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Introduction and Moderator:

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Keynote Address:

HIS EXCELLENCY RICARDO LAGOS
Former President
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Panelists:

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P R O C E E D I N G S

MR. CASAS-ZAMORA: Good afternoon. And thank you all for being here. I'm Kevin Casas-Zamora, senior fellow in Foreign Policy, and acting director of the Latin American Initiative at Brookings.

This is a happy day for the Latin America Initiative. Today, we welcome back to this house one of the very few true statesmen to have come out of Latin America in the past generation, President Ricardo Lagos of Chile.

There is an old political quip that says that former presidents are like an old Chinese vase: extremely valuable, but no one quite knows where to place them. The book that President Lagos has written, and will be sharing with us today, offers a very powerful counter-argument to the sense of lack of purpose that is implied by that quip.

This book is the irrefutable proof that, in the author's own words, there is life after the presidency. And it can be as relevant and, indeed, as valuable as the presidency itself.

For this book that we are convened here to discuss is a work of wisdom and insight on many different levels. It offers a summation of an extraordinary personal journey, as much as a testimony of the deep sorrows and the remarkable redemption of a Latin American country in the past 40 years.

At the personal level, President Lagos' book is a reminder of what the qualities of good leadership are all about. In this case, good leadership is about the ability to inspire with the personal example of courage in the face of repression, of unfailing personal integrity, and the quiet dignity that is the sign of the good and the genuine.

Good leadership is about the capacity to craft a compelling, long-term vision for a society, coupled with the tenacity and deftness to penetrate the walls of

resistance, pettiness, and entrenched interests that are the currency of active politics. Good leadership is about maintaining fidelity to principles, while being able to defy ideological orthodoxies -- of being what the great José Ortega y Gasset once called "*Un ideoclasta* -- " -- an ideoclast, a shatterer of conventional wisdom.

At the national level, President Lagos' book is about a country that has been able to learn from a tormented experience to live up -- at least much better than any other Latin American country in the past generation -- to what the author sets forth as the ideal of good government: a system that stands on three legs -- democracy, economic growth, and social equality.

The experience of Chile is, indeed, essential if we want to understand the fact that in Latin America today very few people harbor any doubts as to what good governance looks like -- free and fair elections, adequate checks and balances, respect for macroeconomic equilibriums, and robust social policies able to reduce both poverty and inequality. Each of these traits implies a massive intellectual shift in Latin America that has been possible largely due to the example and the eloquence of a few leaders such as President Lagos.

Then again, in the words of the great Isaiah Berlin, that is the essence of good leadership: turning paradox into platitude.

Ricardo Froilán Lagos Escobar was President of Chile from 2000 to 2006. Before that, he had a long and successful academic and public life, including a Ph.D. in economics from Duke University, visiting professorships at the University of North Carolina at Chapel Hill, and stints as Minister of Education and Minister of Public Works in the administrations of Presidents Patricio Aylwin and Eduardo Frei Ruiz-Tagle.

He also played a pivotal role in the political struggle against the Pinochet dictatorship, in the founding of the Partido por la Democracia, and the creation of the

Concertación de Partidos por la Democracia, that held power in Chile for two decades after the democratic transition.

I won't elaborate on the many achievements of his administration. It is sufficient to say that he left the presidency more loved and respected by his people, and by democrats all over the world than it was when he was elected. And that, my friends, is the ultimate political achievement.

Currently, among many other activities and appointments, he is the head of the Fundacion Democracia Dessarollo in Santiago and, since 2007, the U.N. Secretary General's Special Envoy on Climate Change.

It is an honor to have you here, President Lagos.

But today, we also have two extremely distinguished speakers to comment on President Lagos' book.

Dr. Arturo Valenzuela is Professor of Government and Founding Director of the Center for Latin American Studies in the School of Foreign Service at Georgetown University. He's a specialist on the origins and consolidation of democracy, and U.S.-Latin America relations, and an authority on Chilean politics. President Barack Obama named him Assistant Secretary of State for Western Hemisphere Affairs, a position he held until August 2011, when he returned to Georgetown. And he's the author, among many, many other important books, in particular of a book that I remember very well from my graduate days, which remains to this day one of the most perceptive studies of life under Pinochet in Chile, and that in some ways is a companion to the volume that we will be discussing here today, *Chile: A Nation of Enemies.*

We also have among us Ambassador Thomas R. Pickering, one of the great U.S. diplomats of this or any generation. He served as U.S. Ambassador to the Russian Federation, India, Israel, El Salvador, Nigeria, and Jordan. He also was the U.S.

Ambassador and Representative to the United Nations. And he also served as Undersecretary of State for Political Affairs between 1997 and 2000. He also is part of Brookings -- he's a Distinguished Senior Fellow of this institution. And that's the shortest of lists of his many, many achievements.

I'll stop here. I just want to thank you all again for being here. And I would like to say, once again, to President Ricardo Lagos, welcome to this, your house in Washington.

President Lagos, the floor is yours. (Applause.)

MR. LAGOS: Well, thank you. Thank you very much for that kind introduction, and your words.

I would also like to add that, among other things, after being President was to be a member of some of the committees that the Brookings has established during this time. I remember once, with Tom Pickering, trying to think about what we should tell to the next American President. That was in 2007.

Let me say that, first of all, that this is a rather, I would say, unusual book in one sense. It's not a memoir by a former president or somebody else. I think there will be time for that. Nevertheless, the reason why I did it was because a good friend of mine said, "I know what you will do in the future. You will write a memoir. A lot of footnotes. And that memoir is going to be read by three or four students, one from the University of Arizona trying to think about the comparison between taxation system between Chile and Argentina. The second one is going to be different ways to approach how to defeat poverty and to fail in the attempt to do it. And so that we can have a good lessons from that. And the third was going to be probably about how to say no to the United States in a very special case, and not to fight with the United States. But other than those three students, nobody else is going to be reading a book like that. So why don't you decide to

write smaller, no footnotes, nothing that can prevent the general reader to keep reading the book?"

And I said, "Look, I have no idea how to do that." And then the guy says, "I know a couple of guys that can help you -- a gentleman and a lady." And this is the reason why, if the book is well written, and the way that this book is done, is simply because those two editors with me that put how to do those things.

After saying this, let me tell you that what I tried to do in the book was two things. First, to what extent your own personal history determines, without knowing you -- what is what you have here in the back of your mind, or probably what kind of chip in a computer that you have -- that when you have to take decisions in the future, those things will come up, even probably without knowing it?

Why I say this? Because I was here studying at the University of Duke, and the missile crisis emerged. That produced a tremendous impact in all of us at that time. But at the same time, later on I discovered that since the last two letters being sent by Khrushchev -- the first one an ultimatum, and the second not really an ultimatum -- that the solution for the conflict was to forget about the first, and answer the second.

And second, that it was very important to leave your opponent with a rather dignified door to quit.

The other thing that produced a tremendous impact on me was with some student -- the name is in the book -- was admitted at the University of Mississippi. That was in 1962. And, of course, the students at the University of Mississippi, the professors at the University of Mississippi -- everybody in Mississippi -- didn't accept that that student should go to study there.

And this extremely unusual country which is the United States, the President of the United States decided to send 5,000 troops to the University of

Mississippi to make sure that the student, Meredith, could go to classes. And, as far as I know, there was about 30 members of the National Guard in the classroom, smaller that this one, just to make sure that nobody would bother Mr. Meredith.

And the third example, back in the mind, when President Kennedy decided to fight because there was, according to him, or his advisors, a collusion trying to establish prices for the steel factories in the United States. And here you have Mr. Kennedy fighting against those things, you know. And at the end, he got that steel factory number eight or nine decided to drop prices, and then that was the end.

In other words, when you are then in different positions, those chips emerge without knowing that. I have no idea if I used any other this -- of course, I never sent a thousand troops to help some student go in to study. No, no, no -- not at all. But what I'm trying to say is that those are the things that probably can explain, in my personal thing, what's going on.

The second thing that I thought was important was trying to explain that, in the case of Chile, what we started as a general coalition just to say no to Pinochet, that was the easy part of the coalition. "Do you agree to say no?" "Yes, we agree to say no." "Yes." "Okay, let's go together." And that's all.

And then, when the plebiscite was approaching, to realize, without saying that to each other, probably we will have to keep working together for the short period of time after defeating Pinochet, so that there is no vacuum, and there is an alternative.

And let me tell you that this is exactly what happened. And since we're almost -- we're a hundred percent sure that after that, everybody was going back to the old positions, that we agreed to reduce the presidential period from eight years to four

years, because four years is enough for the transitional government. And then everybody to their own corners, in their own ranks of politics.

And I don't say things so clearly in the book, but what I do have very clear is that, at the beginning, Chile was rather well known because the kind of political transition from dictatorship to democracy that we had. But I think that that transition was the easy one.

The most difficult one was when we discovered that the rather backward, unequal country has to have growth, has to make sure that the growth will reach every sector of the population, and therefore it was necessary to go through a second transition. Much more difficult to do than the first one. And that this second transition will require a much broader coalition than the coalition that we built to defeat Pinochet. And this one has to be a more lasting coalition -- because to defeat Pinochet, at the end, was just to say "No," count the votes, and that's it. Well, it was a little bit more difficult -- (laughter) -- but, in general, that was it.

But the other one, to have a rather backward country to a more modern country will take many more years. It was going to be much more difficult. And we're going to put the need to be a little bit more pragmatic, rather than ideologically oriented. And this was for all those in this coalition.

And what is really amazing is that that future student trying to get a Ph.D. in some aspect of Chilean politics will never discover -- not a single resolution of the different parties of the coalition saying, "And because we need, then, the second transition, we will remain together as one big *concertación*." Never. Not a single party made a decision like that. It was just a smooth transition to go from Frei to Aylwin, from Aylwin to Lagos, from Lagos to Bachelet. But never there was a decision, "We have to keep together because we have so many things to do." It's rather unusual -- that simply

because the power of the events that we were trying to accomplish make those decisions, formal decisions, and the different standing of the different parties, not necessary.

So I would say that, in our case, I think, that we try to mention here, is the history between two transitions -- the transition from dictatorship to democracy, and the transition from a rather backward to a more modern country. And it's around these two transitions that the whole story takes place.

A final word. Given the kind of book that I tried to do, in the book there is almost no concrete and specific people. And this is why I say that the book is a tribute to Chilean people. Of course, it's a tribute to all those that worked with me along these many years. But at the beginning, I started putting names. And then I said, but I forgot that name. So I decided, at the end, to scrap all the names -- which I think is extremely unfair for those that participated. And that's the reason why I say, thanks for everybody. Probably, if someday, of course, I'm going to write a memoir, in that memoir all the names will be there.

But after that decision, then I started thinking -- yes, but what about those names of those many Chileans that during the dictatorship made possible for me to travel around Chile, staying in their houses, using their cars, and their resources to go from this town to the next one? There are so many. They are the real heros. And I think that I will try to do that also with regard to those people. Because it's as important as some people that are around this room, that play such an important role in my government. And probably if we did something good -- I hope that we did something that was okay -- it was much more to do with those people than with me. I realize that. But when you read the book, the book gives the impression that Mr. Lagos is able to do those many things.

And the final word -- I discovered that in this country the real dictators are the publishers. (Laughter.) First of all, I have a different title. It was something like, "Against All Odds," and they said nobody would understand that. "By the way, there is a movie about that, so forget about it."

And then they decided that it was going to be "The Southern Tiger." I said, "No, no, no. How you can dare to do that?" If you read very carefully the book, you will see that during the period of the dictatorship, in some newspapers, they say, Chile, the new tiger of the South." So, you see, this is not because is -- no. But the idea of a tiger, I thought that was not a good idea because probably somebody down in Chile will think, "So now Lagos thinks that he's a tiger." I mean, it was not very fair, really.

But then I discovered that the book -- I thought that it was a short one -- and then the publisher called me one day and said, "Mr. Lagos, you know that your book has 105,000 words?" No, I have no idea how many words they have. "Well, I'm sorry to tell you that it has 105,000. And in this kind of books, you cannot have more than 100,000. Period. Therefore -- " -- (Laughter.) "What you did?," I say. "Well, we cut it 5,000 words." "But how you dare to do that," I said. "This is my work." "Sir, you have to understand -- we know our business. Do you know what happens? Somebody's going to go to the bookstore, will see the book. 'How interesting. Look, it's a book about Chile. A tiger, Chile. Look. How interesting. It's a wonderful book. Look, the guy was very young, with a lot of hair here, and the other picture here is very bald, you know. It's a very interesting book, indeed. I'm going to buy it.'" But before that, he goes to last page. How many pages? Three hundred one. "Oh, no, too many pages. I would not buy it."

So we know, you know, that if you wanted to write a book no more than 100,000, at least in the U.S. And therefore it was reduced a little bit, and this is how the final version came out.

And let me tell you that, at the end, I thought that it was worthwhile, probably, to talk a little bit. Because so many people say, when you are a former president, and you say something funny about what happened in your presidency, the say, "Are you writing your memoirs?" Well, at least this is not a memoir, but I try to write a few things funny at that span of life, since I was a young student until the moment that I leave the presidency.

And this why in epilogue I mentioned what my good friend Belisario Betancur once told me. I was running for president, and he told me -- we were having a nice dinner with Carlos Fuentes and Garcia Marquez, and Betancur says to me, "Lagos, I have a wonderful news for you." "Yes," I say, "What is that?" I thought that it was about so many votes that I was going to get. Not at all. He told me, "Look, it's a wonderful life after being president." (Laughter.) "The only problem," he told me, "But first, you have to be president." (Laughter.)

Well, but I tell you, I discovered that Betancur was right. There is a wonderful life after being president. The only problem, that sometime, in Latin America not everybody thinks that way, and they decided to keep staying in power with different reelections.

I think that Betancur's advice should be more spread around so that not many people think that they have to keep running, running, and running. But I think that democracy, at the end, is to understand that it's good to be a former president.

Thank you. (Applause.)

And thank you, also, for the fact that here two very good friends of mine are going to do the other part -- which is Tom Pickering, and second, with Arturo Valenzuela, which was one of the witnesses in what is told in the book. I hope that you will discover in what part of the book he entered in a very permanent way.

MR. CASAS-ZAMORA: Thank you, Mr. President.

Okay, we can proceed to the second part of this session.

Arturo?

MR. VALENZUELA: Thanks very much.

It really is an enormous honor and privilege for me to be able to able to join President Lagos and to comment on this book. I must say that, reading it, it hit a lot closer to home than I expected. Because, in fact, it really is an extraordinary narrative -- not only about how he perceived the reality that was unfolding in his country and his role in it, but also what was happening in Chilean society.

So, it's true, you know. Your editors were right that if you're going to really be able to sort of convey how, in fact, this country that had a long democratic tradition, you know, went down this road of dictatorship and authoritarianism and then came back, this is a great read. And I recommend it to all of you, and suggest that you go out and buy the book.

As I say, for me, it touched home, too, because I followed this same trajectory for a long period of time -- with the advantage that I was always an outsider. I was always sort of looking in. But my ability to be able to look in was due, to great measure, because there were lots of interlocutors who, in the parlance of journalists, are "sources," you know. But for a political scientist or for an academic, it's more than "sources." These are people that you really get to know, and you understand, in order to be able to understand what you're looking at.

So, you know, writing my books on Chilean politics, and understanding what happened with the crisis in Chile, I depended on a whole host of people, and many of them are in this room. But perhaps more than almost anybody else, Ricardo Lagos was a great source for me in my understanding of what was going on -- and also pulling

me in to accompany this (Spanish) that the Chileans were going through at this particular time.

You know, I first met him -- he probably doesn't even remember this -- when he was actually Chancellor of the University, but it was a very, very brief moment, and there was a bunch of other people. But we actually became friends when he came to Chapel Hill after the coup, after he gave up his position with FLACSO. And you can read about all this in the book, by the way.

And the time at Chapel Hill was a very important time. It was a time where he had a chance to reflect. This is going back to the same place where he was when he went to Duke University, because Chapel Hill is just down the road. But, as he says in the book, he organized one of the first conferences that began the arduous process of pulling Chile back again.

On my many trips after that, in the worst moments of the dictatorship, I would often go to his house in Yenoa -- beautiful, beautiful house. But what I remember most about the house in Yenoa was the time that arrived in Santiago in the early '80s, and he invited me, as he always would, to dinner, and he tells me that he's going to get rid of the house. And I said, "Ricardo, why are you doing that?" He says, "Well, I finally made this really hard decision. I'm going to have to leave the U.N. system -- " -- because he had moved into PREALC, an organization under the International Labor Organization. And so he was going to give up, in a sense, the secure position of somebody was an international civil servant, to jump into this uncertain, very difficult -- and, at that time, not at all very promising world of being in opposition to a dictatorship in a very difficult time. And he did that. He got rid of this beautiful, beautiful house -- it was really beautiful -- and moved into a very small, modest little place there. He and Angelica still continued to

have their little office down the way. And every time I walked by that little office there in the Plaza (inaudible), I'd say (Spanish).

But it was a gutsy, difficult decision. And I'll tell you, if I have a problem with the book, in some ways the book is a little bit too modest. And this is obviously a problem in writing a book like this -- because it was folks like Ricardo Lagos, very, very -- in a central role that played such an important role in doing two things.

First, you had to bring about some kind of an understanding on the left. You know, after the coup -- the coup was this situation. Remember, Chile is a country of a long, long democratic tradition. And we're talking not about a process of democratization; we're talking about a process of re-democratization.

In the 143 years, between 1930 [sic] and 1973, the coup, there are only 13 months of unconstitutional rule in Chile. Only 13 months. That was in 1891, and 1924, and 1932, where for brief periods -- so this is a country with a long, long democratic tradition. And despite the polarization of Chilean politics, despite the fact that there was a very strong left -- in fact, the strongest left in all of Latin America -- and a strong right, it was a country where left and right believed in elections, and the democratic system.

And Ricardo's roots come out of that. The party that he first belonged to was the key, sort of center party, center-left party that helped to work to keep this complex society going. The men in the middle, and the women in the middle, who saw the value of brokering difficulties when the situation got out of hand.

Unfortunately, the country became much more polarized. It was a period of Cold War and, you know, those who tried to halt the collapse of the understandings that took place in the middle of Chilean politics, that made it possible for a country that was as polarized, simply lost the battle in the heightened situation of the extremes, that

then led to a military coup and 16 years of dictatorship -- something the Chileans never imagined could happen. Even supporters of the coup, right after the coup, were convinced that this was just going to be a short interregnum and that, in fact, you know, there would be elections soon and things would get back to normal.

The whole place was torn asunder. And it took the courage, ability, commitment, faith of people like Ricardo Lagos to be able to pull that together.

And what's interesting in the book is -- what I didn't catch -- this was an incredibly lonely time for all of these people. I would show up in Santiago, you know, and they would be very gracious to me, and so on. But there was just this very small group of people. You know, it was Ricardo talking to Enzo Faletto, and getting together with so-and-so when they were putting together the "suizos," the "Swiss" as they were known, because these were sort of the neutral ones within the left and in the socialist party.

And what aggravated the situation was that the communist party that had, in fact, been, during the Allende period, the more moderate and sensible and realistic party, had really gone to the extreme left. The whole notion that (Spanish) -- you know, was the name of the game. They're going to use all forms of struggle. This is what a small group of people that understood that that was not going to work if you were going to put Chile back together.

So it was the tenacity and the vision of people like Ricardo Lagos -- and he was one of the leaders of this group that put together, in this small group of people, that began to, in a very slow, difficult, arduous way, began to rebuild the relationships on the left. And then the chasm that still existed in many ways between the left and the Christian Democrats, and -- read the book, because I think it's really very illuminating.

They had this ability, I think, to be able to begin to work across boundaries.

But you know what helped them the most? What helped the most -- and I learned this, that time that we went out to (inaudible), you and I. And this was when you were trying to persuade people. And Zaldivar, and all the top leaders of the Concertación at that particular time -- this is the Alianza Democrática at this particular point -- were trying to convince people that, in fact, they should participate in the election. They should participate.

And participating in the election wasn't going to be a swindle. And, in fact, there were a lot of people -- and perhaps rightly so -- particularly on the left who felt, "This is a trap." You know, this Pinochet government is going to do this plebiscite. We're going to all go out and vote, and he's going to get himself reelected, because he's going to cheat or whatever. And it's going to legitimize the whole process.

So I went out with Ricardo that day to this little tiny community, and there were about a hundred people there. In fact, people were late in showing up. We walked around the plaza, I don't know, for about two hours before anybody showed up.

And we got into this little room, you know, about -- like, about half of the size of this. And it was really packed. And Ricardo walks in and he says -- and, you know, he's now the -- I think at that point he was the President of the Alianza Democrática, you know. It was the turn of the socialist part, which he represented at the time -- to make the case before these *votadores* in this one community that, in fact, they should vote. That they should trust that they could be able to vote.

Now, there are all kinds of stories that satellites would look down and, you know, see how you're going to vote, and then you're going to be picked up and put into jail and that sort of stuff.

What was amazing about this event -- and Ricardo and I have recalled this many times -- is that shortly after he talked, Alejandro Yáñez shows up. And

Alejandro Yáñez was with the communist party. And he had just arrived from East Berlin. And he was underground, you know. And this was kind of a communist party area. And Alejandro Yáñez stands up, and he starts arguing the opposite -- complete opposite of what Lagos was saying. What I said earlier -- "You can't trust this."

And this old geezer stands up at the back -- this old, old guy -- and he says, "*Compañero* --" -- he says to Yáñez, he says, "I'm sorry. You're just simply wrong." And then he says, "I've been a communist all my life. I've been involved in (Spanish)" -- you know, this is the apparatchiki of the communist party. You know, the really hard stuff, you know. "And that's not the way to go. We have to go into this election and vote. It's the only way we're going to defeat this government."

So, you know, but -- what, 50 people in this room? How many times did you have to do that?

I remember I went with Heraldo Muñoz in a similar thing. And nobody actually showed that day. And this was even closer to the plebiscite. So it was a very depressing time, because you didn't really know whether you were going to make it or not.

At any rate, the triumph really was a triumph not just of the leaders, because that's the story that -- you ended with this comment. And I just wanted to underscore. It was the triumph of the Chilean people, who really believed that this democratic tradition that they had was what the country was really about. And they're the ones that had the fortitude and the valor to go and vote. And, in this particular case, to vote against a dictatorship and defeat a dictatorship was really quite an astonishing thing.

The second -- and I don't want to take too much time -- but the second transition that you referred to is also equally as remarkable. And that is how, you know, some of the same leaders who were on opposite sides in the failure of Chilean

democracy, were able to, in fact, put aside the animosities of the past -- with all the horrible subtexts. People died, people were killed. This is not just a matter of disagreements, you know. And the blame that the Christian Democratic Party, from some sectors, for example, of the left had for what happened was very, very high.

This had to be put aside to begin to build confidence again. Civic friendship -- call it that -- which is so fundamental to a democracy. The ability to really be able to sit down even with your strongest adversary and have a conversation that makes sense, for the good of a greater cause, which is the good of the nation, and not just simply for your own --

And this is what the Concertación did -- slowly by slowly. And a lot of people criticized it. "They gave up too much. They conceded too much." But I think José once said -- remember, we used to say, (Spanish), and then you begin to realize that the only way you can really move forward is, in fact, *negociando*, you know. And understanding that democracy really is about how to agree to disagree peacefully, in order to make, you know, your society work.

And the Concertación, in that sense, left an enormously valuable legacy.

No country is going to be exempt from difficulties. Chile is going through some significant difficulties today. Additional reforms are necessary. There is no such thing as a teleological process towards the perfect democracy that doesn't have any problems. Gosh, we know that in this town nowadays, when the issue of civic friendship, and civic virtue, and looking at the national interest is perhaps at the back of the burner of many people's thinking.

But this book is such a wonderful testament of this journey, this struggle, this *travesia* that Chile has done under the leadership of remarkable people like Ricardo Lagos -- which I was very privileged to work with.

Thanks. (Applause.)

MR. CASAS-ZAMORA: Thank you very much, Arturo.

Tom, you've seen a lot of the world. You know, you've served in developed democracies, developing democracies, crumbling democracies -- what's the resonance of this story?

MR. PICKERING: Thank you, Kevin, very much.

Let me first say to President Lagos, Secretary General, Mr. Ambassador -- all friends of President Lagos who are here with us today -- Arturo. It's a great pleasure and, indeed, an honor to have an opportunity to talk to you about this book, which I was very much impressed by -- no less than, I think, Arturo or any of you who will read the book.

It's an extremely personal, extremely interesting and, many was revealing, set of insights about -- as Arturo has told you -- what happened in Chile, but beyond. And I was particularly struck that it's well written. It's an interesting read. It is a personal revelation. And, indeed, it has chapters of personal heroism and, indeed, personal danger connected with it.

As I read the book, I was impressed by three episodes, Mr. President that you recount in the book, that I think are worth recalling very briefly here, to give you something of a taste of what you will find inside its pages.

One of those involves Chile, but two go beyond Chile. And, to some extent, your invitation is one that I had already prepared for. So thank you very much.

The episodes that surround Chile are, of course, the episodes in which President Lagos undertook a major role in the ouster of the Pinochet regime, over a long and very difficult period, giving up his work at the United Nations, committing himself to be in Chile, to working -- I guess one could say -- semi-clandestinely, if not clandestinely

at times, which involved him in personal danger. And, indeed, it was his major efforts that I think rose to the forefront. And you've heard much about that today.

I was particularly struck and impressed by the fact that after reading those chapters, there are three principles which I think President Lagos upheld sterlingly -- which are very important for us as we look around the world today. And, indeed, they have a message, not just for Chile's history, but for the Arab Spring, through which we're going, and, I think, for the future.

One of those, as you've heard from President Lagos, himself, and from Arturo, was that you wanted to create the broadest possible political opposition to the regime. And that included not only reaching out to the left, to the extremists on the left, but also to the right, through a broad spectrum. And through hard work not only did they bring together the several socialist parties in Chile, but a wide and, indeed, important group of people.

The second principle I think is very interesting. It's a Lincolnian principle. They went to reach out to the people. They listened to the people. And they found a way to stand with the people of Chile. And it was in that sense the empowerment of their political activity, through the popular support, revealed in an election result, in which -- as Arturo pointed out -- they took an enormous chance to bring about, that, in many ways, was a realization that change was inevitable, it was coming, and it became irresistible. A remarkable effort.

The third principle is a very interesting one -- one that has been less explored here this afternoon, but is very significant. And that's the principle that Ricardo Lagos stood firmly for -- non-violence. No violence. Under any pretenses. He was not totally successful and, indeed, his failure to be totally successful led him into extreme danger.

Just after an attempted assassination of Pinochet he, with many other people, was picked up. And we only find in his revealing pages of the book, as we go through the story of his imprisonment that at the end of the imprisonment, he tells us that through the intervention of a friend -- was he a former student? -- he was picked up prematurely by the Policia De Investigaciones -- a "professional group," as they termed themselves. But they picked him up because they knew that he was destined for the secret police, and he was destined for what we can only believe to be assassination. And it was the early arrest by the "friendly" police, if we can call them that -- although they were not totally friendly to you at the time -- that he is here with us today. I never thought he nor I would welcome a Chilean police arrest as a life-saver. But, in some ways, certainly, it played a very significant role.

Let me just briefly sketch out the episodes that I was very impressed with beyond Chile. One is very short one and a very interesting one.

He visited China. He was there to sell Chilean trade. He was always warned by his staff that he must be scrupulously polite and careful to the Chinese. He first visited Li Peng, who was then chief of the Popular National Assembly of China. And they got into a discussion.

And Ricardo Lagos wondered why, in front of Li Peng, China had not taken a more firm view on the issue of human rights violations in Chile. His staff was aghast. (Laughter.) The thought the whole thing had gone down the drain. The next day he was supposed to Jiang Zemin, the President of China, and they fully expected the meeting to be canceled. It wasn't.

And, indeed, Jiang Zemin never mentioned human rights. But he had a very interesting discussion with Ricardo Lagos -- you can read it in detail. But the upshot of that discussion was China has hundreds of millions of poor people. They all want to

go to Shanghai. China has offered -- I think, tongue in cheek -- Bill Clinton 130 million of these if he would only take them.

But the message to Ricardo Lagos, and he saw it loud and clear was: China has its own interests. And for China, they come before human rights. He said, in the book, with more than his usual courage, "I was impressed by that argument. I'm not sure, in fact, that I totally accept it, but it has left me thinking, and I think further about it today." A very interesting point, and a very significant one.

The third has to do with this country. And, indeed, you didn't mention in the book, I think, the U.S. role in the coup that led to the establishment of Pinochet. Thank you very much. (Laughter.)

But you do mention, in a very intriguing way.

MR. LAGOS: It's too well known.

SPEAKER: It goes without saying.

MR. PICKERING: You did mention, in a very intriguing way, the fact that you were President of Chile in 2003, at the time that Chile went on the Security Council. And in 2003 -- for those of you whose memory is failing -- the Security Council addressed the question of the U.S. interest in going into Iraq.

All I can say is, to keep this short, that President Lagos was put under enormous pressure -- enormous pressure directly by his friend in the White House, George Bush. He was also seeking, in his own way -- as he would, because we know him well -- for an outcome that would indeed try to bridge the gap between the sides, but not immediately unleash the dogs of war in Iraq and in the Middle East.

And I think that we have much to thank him for, despite the fact that the whole episode turned out to be quite different, that he stood firm in his belief, throughout all of that pressure from many different sides, and continued to show us the honesty and,

indeed, the importance of the position that force is not a substitute for diplomacy, and that wars of choice almost always turn out badly.

Thank you, Mr. President. And, again, it's a pleasure to be here and to recommend your book. I think it's a great reflection of you, and the ethics and the morality that you have stood for over the years.

And I urge you all to read it. I'm sure that President Lagos could use a little boost, too, in his take-home.

Thank you. (Applause.)

MR. CASAS-ZAMORA: Well, that was wonderful.

Now we're going to open it up to the audience. Before we do that, I would like to pose a question to President Lagos.

You know, by almost any measure -- particularly if you live in Latin America -- Chile has been a very successful country over the past two decades, in all sorts of ways. And in many ways, it has blazed the trail for other countries in the region. Yet, when you take a look at Chilean politics today, what you see is an incredible amount of disaffection, and very harsh criticism of the political class. And I guess you can only conclude that there are many pending reforms and issues in Chile.

So I would like you to say a word, if you will, both about the roots of this disaffection that is increasingly visible in Chile, and about the pending reforms.

MR. LAGOS: Well, thank you for your question.

I presented a small piece of paper in March last year. And I tried to present what I thought at that time was the major challenges of Chile for the next 20 years. My reasoning was, we have been in power for 20 years, we were rather successful. When you go from $5,000 to $15,000 per capita income, it's quite remarkable. When you go trying to healing with the use of human rights violations, and

you deal with that in a way that very few countries have been able to do it. Or when you try to make a tremendous change in the educational system, by which now 7 out of 10 students are first time in their generation that go to the university. In 20 years, it's not bad.

But then, for me, in March it was very clear that because we were successful, then you cannot continue with the same policies, because now you have a different country. And this is very difficult for politicians -- for all of us -- to understand that. And we keep trying to do the same thing, and the same policies.

I have no idea that two months later you will have hundreds or thousands of students on the streets. And much bigger numbers during the weekend, when students invite their parents to protest because this was through the whole Chilean society. And they were quite successful -- not students, but on Saturday and Sunday, fathers, mothers, and grandparents, also. Okay?

And then the question I would say is, first, it's one thing to be in a country with 40 percent living under the poverty line, rather than 13. And therefore, those 20-somethings that leave behind poverty, now they feel emerging middle class, and they demand more from the state and from the government than what they demanded to leave poverty behind. It's a little bit more expensive.

Because if you have 7 out of 10 first generation going to the university, but the university system has expanded primarily because the private sector and tuition is increasing -- if you have, let's say, $2,000, we're speaking money that everybody understands, instead of 1 million pesos -- well, those $2,000, but if you have to pay tuition $300 or $400 per month -- per month -- as tuition, then if you pay the mortgage of your house, plus two students going to the university, then your broken. And therefore, in that

moment, you demand, "Look, my kids are at the university because they are smart. They did one, two, three, four -- and they deserve it."

And the question is: are we going to be mature enough to understand that, because society changed, then it's a different kind of country?

And this is why I say, look, it seems to me that a political cycle came to an end. Beautiful transition, yes, but the right-wing party has a bit of power. Let's be very open with that. When you have an electoral system by which each electoral district elects two people, you have 60, elect one, I have 35, I elect the other. And 60 equals 55. Everybody, you have (inaudible) electoral representative in the Congress.

And, number two, a special forum for a lot of laws. Well, that agreement, if you can call that an agreement, that system came to an end. That's one point. Unless you are able to change that, the political system is very difficult to keep working under that system.

Number two, it's different, if you have $5,000 per capita income, rather than you have $15,000 now. If you have $15,000, or $16,000, well, it's true, poverty is going down. But all studies will tall you that the relationship between per capita income and social and economic indicators is very close up to $15,000, $18,000. After that, the question is not per capita income. After that, the question is distribution of income.

And this distribution of income will explain how social and economic indicators will behave. Distribution of income. Otherwise, you don't understand why New Zealand, with $25,000, $28,000 per capita income has much better indicators than the United States with $40,000 -- or Japan.

But it's not only a question of indicators. Every indicator -- homicides, number of people in prison, girls pregnant between 15 to 19 years old, obesity, mental

illness -- all those indicators, nothing to do with per capita income above $20,000. A lot to do with distribution of income.

Then -- big question -- Chile has a terrible distribution of income. Yes, I go to a commercial now.

Fourteen times is the average income -- 14 times -- of the upper fifth vis-a-vis the lowest fifth -- 14 times. My commercial, because very good focalized fiscal expenditure will reduce the 14 times to 7.8 -- almost 8 times. Huge reduction. Not bad.

What about our tax system? Better don't ask that question. (Laughter.) Because OECD will tell you that Chile is one of the few countries where before and after taxes are exactly the same. And some studies will say even a little bit worse.

So, it is very clear what is pending, what we have ahead. In social terms, how are we going to take care of this emerging middle class that demands much more? And to talk about the Arab Spring, that emerging middle class, of course, in younger, and because they are young, very efficient working with the new technological platforms, internet, twitter, and everything.

And if you hear such a rather sophisticated called "99 Percent," I never thought that was possible that there is going to be a "99 Percent" movement. That means that people know that 99 percent in this country has been reduced, the share, during the last 30 years, because the 1 percent has increased its share of income during the last 30 years. Don't you think it's quite sophisticated to understand that? Here in the Brookings, of course, everybody will understand. But to have a 99 Percent movement -- my goodness.

Well -- now, people are becoming more and more knowing what that means. Also in Chile. Also in Chile.

Final point, why I think distribution is going to be so important.

I was with a well-known politician from New Zealand, and I asked her, "Can you tell me how many firms in New Zealand, or economic groups in New Zealand, are among Forbes 1000?" "What did you say?" "How many?" Well, no, New Zealand is such a small country. Nothing. Not at all.

Well, I say, "But, you know, the gross domestic product of New Zealand is very much like the one in Chile. The difference is that in New Zealand you have a division by three-and-a-half, and in Chile, by about 17." So from the size of the economy, it's very much the same.

So, I repeat my question: "How many you have?" Zero. How many do we have in Chile? At least seven or eight.

Don't you think that something is not working very well in that kind of society? (Laughter.) In New Zealand, zero. And the same size.

That's one of the problems, you know. And then the question is: how are we going to be able to do this transition to a more fair country, with the understanding of everybody -- and those that are very, very, very well off will understand that something will be necessary to change, after 20 years, if we want to remain a successful country. It's a big question.

So, probably, I will end your question with something that I heard from President Santos. And President Santos was asked, "What do you think about these protests of students in Chile?" And President Santos, in a short way, says, "Well, Chile has been ahead of us in so many areas, and I think that all our countries will follow Chile also in this area." (Inaudible) that one month after that, there was a student strike in Colombia, and President Santos decided not to send a particular law to Congress about education because the students were not very happy with that.

And I think this is correct. I mean, I think that probably, because many Latin America countries are becoming middle-income countries, with a middle class emerging, well, I think that we will start seeing much more of this kind of questioning. Because our society has been able to change, and then the question is to what extent political leaders will understand that many of the recipes of the past have to change in order to face the new reality. Yes.

MR. CASAS-ZAMORA: Thank you, Mr. President.

We're going to take a few questions. There are mics all over the place.

And I would kindly ask you to identify yourselves before asking your question. And, by all means, keep it short.

There's one here, in the middle. And there's another one behind.

We're going to take a few, if you don't mind, Mr. President.

SPEAKER: Thank you. I'm from China. I work with Chinese Institute, Chinese Academy of Social Sciences that's the largest think-tank in China.

So, now, I'm very glad to hear the story Mr. Pickering talk about China. It's very funny also to hear. And maybe I go back to verify if it is true or not. (Laughter.)

But my question goes to the President, and the question is: how do you balance the constitution and the crime for the political leaders?

Because when I talk about this question, I think about Pinochet and Mao Tse Tung. Before, they are also political leaders before they start to kill their people; they also do something good for the people.

Do you think that contribution can offset their crime to some extent? Or no, it's totally different. Just like the common people, even you do a lot of good things, after you kill one people, you also must be killed?

Do you get me?

MR. CASAS-ZAMORA: Thank you.

Just behind.

SPEAKER: My name is (inaudible). I am a Ph.D. student here in D.C., as you were back in your old days.

And as you made your sentence very popular of "let the institutions work," when you were president -- and Professor Valenzuela talked about how democratic culture was very established through many, many years -- how much can we export and import out of Chile through the Arab world, and through other countries in Latin America that don't have such traditions? Where we have kind of a dependency problem, where you can't really have this popular, cohesive push towards "Let's all say no."

MR. CASAS-ZAMORA: Take another one.

Here, in the front.

SPEAKER: Thank you very much. Anton (inaudible).

As you were talking -- actually, all of you -- there's a question that kept intriguing me. On the one hand, you have pointed out, and everyone knows, that the inequality in Chile is still very high. On the other hand, you're talking about Latin America, including Chile, becoming middle class. And we know that the poor are less poor than before.

There is somehow something wrong with this equation, in the sense that how can there be both growing inequality, and a rise of the middle class?

MR. LAGOS: Well, first of all, let me tell you that the story is true. (Laughter.) At that time I was Minister of Public Works. And I was invited to go to China. And I explained to the Chinese ambassador, "Look, you will understand, I will go as a minister, so I have to see the Minister of Public Works." And they say, "Oh, yes, yes, of

course, you will see the minister." And I keep insisting, you know. Otherwise, how a minister can go to China if you -- "Oh, yes, you will see."

And then finally, he says, "Sir, you are going to be to China as a leader. And leader is only one. Minister, there are many. But don't worry; you will see the Minister of Public Works." And that was it.

And then, normally, what happened was that whenever I went, I explained, well, here we are, trying to see this and that and that center. I want good relations with Chile, et cetera, et cetera -- and tried to sell Chile as a platform for Chinese people going down to Chile, et cetera, et cetera.

And, suddenly, then the Chinese host explained to me, at length, what they think about Chile and the relationship with China, et cetera, et cetera.

So it was rather surprising for me that when I arrived to a meeting with Li Peng, after that diplomatic talk or something like that, suddenly he says rather bluntly, "I would like to tell you, Mr. Lagos, that you can tell your president, President Frei, that it's not going to be necessary to abstain at the next session of the Security Council vis-a-vis human rights violations in China, because we had an agreement with the United States." Period.

And I was there with a delegation. As a leader, I was in front of the delegation. And, of course, the Chilean ambassador was there. And I felt rather not in a very good mood, so I say, "Sir, excuse me, but we learned during the dictatorship, we have to fight for human rights no matter where they are."

And according to the ambassador, the way that I answered, he told me, "Tomorrow you will have no meeting with --" -- (laughter.) "And be happy if your visit don't finish this day." Anyhow -- and then the following day, you know, we arrived to talk with Jiang Zemin, and Jiang Zemin posed me the things in such a different way that it is

not good to say -- he said, "Mr. Lagos, I have been told that you are a very important person in your country. And I also know that Chile is a far-away country. So I think that if you are very important, and Chile is so far away, you have to have something very important to tell me so that you cross all over the world, such an important person. So I will listen. What do you have to tell me?"

And then I explained myself about Chile, China, et cetera, et cetera, so many things together that we can do. A bridge -- Chile would like to be a bridge between a country like China and the other Latin America countries -- et cetera, et cetera, et cetera. Bravo, I say.

And then Jiang Zemin was very kind, he said, "Next time, I will learn Spanish so that we can devote more time to this very fruitful dialogue. And let me tell you, by the way, last week I was in the United States, and I was on an official visit to the United States -- " -- et cetera, et cetera, ba-ba-ba-ba-ba. And suddenly, he says to me, "I went to the IBM. And in the IBM, I discovered a colleague of my class of engineering in China. Can you believe that? Here he was. And I said, 'What are you doing here?' 'Well, I'm doing here because it's very interesting.' And I keep thinking, 'But how is that? You should be working in China.' 'Yes, but you know, if (inaudible), so here I am at the IBM.' And when I went out of the IBM, there was a lot of workers with placards saying 'Jiang Zemin. Dictator.'

"Oh, I said, of course, these are workers in the U.S. They are not very up-to-date. They had no idea that I have to meet every Monday with the politburo. And the politburo is awful. Whenever I say something, the members of the politburo are against it. They have no idea about my congress. Whenever I go to congress, I have problems. They are trying to prove things. It's terrible. It's so difficult." And I didn't say anything.

"How can you run a country of 1.3 billion, you know? Everybody wants to go to work to Shanghai. By the way, Mr. Lagos, where have you been here?"

"Well, I was here in Beijing, and Shanghai. I went to the beautiful city of Xiang."

"Oh, no, Mr. Lagos. Next time you have to come here and see where the poverty is. We're a poor country. They took you to the beautiful places. No, no, no. Your itinerary was not well done.

"And, let me tell you, every Chinese in the rural countryside would like to go to work to Shanghai. So we have to say, you go to Shanghai no more than six months, then go back to the rural countryside -- and that's the way to fight poverty, you know? We allow them to leave for six months, get them some money, and going back.

"But you know, next time I was going to be in Harvard. I know people in Harvard, they really know. They are very smart people, those guys from Harvard. They know everything. They are very up-to-date.

"And, to my surprise, after my lecture in Harvard, again, the students -- Harvard, can you believe, the creme-de-la-creme of the American smart people, in Harvard, and they keep saying 'Jiang Zemin. Dictator.' They have no idea."

"So, the following day, I went to President Clinton -- " -- as Tom just mentioned -- " -- and, again they were there. We were in Texas or something like that with President Clinton, they had 'Jiang Zemin. Dictator.' And I said, 'Mr. President, do you know my problem?' And I explained the problem. 'I think that the solution, so that these people don't say to me this one, is that you accept -- I will send you only 10 percent of the Chinese population to the United States. Would you accept 10 percent of the population in the United States? Because you know, the free flow of people, et cetera, et

cetera. It's one planet, et cetera, et cetera.' And Mr. Clinton said, 'No, I cannot accept 10 percent. I cannot.' Oh, the Clinton Dictator.'"

That was the answer of Jiang Zemin. You see the point?

After I say this, let me tell you that I don't think that -- nothing justifies violation of human rights. No matter how wonderful. And I don't think that the economic reforms in Chile would require this kind of dictatorship.

Because if you are a real democratic country, remember one communicator in a democratic country -- no matter what system you have -- is the president. And the president, if he is a leader, he can communicate how it's necessary that you take very tough measures, no matter what they are.

And therefore, I think that it's not a reason to have that kind of thing.

Now, with regard to the question that you mentioned, the question of poverty, how it doesn't fix those two things, you know -- unfortunately, I think that it fix -- because the fact that you reduce poverty, that means that you are reducing poverty through social expenditures. So you reduce poverty because now you have breakfast and lunch in all schools where you require that. Or you have a minimum pension. Or you have some housing facilities that are almost free. Or you have some particular health care system where everybody is entitled to health care no matter what the (inaudible), et cetera.

So, when you see those things, then you reduce poverty. Okay.

But that doesn't mean that you are reducing, or you are improving distribution of income. Because probably the upper 1 percent goes beyond that, you know.

When somebody says to me, look, but this is only a question of the last 5 percent. Because if you forget about the highest five percent, our distribution of income is very correct. I say, just the problem is the 5 percent. (Laughs.) You know?

So the fact that now you have an emerging middle class is true. But still, the problem is at the top, top, top. And somebody told me, it's not even the 1 percent. Probably the 0.5 percent.

And this has a lot to do with the kind of taxation that we have in Chile. But this goes to very technical details. But what I would like to say is, look, I think that, unfortunately, the question of distribution of income will be probably the most difficult one to tackle. But in that game, we are not alone.

And, number two, we are not alone in Latin America. Also, I know, in many other parts of the world the question of distribution is becoming more acute. Because what has happened in many countries during the last 30 years, where distribution of income is going worse, and not for the better.

And therefore, I think that this is going to be, probably, the major question. Yes.

What's the third one?

SPEAKER: Mr. President, the question of how exportable --

MR. LAGOS: Oh, yes.

SPEAKER: -- the Chilean experience in building a successful democracy is, in the context of a region that doesn't have entrenched democratic traditions?

MR. LAGOS: Well, that's, I would say, a fairly good question, in terms of that when we were fighting against Pinochet, we knew that our people, back in their minds, has the democratic system, has the tradition. And therefore, it was much easier

to sell that. It was difficult to convince that the dictator was going to go home because he was going to lose the plebiscite.

But then the question was to say to them, look, it's up to us, how we're organized, to have people in every polling station to be able to -- and we counted the book, and how to be able to count, ourselves, the vote. At that time, you'll remember, there was the -- remember the referendum in the Philippines, and the elections in Philippines? And, here, the Friends of the National Democratic Institute in Washington told us, "Look. With one-third of people observing the polling station is enough. One third." I remember that we told them, and said, look, we will have 100 percent. And we had more than 100 percent, because we had, at the end, three or four political parties, democratic political parties, and all of them have their own people taking care of counting the votes.

So that's one thing.

But the second is, how are you going to, if you have a dictatorship, to end up with that? Because I think that if you are able to do what they are doing in Egypt today, and the Muslim Brotherhood -- well, they are quite successful. The big issue is are they going to become too much religious people? Or are we going to be a little bit more liberal, trying to make a distinction between "this is democracy," and "this is what religion is about" -- you know?

Because the problem with religion is about faith -- and faith, truth. "My religion is correct. Yours is not." So then it's very dangerous. It's different when you are living in a democracy, and your truth -- well, finishes where my truth begins.

So how (inaudible) will depend on a particular country. But I do think it's important, is the way by which you are going to be able to recover democracy. And that's

why I think it is so important, also, today to think that it's going to be a Democracy 2.0 in the future, and that democracy will have to introduce new institutions.

Because I think that now we are going back to Athens, where everybody was able to talk with everybody in the square. That the only difference is, a small difference, is that in Athens no more than 150 people used to talk to each other. And now millions are able to talk to each other through the web.

But if you have a web, how much is going to change the representation of the democratic system? The representatives that you elect to go to Congress? Can you have something like the Italians have, which is a referendum to abrogate the law being approved by Congress? Like the referendum that they had to abrogate four laws in favor of Berlusconi, and they decided to abolish those laws. And they succeeded

That's a typical case when you don't need to go to a square to protest with your feet, but a typical case where you can protest with a ballot box.

And I think that probably is the big challenge for the next generation. Yes.

MR. CASAS-ZAMORA: Well, thank you very much. I mean, I'm pretty sure that we would love to continue -- you know, the discussion to continue. But President Lagos has a very tight schedule in his visit to Washington.

I just want to thank, in a very warm way, our very distinguished speakers of today -- Tom, Arturo. And, of course, President Lagos.

And I would certainly encourage you to help President Lagos' luggage to be light, and buy a lot of books. It's truly a wonderful read. So I very much encourage you to do so.

And I also encourage you to join me in thanking our speakers of today. (Applause.)

And thank you for coming.

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I, Carleton J. Anderson, III do hereby certify that the forgoing electronic file when originally transmitted was reduced to text at my direction; that said transcript is a true record of the proceedings therein referenced; that I am neither counsel for, related to, nor employed by any of the parties to the action in which these proceedings were taken; and, furthermore, that I am neither a relative or employee of any attorney or counsel employed by the parties hereto, nor financially or otherwise interested in the outcome of this action.

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