

**Intervención de S.E. la Presidenta de la República, Michelle Bachelet,
en el almuerzo de trabajo con el Primer Ministro de Canadá, H.E.
Stephen Harper, autoridades políticas, diplomáticas y personalidades
del mundo empresarial y científico canadiense
Ottawa, 10 de junio de 2008.**

Primer Minister,

Thank you, Ed Waitzer, for your kind words.

Let me start by saying that we really missed Canada in our region!

That is why we welcome, Primer Minister, your commitment to give new impulse to Canada's relations with Latin America.

And that is why it is with a sense of great honour and satisfaction that I am able to spend these few days in Canada – too few, for such a vast country, which has, in the words of a former primer minister, “too much geography”.¹

Canada is much loved and admired in my country. Indeed, Canada earned a special place in our hearts during the difficult moments of dictatorship, when your country offered refuge to thousands and thousands of our persecuted compatriots.

As president of Chile, therefore, may I express our thanks for the Canadian solidarity which saved so many lives, and which offered a home to Chilean refugees and their families. And I am confident that Canada is now benefiting from the ideas, imagination and hard work of this new generation of Chilean-Canadians.

Prime Minister:

This is a magnificent time for relations between Canada and Chile, and the future looks even brighter.

Over ten years have passed since we signed our free trade agreement. Trade between our two countries surpasses 2 billion dollars and Canada has

¹ William Lyon McKenzie King.

established itself as one of the primary sources of foreign investment in Chile, with over ten billion dollars of investment to 2007.

As you can see, the relationship between Canada and Chile has reached a state of maturity. This mutual confidence was deepened last July when we signed an Agreement of Association, which will allow us to tackle an even more ambitious agenda.

Bilaterally, this Agreement will contribute in a decisive way to Chile's development by opening new opportunities for sharing ideas aimed at developing human capital, and technologies geared towards innovation.

Why do I insist that we are embarking on a new stage in our relationship, and a new level of development?

Today Chile is a consolidated democracy. In the last seventeen years our economy has grown at an average of 5.5 percent, and we have reduced poverty from 40 to 13.7 percent. According to the International Monetary Fund, by 2013 our per capita income, which today stands at 14 thousand dollars, will reach 19 thousand dollars measured in purchasing power parity terms.

Chile finds itself, therefore, moving beyond old battles and at the threshold of new stages of development. Over the last few decades, countries in Europe, in Asia and other regions have crossed this threshold, and many others join us on the verge of making this substantial step forward.

But to do so, we must first take another leap – a leap in human capital, improving people's capacity to innovate and increasing their productivity and competitiveness. And that is just what we are doing, working closely with countries which, like Canada, are in a position to help us to rapidly advance towards greater innovation and productivity.

Let me be clear: We are not asking for help.

We are calling for partnership; cooperation, between businesses, universities and other institutions.

Between two societies that believe that a bilateral relationship, such as the one between Canada and Chile, can and should promote greater equality for the citizens of our two countries.

This is the focus of our relationship in this new phase. And it is our domestic focus as well.

A couple of weeks ago, I announced the creation of a 6 billion dollar sovereign fund, whose interest will allow us to carry out the most ambitious scholarship programme for postgraduate and technical study in the history of my country.

By 2012 there will be 6000 Chilean students studying abroad, and within a decade we will have helped thirty thousand people study in the best centres of higher learning around the world, an effort which is twelve times greater than what we have done in the last 20 years.

As a result, Chile will send, beginning this year and every year, 100 postgraduate students to the best universities, and 250 students to the best technical schools in Canada alone.

I know that joining us here today are many men and women who represent the business world, and high technology businesses in particular. We seek investment in many different sectors. We seek to share research and development efforts between Chilean and Canadian centres of excellence and companies, especially in areas such as renewable energy, food and agriculture, and technologies aimed at recovering subterranean water.

These days energy is, of course, of vital interest to us all, and it will be a crucial part of our relationship. Chile is working actively to diversify its energy supply and seeks alternatives to fossil fuels. The creation of the Technical Working Group which we have agreed with the Prime Minister will allow us to move forward on projects aimed at meeting this objective.

I would like to invite investment promotion agencies, such as Export Development Canada and others, to encourage businesspeople from diverse sectors to come to Chile, to see for themselves how other Canadian companies, already established in the country, are faring. The quality of our people, the stability of our economy, the level of our infrastructure, and – yes – our Mediterranean weather.

Let's make a review of the situation in our region.

2008 will be the sixth consecutive year of growth in our region. Per capita GDP increased by 23 percent from 2002-2007, and the number of poor fell from 221 to 194 million in the same period.

These achievements have taken the region to a historic moment, and have handed us an historic opportunity. It is also an expectant moment, where the citizens of our region are looking to see if we can turn this economic expansion into the construction of strong foundations for more rapid and longer term development.

This challenge will require progress on various simultaneous tracks, and I believe Canada has an important role to play in each of them.

First. To consolidate our democracies, overcome poverty and progress towards development, the region must renew its social contract, by improving and strengthening social protection systems throughout the region. We cannot repeat the errors of the 1990s, when the region grew but did not redistribute.

Second. The countries of the region must aim to build value-added economies. That is why the investment in human capital that lies behind systems of social protection – especially in education – is so vital to any region-wide strategy for improving innovation and productivity.

The third challenge is regional integration, and by regional, we mean South American, Latin American, and hemispheric.

We must increase intra-regional trade and investment in our infrastructure, which will permit us to generate interdependence, reduce the volatility of intra-regional trade, and strengthen our economic ties. In so doing, growth in the larger and more successful economies will enable growth in smaller ones.

Investment in infrastructure will improve logistics and transaction costs for exports, greatly increasing Latin America's competitiveness, attracting foreign direct investment, and promoting the diversification of our exports to the rest of the world.

More integration will allow us to strengthen our relations with the Asia-Pacific region, perhaps the most dynamic centre for the world economy in the twenty-first century, and one from which our region can learn important lessons for development.

Let us take advantage of these opportunities. Let us use next year's Summit of the Americas in Trinidad and Tobago as an opportunity to move forward on these challenges.

And let us work together on the Pacific Arch initiative, to shore up our links with Asia-Pacific.

The fourth challenge has to do with seeking a common stance on important global issues, the world-wide efforts to reduce emissions and tackle global climate change, and the search for alternative sources of energy, all of which today seem to be marked by the rise of inflation,

Our call to work together to confront these challenges is more than just rhetoric. It is an urgent call to address the social and political crises which may emerge from price increases and shortage of food, to support the United Nations in its efforts in this regard, and in particular, the World Food Programme.

Yet short term measures will be ineffective, unless we manage also to increase supply and reduce prices by bringing the Doha Round of the World Trade Organization to a speedy conclusion; unless we promote the proliferation of renewable energy technologies, both conventional and especially non-conventional. We must make progress on the use of second generation biofuels, especially biomass.

To do so, we should face the challenges of this new stage with a view towards even wider cooperation, because the fact is that, for the first time in history, countries such as mine are within reach of the kind of economic wellbeing and development that, up to now, has been the exclusive arena of countries like yours.

At long last there appears to be a clear path for development in many countries, which will lift millions out of poverty and misery.

My sense of what I call “historic optimism” does not ignore the challenges that this new situation presents. They are many and they are complex. But perhaps the most fundamental challenge is the absence of strong multilateral institutions able to organize effective international responses to these and other problems.

The government of Chile believes that the multilateral approach is the best way of addressing these problems.

That is why we insist that the cooperation between Chile and the region, including countries like Canada, a member of the G-8, can contribute in an important way to the generation of global public goods which will allow us to better manage globalization.

The process initiated at the Bali conference on global warming and climate change – where a common path was established to tackle these problems – shows that progress is possible.

Prime Minister. Friends.

The challenges are many, but so are the points of confluence between our two countries, situated at either end of the hemisphere, and so is the enthusiasm we share as we prepare to move forward on our bilateral relationship.

That is why I so badly wished to visit your country.

To launch this new Association, this partnership in building a region, and a world, that is more prosperous, more democratic, and more peaceful.

Thank you very much.