

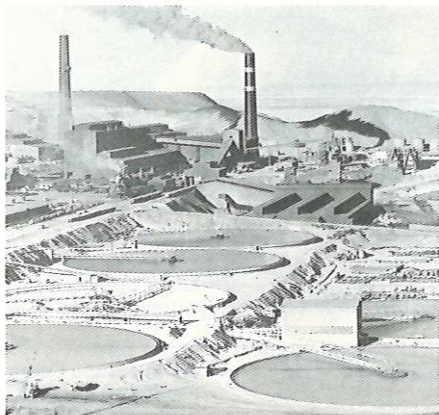
CHILEAN NEWS

Organ of the "Anglo-Chilean Society"

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The sulphide plant at the Chuquicamata Copper Mine, Chile

THE CHILEAN COPPER INDUSTRY: Historical Outlines

Copper was the second metal to be exploited in Chile, after gold and before silver.

Chilean copper production during the colonial period dates from the beginning of the seventeenth century, when isolated mining operations were carried out in the Coquimbo region, with a view to exporting the metal for the production of cannons in Peru. The average annual production figures during the period 1601 to 1640 are calculated at only 20 tons of metal.

During the eighteenth century, copper mining assumed a more permanent nature, and was extended to the present provinces of Aconcagua, Coquimbo and Atacama, in the central northern region of the country. At this time, exports were also made to Spain and Argentina, as well as to Peru. The average annual production rose from 100 tons at the beginning of the century, to 1,200 tons towards its' end.

During the first decades of the nineteenth century, many foreign mining engineers and technicians, especially from England, began to arrive in Chile, with the result that copper production in the country began to rise gradually with new investments and technological improvements in the process of smelting ore.

From an average contribution of 10 per cent to total world copper production, between 1801 and 1820, which placed Chile as the fourth of the principal world metal producers (1,500 to 2,000 tons per annum), production soon rose to a new annual level of 10,000 tons towards the end of the first half of the century, thus contributing 20 per cent of world production and placing the country as second only to England in the production of copper.

The period from 1850 to 1880 represents the most important time for copper production in Chile during the nineteenth century. There were basically two factors which motivated this increase.

In the first place, the great world-wide demand for metal, as a result of the great industrial development in Europe and the invention of new machinery which increased the uses of copper, stimulated this increase in production (electrical generator 1836, telegraph 1840, telephone 1875, etc). Secondly, more modern methods of technology were introduced in the mines in Chile, which brought about lower costs of production, and enabled minerals of less value than those formerly extracted, to be mined.

From 1850 to 1880, Chile was the world's principal copper producer, obtaining average annual figures of 25,000 tons during the 1850's, 40,000 tons during the 1860's and 45,000 tons during the 1870's. These figures represented an average of 32 per cent, 44 per cent, and 36 per cent of total world copper production, respectively.

After 1880, Chilean copper production began to fall rapidly. This was originally due to the exhaustion of the minerals of high-ore content extracted until this time. During the seventeenth and eighteenth centuries, the metal was extracted from ore containing at least 12 to 15 per cent copper, but during the nineteenth century, due to improvements in smelting methods, minerals containing up to 8 per cent copper were mined, which by the end of the century were exhausted.

During the final decade of the last century, the average production of Chile was only 24,000 tons annually, thus representing about 6 per cent of the world metal production.

Towards 1906, however, a radical change was beginning to occur within technology of the world mining industries, which was particularly important to Chile. In those years, at full industrial level, a new method of concentration of low ore content minerals was being developed, known as the "flotation method", which enables the extraction of mineral deposits with copper content as low as 1 or 2 per cent.

In the same way, methods of moving earth on a very large scale were being developed, through large and efficient pieces of machinery. This permitted the exploitation of many deposits through the "open pit" system.

Both technological developments, together with the support of capital now from North America, preceded the large scale production of three important Chilean mines: El Teniente in 1908, Chuquicamata in 1915 and Potrerillos in 1927, thus giving rise to the extraction of "porphyry copper" deposits, characterized by a low ore content, but extensive reserves, which replaced the typical rich veins and mines of the past centuries.

As a result of this, Chilean copper production began to increase again very quickly, from 38,000 tons in 1910, to 99,000 tons in 1920, and 320,000 tons in 1929. Once again, Chile figured prominently as one of the world's most important copper producers.

Between 1930 and 1937, there was a strong fall in the world demand for copper, and the price of the metal, therefore, fell also: this led to a decrease in Chilean production, which increased again with the advent of World War II.

In 1940, production rose to 363,000 tons, and in 1950 it was 532,000 tons, reaching 692,000 tons in 1970. A record level of copper production was obtained in 1974, when the figure was 902,000 tons, which represented that year 12 per cent of the world's production of primary copper, placing Chile in the third position in the world in this field, after the United States and the Soviet Union.

Since the first large mining plants were put into operation at the beginning of the century, three more large mines have been incorporated in the national production of copper. These are: El Salvador, in 1959 (this replaced Potrerillos, which exhausted its commercial mineral ores), Exotica, and Rio Blanco, both in 1970.

Since the large mines began production at the beginning of the century, this sector of the national mining industry, known as the "Gran Minería" (Chuquicamata, El Teniente, Potrerillos and then El Salvador, Exotica and Rio Blanco), became the source of a large part of the national production of copper. However, the sector comprising small and medium sized mines "Mediana y Pequeña Minería", which to a large extent can be considered as the heir of the mining wealth of Chile during the nineteenth century, has continued to give its support, although this has, logically, been to a lesser degree than the contribution of the larger producers to the Chilean production generally.

Out of the total copper production in Chile in 1974, 760,000 tons were mined by the Gran Minería and 140,000 tons by the Mediana y Pequeña Minería.

From the restricted distribution market for the production in Chile during the seventeenth and eighteenth centuries, the country has nowadays come to represent a source of copper supply for practically all metal consumers in the world. In fact, during 1974, Chilean exports were divided amongst the following geographical areas for distribution.

Western Europe	:	390,000 tons
Eastern Europe	:	48,000 tons
Africa	:	19,000 tons
Latin America	:	110,000 tons
Canada, U.S.A.	:	143,000 tons
Asia and Oceania	:	175,000 tons

Copper mining in Chile enables other valuable metals to be extracted, such as sub-products of copper ore, among which are worth mentioning molybdenum, silver, gold and selenium. Of these, the most valuable from a commercial point of view is molybdenum, since its volume of production reaches a world-wide scale. In 1974, the production of Chilean molybdenum (obtained from the Gran Minería) was 21 million pounds, which, when compared with a world production of 165 million pounds for the same year, represents 13 per cent of total production for our country.

Pedro Danus

September 1975

(To be continued in our next Bulletin)



H.E. The Chilean Ambassador giving an address at the luncheon of the Latin American Societies Golf Meeting, in June, at Effingham, prior to presenting the Prizes.



Golf Meeting of Latin American Societies, June 1975:- The Chilean Ambassador presenting the new "Punta Arenas" Cup for the best score obtained by a member of the Anglo Chilean Society, to Mr. Fernando Cousiño, Counsellor of the Chilean Embassy.

LATIN AMERICAN SOCIETIES ANNUAL GOLF COMPETITION

25th Anniversary of foundation. —

The annual Golf tournament, in which the principal Latin American Societies in London customarily take part, celebrated its 25th Anniversary, appropriately under the sponsorship of our Society, on June 19th, last, at the beautiful Effingham Golf Club.

This traditional competition originated in January 1950 at a meeting called by the then Chilean Ambassador, don Manuel Bianchi, President of the Society and Mr. Santiago Rogers, Chilean Consul General and Secretary of the Society at the time, to which representatives of the other Societies established in London were invited. The outcome of this was the purchase of the trophy denominated "The Ambassadors' Cup" donated by the Ambassadors from Argentine, Chile, Brazil, Mexico and Uruguay, to be played for annually, the Cup being retained for the year by the winner playing on behalf of his respective Society.

The Meeting on this occasion was a record both for number of Competitors and attendance. After rounds of "Pisco Sours" provided by H.E. The Chilean Ambassador, eighty-three persons sat down to an excellent luncheon, although in somewhat crowded conditions. The repast was enlivened by Chilean wine, also graciously donated by His Excellency.

Fifty four players took part in the Golf Competition, of which 11 played for our Society, 24 for the Anglo Argentine Society, 18 for the Anglo Brazilian Society and 1 for the Anglo Peruvian Society.

Hopes for a win by our team were great, but these were dashed when it was learnt that Mr. R.S. Ives of the Anglo Argentine Society, who has won the cup on several occasions in the past, had returned from abroad and would be playing after all.

Our worst fears were realised, when Mr. Ives returned a score of 37 points (handicap 12).

A great deal of interest was aroused by the first competition for the new Cup presented by the British Club, of Punta Arenas, Chile, which is to be played for annually at this Meeting by those taking part for our Society. This splendid silver cup was originally presented to the British Club of Punta Arenas as a Billiards Prize by Mr. W.H. Smith, formerly manager of the Anglo South American Bank in Punta Arenas.

Those who competed for the cup were:—

H.E. The Chilean Ambassador
Mr. and Mrs. Alberto Besa
Fernando Cousiño
Allen W. Feary
E.J. Hempson
Admiral Raul Lopez
W.R. Smithson
T. Spalding
David Turner
R.C. Wilkins

the winner being Mr. Fernando Cousiño, who is Counsellor Commercial at the Chilean Embassy, handicap 13, with a score of 29 points.

After the luncheon, the prizes were presented by H.E. The Chilean Ambassador to the following winners:—

"Ambassadors' Cup" 1st Prize and Argentine Rose Bowl	Mr. R.G. Ives — Handicap 12 — with 37 points — of Anglo Argentine Society
2nd Prize	Mr. D.J. Symington — handicap 14 — (over last 9) with 34 points — of Anglo Brazilian Society.
3rd Prize	Mr. D. J. Couran — with 34 points — of Anglo Argentine Society.

Chilean "Punta Arenas" Cup	—	Mr. Fernando Cousino — handicap 13 — with 29 points — of Anglo Chilean Society.
Ladies' Prize	—	Mrs. E.H. Lydall — handicap 13 — with 31 points — of Anglo Brazilian Society.

In his address the Ambassador gave a very interesting account of the foundation of the Competition, appropriate to the 25th Anniversary of its existence, and mentioned some of the salient points of interest. The original meeting, he said, was held at the Canning Club in January 1950, and the first game was held at St. George's Hill Golf Course, Weybridge, on June 14th, 1950, for the "Ambassadors' Cup", in which 27 players took part, the winner being Mr. T.S. Innes of the Anglo Brazilian Society. He remarked, as a matter of interest, that on that occasion visitors could see the Competition and partake of lunch and tea for ten shillings, inclusive!

He also mentioned that during the past eleven years wins have been 5 for the Anglo Chilean Society, 4 for the Anglo Argentine Society and 2 for the Anglo Brazilian Society.

In congratulating the prizewinners, the Ambassador stressed the satisfactory fraternal outcome of this original Chilean initiative, which has subsisted with undoubted popularity for the whole 25 years of its existence. He thanked Mr. John Poynor, of the Anglo Argentine Society for his work as Competition Secretary and in the main organisation and supervision of the competition, which he has done in a like efficient and dedicated manner several times in past years.

Everyone was delighted that this year's Meeting was blessed with such good weather, essential for the success of the occasion, and it was decided to book the Effingham Club for next year again, the date to be July 1st 1976. Golfers please note.

SOCIETY ACTIVITIES:—

Spring Cocktail Party:—

This social function has become over the years a traditional annual commencement of the Society's activities, which have been increased since the establishment of the Ladies' Committee.

There was a good deal of enthusiasm for the occasion this year on April 22nd., amply demonstrated by the increased number of guests compared with last year, from 110 to 153.

Guests were received by the President of the Society H.E. the Chilean Ambassador and Madame Olsen, and the Chairman Dr. Harold Blakemore.

A novelty was the organisation of a Raffle by the Ladies' Committee, under the direction of its Chairman, Lady Dora Pink, to raise funds for the Society. Several donations of articles had been received from Members as prizes and the useful sum of £52.25 was raised.

Coach and River Steamer Tour:—

The second venture into the realm of tours was organised by the Ladies' Committee to visit Blenheim Palace, birthplace of Sir Winston Churchill, by means of a coach trip from London, starting from a point near Victoria Station, to Abingdon and then by river steamer on the Thames to Oxford.

The appointed day, May 29th which might have been expected to be a warm and sunny one at that time of the year, turned out to be dull and cold, — overcoats were certainly needed.

However, the coach left with 31 tourists, members of the Society and friends, and the steamer was boarded at Abingdon, according to plan, at 11 a.m. The 1¼ hours trip on the river to Oxford was a pleasant though cold experience and opportunity was

4th £3.15 Michael Woods Beverley School, New Malden, Surrey The Political System of Chile

Highly Commended by Examiner:—

Miss Carole de Rome St. Joseph's College, Bradford Chilean Agriculture and Agrarian Reform

Miss Annette Marie Brown do. do.

Dr. Blakemore describes Miss Sneyd-Kynnersley's winning essay "as a realistic and well written consideration of the current situation in Chile".

MAMÁ CARMEN OF MULCHEN:—

We are indebted to a member of the Society, Mr. John Manby, himself with Chilean links, for the following interesting account of this grand old lady:—

Over Christmas I joined a group of young Chileans on a pilgrimage to the home of a remarkable sprightly 84 year old Chilean lady, Señora Mama Carmen Velos Valenzuela, who lives in a neat little flat at 19a Ravenstone Street, by Balham Station, S.W.12. Hundreds of her compatriots have beaten a trail to her door to drink mate tea, to see her Chilean trays and flags, to hear the remarkable story of her life and to leave their names in her famous visitors book.

Mamá Carmen was born in Mulchen, a hamlet lying at the foot of the Andes in the triangle formed by Malleco, Victoria and Biobio, some 300 miles south of Santiago. Her mother died suddenly when she was five and her father left her with Godparents before leaving home. About ten years later she joined the household of a farmer and learnt to cook fine Chilean dishes from the farmer's wife, Francisca Rojas, an art which later earned her many cooking diplomas whilst cooking for London Embassies and their receptions. Thus she was wooed by diplomats and noblemen although unable to read or write. On a trip to Valparaiso she met the famous William George Buchanan, a wealthy Scottish laird, and his sister Sophia Balaesque Buchanan, a leading light in Anglo Chilean Society. She became a nanny to Sophia's baby son George and soon sailed to England in 1911. At this time the Panama Canal was not opened and her ship the S.S. Orcoma, sailed through the Straits of Magellan, visiting Buenos Aires and Rio before reaching England.

It was a great change to live in the grand OLD COURT MANSIONS, now part of John Barkers, Kensington High Street, W.8, to join the Buchanan family on visits to the homes of many Anglo Chilean families living near, and to take the infant George for strolls through Kensington Gardens, to the Round Pond and the Serpentine to see the ducks and the boats.

Later Sophia left for Quillota near Valparaiso, leaving Carmen with Mrs. Bowry Buchanan and her children at 134 Piccadilly. About this time she sailed on several European tours with William Buchanan and Mrs. Gowry and she has photographs of herself with the family at Gibraltar.

On her return to London she befriended a nurse who too wheeled a pram, and who lived at 35 Piccadilly, the baby was the present Queen of England, Queen Elizabeth II, a beautiful well behaved baby girl.

The Buchanans later moved to 24 Park Lane, in London's most fashionable district of Mayfair, where regretfully, Mamá Carmen sat at the deathbed of both Mrs. Gowry Buchanan, and later at that of Mr. William Buchanan. William was the owner and Laird of Clairinch Island, in Loch Lomond, and, following his wishes, his ashes were scattered at the foot of a giant Oak planted by his forefathers generations ago. An annuity of the Buchanans helps, to this day, to pay the frugal expenses of the Mamá Carmen "en este rincón de Chile" in Balham.

During World War II, she joined the Chilean Embassy staff and was called to cook "empanadas", by the hundred, "humitas de choclo", "cazuelas" and other Chilean dishes, which she learnt to prepare in her homeland so long ago.

In the Chilean Revista "Flash", of the 24th. July 1965, appears a huge picture of our Mamá Carmen talking to President Frei of Chile. She told him that she had left Chile, then 54 years ago, for England, which she describes as La Rubia Albion, the very day and year that the President was born. The President was very touched with this tiny lively Chilean lady who had so easily formed such a tangible link between the two so distant lands.

Having survived two World Wars, Mamá Carmen greets her many visitors with a rare delightful warmth and many of them leave with a richer knowledge of life and a keener admiration for this grand old lady.

We saw in her book the name of Claudio Arrau, the famous

pianist who visited her in 1949, amongst other famous names and the stanza by one H. Soto, which we translate as follows:—

You! a daughter of Araucania
represents the red copihue perennial
the sky of Mulchen calls you
because it saw you begot.



Group at the Christmas Buffet Supper 1973.— (Left to right) Col. Juan Cerda, Chilean Air Attache. Mrs. Sara Arenas de Cerda, Mrs. Alicia Campo de Martinez, Wing Commander Carlos Martinez, Mrs. Olga Olsen de Greenhill, Squadron Leader Lautaro Greenhill



Christmas Buffet Supper— December, 1973 (left to right) Background:— Mr. J. Shenton, Mrs. Shenton, Mr. C. Turner, Mrs. Doris Gunn, Lt. Col. A.D. Heskett, Mrs. Estelle Heskett, Mr. M. Gunn. Foreground: Mrs. Joyce Tullo, Mrs. C. Turner.

ITEMS OF GENERAL INTEREST:—

Mr. Eric Shipton, the famous explorer, left recently for Chile to explore in the Aysen region and endeavour to discover the area of the volcanic eruption which took place last year, near Hudson mountain, the exact point of which is at present a mystery.

Last year he explored Mount Berney in company with Roger Perry, former Director of Darwin Research Station in the Galapagos Islands.

Visitors to Chile:— The obligatory minimum, US\$ 10, or foreign money equivalent, per day, (US\$ 5 for minors under 18) which tourists were formerly obliged to change when visiting Chile, has been cancelled, and there are now no restrictions of this kind. The rate of exchange at which visitors can change their foreign money in banks is now at E⁰740.— per US\$.

Synthetic Petroleum:— ENAP is planning to begin production of synthetic petroleum this year, at a US\$ 500m. (equivalent) plant to be built in Magallanes. The plant will produce petroleum from hydrogenous coal and by 1979 will have a production capacity of 150,000 barrels a day, 50,000 more than the expected domestic demand. (Bolsa Review).

Minimum Wage:— The Government has fixed the "sueldo vital" (minimum wage) levels for 1974, ranging from 6,547 Escudos a month in Canete (Arauco) to 11,648 Escudos in El Loa (Antofagasta).— (Bolsa Review)

Nitrate:— As a result of oil cutbacks, which have produced a decline in world output of nitrate, world demand for natural nitrate has increased substantially. The Chilean Government has asked the owners of private nitrate workings that are not in operation to resume activities and mines still in production are to work to full capacity. Nitrate production in Chile has been depressed for over 50 years because prices were uncompetitive with those of synthetic nitrates. (Bolsa Review)

SWORD FUND:— The total received in donations to this fund to date is now £403. Since our last issue subscriptions have been received from:—

Mr. I.A. Murdoch	London
Mr. C.W. Arning	Funchal, Madeira.

NEWS FROM PUNTA ARENAS:—

Street named after the late Ernest Hobbs.—We learn with great interest that during the recent re-naming of several streets in the town, recognition of the part played by British pioneers in the early development of the territory was emphasised, somewhat belatedly, by calling three streets "Calle Escososa, Calle Gran Bretana" and "Calle Ernesto Hobbs".

The inclusion of a street named after the late Mr. Hobbs is particularly gratifying, and distinctly well-merited. The many friends of his family both in Chile and Great Britain will appreciate this recognition of his labour and enterprise on behalf of his adopted country and it would seem to be a convenient moment to leave on record in these columns some account of his useful life.

Ernest William Hobbs was born in Essex in 1863 and left England by sailing ship in 1884 for the Falkland Islands where he worked with his uncle, Ernest Holmstead, for two years, setting sail for Chile in 1886 with 750 sheep, to establish the first sheepfarming venture in Chilean Tierra del Fuego. The first company formed was called Wehrahn & Hobbs and later became the Soc. Ganadera Gente Grande. He was also interested in an early sheepfarming pioneering venture in the Rio Baker area.

He married a Chilean Lady, Sara Teresa Bloom and they had ten children, one of whom, Clarence, was the first baby, other than those of the indigenous tribes, to be born in Tierra del Fuego.

In 1906 Mr. Hobbs retired to England, but in 1908, bored with inactivity he returned to Punta Arenas and joined the Gente Grande Company, or which he became General Manager. He took a very vigorous part in the closely knit life of the community, and was appointed Mayor (Alcalde) in 1918, as well as being a Director of the Hospital and the then greatly important "British Club". He did much to improve the public gardens in the town and the very fine avenue of cypress trees which he had planted in the cemetery, unexpectedly is now a tourist attraction! In 1925, for his services, he was decorated by the Chilean President with the Order of Merit. The following year he left to reside in Santiago, but often returned to the Far South, where he had many friends, and was always interested in its development, in which he had taken such an early part.

Golf Club:— Former residents in Punta Arenas will learn with regret of the handing over of the Golf Club a few weeks ago, when a farewell barbecue and Golf competition were held there prior to moving to the Country Club "Club del Campo" on the other side of the town, near Rio de los Ciervos. Some time will elapse before the new Course is laid out.

British Club:— During his recent journey to Punta Arenas, the President of the Government Junta, General Augusto Pinochet, honoured the well known British Club in Calle Roca with a visit.

LAN FLIGHT FROM AUSTRALIA OVER THE SOUTH POLE
On February 11th last, Punta Arenas people celebrated with great pleasure the long awaited and historic connection with Australia, made by LAN (Chilean Air Lines), when a Chilean plane, on a commercial journey, landed at "Presidente Ibanez" airport (Formerly called "Chabunco") from Australia, having flown over the ice-cap at the South Pole.

The plane left Sydney on Sunday, Feb. 10th, at 14.25 hours, Australian time, and arrived in Punta Arenas on the same date, at 11.25 hours Chilean time, having gained a day during the trip, which lasted 10 hours, 26 minutes and 49 seconds.

The civil and military authorities and hundreds of interested residents welcomed the plane at the airfield on its arrival, to the strains of a military band.



In the plaza Munoz Gamero Punta Arenas, on a Sunday morning, showing the flagstaff and saluting base presented to the city in 1943 by the British Colony of Punta Arenas at the Centenary of the taking possession of the Straits of Magellan.



Mr. Ernest Hobbs, accompanied by Mrs. Hobbs, outside the Hotel Cosmos, during his last visit to Punta Arenas.

FORTHCOMING EVENTS:—

The Annual Golf Competition organised by the several Latin American Societies will again be held at Effingham Golf Club, the date being Wednesday, June 26th.

The Annual Luncheon in honour of Chilean Independence Day will probably be held at Grosvenor House on the actual day, 18th September.

Charter Flight:— We understand that another Flight will be organised on similar lines to former years, to take place during the 1974/5 Christmas period, under the auspices of the Anglo Argentine Society. Due to the general increase in air fares, the cost is expected to rise to approximately £230 to Buenos Aires. Journeys on to Chile from Buenos Aires to connect with the Charter Flight can be arranged with the respective Travel Agency.

SWORDS OF HONOUR

Successful Appeal

In May last the Chairman, Dr. Harold Blakemore, issued an appeal to our Members for funds to carry on the customary presentation each year of Swords of Honour to the outstanding cadets of the Chilean armed services and the Police, which has become an important traditional expression of the links between our two countries.

The appeal, which still remains open, received immediate and generous support and sufficient funds have been received to cover the cost of the swords for two years.

A list of donors follows and the same list will be sent to Chile with the swords:-

Chile Mining Supplies Ltd.,	London
Vogt Maguire Ltd.	London
A.R. King	London
Mr. and Mrs. H.R.S. Tullo	Weybridge
Miss Christina M. Williams	London
Dacre Watson	Shaldon
Mr. and Mrs. J.E.F. Manby	London
H.T. Walsh	Bognor Regis
Dr. Francis C. Kelly	London
H.J. Gerald	Thorpe Bay
G.A. Savage.	London
J.V. Gallagher	Brighton
P.L. Jones	Bromley
Sir Frederick Mason, K.C.V.O., C.M.G.	London
Lord Forres	Forfar
Professor B. Capon	Glasgow
John O. Seamman	Leigh-on-Sea
A.H. Huntley	Camberley
Sir Charles Empson	Canterbury
P.A. Manfield	Sutton Coldfield
Roy E. Fenton	London
Andrew Weir & Co.	London
R.A. Puttick	London
W.E. Parker, O.B.E.	London
G.S. Richard	Bromley, Kent
J.M. Cole	London
Mrs. Cynthia Judd	Malta
Lyon, Lohr & Sly Ltd.	London
Scott, Lithgow Ltd.	Greenock, Scotland
Mrs. Blanca B. Wheeler	Epping
D.J. Bisset	Worcester Park, Surrey
R. Ferrand	St. Leonards on Sea
Her Grace Sally Duchess of Westminster	Wickwar, Glos.
Mrs. Velia Rinaldi	London
Mrs. Sonia Allen	Dorchester
John C. Shenton	Reigate
E.W. Smithson	Croydon
C.P.S. McWilliam	New York U.S.A.
Mrs. M.J. Saunders	Dublin
Mrs. D.F. Gill	Weybridge
Yarrow Shipbuilders Ltd.	London
J.S. Jackson	Rio de Janeiro
D.E. Heselton	London
Mr. and Mrs. M.G. Gunn	Andover
R.A. Sykes	Salisbury
D.C.S. Jackson	Barcelona
Lt. Col. Nigel Watson	London
Antony Gibbs & Sons Ltd.	London
Gary Fifer	London
Mrs. Joan Heywood	London
Martin Wilson	Shrewsbury
Mr. and Mrs. A.J. Villiers	Oxford
Sir John Royden	Battle, Sussex
Capt. F.N. Buckler R.N.	Northwood
Viscountess Davidson, D.B.E.	London
Mr. and Mrs. Donald McKellar	Sheffield
C.S. Jenkins	London
Nitrate Corporation of Chile	London
Raul Aguirre	London
Mr. and Mrs. C.L. Pountney	Worthing
A.N. Atkinson	Cheltenham Glos.
Mr. and Mrs. G.D.C. Taylor	Barnes
Mr. E.N. Pate and Mrs. K.W. Brew	Bushey Heath
Lloyds Bank International Ltd.	London
Guillermo Santa Cruz and Mrs. Barbara Jones de Santa Cruz	Weybridge
G.J. MacGillivray	London
W.R. Smithson	Sanderstead
Mrs. P.S. Fleming	Enniskillen
Antofagasta (Chili) and Bolivia Railway Co.	London
Mrs. Rita N. Slack	London
Mr. and Mrs. W.J. Hymas	Chelmsford
Captain Peter Manisty	Weybridge
P.J. Shaw	Tonbridge
Hon. David Montgomery	London
E.W. Smith	London

Mr. and Mrs. Keith McNeill
N.E. Thompson
J.S. Young
L.G. Watkins
Commander and Mrs. E.Reily Collins
Dr. Harold Blakemore
Ricardo Barroilhet
Gerald C.J. Moore
Chile Copper Ltd.

London
Epping
Sutton
Folkestone
London
Barnet
Wimbledon
Panama
London



Chilean Air Force Day Celebration:- Held on 21st March at the Royal Aero Club, (left to right) H.E. The Chilean Ambassador; Madame Olsen; Colonel Juan Cerda, Chilean Air Attache; Mrs. Sara Cerda and Wing Commander Mario Cerda

CHILEAN AIR FORCE RECEPTION:-

On March 21st 1975, Chilean Air Force Day was once again celebrated in London by a Reception at the United Services & Royal Aero Club in Pall Mall.

A large number of guests were present. They were received by the Head of the Air Force Mission, Col. Juan Cerda, Madame Sara Arenas de Cerda, Wing Commander Mario Cerda, Mrs. Clara Rodriguez de Cerda, and were unanimous in their pleasure and enthusiasm in congratulating the Chilean Air Force on its anniversary.

CHILEAN EMBASSY NEWS:-

We congratulate Third Secretary of the Chilean Embassy, Mr. Jorge Montero and Mrs. Johanna Stegen de Montero on the birth of a daughter, Maria Carolina, in Vina del Mar, on February 13th last.

Don Gustavo Valdivieso, Minister Counsellor of the Chilean Embassy and Mrs. Yolanda de Valdivieso left on the 26th February for Buenos Aires to which city he has been transferred as Minister-Counsellor.

We take this opportunity of welcoming to London Mr. Jaime Pardo, First Secretary and Mrs. Paulina Olavarria de Pardo.

It gives us much pleasure to congratulate Mr. Fernando Cousiño, 1st Secretary (Commercial) of the Chilean Embassy on his promotion to the rank of Counsellor.

Don Alberto Besa, Minister Counsellor of the Chilean Embassy, who replaced don Gustavo Valdivieso, has been appointed Chilean Ambassador to Kenya and will be leaving London shortly. We congratulate His Excellency on his promotion and convey to him and Madame Rebeca de Besa all good wishes in their new post.

FORTHCOMING EVENTS:

Celebration of Bicentenary of Birth of Lord Cochrane

A lecture entitled "Lord Cochrane and South America", by Professor Christopher Lloyd and a "Cochrane" exhibition will be held at Canning House during the first fortnight of December.

Lecture by Mr. John Ridgway.

Author of the recently published book on the Far South of Chile, Mr. John Ridgway has kindly consented to give an illustrated talk on "Gran Campo Nevado Ice Cap 1st crossing", at Canning House on Tuesday, October 28th next.

Christmas Buffet Supper Party, at Overseas House, on Wednesday, December 10th, 1975.

OBITUARIES

Mrs. Ettie Manby:

Mrs. Ettie Manby of 120 Holland Road, London W.14, perhaps our oldest Anglo-Chilean in London, and an old member of the Society, died peacefully on 5th April 1975 aged 94 years. She is deeply mourned by her two sons John and Alan, both of whom were born in Oficina San Lorenzo, Alto San Antonio, Iquique, Chile.

Ettie Bowring sailed through the Straits of Magellan in the "Orbita" in 1915 together with a Miss Norah Bush. Ettie married Alfredo Manby and Norah married Ted George in Iquique. She spent ten years running the "San Lorenzo" Hotel and its bachelor staff of Engineers, Book-keepers and Chemists. She also initiated the San Lorenzo Hospital, the San Lorenzo School and an open-air Cinema, for the 400 Quechua, Mapuche and Aymara speaking pampinos of San Lorenzo. In 1923 the chill wind of depression hit the Tarapacá Nitrate fields and the family moved to San Donato, another Liverpool Nitrate Company Oficina.

In 1925 the Manbys regretfully sailed to the U.K. in the semi-cargo P.S.N.C. ship "La Paz", to live at 23 Hogarth Road, S.W.5, where Alfredo died, in December 1927. For years the home was a centre of nostalgic Anglo-Chileans seeking friends, posts and homes.

Edward Alexander Young:

At the advanced age of 91 years, Mr. Young passed away on July 25th 1975 after a short illness. He was buried at his birthplace, Jedburgh, Scotland.

He had a long banking career during which he attained the important appointment of General Manager of the Anglo-South American Bank, in London. His first four years of banking were with the British Linen Bank, which he joined in 1900, transferring to the Anglo South American Bank in 1904. He left for Chile in 1906, working there until 1914 at Santiago and Antofagasta, where he was Manager. The next seventeen years were spent in the Argentine, at Mendoza and Buenos Aires, where he became Chief Manager until 1933 when he was called to London. Finally, he became a Director of the Nitrate Corporation of Chile, in which capacity he served the Company in London for many years.

Until the end of his life he was particularly interested in Chile, which he loved, and took pleasure in entertaining to luncheon at the Caledonian Club in London his many friends from Chile and the Argentine, on regular occasions.

He was a life member of the Society and supported its activities for many years.

He leaves an only daughter, Margaret, to whom we extend our sympathies in her bereavement.

NEW MEMBERS:—

We are pleased to record the following new members of the Society:-

Mr. Gonzalo Vigil	Joint Annual Member
Mrs. Anne Van der Valk de Vigil	Joint Annual Member
Capt. John Howard	Annual Member
Mr. K.D. Turner	Joint Annual Member
Mrs. K.D. Turner	Joint Annual Member
Commander Edgardo L. Hartessen	Annual Member
Mr. George W. Young)	Transferred from
Mrs. George W. Young)	Santiago
Mr. Christopher E.D. Hesketh	Annual Member
Barclays Bank International Ltd.	Commercial Members



At the Chelsea Spring Fair 1975 in Chelsea Town Hall, in aid of charity, the stall of Chilean Products in charge of Mrs. Cousiño.

WEDDING

Crawshaw — Shenton

The marriage took place on September 27th last, of Miss Joan Shenton, to Mr. Jack Crawshaw, at the home of her parents in Reigate, Mr. and Mrs. John C. Shenton.

Members of the Society will be interested to know that Miss Joan Shenton, who was born at Antofagasta, is a very well known T.V. and Radio personality and Mr. Crawshaw is a T.V. Producer. There were over 350 guests at the Reception, held at the bride's home, amongst which were several noted Radio and T.V. people.

Joan has been a member of the Society for over five years and Mr. and Mrs. Shenton are both dedicated members and supporters of the Society, Mr. Shenton having acted as a replacement to the Secretary on various occasions.

We take this opportunity of offering our congratulations and good wishes to the newly married couple.

BOOK REVIEW:—

"Cockleshell Journey", by John Ridgway, Hodder & Stoughton, 213 pages:

"Cockleshell Journey" is the story of the first attempted crossing of the Gran Campo Nevado Ice Cap in Magallanes in 1972 by a party of four led by the author. As well as navigating the Magellan Straits in their rubber dinghies, the party crossed an unknown ice cap, and climbed both the Great Northern Glacier and Monte Inaccessible. A well written and exciting story, "Cockleshell Journey" gives an interesting insight into the interplay of human relationships under difficult conditions and the organization and detailed planning that is necessary to keep an expedition moving. Above all it shows that the most important asset of any member of an expedition is sheer single-mindedness of purpose.

E.W.S.



A happy group at the Chilean Naval Reception on 21st May at the United Service & Royal Aero Club

THE CHILEAN COPPER INDUSTRY

(continued from our previous Bulletin)

REVIEW OF RECENT DEVELOPMENTS

Now that just over two years have passed since the present administration took control of the management of the Gran Minería* sector and CODELCO** in September 1973, it is interesting to summarise the development of this industry during that period.

The three most outstanding improvements achieved from the end of 1973 through 1975, were:

1. The Normalisation of Technical and Economic Activities in the Gran Minería Companies

The first objective proposed was to return each company to a profitable and efficient management and production level.

To this end, economic and technical administration was restored in the companies, to replace the former political management and committees.

As a result, the immediate normalisation of labour responsibility in the mines was achieved; this had been completely lost during the previous years' administration, due to the political attitude under which every management decision was taken. In Chuquicamata alone, there were more than eighty strikes and stoppages in 1972, which affected production, either partially or totally.

At the same time, stocks of spare parts and raw materials, which had been practically exhausted during the previous year, due to the lack of foreign reserves in the country, were replenished to a normal level.

Finally, excessive and unskilled labour was reduced, and new operational programmes, to optimise the available resources, were drawn up.

Subsequently, the outcome of these measures was an increase in productivity within each company.

Notes: *Gran Minería – Group of the five largest copper producing companies in Chile, comprising: Chuquicamata, Exótica, El Salvador, Andina and El Teniente.

**CODELCO – State organization owning 95 per cent of the shares of the five largest copper producing companies, and acting as their governing body.

Thus, in fact, the average production figures in the five Gran Minería mines reached 45,000 ton/month in 1970, 47,500 ton/month in 1971, 49,500 ton/month in 1972, and during the first three quarters of 1973, 45,000 ton/month.

However, during the last quarter of 1973, the average figure rose to 69,000 ton/month, and during 1974, production reached an average of 63,000 tons monthly. Similar figures would have been obtained in 1973, had it not been for the agreement in which Chile, together with Perú, Zambia and Zaïre (CIPEC members), decided to reduce copper production within the four countries, initially by 10 per cent, and later by 15 per cent, to offset, the low world demand for this metal. Therefore, due to this agreement, during 1975, the total production of the Gran Minería companies totalled 683,000 tons, reaching a monthly average of 57,000 tons.

The above-mentioned measures taken by the companies have not only led to higher levels of production, but also to a decrease in production costs in this important economic sector. Thus, in the Gran Minería, average production costs are now less than U.S. Cents 50/lb. copper, including all production costs, general expenses of the companies, and shipping and marketing costs, right up to the time when the final product arrives CIF at its port of destination. This figure represents the real cost level, because the rate of exchange between the dollar and the new Chilean peso, fixed by the Banco Central for the large mining companies, is the same rate as for any other import-export transaction and, likewise, the customs duties for imported goods for these companies is comparable to the duties imposed on any Chilean company.

In addition to the steps taken to resolve the immediate operational situation, the companies again began to draw up their future development programmes. In this respect, it is worth noting that during the last two years, and in spite of the very low copper prices prevailing in the international market in 1975, investments of over US\$ 120 millions were made in the five companies, with the aim to increase future production capacities and improve the efficiency of the processes. Out of this figure, US\$ 65 millions were apportioned to Chuquicamata (involving the installation of a new molybdenum recovery plant, an increase in capacity of the secondary crushing plant, etc.), US\$ 13 millions to Exótica (construction of a new leaching pilot plant), US\$ 9 millions to El Salvador (improvements in the electrical systems and construction of new dwellings), US\$ 5 millions to Andina (construction of a new reservoir, etc.), and US\$ 30 millions to El Teniente (construction of a new reverberatory furnace, construction of a new tailings dam, etc.).



2. Negotiations with the American companies in connection with the conflicts arising from the nationalisation of the Gran Minería

The second objective which the new administration had to resolve, was the finding of a legal solution to the lawsuits in different countries, which were affecting the international marketing of Chilean copper.

These problems were related to the decision taken in July 1971 by the National Congress, which unanimously approved a constitutional reform which enabled the Government of the time to completely nationalise all the companies of the Gran Minería.

At that time, the five largest Chilean companies were a joint venture between CODELCO (representing the Chilean State), with Anaconda, Kennecott and Cerro Corporations.

The Treasury of the Republic was then appointed to determine the amount of indemnities due to the companies: Compañía de Cobre Chuquicamata (CODELCO 51 per cent, Anaconda 49 per cent); Compañía Minera Exótica (Anaconda 75 per cent, CODELCO 25 per cent) and Compañía Minera Andina (Cerro Corporation 70 per cent, CODELCO 30 per cent).

A few months later, the President dictated a Supreme Decree, by which it was established that the Treasury should deduct from the indemnities due to each company, the "excess profits" received by these companies since 5th May 1955, to the time of nationalisation.

These "excess profits" were described in the Supreme Decree as those exceeding a net annual profit of 10 per cent over the book value.

In accordance with this definition, which was applied retrospectively from 5th May 1955, the "excess profits" were:

El Teniente	:	410 million dollars
Chuquicamata	:	300 million dollars
El Salvador	:	64 million dollars

Exótica and Andina had no "excess profits" as they only commenced copper production in 1970.

The Treasury, for its part, whilst carrying out a technical evaluation of each company, indicated that these following amounts should be settled as indemnities:

To Chuquicamata	:	223,499,000 dollars
To El Salvador	:	62,422,000 dollars
To El Teniente	:	99,573,000 dollars
To Exótica	:	10,020,000 dollars
To Andina	:	18,270,000 dollars

As the amounts to be deducted as "excess profits" were much higher than the total indemnities, at least in the case of the three largest companies, the Chilean State had nothing to settle. On the contrary, the American companies with interests in these mines were regarded as creditors of the Chilean State, in proportion to their shares.

This situation immediately brought a reaction from Kennecott and Anaconda, who drew up judicial demands in the U.S.A. and in various European countries, which produced an embargo on all resources and bank accounts belonging to CODELCO, and all nationalised firms, outside Chile.

Consequently, the most serious blow for Chile was that copper sales to many countries had to be suspended, as a result of our clients' refusal to purchase a product subject to lawsuit, or because of the danger implied by these shipments, which could also be seized on arrival at the port of destination or in transit. Simultaneously, the purchase of spares and raw materials for the Gran Minería mines which came from abroad, had to be channelled through "camouflage" agents to avoid a similar embargo action.

Henceforward, the new administration which inherited these chaotic conditions towards the end of 1973, gave priority to the negotiations with Anaconda, Kennecott and Cerro for a legal agreement which would bring that situation to an end.

The first agreement between the parties was reached in February 1974, with Cerro Corporation, which owned 70 per cent of the shares of Compañía Minera Andina, when nationalisation occurred. The remaining 30 per cent belonged to CODELCO. According to the terms of this agreement, a net indemnity of 18,862,446 dollars was decided upon for the company, of which 30 per cent (i.e. 5,658,734 dollars) were for CODELCO and the balance of 70 per cent belonging to Cerro Corporation, amounted to 13,203,712 dollars. The American contribution was settled by a cash payment of 1,020,789 dollars, followed by thirty-three six-monthly instalments, starting on 1st September 1975, with a net annual interest of 9.165 per cent.

The second agreement was reached in July 1974, with Anaconda, regarding its 49 per cent share of Chuquicamata and El Salvador at the time of nationalisation. The remaining 51 per cent of the shares, in both cases, had been acquired by the Corporación del Cobre in 1969.

By means of this last agreement, Anaconda was compensated with 44,390,000 dollars for its 49 per cent of Chuquicamata, and with 14,959,000 dollars for its 49 per cent of El Salvador. Both amounts were settled in cash by the Chilean State.

Furthermore, there remained outstanding a debt with Anaconda with respect to the original purchase by CODELCO of 51 per cent of their shares in Chuquicamata and El Salvador. In 1969, the Corporación del Cobre bought 51 per cent of both companies, amounting to a total of 174,586,770 dollars. CODELCO was then obliged to effect twenty-four six-monthly payments, commencing on 30th June 1970. But at the time of the July 1974 negotiations, only three instalments had been paid. This meant that the total balance outstanding, including both capital and interest accrued over the four and a half years, and the further payments due, amounted to over 200 million dollars.

This debt was reduced during the negotiations, to 194,059,086 dollars, whereupon the Chilean State paid 6,036,517 dollars in cash and the balance was to be settled by means of nineteen six-monthly instalments commencing on 1st February 1975, with a 10 per cent gross annual interest.

Finally, in October 1974, the agreement with Kennecott, with respect to the 49 per cent of its shareholdings in Sociedad Minera El Teniente, at the time of nationalisation, was concluded.

The remaining 51 per cent of the shares had been acquired by CODELCO in 1969, and the 80 million dollars, agreed upon as the 51 per cent, had been fully paid.

According to the October 1974 agreement, a net value was established for the remaining 49 per cent. This amount was 53,957,828 dollars, and moreover, the State acknowledged a debt of 14,042,172 dollars with Kennecott for dividends due to the company up to January 1971, which were still outstanding.

The total of both amounts was 68 million dollars, of which 6,500,000 dollars were paid in cash to Kennecott. The balance is due to be paid in nineteen six-monthly instalments, commencing 25th April 1975, with an annual net interest rate of 6 per cent.

The three successful agreements mentioned above, obtained through arduous negotiations, resolved the serious problems which the Gran Minería was facing outside Chile, and once again, opened all world markets for the marketing of Chilean copper, together with restoring its normal commercial activities. Thus, the Chilean State showed its interest and concern in re-establishing the prestige of those large mining companies and respect for foreign investment in the country.

3. CODELCO's Joint Venture in Germany

Due to the high customs duties applied in the EEC and other international markets, to the imports of semi-manufactured products from many countries, including Chile, the companies of the Gran Minería group have traditionally restrained their copper production to a final grade of elaboration, that can be classified only as "raw material" (i.e. blister, cathodes or wire-bars).

In many cases, however, the clients of Chilean copper that use the metal for the manufacture of wire and cables in their plants, require the copper not as raw material as such, but in the shape of "copper rod", which is classified internationally as a semi-manufactured product.

Consequently, in order to provide the customers of Chilean copper with the type of product they need for their consumption, and as it was not feasible to produce and export the "copper rod" from Chile, CODELCO studied during 1974 and 1975, and finally resolved, the association with some other European companies to build up jointly a factory in Europe, to transform the copper raw material produced in Chile (copper cathodes) to the copper rod required by some of our clients.

Thus, in March 1975, an agreement was signed between CODELCO and two German companies: Norddeutsche Affinerie and Hüttenwerke Kayser, to form a partnership for the construction and operation of a plant for the production of continuous copper rod, in Germany (Emmerich).

The shares were distributed as follows: 40% to CODELCO, 40% to Norddeutsche Affinerie, and 20% to Hüttenwerke Kayser. The total investment is supposed to be US\$ 15 millions, for the construction of a plant with 120,000 ton/year of capacity.

The first works in Emmerich began in July 1975, and the plant will be completed by November 1976, to commence full production in January 1977.

The Gran Minería companies in Chile, will supply at least half of the total copper requirements of this plant, i.e. 60,000 ton/year, thus ensuring the marketing of this volume of copper, but most important, providing the best facilities and the most suitable product for some of the Chilean copper customers in Central Europe.

This must be for Chile, one of the few and perhaps the most important investment abroad, and therefore the decision taken by CODELCO may be interpreted as being an important step in supplier-customer relations.

Pedro Danús,
Corporación del Cobre

ANNUAL GENERAL MEETING

Twenty-six members attended the last Annual General Meeting of the Society, which was held on Thursday, October 23rd last, at Canning House. In the absence of the Chairman, Dr. Harold Blakemore and Vice-Chairman, Sir Frederick Mason, both of whom were abroad, the Committee asked Sir Leslie Bowes (Hon. Vice-President) to preside.

The General Committee was re-elected as already constituted with the addition of the name of Mr. George W. Young, C.B.E., formerly President of the Society in Santiago.

The Annual Report for 1974 was approved unanimously. This showed a small favourable balance in the working account for the year, the first obtained for some years.

A special Vote of thanks was accorded H.E. The Chilean Ambassador for the interest and support he afforded the Society during the year.

At the meeting of the General Committee which followed, the Chairman and Vice-Chairman, Dr. Harold Blakemore, and Sir Frederick Mason respectively, were unanimously re-elected to those offices and tribute given to their continued activity and interest in the Society.

The Executive Committee were re-elected "en bloc" at the following meeting of the General Committee, with the exception of Mr. Gustavo Valdivieso, Minister Counsellor of the Chilean Embassy, who had left for the Argentine and H.E. don Alberto Besa who had been appointed Chilean Ambassador in Nairobi, Kenya. It was agreed to leave these two offices vacant for the time being.

WINE AND CHEESE PARTY

Immediately following the Annual General Meeting a Wine and Cheese Party organised by the Ladies' Committee was held in the adjoining drawing room at which about seventy members were present. The success of a similar function last year was repeated and a thoroughly enjoyable evening was spent. To raise funds a Raffle was held for a number of items given by members, the first Prize, a bottle of champagne being won by Mr. Guillermo Santa Cruz. The useful sum of £28 was raised for the Society's expenses by this means.

CHRISTMAS DRAW 1975

As has now become customary, this annual Draw took place at the Christmas Buffet Supper, held on December 10th 1975 at Overseas House. Lady Dora Pink and Lady Mason kindly consented to draw the winning tickets, the lucky prizewinners being as follows:

1st Prize	£25	Mrs. N.L. Buckridge	Ticket No. 1368
2nd Prize	£15	Dr. Janet McLaren	Ticket No. 4052
3rd Prize	£10	Irene M. Keir	Ticket No. 7992

Ten consolation prizes, value £1 each were won by:

Mr. R.A.J. Barbary	Ticket No. 0562
Mr. F.A. Lesser	Ticket No. 5640
Mrs. M.A. Gleadall	Ticket No. 7821
Homero J. Pinesa	Ticket No. 2830
Mrs. I.M. Roseway	Ticket No. 7237
Mr. W.E. Parker	Ticket No. 6625
B.A. Santa Cruz	Ticket No. 8197
Mrs. Adelaide M. Kelly	Ticket No. 3480
Mr. D. Roberts	Ticket No. 9568
Mrs. Collins	Ticket No. 7832