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# California State Assembly



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ADDRESS

BY

HER EXCELLENCY MICHELLE BACHELET JERIA  
PRESIDENT OF THE REPUBLIC OF CHILE

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Assembly Chamber

June 12, 2008

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**IN RECESS**

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**ADDRESS****BY****HER EXCELLENCY MICHELLE BACHELET JERIA****PRESIDENT OF THE REPUBLIC OF CHILE****at the California State Legislature****Sacramento, June 12, 2008**

*The Honorable Speaker Emeritus Fabian Núñez  
Distinguished Members of the California State Legislature*

Ladies and Gentlemen:

I would like to thank you for the invitation to address the Legislature. It is a source of great pride for me as President and it is especially so for the Chileans I represent.

California is a very dear land to us in Chile because our links can be found deep in our respective histories. Many *clippers* filled with wheat, meat and the products that supplied San Francisco, the Sierra Nevada of Ansel Adams, and the valleys of John Steinbeck, sailed from Chilean ports.

Thousands of Chileans also tried their fortune in this land, so much so that early in the history of San Francisco there was a neighborhood called *Chilecito*, or Little Chile.

In fact, there were so many, that it led to the myth of Joaquin Murieta, brilliantly narrated by our Nobel Prize winner, Pablo Neruda in his "*Splendor and Death of Joaquin Murieta*", and in *Daughter of Fortune* the novel by Isabel Allende, who—the same as her protagonist—also found love in California and lived here for several years, close to the Golden Gate in San Francisco.

Over the last few decades, our ties have been renovated and enriched.

One of the most important moments occurred in the 60's, when President John F. Kennedy promoted the Alliance for Progress, and began several initiatives with the Government of Chile, led by President Eduardo Frei Monalva at the time.

One of these bilateral initiatives was our first Plan Chile-California, which included an agreement between Chilean and Californian Universities.

It had a deep impact. Hundreds of talented young Chileans traveled here in the 60's to study master's degrees and doctorates in Los Angeles, Berkeley and Davis and returned to our country, then a traditional and agrarian society, inspired by dreams and ideas.

They talked of agrarian reform, they talked of modernization theory, they wanted to change the world. And they changed the face of Chile because they learned how to; here in California.

Things have changed considerably since then. We have also learned a lot. Today, Chile is a consolidated democracy that strides quickly toward development.

Between the return to democracy in 1990 and last year, our economy grew at an annual average rate of 5.5%, increasing our gross domestic product from 30 billion dollars to 170 billion dollars. We reduced poverty from 40% to 13.7%. We increased per capita income measured by purchasing power parity to 14,000 dollars in 2008 and according to the IMF by the year 2013 Chile's per capita purchasing power parity will be 19,000 dollars.

Because we have made such great progress, today Chile's objective is more ambitious. We aim to take a giant step and become a developed nation in the span of one generation.

In order to do this we cannot continue to do more of the same. We must move on from being an economy based on the export of commodities to an economy that exports specialized, high tech products and services at even higher levels of competitiveness.

To reach this objective, Chile must also take a giant step in its competitiveness. Productivity, human capital, equal access to quality high level education then become the keys for the jump to development in Chile. To face this challenge we must forge the necessary partnerships with developed economies.

Chile's relationship with the United States has also transformed positively throughout this period and is currently experiencing the best moment in our bilateral history, gradually approaching a mature partnership.

We are democracies that share the principles of freedom, respect for human rights and free trade. Although there will always be space for differences, our similarities and common objectives are stronger.

A fundamental event on this bilateral path was the signing of our Free Trade Agreement, which celebrates its fifth anniversary this month. Our assessment is very positive. Our trade has increased from 6.2 billion dollars in 2003 to 16 billion dollars in 2007. A large part of our trade is done through the ports and airports of California.

However, we want to go beyond our current bilateral relationship.

That is why we have come to California: To start a new stage in the bilateral relationship with the United States, and to launch a new partnership between Chile and California.

We have not come to ask for aid, we have come to form a partnership for development. We are launching an ambitious cooperation program that we signed today with Governor Schwarzenegger at the University of California in Davis, which we have called *Chile-California: A partnership for the 21st Century*.

It is a broad program that covers many aspects. However, its central theme is education and the quality of our human resources. We hope to do this through a massive program of post-graduate studies for Chilean students, in training and education, in conjunction with the principal universities in Chile and in California.

My government takes the challenge of education very seriously because it will be our short cut to development.

This year, Chile has budgeted 900 million dollars more for education than in 2007. Currently an historic reform is being debated in the National Congress. However, simultaneously this year we have created a six billion dollar sovereign fund, whose interests will fund this ambitious scholarship program for my country's most talented students, a large number of whom will go to the best universities in California and the United States.

Our program is a clear signal of my government's commitment to equal opportunity and of our determination to take the leap to development.

The new Plan Chile-California will not be limited to education and human capital formation.

We will also commence several public-private projects in research and development in environment and water; energy; agriculture; and information technology and communications. These will have a high impact in Chile because we share similar climates and geographies, a reason why we coincide on many areas of production.

The economies of Chile and California ceased to be rivals a long time ago, for example in the field of agriculture, and have moved on to become complementary systems. What we need to do now is develop these projects and forge new public-private alliances.

What we hope to achieve is to give Chilean entrepreneurs and their strategic partners the support required to maximize the opportunities that Chile has opened during these 18 years of democracy, while building one of the most extensive Free Trade Agreement networks in the world.

Chile has signed trade agreements with 53 countries in North America, Europe, the Asia Pacific, and Latin America that grant us access to a market of 3.9 billion consumers. If we consider that Chile is an economy of 16 million people, it shows that Chile still has much, very much room to grow in the coming decades.

Friends of the California Legislature:

We still have a lot of space to strengthen the relations between Chile and the United States even further. However, the most important fact is that today we have entered a new era.

Last year the governments of Chile and the United States took several important steps in the same direction that we are heading today with California. We started a massive program of scholarships especially oriented at students with limited resources, called the *Equal Opportunities Program*.

This is the direction in which we wish to work and we believe that this is the direction in which many countries from Latin America would like to take their relations with the United States.

Our region has progressed. Today democracy is the rule, not the exception.

The regional economy has grown 23% over the last 6 years and the number of people living in poverty has decreased. For this reason we should take advantage of that prosperity to construct more equitable societies, which are able to grow, but also able to assure that growth will reach all the people of Latin America.

Latin America has a tremendous social deficit that has weakened the democracies that emerged in 90's, and that deficit will only be surpassed by a stronger State with policies that focus on social protection, on innovation and competitiveness, as well as on integration into the regional and global economies.

Latin America has solid foundations, but we must learn from the experiences of other emergent economies that are advancing towards development, such as the Southeast Asian nations. Therefore, Chile is proposing that the two sides of the Pacific come closer together, a proposal that has received great interest, as much in my region, as in the Asia Pacific.

The United States can play an even more important role supporting Latin America's objectives of development. The next Summit of the Americas that will be held in 2009 in Trinidad and Tobago, will be a great opportunity to re-launch hemispherical cooperation by means of a program that supports equity, innovation and hemispheric integration.

Nevertheless, agreements such as the one we signed today between Chile and California show us that there is still much that we can do for the benefit of our people.

That is why I wanted to come before you today. In order to show you that Chile is progressing. In order to state that the United States has partners in Latin America, and to renew our ties with the people of California.

Thank you very much.