

# CHILE and CANADA

## *News Service*

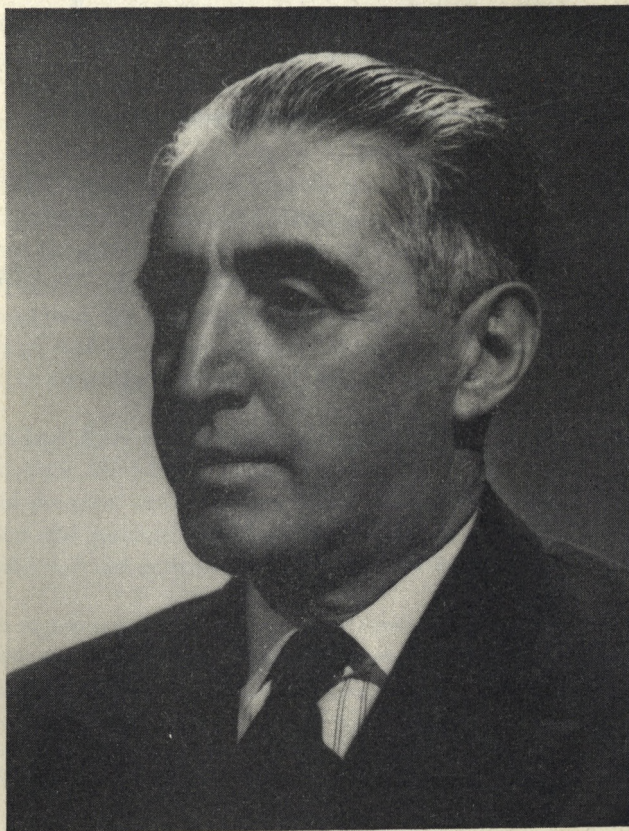
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Chilean Embassy

OTTAWA

October, 1945

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THE PRESIDENT OF CHILE

HIS EXCELLENCY JUAN ANTONIO RÍOS

WHO IS NOW VISITING CANADA

## Visit of the President of Chile to Canada

When he accepted the invitation of the Canadian Government, President Rios achieved one of his most intimate desires; to know one of the countries of the American continent which has greatly contributed to the recent struggle for world freedom and which now reveals itself as a powerful forger of the new peace.

During his administration, President Rios has always considered friendly relations with Canada an essential aspect of his international policy. Proofs of this have been the establishment of diplomatic relations between the two countries, the visit of the Minister of External Affairs, Mr. Joaquin Fernandez, to Canada in 1943, during which he ratified the Commercial Treaty between Canada and Chile, the Chilean proposal at the Chapultepec Conference (Mexico), approved by acclamation by all the other delegations, to pay tribute to Canada for its heroic and great war effort and express wishes for closer Canadian relations with the other nations of the hemisphere, the creation of the school called "Canada" in Santiago where younger generations will learn to know modern Canada better, the exchange of commercial missions, etc., etc.

President Rios as an experienced parliamentarian, fervent democrat and tenacious defender of human freedom has always considered Canada as one of the great and exemplary democracies of the world. The historical evolution and juridical structure of Canada, its industrial development, social and cultural progress have particularly impressed our President.

It is significant that President Rios comes to Canada in the beginning of a new era offering the greatest opportunity to our young nations to apply the principles of international cooperation. It may be true that the war is over, but the consequences of war must still be felt for a long time.

It is undeniable that we must render our existing relations more consistent and durable. President Rios believes that international relations—especially amongst countries of this hemisphere—must constitute a system of mutual obligations and responsibilities. This modern era of international collaboration is, of course, based upon immutable juridical foundations but

it is undisputable that they do not suffice if the economic foundations are not built upon mutual confidence and help. Only the further development of social and economic conditions of the countries combined with public freedom will build an effective democracy which can truly insure the maintenance of peace.

President Rios heads a free and progressive Chile which will make every effort in future years to develop her natural resources and raise the standard of living of her people. Our President has the confidence of all the Chileans; he symbolizes their unity, their energy and aspirations. Moreover, he has their respect because even during the most difficult days of the last years, he never limited their freedom, the basis of the democracy they are so proud of and which has been praised so many times the world over.

The President's visit is the recognition of the bonds between Chile and Canada and the expression of the intention that these bonds will, in the future, give birth to deeds which will truly benefit our peoples, separated by space but united in their ideals and in their future.

## Who is the President of Chile?

Juan Antonio Rios was born in Cañate, November 10th, 1888, in the province of Arauco situated in the southern part of the Republic. His first studies were made in local schools. He then continued his studies in Concepción. At the university of Santiago he obtained his lawyer's degree. His political career is one of the most brilliant ones in Chile. He was alderman of the municipality of Concepción and Mayor of la Comuna; in 1921 he was designated as Chilean Chargé d'Affaires to Panama. Two years later he was elected as deputy to the National Congress, where he became famous for his interest in all social and economic problems, which he faced with sincerity and proposals for social reforms. Later he was elected Senator and in 1932 became Minister of the Interior. The next year he returned to the Chamber of Deputies, where he continued in his studies on electrical, saltpetre, mining and agricultural legislation. Besides his parliamentary work, Don Juan Antonio Rios has intervened directly in the Nation's economy through the different positions he has had. He has been President or Adviser of many public and private institutions, like the Mortgage Credit, Development of Production Corporation, Popular Housing, National Mining Society, etc. At the death of President Don Pedro Aguirre Cerda, the Radical Party, to which he belonged since his early years, elected him

as candidate for the Presidency. He was supported by all the democratic forces of the Nation from the conservatives and liberals to the socialists and communists. His triumph at the polls was complete and the elections constituted an example of the democratic organization of Chile. Don Juan Antonio Rios is a political personality, who has always professed his democratic faith. He is straightforward, inflexible to flattery, serene, reflexive and imbued of a strong will. Actually he counts with the Nation's confidence, who have faith in their Government. His administration has distinguished itself by the effort to assure the economic future of Chile to improve the situation of the working class, who accompany him with their approval. He works to make the adhesion of Chile to the cause of the United Nations an effective one, increasing the production of raw materials for war purposes, and later declaring war on the Axis.

President Rios is presently engaged in increasing Chile's industrial development and stimulating production. He has realized a great plan of electrification of the country and the intensification of the Chilean steel industry. Moreover, other plans are being pushed to completion for irrigation which will restore certain zones hitherto unproductive, for road building in order to reunite various zones of the country, for the construction, use and maintenance of airports, for agrarian development and agricultural mechanization, for colonisation of agrarian zones in Southern Chile and for land distribution among the farmers, for the construction of houses for workers, for more public schools in order to extirpate the rare remnants of illiteracy left in the country.

In this great task of developing Chile's potentialities, the President expects much international collaboration and in consequence, he has issued a decree by which he concedes facilities to foreign investors and insures the return of the capital. The installation in Chile of industries financed by foreign capital will be especially welcomed by the Government.

He is married to Doña Marta Ide de Rios, they have three sons. The eldest was born in the Canal Zone, Panama, and at present is serving in the armed forces of his country. The other two sons are studying law in the University of Chile.

## Who are coming with him?

President Rios is accompanied by the following people:

**Senator Eliodoro Dominguez**, one of the foremost Chilean educational reformers, author of several notable works and distinguished humanist and socioeconomist.

**Mr. Raúl Brañes**, member of the Chilean Chamber of Deputies, director of the National Hospital and Adviser to the Department of Public Health. Doctor Brañes is a past Speaker of the Chamber of Deputies and one of the most outstanding personalities of current Chilean political life.

**Mr. Benjamín Claro**, professor of Civil Law in the University of Chile, minister of Education in the Chilean Cabinet from 1942 to 1944, and director of various industrial and assurance companies. Mr. Claro has visited the United States and Europe on numerous occasions and has been the guest of the Soviet Union.

**Colonel Ernesto Wurth Rojas**, presently, military aide-de-camp of President Rios. Colonel Wurth Rojas has brilliantly fulfilled many important missions having been Chilean Military Adviser in the Buenos Aires Peace Conference which put an end to the Chaco War between Bolivia and Paraguay, in 1936.

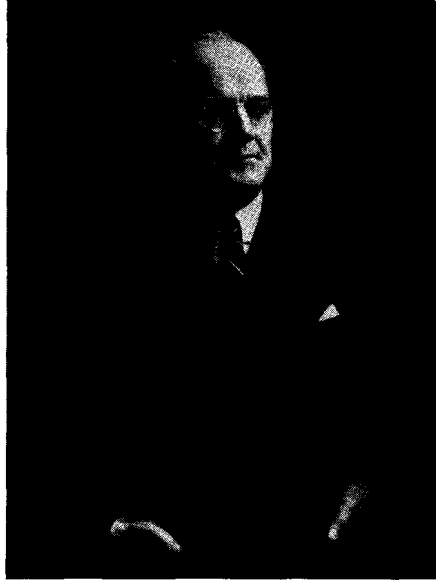
**Mr. Abraham Valenzuela**, Private Secretary of President Rios, professor of Philosophy in the University of Concepción, and distinguished lawyer who is presently head of the Section for Social Studies of the Library of the Chilean National Congress.

**Lieutenant Carlos Rios Ide**, son of President Rios. Lieutenant Rios studied in the Instituto Inglés (English Institute) and in the National Institute, completing his education in the Chilean Military College where he was commissioned lieutenant of artillery. He is serving, at present, with the "Tacna" Regiment in the city of Santiago.

# Chilean-Canadian Friendship

*Statements of The Minister of Trade and Commerce,  
The Honourable J. A. MacKinnon*

"I welcome this opportunity to emphasize the great importance which Canada attaches to the close friendship which exists between Chile and other Latin-American countries and Canada. This friendship provides a sound and enduring basis for the developing trade and cultural relations between our countries.



The cordial reception given to the Canadian Trade Mission, which I headed in September 1941, assured us of the full co-operation of the Chilean Government and business men alike. I can testify that the interest thus created is fully shared and reciprocated by the exporters of Canada.

Now that the war has ended, we are looking forward to the establishment of growing commercial relations between Canada and Chile that will prove mutually satisfactory. I am hopeful that our old trade associations will take on new life and that our two countries will share in the increasing flow and exchange of goods.

It is a source of particular pleasure to Canada to be honoured by a visit of the President of Chile to this country, and we are confident that this visit will serve to strengthen still further the friendship and respect which unite our countries in such a community of interest."

Ottawa, October 1945.

# Images of Chile

## POETIC GEOGRAPHY

"Something like a synthesis of the planet is realized in the Geography of Chile. It begins with the desert . . . a sterility which has no use for man; it is humanized in the valleys of the transition zone; makes a complete home for itself in the agricultural region; takes on a heroic forest beauty at the continent's end as though to finish worthily; and it finally crumbles away offering equally life and death in a sea which vacillates between its liquid quality and the Buddhic nature of eternal ice.

*Gabriela Mistral.*

Chile is a land of contrasts. Blazing deserts and dank antarctic forests; the longest coastline in the world and some of the most towering mountain peaks; modern industrial cities and primitive agricultural communities; land which looked too poor to tempt the Conquistadores yet which contains some of the richest mineral deposits in the world; seemingly isolated geographically, but leading the Hemisphere in social legislation—these are some of her many contrasts and paradoxes.

Many of them stem from the geography of Chile. Like an elongated California, she stretches for 2,600 miles from the subtropics to the subarctic tip of South America. While Chile is in no place more than 221 miles wide, two mountain ranges march her entire length. Between them is the *Valle de Chile*, with some of the best agricultural soil in South America and some of the most barren.

Geographically, Chile can be divided into three sections, each with its distinct climate and topography.

From the Peruvian border in the subtropics down to about latitude 30° south, is the great Chilean desert, arid and mountainous—source of the republic's mineral wealth. Sometimes in certain sections years go by without rainfall—hard on the inhabitants, but a nitrate blessing, as rain washes away the rich surface salts.

Below the desert and south to the island of Chiloé is a region which in itself is diversified. It includes the Central Valley with its rich agricultural soil. In the northern section, this area is dry with warm summers and little frost in winter. Irrigation, fed by Andean snows, has made the land agriculturally rich. In the southern section, it is rainy and the climate is mild in winter and warm in summer.

South of the island of Chiloé there is mostly either island territory or densely forested highlands with soggy infertile soil and glacial streams.

The Chileans have reminded many observers of the people of the North American West Coast. Sports enthusiasts, they have notable fishing, football, horse racing, skiing and swimming. The resort of Viña del Mar is rated above the Riviera by some connoisseurs—and they mean the pre-war Riviera, too.

Racially the Chileans are predominately European, with some mingling of Indian strains, fast disappearing. Spanish blood, originally that of the Conquistadores and of early Spanish colonials, has been fortified by more recent Spanish immigration. During the last century, British, largely along the coast; Germans in the south; French and Italians in the cities; and, since 1900, Swiss and Irish have added their blood and their names to the Chilean melting pot.

The enterprise, energy, and imagination of the Chilean people rather than the natural resources of the country have made Chile one of the greatest of South American nations.

While foreign money, largely from the United States and France, has financed the utilization of her copper, nitrates, and iron, Chilean capital and management, with government aid, have developed her coal, her hydro-electric power, her smaller mines, and her growing consumer industries. To mine and transport the mineral wealth of copper, iron, and coal, as well as to obtain nitrates from the vast beds in northern Chile, has meant the overcoming of immense difficulties. Most of Chile's copper and all of her nitrates are located in desert and mountain territory, where equipment, men, food and even water have had to be brought in from outside over forbidding terrain. Few copper districts in the world have needed such triumphs of engineering and human endurance as was lavished on Chuquicamata, 9,000 feet high and far from the coast. Roads, railroads, and pipe lines have had to be built, and the original equipment was packed largely on muleback. Despite all this, Chile's mining industry is one of the best equipped and best managed in existence. Her exports of copper—lead the world, while her production is second only to that of the United States.

For many years, the story of nitrate was the story of Chile.

Until the introduction of methods of extracting nitrates from the air during the First World War, Chile, with her thousands of miles of powder-dry desert, had a world monopoly in this material so necessary for TNT and fertilizer.



After the first world war there came a great depression in the nitrate market which forced the Government to turn to manufacturing.

However, the second world war brought about a period of expansion for nitrate and copper and with these, Chile contributed efficaciously to the needs of the United Nations.

The market for Chilean nitrates is very good at present in view of the great demand for fertilizer for the devastated regions of Europe and of the world.

In 1939 Chile embarked upon a 5-year-plan of industrial development.

The Corporación de Fomento de la Producción, a government agency combining features of the TVA and Reconstruction Finance Corporation of United States, was formed to help free Chile from dependence upon foreign markets and to raise her standard of living.

Chile's population is more than half urban, and her cities are modern and splendid. Santiago, always the capital since it was founded by Valdivia, now has a population of 1,000,000 and is one of the finest cities in South America, if not in the world. The government buildings are magnificent, and the commercial structures rival the skyscrapers of Rio de Janeiro or Buenos Aires. Valparaiso, the chief port (one of 60 on the long coast) with more than 300,000 inhabitants, is built on the same ample scale. Concepción, has great industrial possibilities. Nearby is Talcahuano, naval station and port through which pours most of Chile's coal. Other important cities are Arica, the northernmost port; Punta Arenas, southernmost city in the world and the outlet for the cattle-raising country of the south, Antofogasta and Iquique.

More than 80 percent of Chile's people are literate, and the percentage is being rapidly increased by an advanced compulsory education system. There are more than 700,000 students in the public and private schools, and there are five universities. The University of Chile, just a hundred years old, has the largest proportion of foreign students of any American University, with 1,000 of its 6,000 students from other nations.

Chile has been an international leader in social legislation. As early as 1925 her government began pioneering in this field, setting up the first social-security system in the Western Hemisphere.

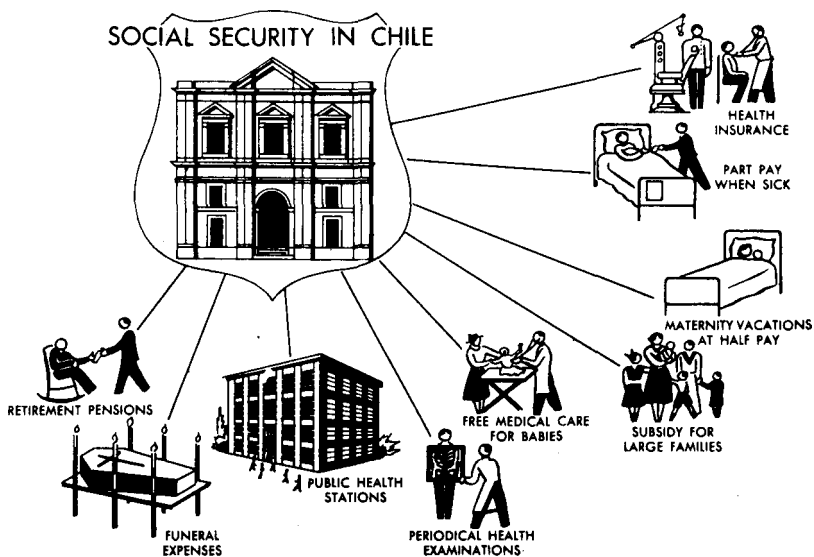
Chile's justly famed social-security system, the Caja de Seguro Obligatorio de Enfermedad, Invalidez y Vejez, established in 1925, and increased in scope in 1933, is primarily a health service to workers. Their contributions to the fund are supplemented by payments by their employees

and by the government. Unemployment is taken care of by laws which require an employer to pay a month's severance pay for each year of employment.

Through this system of compulsory insurance Chile has always provided protection against sickness, disability, and old age. Since 1933 it has added to this an enlightened program of preventive, as well as curative, medical protection. Workers are regularly examined in widely scattered local dispensaries, with particular attention paid to tuberculosis, syphilis, and cardio-vascular diseases, as well as infectious diseases. Rest is often prescribed and enforced.

Through Seguro Obligatorio, too, much has been accomplished in the fight for better babies. Employed mothers receive pay for 2 weeks before and after the birth of a child; they are given modern prenatal and after care, and their children are watched by the clinics until 2 years of age and often receive supplementary milk and other infant foods. Wives of workers also receive this care, and impressive decreases have been made in infant mortality rates.

The funds from Social Security are also put to work. They have built low-cost workers' houses, have established a government-owned pasteurizing plant in Santiago, and have provided free milk and lunches for school children.



There is an active and effective labor movement in Chile. Labor unions were accorded legal recognition in 1929 and their membership in 1942 was estimated to be more than 300,000. The largest federation of labor unions is the Confederation of Chilean Workers, including such diversified groups as maritime, mine, railway, and textile workers as well as teachers and bakers. The federation's program includes regulation of employment of women and children, better housing, agrarian reforms, and similar aims.

Progress also is being made in improving the lot of the small farmer and the hacienda worker, whose productive capacity has been retarded by outworn methods and equipment. A program of rural education and agricultural schools is well under way.

Thus Chile is ready for the industrialization which she is putting into effect. When her government-planned hydroelectric plants and her contemplated steel industry are built, Chilean workers will be able to reap the full benefits of this social legislation.

(from "Chile, land of contrasts . . ." published by the Coordinator of Inter-American Affairs. Washington, D.C.)

## Foreign investments in Chile

### *Decree respecting Guarantees for foreign capital*

The Chilean Government has recently issued a decree to facilitate the introduction of foreign capital in Chile and to guarantee the redemption of the capital and the return of the profits thereof.

Whereas Act N. 7200 conferred upon the Government powers calculated to facilitate the introduction of new foreign capital into the country;

Whereas it is the decided policy of the Government to encourage by all possible means the intensive development of sources of production, for which purpose it has drafted plans which are already in operation;

Whereas an increase in production will lead directly to an improvement in the standard of living of the population—which is a foremost consideration of the Government;

Whereas a programme of this nature cannot be carried out without abundant capital, of which there is a scarcity in the Chilean money market;

Whereas the incorporation of foreign capital in the national economy will facilitate the carrying out of the aforesaid plans and promote a general increase in private production; and

Whereas it is necessary to provide the requisite security for the repatriation of the profits and the capital itself to the countries of origin,

in order to provide an incentive for the incorporation of such capital in our economy;

In pursuance of article 72 of the Political Constitution of the State and of section 24 of Act No. 7200, it is hereby decreed as follows:

1. The President of the Republic shall be authorized to enter into agreements under special conditions for the purpose of ensuring the repatriation of the profits and redemption payments on new foreign capital invested in this country in productive activities or in national credit or social welfare institutions.

In particular, special agreements shall be made with respect to foreign capital in excess of ten million pesos intended for the development of industries for the extraction of minerals from the earth.

2. The Executive Vice-Chairman of the National Council for Foreign Trade shall be authorized to sign, on behalf of the President of the Republic, contracts with foreign investors which are in conformity with the provisions of these regulations, the text of which must be included in the relevant public instruments.

The contracts referred to in the preceding paragraph may be concluded with the owner or trustee of the capital or with a credit institution of first rank.

3. The National Council for Foreign Trade shall keep registers for the registration of all foreign capital introduced into the country in virtue of the preceding sections, whether in money or in the form of goods, and shall communicate all entries in the registers to the Central Bank of Chile and to the Autonomous Fund for the Redemption of the Public Debt.

4. The capital shall be divided into two categories, viz.

- (a) capital intended for the creation of new sources of production, for expanding existing sources, or for housing projects, and
- (b) capital intended for the purchase of bonds of the Public Debt or mortgage bonds and other securities which are quoted on the Santiago Commercial Exchange or the Valparaiso Stock Exchange.

5. Profits on capital of both categories may be repatriated up to the full amount thereof.

Holders of capital belonging to category (a) may apply to the National Council for Foreign Trade for the repatriation of the profits made, by means of a certificate issued by the undertaking in which the capital has been invested; the certificate must be attested by the General Directorate of Inland Revenue.

Holders of capital belonging to category (b) which is invested in bonds of mortgage institutions or by the Autonomous Fund for the Redemption of the Public Debt, as the case may be.

Holders of capital belonging to category (b) who make profits from stock exchange transactions shall furnish evidence of the said profits by means of a certificate issued by the boards of management of the Santiago Commercial Exchange and the Valparaiso Stock Exchange.

6. The registered capital may be repatriated to its country of origin in annual instalments not exceeding 20 per cent.

These annual instalments shall be reckoned from the date of the declaration of the intention to repatriate them, made to the Council by the person concerned.

7. Nevertheless, in the case of registered capital belonging to category (a) of section 4, repatriation in annual instalments exceeding 20 per cent may be authorized, provided that the capital in question produces foreign exchange or economizes it for the country.

Such annual instalments shall not exceed 30 per cent of the amount of the said foreign exchange.

The said capital may be repatriated likewise within a time limit of less than five years, if, in the opinion of the National Council for Foreign Trade, the necessary moneys are available, even if foreign exchange has not been produced.

8. For the purpose of the repatriation of interest on capital, if the above requirements are satisfied, the National Council for Foreign Trade shall approve the applications made for the purpose with priority over all other applications.

9. After the application has been approved by the Council, the persons concerned shall deposit the necessary sum, in current money, with the Autonomous Fund for the Redemption of the Public Debt, and the Fund shall procure the necessary foreign exchange from the Central Bank of Chile.

Repatriation shall be made in the currency in which the capital was introduced into the country, without prejudice to any agreement to the contrary made between the National Council for Foreign Trade and the persons concerned.

The Fund for the Redemption of the Public Debt shall provide the person concerned with the necessary foreign exchange in the form of bills of exchange on the market concerned.

# Development of the Steel Industry in Chile

## 33 MILLIONS DOLLARS FOR A NEW PLANT

The Chilean Corporation for the Promotion of Production (Corporacion de Fomento de la Produccion) is the first the most active of the fomento corporations of Latin America. Its Vice-President, Mr. Oscar Gajardo, who recently visited Canada—announced that: “the Import Export Bank of the United States has accorded a new loan of \$33,000,000 to the Chilean Department of Industrial Production, of which 28 millions will be used to create a steel industry in Chile, and the remaining five millions in acquiring farm implements and industrial machinery.”

The Vice-President added: “My first reaction is to thank most sincerely the Government of the United States and the Board of the Import Export Bank. This loan has two very profound meanings for Chile: a clear understanding of the high economic aims of our country, and an act of loyal confidence in the financial and technical administration of the Chilean Corporation which finds its work greatly favoured by the credits extended to it by this great American financial institution.”

“This loan is of benefit to us as well as to the Export Import Bank, inasmuch as the creation and development of the riches derived from the Chilean steel industry will make possible the complete fulfilment of the obligations assumed by our Department with the Import Export Bank of Washington.”

## Chilean Agrarian Program

The Chilean Government announced recently the proposal to put into effect a vast plan of agricultural and public works development which will cost 16,000,000,000 pesos, of which fifteen and one half billions will be used to further the Agrarian Plan and 500 millions in public works. The public works projects can be completed in one year, whereas the complete Agrarian Program will require at least eighteen.

### PROPOSAL OF THE AGRARIAN PLAN

The Chilean Agrarian Plan recently put into effect especially calls for a completely modern technical structure for the agricultural economy of the Chilean nation, by augmenting the scope of its agricultural production, diminishing costs, and perfecting the efficiency and general agricultural productivity. Moreover, it tends to favour the increase of Chile's production of raw materials, safeguarding in this way the natural resources of the nation.

The development of this Plan will gradually improve the present means of exploitation and productivity used by the Chilean agricultural and cattle industries, assuring in this way a greater amount of protective foods, such as milk, eggs, fruit and vegetables, and favouring better distribution and division of the various factors and resources which enter into the realm of agricultural production.

On the other hand, the Plan attempts to utilize in the most auspicious way the products of the soil, based upon a more equitable distribution of domestic needs and a more intense exploitation of the natural resources of the soil, in order to avoid its complete destruction.

The very convenient elasticity of this Plan is worthy of note, inasmuch as any changes in the proposals of the Plan, due to modifications and adaptations required by future projects and problems, new forms of agricultural development and new inventions, do not in the least alter the basic objectives of the Plan itself.

## PRINCIPAL ASPECTS OF THE PLAN

Herewith follows a schematic outline of the fundamental points proposed by the Chilean Agrarian Plan, which constitute its basis of development:

1.—The necessity of raising the standard of living of the Chilean people is considered to be the primary and fundamental objective of the Plan. In order to achieve this, the Plan will attack directly the problem of production in general, and in particular, that of industrial production, that is, the industrialization of Chile.

2.—Aiming at correcting the technical defects of Chilean agricultural methods in general, including fruit and textile plant raising methods and the cattle raising industry, the Agrarian Plan proposes to find the best methods of distribution and production of goods, grouping them by their various functions.

3.—An increase of agricultural productivity requires a corresponding increase in the acreage of lands under cultivation, and a better utilization of those already in use. The former will be achieved by a vast irrigation project which will augment the irrigated area of Chilean agricultural lands by some 200,000 acres, and will approve the present irrigation system of an additional 50,000 acres.

4.—The better utilization of Chilean soils will be achieved, by intensifying the productivity of the zones of greater fertility, more liable to develop-

ment, and by modifying the methods of working the land according to the type of product required.

5.—Scientific research will constitute another of the basic tools used to perfect agricultural techniques. In this way, it will also be possible to assess the value of the soils, and determine an equitable land tax.

6.—In order to achieve a better commercial agricultural organization, various methods have been proposed, such as the formation of a Milling Corporation, the creation of a Wood and Lumber Board, of a Meat Board, etc.

7.—New rulings will be established to avoid the destruction and waste of the soils of Chile, and to conserve its natural riches and resources.

8.—The Plan establishes three types of financial aid: State investments, personal loans, and State financial aid to private companies.

9.—The Agrarian Plan represents a total investment of fifteen and one half billion (15,500,000,000) Chilean pesos.

10.—Naturally, the Plan cannot be completed in one year, but will require a maximum period of about 18 years during which time the various projects undertaken will be gradually completed.

11.—The Investments will be divided as follows:

	(Chil. pesos) millions
Wheat . . . . .	40
Milling Corporation . . . . .	100
Rice . . . . .	3
Vegetables . . . . .	25
Potatoes . . . . .	12
Cattle . . . . .	980
Fruit . . . . .	50
Vegetable oils . . . . .	30
Textiles . . . . .	27
Rabbit-breeding . . . . .	50
Food industries . . . . .	163
Forests and Wood . . . . .	20
Wines . . . . .	50



Land . . . . .	3,080
Rural housing . . . . .	300
Research . . . . .	332½
Education . . . . .	88
Mechanization . . . . .	2,780
Fertilizers . . . . .	10
Irrigation . . . . .	2,525
Highways, roads, bridges . . . . .	5,007
Vegetable and Animal Hygiene . . . . .	58,8

### PURCHASING PLAN FOR CHILEAN INDUSTRIES

The Chilean Corporation for the Promotion of Production is putting into effect the following purchasing plan, based in part upon credits extended to it by the American Import Export Bank, and destined to foster the industrial production of Chile. In general outline, this plan comprises five branches: a) basic industries, b) transportation, c) agricultural and fish products, d) industry, e) construction, and f) others.

The credits will be used in *the basic industries* to intensify the production of iron and steel in Chile, their by-products and derivatives; to continue and advance the exploration, exploitation, refining, storing and distribution of petroleum and by-products; to undertake geological surveys for and to perfect the development and exploitation of Chilean coal resources; to make best use of Chilean coal by establishing coal distillery, coke and gas plants, etc.; to undertake all sorts of purchases destined to put into effect the plans for the rural and urban electrification of Chile, including the construction of thermo and hydroelectric plants, transmission lines, substations, and distribution equipment.

In the field of *transportation*, the credits will be used to purchase merchant shipping; to build ship yards; to construct and improve Chilean ports, including docks, wharves, loading and unloading machinery, etc; in urban and interurban transit, to purchase buses, trucks, electrobuses; to install overhead electrical wires, transmission lines, work and repair shops; to buy commercial airplanes and parts, radionavigation instruments, etc.

With reference to *farm and fish products*, the credits will be used to buy construction, irrigation canal and reservoir equipment; drainage, sowing harvesting, and distributing machines; logging, woodcutting and transportation equipment; to install sawmills and plants for preparing lumber, plywood, staves, cellulose, cardboard and paper; to construct

chemical and wood distillation plants for the complete use of forest and wood products, and their by-products.

In the field of *fish products*, the credits of the Import Export Bank will be used to purchase fishing boats and necessary fishing gear; to construct floating and land fish factories and equipment; storing facilities; to buy refrigeration, canning, wrapping and packing machinery and other equipment necessary for the conservation and distribution of Chilean fish products.

With reference to *other basic food industries*, the credits will be used to construct warehouses, refrigerating and dehydrating plants, packing houses, distributing centers, canning factories, edible oil and beet sugar refineries, sterilizing machinery, dairy equipment, slaughtering and packing plants for meat and by-products.

The plan includes the purchasing of instruments and equipment for the study, exploitation and development of mineral deposits in Chile, as also for transportation, treatment, concentration, smelting and refinery of Chilean ores.

In the sphere of *construction*, the plan includes the building of cement factories, lime kilns and yeast factories; ceramic plants, textile machinery, manufacturing equipment for chemical plants, fertilizer and metal production plants, and construction in general.

This plan serves *as the point of departure* upon which the Chilean Department of Industrial Production intends basing its use of the credits already in its possession and of those which will be extended to it in the future by the Import Export Bank of the United States.

## Canadian Investments Wanted by Chile

*Statements of the Ambassador of Chile Mr. Pedro Castelblanco*

Investment of Canadian capital in Chile would be most welcome, and already the Government of Chile has issued a special decree encouraging this, Dr. Pedro Castelblanco Aguero, who presented his letter of credence as ambassador extraordinary and plenipotentiary of Chile to the Governor General on Monday, revealed at a press conference on Monday evening.

"The Chilean Government is particularly interested in the organization of a Canadian-Chilean economic board dedicated to the advancement of industrial and commercial relations", he told The Journal at a press conference in the Quebec Suite of the Chateau Laurier.

“Chile wants Canadian agricultural machinery”, he continued, “or better still, to have Canadian manufacturing firms set up factories in Chile. There is a great market there for Canadian products, and in return we have fruit, iodine, phosphates, wine, nitrates, and so on. The Canadian war effort and industrial development has become of interest to the Chilean people.

“Already friendship is growing rapidly between our two countries. A “school of Canada” exists now in Santiago de Chile, where primary school children are given a better knowledge of your Dominion. They read Canadian books, have Canadian music to play and songs to sing, and Canadian paintings to see and study.

“So far no organized exhibition of Canadian art has toured Chile, but a collection of paintings from Chile recently toured Canada.

*“The Normal School of Chile has offered several scholarships to Canadians who desire to study in Chile, and we hope the Canadian authorities will soon establish similar scholarships for Chileans in reciprocation.*

“The eyes of the Chilean people are on Canada as Canada moves towards a great transformation, as the world is on the eve of peace. Industrial reconversion will require markets, and Chile is anxious to buy Canadian goods.

“Chile needs equipment for her own industrialization and for the great hydro power development project planned for Chile, for the building up of her agriculture, fishing and lumbering industries, as well as her merchant navy.

*“If Canadians invest capital in Chile, return of their investment’s yield is guaranteed by our government.* A Chilean commercial mission headed by Hector Marchant, (to whom has been granted many special powers) will arrive in Canada. Already Chile has acquired diesel engines from a Vancouver firm, and is studying the purchase of Canadian ships.

“Some 50 years ago there was a direct Valparaiso-Vancouver line, but this has vanished. We hope to extend soon Chilean lines to both the east and west coasts of Canada. We especially need many ships from 6,000 to 8,000 tons. Smaller ships are needed for our coastal shipping.

*“I still feel just like one of the press”, he laughed. Dr. Castelblanco was the director of three newspapers in Chile.* “The Chilean Embassy in Ottawa will always be the home of the press in Ottawa, and we are grateful for your collaboration.”

“The Ottawa Journal” 14-VIII-1945.

## Latest News

On the 12th of September, Chile's Senate ratified the *United Nations Charter* signed in San Francisco.

Don Alfredo Duhalde was named *Minister of the Interior* and consequently *Vice-President of the Republic* during the absence of President Rios. The news of Mr. Duhalde's nomination was well received everywhere in the country. He is a Senator and he has had a long and brilliant career in politics. He is also a farmer and greatly contributed to the solution of many agricultural problems of Chile.

The latest statistics compiled by the *Direccion General de Estadistica de Chile* places our population at 5,289,120.

On the 15th of September President Rios inaugurated the *new cement production plant* called "Juan Soldado". Its yearly production capacity is of 400,000 tons.

President Rios also inaugurated *the canals named "Cogoti"* which will irrigate 12,000 hectares of land hitherto uncultivated.

The *Institute of Public Opinion* was founded in the University of Chile in Santiago. This Institute holds sessions, carries out investigations, enquiries, etc., etc. This is another proof of Chile's constantly growing democratic spirit.

President Rios was present at the opening of the *new Hydro-electric plant* named the "El Abanico" built by the *Corporacion de Fomento* on the river Laja. This plant's 155,000 h.p. capacity will be most useful for a large zone in Southern Chile.

The Ministry of Trade and Commerce, through the intermediary of the *Corporacion de Fomento*, will buy in the United States two million dollars' worth of agricultural machinery which will be delivered in the country in the first months of the coming year.

In Santiago is being held the *Pan-American Conference of Social Service* with the assistance of numerous delegations of other countries. The

delegates of Columbia have stated: "It is only fair to admit that Chile has much to teach in the matter of Social Service and that her social laws and her institutions of Social Welfare are models worthy of imitation". The *First School of Social Service of Latin-America* was founded in Chile.



In Santiago a meeting of the *Congreso Extraordinario Internacional Americano de Proteccion a la Infancia* is also being held.



The *National Prize for Art* donated by the Chilean Government was awarded to the Chilean musician Humberto Allende this year. The prize consists of 100,000 pesos. Allende is one of the great Chilean composers who has created symphonic works inspired by Chilean folklore. The *National Prize for Literature*, also donated by the Government, was awarded to the poet Pablo Neruda, the writer with the greatest influence in all Latin America. Neruda is also a Senator.



A few days ago a *Commercial Chilean Mission* came to Canada to study the market conditions and the possibility for the exchange of products. The Mission was especially interested in increasing the sale of Chilean wine. The Canadian Government concedes the greatest importance to our wine industry.



The Ambassador of Chile Don Pedro Castelblanco has presented the *new Air Attaché of the Embassy*, Wing Commander Felix Olmedo to the Canadian Government. He will also be the representative of Chile before the International Civil Aviation Conference in Montreal.



Mr. *Humberto Brañes*, previously Secretary of the Embassy of Chile to Guatemala, has been named First Secretary of the Embassy Chile to Canada.



Any information concerning Chile may be obtained from the Embassy of Chile, 56 Sparks St., Tel. No. 5-4402 or from the General Consulate of Chile in Montreal, 1410 Stanley St. or the Consulate of Chile in Vancouver.