

The entire page is framed by a complex, multi-layered border. The outermost border consists of a repeating pattern of vertical bars and triangles. Inside this is a band with a series of 'X' shapes formed by diagonal lines. The next layer inward is another band of vertical bars and triangles, similar to the outermost one. The innermost border is a simple double-line square frame. The text is centered within this innermost frame.

**The Trip
of
the President
to
Chile**

April 15-19, 1998

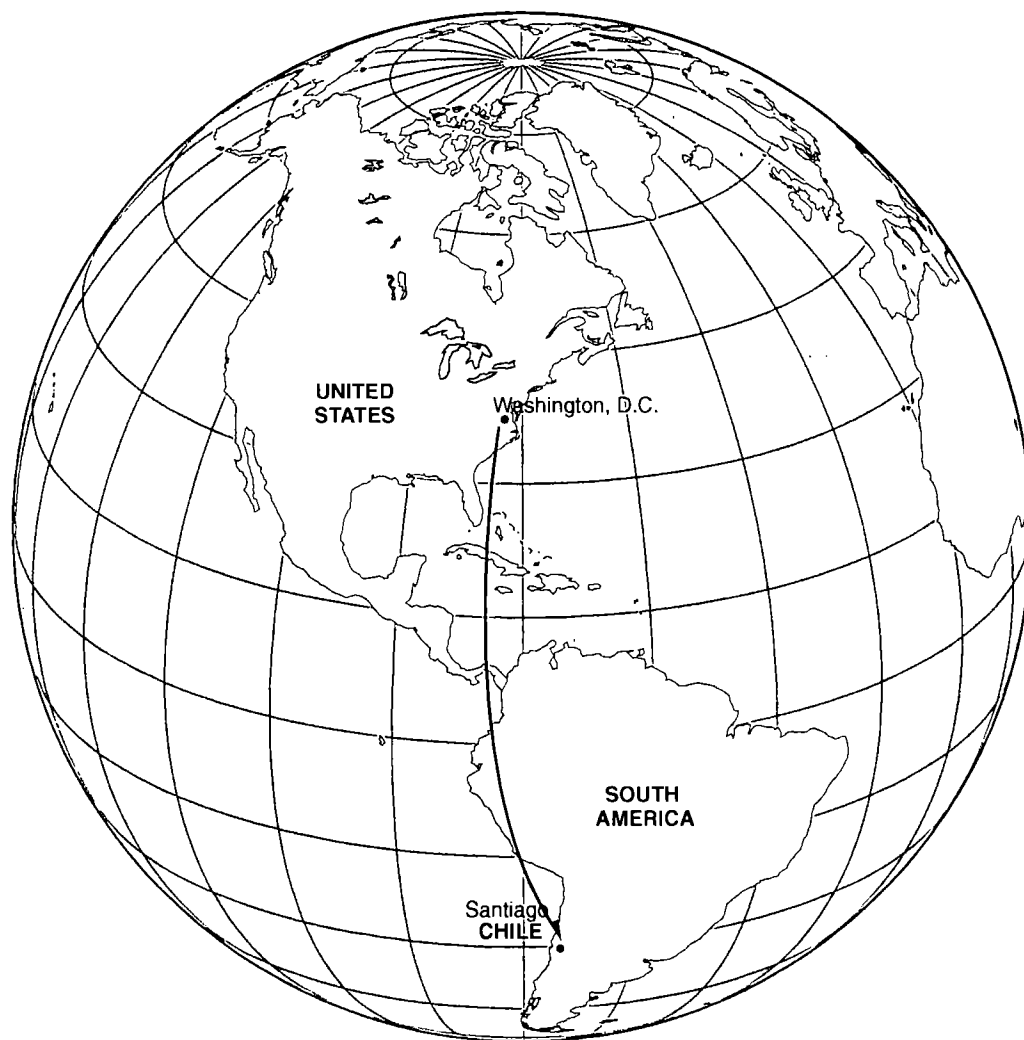


The Trip of the President to Chile

April 15–19, 1998

The Trip of the President to Chile

April 15–19, 1998

**From/To:**

Andrews AFB to Santiago
Santiago to Andrews AFB

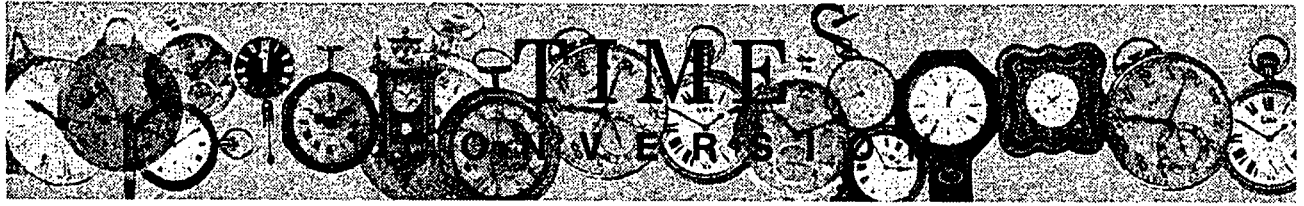
Distance

5,490 miles
5,490 miles

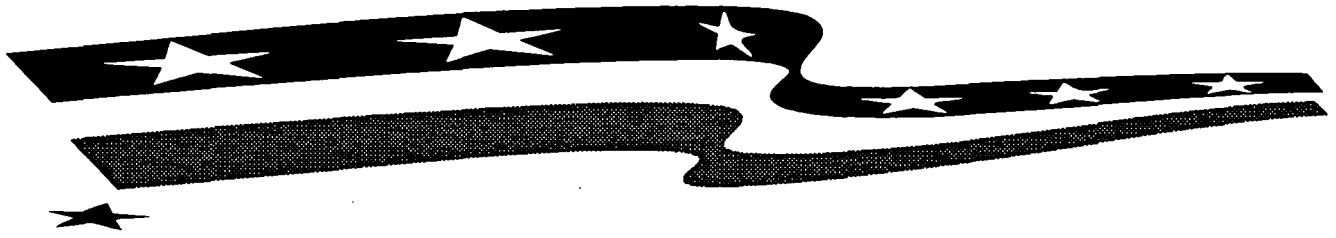
Flying Time

10 hours, 20 minutes
10 hours

GENERAL INFORMATION



There is no time difference between Washington, D.C. and Santiago, Chile.



Notes on Gifts and Customs

Gifts

As set forth in 22 CFR Part 3, the Foreign Gifts Act specifies that employees and members of their families may accept and retain a gift tendered as a souvenir or mark of courtesy from foreign governments or their representatives if it is of "minimal value," which is currently defined as a retail value in the United States, at the time of acceptance, of \$225 or less. However, an employee may accept a gift valued at over \$225 only if to refuse it "would likely cause offense or embarrassment or otherwise adversely affect the foreign relations of the United States," and even then such a gift is deemed to have been accepted on behalf of the United States and, upon acceptance, becomes the property of the United States. Any such gift must, within 60 days after acceptance, either be deposited for disposal with the recipient's employing agency, or, subject to the approval of the employing agency, deposited with that agency for official use. For the President and First Lady of the United States, the depository for gifts is the White House Gift Unit, 457 Old Executive Office Building.

The Attorney General may bring a civil action in the U.S. District Court against any employee who knowingly has solicited or accepted a gift from a foreign government not consented to by the revised statute, or who has failed to deposit or report such a gift as the law requires. A penalty may be assessed in such a case in any amount not to exceed the retail value of the gift improperly solicited or received plus \$5,000.

Customs

Everyone will be expected to fill out a customs declaration form to be returned to the steward just prior to returning to a U.S. point of entry. You will need to note on the declaration when:

- The total fair retail value of articles acquired abroad exceeds \$400, or if acquired in American Samoa, Guam, or the U.S. Virgin Islands, \$800.
- More than 1 liter (33.8 fl. oz.) of alcoholic beverages, 200 cigarettes, or more than 100 cigars are included. Or if returning from American Samoa, Guam, or the U.S. Virgin Islands: more than 4 liters (135.2 fl. oz.) of alcoholic beverages, 100 cigars, and 1,000 cigarettes.
- Some of the items are not intended for your personal or household use, such as commercial samples, items for sale or use in your business, or articles you are bringing home for another person.
- Articles acquired in the U.S. Virgin Islands, American Samoa, or Guam are being sent to the United States.
- A customs duty or internal revenue tax is collectible on any article in your possession.

Note: "Courtesy of Port" does not mean you do not have to fill out a declaration or that you will not have to pay customs duty. Your declarations will

be reviewed by customs officials at the U.S. point of entry and you will be billed for any dutiable items purchased.

Prohibited and Restricted Articles

Some items must meet certain requirements, require a license or permit, or may be prohibited entry. Among these are:

- Absinthe
- Biological material
- Books protected by American copyright if unauthorized foreign reprints
- Candy, liquor-filled
- Copies of gold coins if not properly marked
- Electronic products subject to radiation emission standards
- Firearms and ammunition
- Food, drugs, and certain other items not approved by FDA
- Fruits, plants, vegetables and their products
- Hazardous articles (e.g., fireworks, dangerous toys, toxic or poisonous substances)
- Lottery tickets
- Meats, poultry, and products (e.g., sausage, pate, canned items)
- Motor vehicles not conforming to safety and emission standards
- Narcotics and dangerous drugs including medicine containing same
- Objects of Central and South American pre-Colombian Indian cultures
- Obscene articles and publications
- Pets (e.g., dogs, birds, turtles, monkeys)
- Seditious or treasonable matter
- Trademarked items (e.g., certain cameras, watches, perfumes)
- Switchblade knives
- Wildlife (birds, fish, animals) and endangered and protected species (e.g., pheasants; furskin; feathers, eggs, or skins of wild birds; articles from reptile skins, ivory, and whalebone).

CHILE





Chilean Peso at 446.00 = U.S. \$

Peso to U.S. Dollars

Peso	U.S. \$
50.00	0.11
100.00	0.22
200.00	0.45
300.00	0.67
446.00	1.00

U.S. Dollars to Peso

U.S. \$	Peso
0.10	44.60
0.25	111.50
0.50	223.00
0.75	334.50
1.00	446.00

1,000.00	2.24	3.00	1,338.00
5,000.00	11.21	5.00	2,230.00
10,000.00	22.42	10.00	4,460.00
15,000.00	33.63	20.00	8,920.00
25,000.00	56.05	50.00	22,300.00
75,000.00	168.16	100.00	44,600.00
100,000.00	224.22	300.00	133,800.00
250,000.00	560.54	500.00	223,000.00

NOTE: All U.S. dollar values are rounded to the nearest U.S. cent. The value of the Chilean Peso fluctuates daily according to currency market conditions.

April 1998

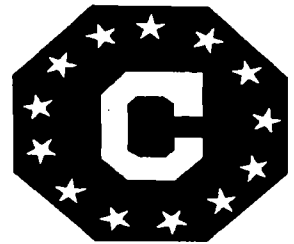


U. S. Department of State
Bureau of Consular Affairs
Washington, DC 20520

For recorded travel information, call 202-647-5225

Internet Address: travel.state.gov

For information by fax, call 202-647-3000 from your fax machine



Consular Information Sheet

Chile

June 9, 1997

Country Description: Chile has a stable government and a strong economy. Civil disorder is rare. Facilities for tourism vary according to price and area.

Entry Requirements: A passport is required. U.S. citizens do not need a visa for a stay of up to three months. At the international check-in point, a "processing fee collected under reciprocity" of \$20.00 (U.S.) is levied on U.S. citizens. The fee is payable in cash only and in exact change only. The receipt is valid for multiple entries. Travelers considering scientific, technical or mountaineering activities in areas classified as frontier areas are required to obtain authorization from the Chilean government at least 90 days prior to the beginning of the expedition. The portions of Antarctica claimed by Chile are exempt from these pre-approval requirements. Officials at the Torres del Paine National Park require mountain climbers to present an authorization granted by the Frontiers and Border Department, obtainable at the Chilean Embassy or Chilean consulates throughout the United States.

For current information concerning entry and customs requirements, travelers may contact the Chilean Embassy at 1732 Massachusetts Avenue, N.W., Washington D.C. 20036, tel. (202) 785-1746, or a Chilean consulate in Los Angeles, San Diego, San Francisco, Santa Clara, Miami, Honolulu, Chicago, New Orleans, Boston, New York, Philadelphia, San Juan, Puerto Rico, Charleston, Dallas, Houston, or Salt Lake City.

Medical Facilities: Medical care is good but may not meet U.S. standards. Doctors and hospitals often expect immediate cash payment for health services. U.S. medical insurance is not always valid outside the United States. Supplemental medical insurance which includes specific overseas coverage, including provisions for medical evacuation, is highly recommended. In-country medical evacuation from outlying areas to Santiago costs \$2,000 (U.S.) or more. Costs for international medical evacuations begin at about \$10,000 (U.S.) and can be as high as \$90,000 (U.S.), depending on the remoteness of the area in question. For travelers to the Antarctic and/or Easter Island, additional insurance to cover the cost of air evacuation specifically from that remote region is strongly recommended. In the event of illness, injury or even death, the cost of evacuation from the Antarctic region to Santiago alone can exceed \$50,000 (U.S.).

All areas of Santiago are affected by a high index of pollution, which appears as a heavy smog in the winter and dust in the summer. The most severe pollution occurs during the months of May to October. For additional health information, travelers can contact the Center for Disease Control's international travelers' hotline at (404) 332-4559; Internet: <http://www.cdc.gov>.

Crime Information: Visitors should be aware of the criminal environment in Santiago. Street crime, endemic to many South American cities, is a problem in the metropolitan area in general and in downtown Santiago, specifically. One should be particularly alert while walking in the downtown area, especially in the late afternoon and after dark, or on weekends, even in well-traveled areas. In Santiago and other large Chilean cities, thieves thrive on rush hour crowding on the street and aboard public transportation. Crime is also prevalent at crowded tourist locations, at Metro (subway) stations and on trains and buses. Police sources also report that robbery is on the rise in taxis. Persons wearing expensive-looking jewelry or carrying luggage or cameras are favorite targets for pickpockets and purse snatchers. Bags and briefcases are swiped from chairs in restaurants and outdoor cafes. Outside Santiago, robberies and assaults have occurred most frequently in the Vina del Mar and Valparaiso area, which becomes

increasingly crowded during the height of the Chilean summer season (December through February). The loss or theft of a U.S. passport should be reported immediately to the local police and the U.S. Embassy. Useful information on personal security and guarding valuables while traveling abroad is provided in the Department of State pamphlet "A Safe Trip Abroad," available from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402. Available from the same address is the State Department publication "Tips for Travelers to Central and South America."

Terrorist Activities: There have been no violent acts committed against U.S. business facilities or institutions in the last two years, except for two incidents in which molotov cocktails were thrown at Mormon churches. Traditionally, September 11-18 is an active period for terrorists and general public disorder. Visitors should actively seek information regarding planned demonstrations if they are in the Santiago area during that week.

Drug Penalties: U.S. citizens are subject to the laws of the country in which they are traveling. Penalties in Chile for possession and trafficking in illegal drugs are strict, and convicted offenders can expect lengthy jail sentences and fines.

Traffic Safety and Road Conditions: Although major roads in Chile are generally in good condition, secondary roads are sometimes poorly maintained and/or lighted. Traffic jams during peak hours in downtown Santiago and other neighboring areas are common. Taxis are plentiful and inexpensive. Driving under the influence of alcohol in Chile is severely penalized and can lead to incarceration if the driver is involved in any accident. Additional road condition and safety information may be obtained from the Chilean Automobile Association, Avenida Vitacura 8620, tel. 56-2-212-5702. The national tourist bureau, Sernatur, is located at Av. Providencia 1550, Santiago, tel. 56-2-236-1420 or -1416.

The U.S. Embassy also advises visitors to Chile that, according to local law, they must have an international driver's license in order to drive. Although car rental firms will rent to a client who has no international driver's license, several persons driving with only a U.S. license have been detained by the police for prolonged periods.

Aviation Oversight: In March 1992, the Federal Aviation Administration assessed Chile's civil aviation authority as in compliance with international aviation safety oversight standards for Chile's carriers operating to and from the U.S. The same level of safety oversight would typically be applied to operations to other destinations. For further information, travelers may contact the Department of Transportation at 1-800-322-7873.

Embassy Location/Registration: U.S. citizens are encouraged to register and to obtain updated security information at the Consular Section of the U.S. Embassy in Santiago. The U.S. Embassy is located at Avenida Andres Bello 2800, Santiago, tel. (56-2) 232-2600. U.S. Embassy home page: <http://www.rdc.cl/usemb>.

No. 97-097

This replaces the Consular Information Sheet of September 2, 1994, to update information on entry requirements, medical facilities, crime, and terrorist activities, and to add a paragraph on traffic safety and road conditions.

PUBLIC ANNOUNCEMENT

**U.S. DEPARTMENT OF STATE
Office of the Spokesman**

CHILE

March 6, 1998

The following notice was issued March 6 by the U.S. Embassy in Santiago, Chile.

Much controversy surrounds General Pinochet's move to the Senate, scheduled for March 11 in Valparaiso following the Army's change of command March 10 in Santiago. As noted in local newspapers, authorization has been given for demonstrations and marches in Santiago and Valparaiso. There is no indication how many people may participate in these events. U.S. citizens should stay alert and take precautions to avoid being caught up in any confrontations.

While the most potentially problematic days will be March 10 and 11, events may begin as early as March 6, with marches tied to International Women's Day at the Plaza de la Constitucion and Plaza de los Heroes. Parque O'Higgins will be the venue on March 8 for a demonstration against Pinochet.

The U.S. Embassy recommends that U.S. citizens avoid downtown Santiago on March 10 due to the number of different protests scheduled. In Valparaiso, U.S. citizens should avoid the area surrounding the National Congress on March 10 and 11.

For further information on travel to Chile, consult the Department of State's latest Consular Information Sheet for Chile.

This Public Announcement expires March 26, 1998.

Department of State travel information and publications are available at Internet address: <http://travel.state.gov>. U.S. travelers may hear recorded information by calling the Department of State in Washington, D.C. at 202-647-5225 from their touchtone telephone, or receive information by automated telefax by dialing 202-647-3000 from their fax machine.



U.S. Department of State

Background Notes: Chile, January 1997

Released by the Bureau of Inter-American Affairs.

OFFICIAL NAME: Republic of Chile

PROFILE

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 (1996): 14.0 million.

Annual population growth rate: 1.5%.

Ethnic groups: Spanish-Indian (mestizo), European, Indian.

Religions: Roman Catholic 89%; Protestant 11%.

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: Promulgated September 11, 1980; effective March 11, 1981; amended in 1989 and 1993.

Branches: Executive--president. Legislative--bicameral legislature. Judicial--Supreme Court,

court of appeals, 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 Social Democratic Party, the Socialist Party and the Independent Democratic Union Party. In 1993, the Communist Party did not win a seat in Congress.

Suffrage: Universal at 18, including foreigners legally resident for more than five years.

ECONOMY (1995)

GDP: \$67.3 billion.

Annual real growth rate: 8.5%

Per capita GDP: \$4,700.

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--\$16.4 billion: copper, fishmeal, fruits, wood products, paper products.

Major markets--EU 26%, Japan 18%, U.S. 14%, U.K. 7%, Brazil 6%, South Korea 5%, Germany 5%.

Imports--\$15.3 billion: petroleum, chemical products, capital goods, vehicles, electronic equipment, consumer durables, machinery. Major suppliers--U.S. 25%, EU 18%, Argentina 9%, Brazil 8%, Japan 7%, Germany 5%.

U.S.-CHILEAN RELATIONS

Relations between the United States and Chile are better now than at any other time in history. The United States Government applauded the rebirth of democratic practices in Chile in the late 1980's and early 1990's, and sees the maintenance of a vibrant democracy and healthy economy as among the most important U.S. interests in Chile. 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. By agreeing to a consultative framework, President Clinton and President Frei took concrete steps to increase the frequency of consultations on issues of mutual concern. In the recent past, these consultations have included high-level discussions on common approaches to UN issues, visa issues between the two countries, and consultations on agricultural trade.

Following the November 1995 visit of First Lady Hillary Rodham Clinton, a number of senior U.S. Government officials have visited Chile. Secretary of State Warren Christopher traveled to Chile in February 1996, and met with President Frei and other Chilean leaders to discuss a number of important issues including trade, defense and multilateral relations. Secretary of Defense William Perry followed with a visit to Santiago in March 1996.

The warm relationship enjoyed by United States and Chile today contrasts with the difficult period of relations during the rule of Augusto Pinochet's military regime from 1973-89. The 1976 car bomb attack in Washington, DC, which killed Orlando Letelier, former Chilean ambassador to the United States and a member of President Salvador Allende's cabinet, and U.S. citizen Ronni Moffitt, caused a sharp deterioration in relations. This event led the U.S. Congress to ban security assistance and arms sales to Chile in 1978.

Following the transfer of power in 1990 from the Pinochet military regime to the newly elected government of Patricio Aylwin, the frigid relations between Chile and the United States began to thaw. President Aylwin's state visit to the United States in May 1992 was the first by a Chilean leader in more than 40 years and symbolized increased cooperation between the two countries. In response to a commitment by President Aylwin's government to pursue the Letelier-Moffitt case within the Chilean judicial system, President Bush lifted the 1978 U.S. sanctions. As the United States continued to press for justice in this case, a Chilean court found that the chief of intelligence operations and the commander of army intelligence had ordered the assassination. Both officers were subsequently sentenced to prison terms in Chile for their roles in the assassination and began serving their sentences in 1995. In addition, the Chilean Government made an ex gratia payment to the families of the victims.

The goal of U.S. foreign policy in Chile is to pursue expanded economic relations and to cooperate in good faith on a range of other bilateral and multilateral issues of interest. Above all, the United States believes that an economically strong and a democratically healthy Chile will benefit the entire hemisphere.

U.S. Embassy Functions

Besides working closely with Chilean Government officials to improve our bilateral relationship, the U.S. Embassy in Santiago provides a wide range of services to U.S. citizens and businesses in Chile. The Embassy is also the locus for a number of American community activities in the Santiago area.

Attaches at the embassy from the Foreign Commercial Service and Foreign Agriculture Service work closely with the hundreds of U.S. companies which maintain offices in Chile. These officers provide information on Chilean trade and industry regulations and administer several programs intended to aid U.S. companies starting or maintaining business ventures in Chile.

The Consular section of the Embassy provides vital services to the more than 5,500 U.S. citizens residing in Chile. Among other services, the Consular section assists Americans who wish to participate in U.S. elections while abroad and provides U.S. tax information. Besides the U.S. residents living in Chile, over 80,000 U.S. citizens visit annually. The Consular section offers passport and emergency services to U.S. tourists as needed during their stay in Chile.

PRINCIPAL U.S. EMBASSY OFFICIALS

Ambassador--Gabriel Guerra-Mondragon
Deputy Chief of Mission--Charles S. Shapiro
Economic and Political Counselor--Russell L. Frisbie, Acting
Consul General--Thomas J. Rice
Administrative Counselor--Lois E. Turner, Acting
Commercial Counselor--Carlos F. Poza
Defense Attache--Capt. Thomas L. Breitingner, USN
Public Affairs Officer--Barbara C. Moore

The U.S. Embassy and Consulate in Santiago are located at 2800 Andres Bello Avenue, Las Condes, (tel. 562-232-2600; fax: 562-330-3710). The mailing address is Casilla 27-D,

Santiago, Chile. Internet: <http://www.rdc.cl/usemb>

ECONOMY

Chile's economy, spurred by free market-oriented policies, has averaged a real growth rate of over 6% per year during the last 13 years. A limited government role in the economy, openness to international trade and investment, high domestic savings and investment rates, and budget surpluses have made this performance possible. The economy's rapid growth has led to steady increases in wages and living standards.

In 1995, the economy grew by 8.5% in real terms as the inflation rate fell by almost a percentage point to 8.2%. For 1996, real growth and inflation are both expected to be around 7%. Chile's trade balance, which was in surplus by \$1.4 billion in 1995, is expected to move into negative territory by the end of 1996 (although the trade surplus the U.S. enjoys with Chile will continue). With investment continuing at a record pace, the economy is expected to continue growing vigorously over the next several years.

Chile has achieved central government budget surpluses every year since 1988. The 1973-90 military government sold many state-owned companies, and the two democratic governments since 1990 have continued privatization at a slower pace. Import tariffs are a flat 11% on nearly all products. Policy measures such as the privatization of the national pension system have encouraged domestic investment and the savings rate of the society as a whole approaches the rates of the dynamic economies of the Far East. The foreign investment law offers investors basically the same treatment as domestic firms, along with extra guarantees.

Wages have risen faster than inflation each year since 1990; nearly all of this growth reflects greater productivity. The higher wages have increased living standards and have brought more people into the labor force. The share of Chileans with incomes below the poverty line (\$4,000/year for a family of four) fell from 45% of the population in 1987 to 28% in 1994; it is expected to be around 24% by the end of 1996.

Unemployment has varied with the business cycle in recent years, with annual rates of between 4.5% and 6.0%.

Inflation has gradually declined every year since 1990, when it hit 27%. In 1995, average annual inflation stood at 8.2%, and the Central Bank has predicted that it will fall to 6.5% in 1996. Because most wage settlements and spending decisions are indexed, either formally or informally, it has been difficult to reduce inflation rapidly while maintaining high growth rates. Still, the independent Central Bank has been willing to raise interest rates when necessary to bring down inflation.

The establishment of a compulsory private sector pension system in 1981 was an important step toward increasing domestic savings and the pool of investment capital. Under this system, all workers must pay 10% of their salaries into privately managed funds. This large capital pool has been supplemented by substantial foreign investment.

Total public and private investment in Chile's economy has been over 26% of GDP in every year since 1992, and a similar level is expected in 1996. The government recognizes the necessity of steadily increasing private investment to boost worker productivity. The government is also encouraging diversification to non-traditional exports such as fruit, wine and fish to gradually reduce the relative importance of basic product exports such as copper and other natural resources.

Chile's welcoming attitude toward foreign direct investment is codified in the country's Foreign Investment Law, which gives foreign investors the same treatment as Chileans. Registration is simple and transparent, and foreign investors are guaranteed access to the official foreign exchange market to repatriate their profits and capital. However, capital must be kept in Chile for one year.

Despite international investors' concern elsewhere in Latin America, foreign direct investment in Chile continued at a record pace and reached \$1.8 billion in 1995. In contrast, portfolio investment fell as international investors realized gains accumulated over several years. Total gross foreign investment fell by 6% from 1994's record high, leveling off at \$4.3 billion in 1995.

Foreign Trade

Chile's economy is highly dependent on international trade. In 1995, exports reached \$16 billion and imports \$14.7 billion. Exports accounted for almost 25% of GDP. Chile has traditionally been dependent upon copper exports. The state-owned firm CODELCO is the world's largest copper producing company. Foreign private investment has developed many new mines in recent years. The private sector now produces more copper than CODELCO. Copper output is expected to increase rapidly in the next few years as private sector projects come on stream.

Non-copper exports have grown even faster than those of copper. In 1986, non-copper exports of \$1.7 billion made up 42% of total exports; by 1995, these products reached \$9.6 billion and 59% of total exports. The most important non-copper exports are forestry and wood products, fresh fruit and processed food, fishmeal and seafood, and other manufactured products.

Chile's export markets are geographically diverse. Asia and the European Union are the largest regional markets. The U.S., the largest single market, takes in about 15% of Chile's exports. Latin America has been the fastest-growing export market in recent years. The government actively seeks to promote Chile's exports globally. Since 1991, Chile has signed free trade agreements with Canada, Mexico, Venezuela, Colombia, and Ecuador. An association agreement with Mercosur (Argentina, Brazil, Paraguay, and Uruguay) was signed in July 1996. Chile has joined the Asia-Pacific Economic Cooperation (APEC) organization in an effort to boost commercial ties to Asian markets. Also, Chile and the European Union plan to negotiate a trade agreement in the coming years, although it is unclear how much trade liberalization will result. Chile is keenly interested in joining NAFTA, in large part because the United States is its most important single trading partner and source of foreign investment. Chile's 1996 free trade agreement with Canada was designed to be compatible with Chilean NAFTA accession.

Imports have grown along with the economy in the past few years. The country's high investment rate is reflected in the fact that capital goods make up almost 30% of total imports. The United States is Chile's largest single supplier, providing 25% of the country's imports in 1995. Import tariffs are a flat 11% on nearly all products. Higher tariffs are charged on imports of wheat, wheat flour, vegetable oils, and sugar. Domestic production of these commodities is protected by import price bands, which are variable tariff rates that bring import prices up to the average international price of the last five years. Imports of used goods are charged a tariff of 16.5%.

Finance

Chile's financial sector has grown faster than other areas economy over the last few years. Chileans have enjoyed the recent introduction of new financial tools such as home equity loans, currency futures and options, factoring, leasing, and debit cards. The introduction of these new tools has been accompanied by increased use of traditional instruments such as loans and credit cards. Chile's private pension system, with assets worth over \$24 billion, has provided an important source of investment capital for the stock market. The number of firms with shares traded on the stock market continues to grow.

Chile's credit rating is one of the best in Latin America. In recent years, many Chilean companies have sought to raise capital abroad due to the relatively lower interest rates outside of Chile. There are three main ways Chilean firms raise funds abroad: bank loans, issuance of bonds, and the selling of stock on U.S. markets through American Depositary Receipts (ADRs). Nearly all of the funds raised go to finance investment.

The government is rapidly paying down its foreign debt. The combined public and private foreign debt is about 30% of GDP which is low by Latin American standards.

GOVERNMENT AND POLITICAL CONDITIONS

Following a coup in 1973, Chile was ruled by a military regime headed by General Augusto Pinochet until 1990. The first years of the regime were marked by serious human rights violations. In its later years, however, the regime gradually permitted greater freedom of assembly, speech, and association, to include trade union activity.

In contrast to its authoritarian political rule, the military government pursued decidedly liberal economic policies. During its 16 years in power, Chile moved away from economic statism toward a largely free market economy, fostering an increase in domestic and foreign private investment.

General Pinochet was denied a second eight-year term as President in a national plebiscite in 1988. In December 1989, Christian Democrat Patricio Aylwin, running as the candidate of a 17-party center-left coalition, was elected president. In the 1993 election, Eduardo Frei Ruiz-Tagle of the Christian Democratic Party was elected President for a six-year term and took office in March 1994.

Chile's constitution was approved in a September 1980 national plebiscite. It entered into force in March 1981. After Pinochet's defeat in the 1988 plebiscite, the constitution was amended to: ease provisions for future amendments to the constitution; create nine appointed or "institutional" senators; and diminish the role of the National Security Council by equalizing the number of civilian and military members (four members each).

Chile's bicameral Congress has a 47-seat Senate (38 elected, 9 appointed) and a 120-member Chamber of Deputies. Deputies are elected every four years. Senators serve for eight years with staggered terms. The current Senate contains 21 members from the governing coalition, 17 from the rightist opposition, and the eight still-living appointed senators designated in 1989 by Pinochet for eight-year terms. Since taking office, the Frei administration has proposed the abolition of the nine appointed Senate seats. The last congressional elections were held in December 1993. The congress is located in the port city of Valparaiso, about 140 kilometers (84 mi.) west of the capital, Santiago.

Chile's congressional elections are governed by a unique binomial system that rewards large coalition slates and penalizes 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 current 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 any seats in the 1993 elections.

Chile's judiciary is independent and includes a Supreme Court, a court of appeal, and a system of military courts.

National Security

Chile's armed forces are subject to civilian control exercised by the president through the Minister of Defense. However, under the 1980 constitution, the services enjoy considerable autonomy, and the president cannot remove service commanders on his own authority.

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

Navy: Admiral Jorge Martinez Busch directs the 29,000 person navy, including 5,200 marines. The fleet of 11 surface vessels and four submarines is based in Valparaiso. The navy operates its own aircraft.

Air Force: General Fernando Rojas Vender 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.

The Chilean police are comprised of a national, uniformed police force (carabineros) and a smaller, plainclothes investigations police force. 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, but remained under the nominal control of the Defense Ministry. General Fernando Cordero, who directs the national police force of 27,000, is responsible for law enforcement, traffic management, narcotics suppression, border control, and counter-terrorism throughout Chile.

PEOPLE

About 85% of Chile's population live in urban centers with 40% living 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 90 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.

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 area 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.

HISTORICAL HIGHLIGHTS

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 hundreds of thousands of Indians from various cultures in the area that modern Chile now occupies. These cultures 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 -- 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 revolt 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, government in Santiago 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 with Peru and Bolivia (1879-83), Chile expanded its territory northward by almost one-third and acquired valuable nitrate deposits, the exploitation of which led to an era of national affluence.

Although Chile established a parliamentary style democracy in the late 19th century, it 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 stability resulted in the quasi-dictatorial rule of General Carlos Ibanez (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.

The 1964 presidential election of Christian Democrat Eduardo Frei-Montalva (father of the current president) by an absolute majority initiated a period of major reform. Under the slogan "Revolution in Liberty," the Frei Administration 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 the end of his term, Frei had many noteworthy accomplishments, but did not achieve the party's ambitious goals.

In 1970, 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, was elected by a narrow margin. His program included the nationalization of most remaining private industries and banks, massive land expropriation and collectivization. Allende's proposal also included 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. Domestic production declined, severe shortages of consumer goods, food, and manufactured products were widespread and inflation reached 1,000% per annum. Mass demonstrations, recurring strikes, violence by both government supporters and opponents, and widespread rural unrest ensued in response to the general deterioration of the economy. By 1973, Chilean society had split into two hostile camps. A military coup overthrew Allende on September 11, 1973. As the armed forces bombarded the presidential palace, Allende committed suicide.

FOREIGN POLICY

With its return to democracy, 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 was a driving force in the world summit for social development held in Copenhagen in March 1995. The Chilean Government has reestablished diplomatic relations with most countries, including Cuba in 1995. Chile maintains only consular relations with Bolivia.

Often driven by economic interests, cooperation between Chile and most of its Latin American neighbors has significantly improved. However, Chile's acquisition of territory during the War of the Pacific (1879-83) continues to influence adversely its relations with Peru and Bolivia. Although Bolivia does not maintain an embassy in Santiago, recent high level talks with Bolivian leaders seeking to improve commercial access through Chile to the Pacific Ocean suggest improved relations. Bolivia had severed relations in 1978 following failed negotiations with Chile concerning access to the Pacific. By treaty, any Bolivian-Chilean agreement involving former Peruvian territory also would require Peru's agreement.

Chile's recent agreement with the Mercosur countries and its continuing interest in NAFTA and APEC auger well for even closer ties abroad in the future. Politically, Chile has become one of the most active countries in supporting the implementation of the Miami Summit of the Americas in 1994, and will host the second Summit in Santiago at the end of March 1998. Currently a member of the UN Security Council, Chile participates in UN peacekeeping activities and has a large array of multilateral obligations befitting its growing international prestige.

Information on travel conditions, visa requirements, currency and customs regulations, legal holidays, and other items of interest to travelers also may be obtained before your departure from a country's embassy and/or consulates in the U.S. (for this country, see "Principal Government Officials" listing in this publication).

Upon their arrival in a country, U.S. citizens are encouraged to register at the U.S. embassy (see "Principal U.S. Embassy Officials" listing in this publication). This may help family members contact you in case of an emergency.

FURTHER ELECTRONIC INFORMATION:

Consular Affairs Bulletin Board (CABB). Available by modem, the CABB provides Consular Information Sheets, Travel Warnings, and helpful information for travelers. Access at (202) 647-9225 is free of charge to anyone with a personal computer, modem, telecommunications software, and a telephone line.

Department of State Foreign Affairs Network. Available on the Internet, DOSFAN provides timely, global access to official U.S. foreign policy information. Updated daily, DOSFAN includes Background Notes; Dispatch, the official weekly magazine of U.S. foreign policy; daily press briefings; directories of key officers of foreign service posts; etc. DOSFAN's World Wide Web site is at ; this site has a link to the DOSFAN Gopher Research Collection, which also is accessible at <gopher://gopher.state.gov>.

U.S. Foreign Affairs on CD-ROM (USFAC). Published on a quarterly basis by the U.S. Department of State, USFAC archives information on the Department of State Foreign Affairs Network, and includes an array of official foreign policy information from 1990 to the present. Priced at \$80 (\$100 foreign), one-year subscriptions include four discs (MSDOS and Macintosh compatible) and are available from the Superintendent of Documents, U.S. Government Printing Office, P.O. Box 37194, Pittsburgh, PA 15250-7954. To order, call (202) 512-1800 or fax (202) 512-2250.

Federal Bulletin Board (BBS). A broad range of foreign policy information also is carried on the BBS, operated by the U.S. Government Printing Office (GPO). By modem, dial (202) 512-1387. For general BBS information, call (202) 512-1530.

National Trade Data Bank (NTDB). Operated by the U.S. Department of Commerce, the NTDB contains a wealth of trade-related information, including Country Commercial Guides. It is available on the Internet (www.stat-usa.gov) and on CD-ROM. Call the NTDB Help-Line at (202) 482-1986 for more information.

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Gabriel Guerra-Mondragon U.S. Ambassador to Chile

Gabriel Guerra-Mondragon was appointed U.S. Ambassador to Chile in July 1994 and was confirmed by the Senate on October 4. Vice President Albert Gore administered the oath of office to Ambassador Guerra-Mondragon on October 25. He arrived in Santiago on November 8, 1994.

Mr. Guerra-Mondragon served as a staff attorney for the U.S. Commission on Civil Rights, 1969–72; Deputy Administrator of the Office for the Commonwealth of Puerto Rico in Washington, D.C., 1973–75; joined the Foreign Service of the United States, 1976; Desk Officer for Nicaraguan Affairs, 1977; Executive Director, United States National Commission for UNESCO, 1977–79; staff assistant in the Office of the Secretary of State, 1979–80; special assistant to the Ambassador and then political officer at the U.S. Embassy in Mexico City, 1980–83; and Colombia Desk Officer, 1983–84.

In 1984, Mr. Guerra-Mondragon was assigned on a detail from the Department as Deputy Program Director for Latin America and the Caribbean of the National Democratic Institute for International Affairs in Washington, D.C., where he served until 1986. In that year, Mr. Guerra-Mondragon returned to the private sector and became Vice President of the National Strategies and Marketing Group in Washington, D.C. From 1987 to 1994, Mr. Guerra-Mondragon was President of TKC International Inc., in Washington, D.C., appointed by the President as Commissioner of the American Battle Monuments Commission in Washington, D.C., 1994; a member of the Council on Foreign Relations of the United States; a former member of the Puerto Rican Legal and Education Defense Fund; and a member of the Puerto Rico Bar Association.

Ambassador Guerra-Mondragon was born in San Juan, Puerto Rico, on September 4, 1942. He studied at Fordham University; the School of Advanced International Studies of Johns Hopkins University; and the University of Puerto Rico School of Law. He is married to Alicia Rodriguez.

Key U.S. Officials in Santiago

Deputy Chief of Mission

Charles S. Shapiro

Economic/Political Officer

Stephen G. Wesche

Commercial Officer

Carlos F. Poza

Administrative Officer

David Davison

Consular Officer

Thomas Rice

Regional Security Officer

Janet Shafer

Public Affairs Officer

Kathleen A. Brion