a reducing of expenditure, but it also provides the Armed Forces with a task close to the people, which is that of working on development areas", he declared.

He said that the creation of a Latin American Monetary Fund is a subject close to the Peruvian Government, which he hopes will become the same for the rest of the continent. He added that apparently Argentina and Uruguay have given their approval and have agreed to meet in Panama, after the call for this made by President Alan Garcia.

The Version from Lima

The Chilean Government is the only one that has responded "favourably" up to now to the proposal made by Peruvian President Alan Garcia, to limit the purchase of armaments, said Minister of War General Jorge Flores.

The military head, in statements made to the press, declared his confidence that the Ecuadorean Government would also assume a similar position. Flores expressed his confidence that Governments of both countries "will reach an understanding" at the meeting to be held soon by the Foreign Ministers of Peru and Chile in the port of Arica. García raised the question of reducing the purchase of armaments, so that the Governments could direct money normally spent on war equipment on the development of their countries.

Simultaneously with his proposal, Garcia announced the decision of his Government to reduce by half the purchase of a lot of 26 "Mirage" combat planes of French manufacture. Later the Peruvian Navy dropped one of its destroyers from its fleet.

("El Mercurio", UPI, 21.10.85)

FOREIGN RELATIONS

Chilean-Argentinian Commission

Chile and Argentina have officially set up the "Binational Integration Commission", which fulfils one of the basic provisions of the "Treaty of Peace and Friendship", signed between the two countries, as the culmination of the Papal mediation process that ended the dispute in the south.

The document was signed for our country by the Head of the Executive Secretariat for Economic Cooperation and Physical Integration, Brigadier Ernesto Videla, and for Argentina, by the representative of the Trans-Andean Secretariat, Marcelo Delpech, who is also Under-Secretary for Southern and Border Matters.

It was reported that the "Permanent Commission for Chilean-Argentinian Reconciliation" has also been set up, which will have the duty of resolving any dispute that might arise in the future between the two countries.

Brigadier Videla indicated these two commissions will serve to promote the fervent wish of the Holy Father, shared by both governments, to be able to construct a solid and stable peace between the two countries.

"Our task is very delicate," he said, "and therefore its results will be achieved gradually. It will be necessary to harmonise mutual interests; to propose measures that will encourage our trade relations but which, in turn, will not affect the interests of each party. We understand that the task must be centered on achieving mutual benefits".

("Orbe" News Agency, 19.10.85)

HEALTH

Positive Indicators

The Under-Secretary for Health, Doctor Augusto Schuster, issued the following information: there was a sustained fall in the infant mortality rate, to less than 20 per 1000 live births; in malnutrition in those under six years, to 8.4 per cent; in the maternal mortality rate to 0.35 per 1000 live births, and an increase in professional care in childbirth to 97 per cent during 1984.

The official emphasised these indices in commemorating the Universal Day of the Child, sponsored by the United Nations International Children's Emergency Fund (UNICEF).

He also referred to a literacy rate of 96 per cent during the past year, and the absence of some transmissible diseases and the control of others which "endorse the conclusion that Chile occupies a privileged position in her health levels".

In 1962 infant mortality for every thousand children who were born alive was 108; in 1973 this figure had gone down to 62.5 and in 1984 the figure reached less than 20 per thousand live births.

There has been a great fall in general infant mortality. Between 1962 and 1973 it was 60.3 per cent and between 1973 and 1984 it achieved 69.3 per cent.

The Under-Secretary explained that this is due to the increased cover of the national health service system, particularly with regard to professional care at childbirth, which in 1962 was 72.1 per cent; in 1973, 85.1 per cent, and in 1984, 96.9 per cent.

He added that in Chile at the present time, 97 of every 100 pregnant women

receive professional care at childbirth.

To this, he added the progress that has been achieved in the past 20 years in the sanitary state of the country. In 1965, 53.5 per cent of the urban population had drinking water and 25.4 per cent a sewage system. In 1984, 95.4 per cent had drinking water and 70.5 per cent a sewage system. This caused deaths from dysentery to fall from 14.3 per thousand live births, to 1.1 per cent.

Infant mortality because of bronchopneumonia decreased from 24.5 per cent per thousand live births in 1963 to 2.5 per cent in 1983.

"The main objective is primary health care cover and we have considered that we would never sacrifice it in order to increase the technological development of the country", Schuster said.

He said that compared with other countries, our system has achieved a greater relative development, and the situation with regard to infancy in Chile and the level of health, is satisfactory.

"This situation," he indicated, "has represented an important advance in the face of the challenge, put forward by the World Health Organisation, to achieve health for all in the year 2,000 and ratification of our country's joining the revolution in favour of the survival and development of children put forward by UNICEF".

("La Tercera", 15.10.85)

TARIFFS

Effective date of rates extended

The government extended to a year the effective date of tariff surcharges for foreign articles imported with subsidies from their countries of origin, harming national producers.

Through a communique issued by the Ministry of Finance, it was said that the measure was adopted to protect national producers whose economic activity could be threatened by subsidies from foreign governments or "dumping" by foreign companies. "In this way," it was indicated, "we will continue to eradicate those practices that impede fair competition between local and international producers". It was added that this corrective measure of extending tariff surcharges from 18 days to one year will be renewed if the conditions that dictated their application continue to persist after the said time period has passed.

It was also declared that if the existence of damage to national production should be established as the result of actions of unfair competition, the Ministry of Finance through the existing legal provisions may apply the following corrective measures: countervailing duties, tariff surcharges or minimum customs fees. This will guarantee fair competition and will redound in a greater wellbeing for the community.

("La Segunda", October 1985)

GEOGLYPHS

Two amateurs delve into an enigma

Important discoveries of American rupestrian (cave) art were made in Iquique. So far 7,536 items have been discovered, measuring between two and 252 metres tall, and representing human beings, birds, utensils, circles, squares, triangles and arrows.

The scientific prospecting work was carried out by land and air. The main people responsible for it were Dr. Pablo Cerda Fernández and Sixto Fernández Fraile who, without being experts, devote their free time to that activity.

Amongst the discoveries is "the existence of a track which could be the Inca Road", according to Dr. Cerda. He said that it extends for 300

kilometres and crosses the Tamarugal Pampa. He indicated that there are a large number of geoglyphs. "Whether it is or is not the Inca Road, the answer must be provided by the archaeologists".

Zealous work

Cerda is a surgeon, while Fernandez is a technical draftsman and works in a mining company. The prospecting work was started in 1976. Knowledge of geoglyphs as a manifestation of American rupestrian art dates from very long ago. In Iquique they are concentrated on "Pintado" hill, which is 50 kilometres south of Pozo Almonte and 2 west of the North Panamerican Highway, and in Arica, on "Sagrado" hill. In "Pintado" alone 964 figures were counted. "As to Tarapacá ravine, it continues to be a box of surprises, all in one 15 kilometre section."

They explained that geoglyphs are strange and enigmatic figures delineated on the land, on the slopes of hills or on horizontal plains, which have even been linked with alleged landing runways for space-ships. Their age, they said, is difficult to establish, since they were there even at the time of the arrival of the Spanish conquistadores.

All the figures have land visibility, and even more, "we will prove that they were made to be seen from land; there is an intentional distortion of the figures, clearly demonstrated in circles, parallelepipeds and diamonds, which proves that the executor or executors had mastered the concept of perspective".

In the case of northern Chile, a negative aspect that affects the geoglyphs is erosion, whether artificial (human footsteps, car tracks, mining excavations, explosives, university alterations or restorations, etc.), or by natural causes (wind, water, chemical or telluric action), which has caused and is continuing to cause a progressive deterioration which endangers preservation, in some cases, and the loss of the original image, in others.

("El Mercurio", Iquique, 30.9.85)

CHILE BASIC DATA

CAPITAL:
Santiago de Chile

PRESIDENT:
General Augusto Pinochet Ugarte

COUNTRY:
Chile is located in the western part of South America stretching as far in the Antarctic as the South Pole with Easter Islands, in the Pacific, to the west of the mainland Chile.

On the American continent, Chile stretches from parallel 17°30′ South latitude in the north boundary to parallel 56°32′ South latitude in the southern part of South America.

The Chilean Antarctic territory comprises the whole of the area located between meridians 53° and 90° west longitude as far as the South Pole at minus 90°

LAND BOUNDARIES:
Chile is bounded by Peru in the north, by a border line known as "Linea de la Concordia"; in the east by Bolivia and Argentina, mainly by a line that runs through the highest summits of the Andes; in the south by the South Pole and in the west by the Pacific Ocean, including 200 nautical miles of territorial waters.

AREA:
The continent and islands, 755,572 sq.km.; the Antarctic territory, 1,250,000 sq.km.

AVERAGE TEMPERATURE:
Santiago; maximum yearly, 22.6°C; minimum yearly, 8.7°C.

PEOPLE
POPULATION: 11,682,300 (1983)
AGE: 31.6 per cent of the population is under 14 years of age.
GROWTH RATE: 1.7 per cent a year.
DENSITY: 15.6 persons per sq.km.
GEOGRAPHICAL CONCENTRATION: 82.6 per cent urban, 17.4 per cent rural.
EMPLOYMENT: 14.6 per cent workforce unemployed (1983)
LANGUAGE: Spanish
RELIGION: 7,162,218 Catholics; 549,904 Protestants

HEALTH:
INFANT MORTALITY: 2.3 per cent of children die before reaching one year of age.
LIFE EXPECTANCY: survivors can expect to live 67 years (1983)
NUTRITION: the average daily calorie intake is 2,395 and 59.7 proteins.
SERVICES: 90 per cent of the population has access to safe water. Three hospital beds per ('000) population (1983). 0.9 physicians per ('000) population. Free milk: 19.2 kgs per child under 5.

EDUCATION:
SCHOOL ATTENDANCE: primary school is attended by all children of the relevant age group. Percentage of attendance for secondary and higher education are 53 and 12 per cent respectively.
TEACHER/STUDENT RATIO: there is one teacher for every 27 children of school age.
ADULT LITERACY RATE: 95 per cent

POLITICAL ORGANISATION:
—The first Chilean constitution was dictated in 1833. It set up a two chamber congress with independence between the executive and legislative powers.

—The second constitution was established in 1925. It incorporated universal vote and full independance of the judicial system.

—In 1970 Salvador Allende was the first marxist president ever elected. Chosen by a minority of votes (36 per cent) the Congress decided to invest him as president after he signed a Statute of Guarantees.

—In 1973 the Congress declared illegal Allende's government for violating the Constitution of 1925.

—The Constitution was partially superseded by the Constitutional Acts dictated by the military government that replaced Allende.

—In 1980 the military government leaded by president Augusto Pinochet Ugarte proposed a new constitution. A referendum was held and approved by 75 per cent of the population.

—From 1980 until now several commissions have worked on the constitutional laws, which will enable the new constitution to come into full force in 1989.

—The constitution excludes communists from political life; creates a system of two rounds of balloting and gives wider powers to the President of the Republic.

INFRASTRUCTURE:
RAILWAYS: network of 9,886 kms, transporting 1,570.5 million passenger/km and 11,871,300 ton/km cargo, annually.
ROADS: the system covers 79,583 km of which 9,840 km are paved. There are in use 614,400 passenger vehicles; 233,000 trucks and vans; 20,100 buses and 927,700 public transport.
MAJOR PORTS: Valparaiso, San Antonio, Coquimbo, Chan˜aral, Antofagasta, Iquique, Puerto Montt, Talcahuano.
SHIPMENTS: by domestic and foreign ships 15,637,500 tons (loaded), 10,197,700 tons (unloaded).
AIR TRAVEL: there are 325 airfields, of which 8 with long runways. National carriers: LAN-Chile, Ladeco. Foreign airlines operating: Aerolineas Argentinas, Aeroperú, Air France, Alitalia, Avianca, Braniff, Canadian Pacific, Eastern Ecuatoriana, Iberia, KLM, LAP, Lloyd Aereo Boliviano, Lufthansa, SAS, Swissair, Varig.
COMMUNICATIONS: there are some 397,500 telephone lines; 180 AM and 131 FM radio stations; 17 million radio receivers; 4 TV channels, 3 depending from the Universities, Universidad Católica (CH-13), Universidad de Chile (CH-11), Universidad Católica de Valparaiso (UCV), and the state owned channel (CH-7), Television Nacional de Chile.
PRESS: there are 128 newspapers appearing more than twice a week with total circulation of 907,000.

ECONOMY:
The economy has decreased its dependance on the exploitation and export of the natural resources, especially that of copper. An export diversification programme has helped to reduce Chile's dependence on the income from copper exports, from 80 per cent in 1973 to 48 per cent in 1983.

Percentage of the contribution of the different sectors of the economy to the GDP are the following (1982):
MANUFACTURING: 19.6; Trade: 16.5; Services: 13.6; Banking, insurance and real estate: 11.3; Agriculture: 6.1; Mining: 6.1
MAIN CROPS: wheat, cereals, fruit, grapes, seafood.
MAIN MINERAL RESOURCES: copper, nitrates, oil, iron ore, gold, silver.
MAIN INDUSTRIES: copper mining and processing, iron and steel, pulp and paper, wood processing, foodstuffs, fish processing, textiles.
MAIN EXPORTS: Copper, iron, nitrate, iodine, fish.
MAIN IMPORTS: (1983) consumer goods, 517 million US dollars; capital goods, 332 million US dollars, intermediate goods, 1,094 million US dollars.
MAIN TRADING PARTNERS: Exports: USA, 28.2 per cent; Europe, 16.2 per cent; Federal Germany, 12.6 per cent; Japan, 9.1 per cent.
Imports: USA, 25 per cent; Brazil, 13.7 per cent; Africa, 10.4 per cent.
ENERGY: production of crude oil reaches 2,236,719 cubic metres, and gas, 4,898 million cubic metres. Chile produces 48 per cent of oil and imports 52 per cent.

LATE NEWS

Pianist

The famous Chilean pianist Claudio Arrau recently received the "Great Gold Medal of the Medici" for hand skills. The ceremony took place at the Palace of the Medici in Florence. The maestro received this distinction on the occasion of a concert given in that city.

Welsh woman crosses Chile

About to return to Wales from Chile is the young 35-year old woman Rosie Swales, who, commissioned by the publishing house "Collins", has travelled over the whole of Chile on horseback. She covered a distance which streaches from the Atacama desert, in the north, to Port Williams, in the south, near the Antarctic. A publication on her 14 month crossing will be on the market next year in ten languages and in a de luxe edition.

Merchant Marine Law

The Legislature has approved the Law on development of the Merchant Marine, intended to meet foreign trade needs. The initiative establishes the principle of reciprocity. Reservation of cargo will only be applied for those countries which do the same for Chile. To begin with this will be around 50 per cent, but this figure may increase or decrease.

Monthly bulletin prepared by the
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Sources of Information:
Daily and weekly Chilean Press: "El Mercurio"; "La Tercera de la Hora"; "La Segunda"; "La Nacion".
Magazines: "Ercilla"; "Que Pasa"; "Hoy"
Specialised publications
Semi offical news agency "Orbe"